



23 construction and/or improvement of the Project would be a commitment and agreement  
24 by the Issuer to issue Bonds; and

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

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

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

36 **WHEREAS**, the Issuer declares that this Resolution shall, in accordance with  
37 its provisions, constitute the agreement of the Issuer to issue the Bonds in such  
38 aggregate principal amount, now estimated not to exceed \$21,000,000, as is actually  
39 required to finance and pay for the acquisition, construction and/or improvement of the  
40 Project; and

41 **WHEREAS**, the Issuer finds, considers, and declares that the issuance of the  
42 Bonds in the amount identified above and for the purpose identified above will be  
43 appropriate and consistent with the objectives of the Act, and that the adoption of this

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

53 **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF**  
54 **AUSTIN HOUSING FINANCE CORPORATION THAT:**  
55

56 **Section 1.** The Issuer agrees as follows:

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

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

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

83 (c) To take, or cause to be taken, such other action, and to execute such  
84 additional contracts and agreements mutually agreeable to the parties in all  
85 respects, when requested by the Borrower as may be required in accordance

86 with the Act and this Resolution to cause the issuance of the Bonds and to  
87 obtain an allocation of state volume cap for the Bonds.

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

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

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

107 **Section 5.** With respect to this inducement resolution and because the Borrower will  
108 have to comply with federal and State of Texas rent control requirements in the event  
109 the Borrower is awarded Low Income Housing Tax Credits, the Issuer, to the extent  
110 the Borrower is awarded Low Income Housing Tax Credits, waives its Affordable Rent  
111 requirements set forth in the Issuer's Rules.

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

115  
116  
117  
118 **ADOPTED:** \_\_\_\_\_, 2019      **ATTEST:** \_\_\_\_\_  
119 Jannette S. Goodall  
120 Secretary