

EXHIBIT B
ARTICLES OF INCORPORATION
OF
AHFC ALDRICH 51 NON-PROFIT CORPORATION

I, the undersigned natural person, of the age of eighteen (18) years or more and a citizen of the State of Texas, acting as incorporator of a corporation under Chapter 22 of the Texas Business Organizations Code (Code), do hereby adopt the following Articles of Incorporation for such corporation.

ARTICLE ONE

The name of the corporation (Corporation) is AHFC ALDRICH 51 NON-PROFIT CORPORATION.

ARTICLE TWO

The Corporation is a non-profit corporation, and is related to, affiliated with and an instrumentality of the Austin Housing Finance Corporation (AHFC), a Texas public, non-profit corporation.

ARTICLE THREE

The period of the Corporation's duration is perpetual.

ARTICLE FOUR

The Corporation is organized and shall be operated for the sole purpose of: (i) aiding, assisting, and acting on behalf of AHFC in the performance of its essential governmental functions to promote the common good and general welfare of AHFC on behalf of and for the benefit of the general public, the City of Austin and this state; (ii) fostering mixed-income housing in Austin, Travis County, Texas, by causing a minimum of 240 rental housing units, located on the west side of Aldrich Street between Barbara Jordan Boulevard and East 51st Street, to be known as the Aldrich 51 Apartments, for occupancy by persons and families with incomes that do not exceed the allowed amounts as stated in either a Land Use Restriction Agreement between the Owner and the Texas Department of Housing and Community Affairs, and/or other obligation(s) of the Owner which restrict tenant incomes, adjusted for family size, to be acquired, constructed, owned, operated and disposed of, and by having the Corporation as the managing member of a to-be-formed limited

liability company which will own the Aldrich 51 Apartments; (iii) serving as the managing member of the Limited Liability Company which will acquire, construct, own and operate the Aldrich 51 Apartments, perform all obligations and duties under the Limited Liability Company agreement, and incur all debts and obligations contemplated under the Limited Liability Company; (iv) promoting, developing, encouraging and maintaining the Aldrich 51 Apartments as decent, safe, and sanitary housing and at affordable prices; and (v) ensuring to the maximum extent possible that the Aldrich 51 Apartments helps to achieve the public purposes and functions of the AHFC. The Corporation shall: [a] not engage in any business or activity other than the acquisition, development, construction, ownership and operation of the Aldrich 51 Apartments, whether directly or indirectly as the managing member of the Limited Liability Company, or [b] not incur or assume any indebtedness, unsecured trade debt incurred in the ordinary course of business, indebtedness incurred for the acquisition, construction, ownership, operation or disposition of the Aldrich 51 Apartments or contemplated in any way under the Limited Liability Company agreement, and indebtedness incurred or assumed in carrying out the Corporation's obligations or rights as the managing member of the Limited Liability Company, or [c] not violate or fail to maintain the Corporation's identity as an entity separate from any other person or entity; and, provided further, the Corporation may perform any and all lawful activities which may be reasonably necessary, useful or desirable for the furtherance, accomplishment, fostering, or attaining any of the foregoing purposes, either directly or indirectly, and either alone or in conjunction or cooperation with others, whether such as corporations, firms, associations, trusts, institutions, foundations, or governmental bureaus, departments or agencies. The Corporation is formed pursuant to the provisions of the Code and as directed by the AHFC in accordance with Chapter 394, Texas Local Government Code (Local Government Code), which authorizes the Corporation to assist and act on behalf of AHFC and the City and to engage in activities in the furtherance of the purposes for its creation. Further, the Corporation will be organized and will be operated exclusively for one or more charitable purposes, within the meaning of Section 501(c)(4) of the Internal Revenue Code of 1986, as amended, or any successor federal tax code (the "Federal Code").

ARTICLE FIVE

POWERS

The activities of the Corporation and the application of the funds and assets of the Corporation shall be limited to the purposes stated herein, but the Corporation shall: (i) have and exercise all of the rights, powers, privileges, authority, and functions given by the general laws of the State to non-profit corporations incorporated under the Code; and (ii) have all other powers of a like or different nature not prohibited by law which are available to non-profit corporations in the State and which are necessary or useful to enable the Corporation to perform the purposes for which it is created, including the power to issue bonds, notes or other obligations, and otherwise exercise its borrowing power to accomplish the purposes for which it was created.

ARTICLE SIX

MEMBERSHIP

The Corporation shall have no members and shall have no stock.

ARTICLE SEVEN

INITIAL REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the Corporation is in care of AHFC, 1000 East Eleventh Street, Suite 200, Austin, Texas, 78702, and the name of its initial registered agent at such address is David W. Potter.

ARTICLE EIGHT

BOARD OF DIRECTORS

All powers of the Corporation shall be vested in a Board of Directors (the "Board") consisting of three (3) persons. The initial directors of the Corporation (the "Director" or "Directors") shall be those persons named in this Article Eight. Each initial Director shall serve for the term expiring on the date set forth in this Article Eight. Subsequent Directors shall be appointed to the Board of the Corporation by the Board of Directors of AHFC. Except as provided in the Articles of Incorporation, each Director shall serve for the term provided in the Bylaws. Any Director may be removed from office at any time, with or without cause, by the Board of Directors of AHFC. The number of Directors may only be increased or decreased by an amendment to these Articles of Incorporation and may never be decreased to less than three (3).

To be qualified to serve as a Director, a person must be an employee of AHFC or the City and be at least eighteen (18) years old. AHFC shall designate the president of the Corporation. AHFC may appoint the number of ex-officio, non-voting members of the Board that is desired. All other matters pertaining to the internal affairs of the Corporation shall be governed by the By-laws of the Corporation, so long as such By-laws are not inconsistent with these Articles of Incorporation, or the laws of the State. The names, addresses, positions, and terms of office of the initial Directors, each of whom resides within the state and is an employee of the City; are:

<u>NAME</u>	<u>ADDRESS</u>	<u>POSITION</u>	<u>TERM EXPIRES</u>
Bert Lumbreras	1000 East 11 th Street, 2 nd Floor Austin, TX 78702	Director	April 30, 2018
Elizabeth A. Spencer	1000 East 11thStreet, 2 nd Floor Austin, TX 78702	Director	April 30, 2018
Rebecca Giello	1000 East 11thStreet, 2 nd Floor Austin, TX 78702	Director	April 30, 2018

ARTICLE NINE

LIMITATION ON LIABILITY OF DIRECTORS

To the fullest extent permitted by Texas statutes, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits broader limitation than permitted prior to such amendment), a Director shall not be liable to the Corporation for monetary damages for an act or omission in the Director's capacity as a Director. Any repeal or amendment of this Article Nine by the Directors shall be prospective only and shall not adversely offset any limitation on the personal liability of a Director existing at the time of such repeal or amendment.

ARTICLE TEN

RESTRICTIONS AND REQUIREMENTS

Regardless of any other provisions of these Articles of Incorporation or the laws of the State, the Corporation shall not (i) permit any part of the net earnings of the Corporation to inure to the benefit of any private interest or private individual (except that reasonable compensation may be paid for personal services rendered to or for the Corporation in effecting one or more of its purposes); (ii) devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise; or (iii) participate in, or intervene in (in each case either directly or indirectly), political campaigns on behalf of or in opposition to any candidate for public office. Any income earned by the Corporation after payment of reasonable expenses, debt and establishing a reserve with respect to the Timbers Apartments shall accrue only to the benefit of AHFC, unless AHFC shall otherwise direct in accordance with the Local Government Code.

Any notes, bonds, loans, debts or other obligations of the Corporation shall not be deemed an indebtedness, liability, general or moral obligation or pledge of the faith or credit of the State of Texas, the City of Austin, AHFC or any other political subdivision or governmental unit, nor shall any such notes, bonds, loans, debts or other obligations constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction or an agreement, obligation, or indebtedness of AHFC, the City of Austin or the State of Texas within the meaning of AHFC's Articles of Incorporation, the City Charter or of any constitutional or statutory provision whatsoever.

AHFC shall, at all times, have an unrestricted equal right to receive any income earned by the Corporation, exclusive of amounts needed to cover reasonable expenditures and reasonable reserves for future activities. The Corporation shall conduct its affairs and activities so as to insure that upon its dissolution full legal title to all property of the Corporation with respect to which such indebtedness was incurred shall vest in AHFC.

ARTICLE ELEVEN
AMENDMENTS TO ARTICLES OF INCORPORATION
AND BYLAWS

The articles of incorporation, except Article Four for so long as any bonds are outstanding, and the by-laws of the Corporation may at any time and from time to time be amended so as to make any changes therein and add any provisions thereto which might have been included in the articles of incorporation or the by-laws in the first instance. Any such amendment shall be effected in either of the following manners: (i) the Board of the Corporation shall file with the Board of Directors of AHFC an application in writing seeking permission to amend the articles of incorporation or the bylaws, specifying in such application the amendment proposed to be made, the Board of Directors of AHFC shall consider such application and, if it shall by appropriate resolution duly find and determine that it is wise, expedient, necessary or advisable that the proposed amendment be made and shall authorize the same to be made, and shall approve the form of the proposed amendment, then the Board of the Corporation may amend the articles of incorporation or the bylaws by adopting such amendment at a meeting of the Board of the Corporation and, in the case of amendments to the articles of incorporation, delivering articles of amendment to the Secretary of State, or (ii) the Board of Directors of AHFC may, at its sole discretion, and at any time, alter or change the structure, organization, programs, or activities of the Corporation (including the power to terminate the Corporation), subject to any limitations on the impairment of contracts entered into by the Corporation, by adopting amendments to the articles of incorporation or the by-laws of the Corporation at a meeting of the Board of Directors of AHFC and in the case of amendments to the articles of incorporation, delivering articles of amendment to the Secretary of State.

ARTICLE TWELVE
DISSOLUTION OF THE CORPORATION

If the Board of the Corporation or the Board of Directors of AHFC determines by resolution that the purposes for which the Corporation was formed have been substantially met and all debts and obligations incurred by the Corporation have been fully paid or otherwise provided for, the Board of the Corporation shall request the Board of Directors of AHFC to execute and deliver Articles of Dissolution to the Secretary of State which states those facts and declares the Corporation dissolved in accordance with the requirements of the Code. In the event of dissolution or liquidation of the Corporation, at any time and for any reason, all of the funds, properties and assets, including full legal title to all property of the Corporation, shall vest in and be conveyed to AHFC unless AHFC shall otherwise direct in accordance with the Local Government Code.

ARTICLE THIRTEEN

AHFC APPROVAL

On April 23, 2015 the Board of Directors of AHFC duly adopted AHFC Resolution No. _____ approving the form of the Certificate of Formation, these Articles of Incorporation, the form of the initial By-laws and approving the creation of the Corporation.

ARTICLE FOURTEEN

CONSTRUCTION

All references in these Articles of Incorporation to statutes, regulations or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

ARTICLE FIFTEEN

INCORPORATOR

The name and street address of the incorporator, who resides within the state and is an employee of the City, is:

NAME

Elizabeth A. Spencer

ADDRESS:

City of Austin
Neighborhood Housing & Community
Development Department
1000 East 11th Street, 2nd Floor
Austin, Texas 78702

IN WITNESS WHEREOF, I, Elizabeth A. Spencer, the undersigned Incorporator, have hereto set my name this ____ day of _____, 2015.

ELIZABETH A. SPENCER
Incorporator

STATE OF TEXAS
COUNTY OF TRAVIS

Before me, _____, a notary public, on this day personally appeared Elizabeth A. Spencer, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of this is office this _____ day of _____, 2015.

SEAL

Notary Public Signature

Printed Name of Notary

My commission Expires: _____