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22 **WHEREAS**, the Borrower has advised the Issuer that a contributing factor which
23 would further induce the Borrower to proceed with providing for the acquisition,
24 construction and/or improvement of the Project would be a commitment and agreement by
25 the Issuer to issue Bonds; and

26 **WHEREAS**, the Borrower has proposed to the Issuer that the Borrower will be further
27 induced to proceed with providing for the acquisition, construction and/or improvement of
28 the Project if the Issuer will make such commitment and agreement and adopt this
29 Resolution; and

30 **WHEREAS**, all or a portion of the expenditures relating to the Project (Expenditures)
31 have been paid within 60 days prior to the passage of this Resolution or will be paid on or
32 after the passage of this Resolution; and

33 **WHEREAS**, the Issuer reasonably expects (based upon information supplied by the
34 Borrower, upon which it is reasonable and prudent for the Issuer to rely) to reimburse the
35 Borrower or persons acting on its behalf for the Expenditures with the proceeds of the Bonds;
36 and

37 **WHEREAS**, the Issuer declares that this Resolution shall, in accordance with its
38 provisions, constitute the agreement of the Issuer to issue the Bonds in such aggregate
39 principal amount, now estimated not to exceed \$24,000,000, as is actually required to finance
40 and pay for the acquisition, construction and/or improvement of the Project; and

41 **WHEREAS**, the Issuer finds, considers, and declares that the issuance of the Bonds
42 in the amount identified above and for the purpose identified above will be appropriate and

consistent with the objectives of the Act, and that the adoption of this Resolution constitutes, (i) an inducement to the Borrower to proceed with providing for the acquisition, construction and/or improvement of the Project, (ii) the taking of affirmative official action by the Issuer, acting by and through its Board of Directors, towards the issuance of the Bonds, and that such action is similar to the adoption of a bond resolution/within the meaning of Section 1.103-8(a)(5) of the Federal Treasury Regulations and (iii) the declaration of the intention of the Issuer, in accordance with the provisions of Section 1.150-2 of the Federal Treasury Regulations, to reimburse the Expenditures for the Project at such time as the Bonds are issued; **NOW, THEREFORE,**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF
AUSTIN HOUSING FINANCE CORPORATION THAT:**

Section 1. The Issuer agrees as follows:

- (a) To adopt a bond resolution or bond resolutions prepared by its Bond Counsel, McCall, Parkhurst & Horton L.L.P., Dallas, Texas, when requested by the Borrower, authorizing the issuance of Bonds pursuant to the Act, and to issue the Bonds, subject to the requirements of the Act, the execution of the appropriate agreements or contracts described in (b), below, and the sale of the Bonds under terms and conditions satisfactory to the Issuer and the Borrower, to finance and pay for the acquisition, construction and/or improvement of the Project, including amounts sufficient to pay the fees, expenses, and costs in connection with such issuance, including an amount adequate to reimburse the Issuer for its administrative and

overhead expenses and costs with respect to the Bonds and the Project, with the Bonds to be payable from payments by the Borrower to the Issuer and/or to a corporate trustee in such sums as are necessary to pay the principal of, interest on, and redemption premium, if any, together with the paying agents' and trustee's fees on, the Bonds, as and when the same shall become due and payable.

(b) Prior to the issuance of the Bonds, when requested by the Borrower, to enter into such loan agreement, installment sale agreement, lease, and/or any other appropriate contracts or agreements between the Issuer and the Borrower as are mutually acceptable in all respects to the Issuer and the Borrower, under which the Borrower will be obligated to make payments to the Issuer and/or to a corporate trustee in such sums as are necessary to pay the principal of, interest on, and redemption premium, if any, together with the paying agents' and trustee's fees on, the Bonds, as and when the same shall become due and payable, and with such payments also to be sufficient to defray the Issuer's administrative, overhead, and other expenses and costs with respect to the Bonds and the Project.

(c) To take, or cause to be taken, such other action, and to execute such additional contracts and agreements mutually agreeable to the parties in all respects, when requested by the Borrower as may be required in accordance with the Act and this Resolution to cause the issuance of the Bonds and to obtain an allocation of state volume cap for the Bonds.

85 **Section 2.** Subject to the provisions of Section 3 of this Resolution, by the acceptance of
86 this Resolution and proceeding with the Project, the Borrower agrees that it will (i) fully
87 indemnify and hold the Issuer harmless from any and all damages, losses, and reasonable
88 expenses, including attorneys' fees, arising at any time from or with respect to the Bonds and
89 the Project (except those resulting from gross negligence or willful misconduct of the Issuer),
90 and (ii) pay or reimburse the Issuer for all reasonable and necessary out-of-pocket expenses,
91 including attorneys' fees and expenses and the fees and expenses of other consultants, which
92 the Issuer may incur at the request of the Borrower arising from the performance or
93 attempted performance by the Issuer of its obligations hereunder.

94 **Section 3.** Nothing contained in this Inducement Resolution shall be interpreted as to bind
95 the Issuer to issue any bonds. The Issuer shall have the authority, without cause, not to issue
96 the bonds.

97 **Section 4.** Subject to the provisions of Section 3 of this Resolution, the adoption of this
98 Resolution constitutes the acceptance of the Borrower's proposal that it be further induced
99 to proceed with providing for the acquisition, construction and/or improvement of the
100 Project, and this proposal and acceptance shall constitute an agreement between the Issuer
101 and the Borrower in accordance with the provisions of this Resolution.

102 **Section 5.** With respect to this inducement resolution and because the Borrower will have
103 to comply with federal and State of Texas rent control requirements in the event the
104 Borrower is awarded Low Income Housing Tax Credits, the Issuer, to the extent the

Borrower is awarded Low Income Housing Tax Credits, waives its Affordable Rent requirements set forth in the Issuer's Rules.

Section 6. The Issuer reasonably expects (based upon information supplied by the Borrower, upon which it is reasonable and prudent for the Issuer to rely) to reimburse the Expenditures with the proceeds of the Bonds.

ADOPTED: _____, 2019

ATTEST: _____

Jannette S. Goodall
Secretary