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| Form 202 (Revised 12/21) Submit in duplicate to: Secretary of State P.O. Box 13697 Austin, TX 78711-3697 512 463-5555 Filing Fee: \$25 | <div style="text-align: right;">This space reserved for office use.</div> <div style="text-align: center;">  Certificate of Formation Nonprofit Corporation </div> |
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Article 1 – Entity Name and Type

The filing entity being formed is a nonprofit corporation. The name of the entity is:

AHFC BALCONES TERRACE NON-PROFIT CORPORATION

Article 2 – Registered Agent and Registered Office

(See instructions. Select and complete either A or B and complete C.)

☐ A. The initial registered agent is an organization (cannot be entity named above) by the name of:

OR

☒ B. The initial registered agent is an individual resident of the state whose name is set forth below:

Mandy

DeMayo

First Name

M.I.

Last Name

Suffix

C. The business address of the registered agent and the registered office address is:

1000 East 11th Street, 2nd Floor

Austin

TX

78702

Street Address

City

State

Zip Code

Article 3 – Management

The management of the affairs of the corporation is vested in the board of directors. The number of directors constituting the initial board of directors and the names and addresses of the persons who are to serve as directors until the first annual meeting of members or until their successors are elected and qualified are as follows:

A minimum of three directors is required.

| Director 1 | | | | |
|---|---------------|------------------|-----------------|----------------|
| <u>J. Rodney</u> | | <u>Gonzales</u> | | |
| <i>First Name</i> | <i>M.I.</i> | <i>Last Name</i> | <i>Suffix</i> | |
| <u>1000 East 11th Street, 2nd Floor</u> | <u>Austin</u> | <u>TX</u> | <u>78702</u> | <u>USA</u> |
| <i>Street or Mailing Address</i> | <i>City</i> | <i>State</i> | <i>Zip Code</i> | <i>Country</i> |

| | | | | |
|----------------------------------|-------------|------------------|-----------------|----------------|
| Director 2 | | | | |
| Rosie | | Truelove | | |
| <i>First Name</i> | <i>M.I.</i> | <i>Last Name</i> | <i>Suffix</i> | |
| 1000 East 11th Street, 2nd Floor | Austin | TX | 78702 | USA |
| <i>Street or Mailing Address</i> | <i>City</i> | <i>State</i> | <i>Zip Code</i> | <i>Country</i> |

| | | | | |
|----------------------------------|-------------|------------------|-----------------|----------------|
| Director 3 | | | | |
| Mandy | | DeMayo | | |
| <i>First Name</i> | <i>M.I.</i> | <i>Last Name</i> | <i>Suffix</i> | |
| 1000 East 11th Street, 2nd Floor | Austin | TX | 78702 | USA |
| <i>Street or Mailing Address</i> | <i>City</i> | <i>State</i> | <i>Zip Code</i> | <i>Country</i> |

OR

☐ The management of the affairs of the corporation is to be vested in the nonprofit corporation's members.

Article 4 – Membership

(See instructions. Do not select statement B if the corporation is to be managed by its members.)

- ☐ A. The nonprofit corporation shall have members.
- ☒ B. The nonprofit corporation will have no members.

Article 5 – Purpose

(See instructions. This form does not contain language needed to obtain a tax-exempt status on the state or federal level.)

The nonprofit corporation is organized for the following purpose or purposes:

The sole purpose of the nonprofit corporation is to develop low-income housing through the acquisition of the Development (defined below) and the leasing of the Development to a qualified lessee that will rehabilitate, develop, manage, operate, and sublease the rental units in the Development to qualified tenants who have experience chronic homelessness. The nonprofit corporation may not engage in any other business.

The foregoing purpose will aid Austin Housing Finance Corporation (AHFC), an instrumentality of the City of Austin, in its essential governmental functions and duties to foster affordable rental housing for low and very low-income households in the City of Austin.

The Development is the property located at 10024 North Capital of Texas North, Austin, Texas 78759. The nonprofit corporation may engage in any lawful act or activity and exercise any power permitted that is related or incidental to and necessary, convenient, or advisable for the accomplishment of its purpose.

The following text area may be used to include any additional language or provisions that may be needed to obtain tax-exempt status.

The nonprofit corporation is formed pursuant to Chapter 22 of the Texas Business Organizations Code (Nonprofit Corporations). The nonprofit corporation is directed by the AHFC in accordance with Chapter 394 of the Texas Local Government Code (Housing Finance Corporations in Municipalities and Counties) (hereinafter Code), which authorizes the nonprofit corporation to assist and act on behalf of the AHFC and the City of Austin and to engage in activities that promote the purpose for its creation. The nonprofit corporation may be organized and operated exclusively for one or more charitable purposes as defined by Section 501(c)(4) of the Internal Revenue Code of 1986, as amended, or any successor federal tax code.

Initial Mailing Address

(Provide the mailing address to which state franchise tax correspondence should be sent.)

| | | | | |
|----------------------------------|-------------|--------------|-----------------|----------------|
| 1000 East 11th Street, 2nd Floor | Austin | TX | 78702 | USA |
| <i>Mailing Address</i> | <i>City</i> | <i>State</i> | <i>Zip Code</i> | <i>Country</i> |

Supplemental Provisions/Information

(See instructions.)

Text Area: [The attached addendum, if any, is incorporated herein by reference.]

The attached addendum includes additional articles (Articles 6 through 17) and is incorporated herein by reference.

Organizer

The name and address of the organizer:

Rosie Truelove

Name

| | | | |
|----------------------------------|-------------|--------------|-----------------|
| 1000 East 11th Street, 2nd Floor | Austin | TX | 78702 |
| <i>Street or Mailing Address</i> | <i>City</i> | <i>State</i> | <i>Zip Code</i> |

Effectiveness of Filing (Select either A, B, or C.)

A. ☒ This document becomes effective when the document is filed by the secretary of state.

B. ☐ This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: _____

C. ☐ This document takes effect upon the occurrence of a future event or fact, other than the passage of time. The 90th day after the date of signing is: _____

The following event or fact will cause the document to take effect in the manner described below:

Execution

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned also affirms that, to the best knowledge of the undersigned, the name provided as the name of the filing entity does not falsely imply an affiliation with a governmental entity. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized to execute the filing instrument.

Date: _____

Signature of organizer

Rosie Truelove

Printed or typed name of organizer

Addendum

Article 6

The nonprofit corporation is a nonprofit corporation formed under the laws of the State of Texas and is related to, affiliated with, and an instrumentality of, AHFC.

Article 7

The period of the nonprofit corporation's duration is perpetual.

Article 8 Powers

The activities of the nonprofit corporation and the application of the funds and assets of the nonprofit corporation are limited to the purposes stated herein, but the nonprofit corporation expressly: (i) has and may exercise all of the rights, powers, privileges, authority, and functions given by the general laws of the State of Texas to nonprofit corporations incorporated under the Code that are not inconsistent with the nonprofit corporation's purposes; and (ii) has all other powers of a like or different nature not prohibited by law which are available to nonprofit corporations in the State of Texas and which are necessary or useful to enable the nonprofit 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 9 Board of Directors

All powers of the nonprofit corporation are vested in a Board of Directors (the Board) consisting of three persons. The initial directors of the nonprofit corporation (each a Director and collectively the Directors) are those persons named in Article 3. Each such person resides in the State of Texas and each is an employee of the City of Austin. Each initial Director will serve for a term expiring December 5, 2023. Subsequent Directors will be appointed to the Board of the nonprofit corporation by the Board of Directors of AHFC. Except as provided in this Articles 10, each Director serves for the term provided in the By-Laws. 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 be increased or decreased only by an amendment to this Certificate of Formation and may never be decreased to less than 3.

To be qualified to serve as a Director, a person must be an employee of AHFC or the City of Austin and be at least 18 years old. AHFC will designate the president of the nonprofit 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 nonprofit corporation are governed by the By-Laws of the nonprofit corporation, so long as such By-Laws are not inconsistent with this Certificate of Formation or the laws of the State of Texas.

Article 10 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 is not liable to the nonprofit corporation for monetary damages for an act or omission in the Director's capacity as a Director. Any repeal or amendment of this

Article 11 by the Directors is prospective only and does not adversely offset any limitation on the personal liability of a Director existing at the time of such repeal or amendment.

Article 11

Restrictions and Requirements

Regardless of any other provisions of this Certificate of Formation or the laws of the State of Texas, the nonprofit corporation may not (i) permit any part of the net earnings of the nonprofit 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 nonprofit 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) directly or indirectly participate, or intervene, in political campaigns on behalf of, or in opposition to, any candidate for public office. Any income earned by the nonprofit corporation after payment of reasonable expenses, debt and establishing a reserve with respect to the Development accrues only to the benefit of AHFC, unless AHFC otherwise directs in accordance with the Code.

Any notes, bonds, loans, debts, or other obligations of the nonprofit corporation are not 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 may 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 or By-Laws, the City Charter, or of any constitutional or statutory provision whatsoever.

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

Article 12

Amendment to Certificate of Formation and By-Laws

This Certificate of Formation and the By-Laws of the nonprofit 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 Certificate of Formation or the By-Laws in the first instance. Any such amendment is effected in either of the following manners: (i) the Board of the nonprofit corporation files with the Board of Directors of AHFC an application in writing seeking permission to amend the Certificate of Formation or the By-Laws, specifying in such application the amendment proposed to be made, the Board of Directors of AHFC will consider such application and, if it by appropriate resolution duly finds and determines that it is wise, expedient, necessary, or advisable that the proposed amendment be made and authorizes the same to be made, and approves the form of the proposed amendment, then the Board of the nonprofit corporation may amend the Certificate of Formation or the By-Laws by adopting such amendment at a meeting of the Board of the nonprofit corporation and, in the case of amendments to the Certificate of Formation, 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 nonprofit corporation (including the power to terminate the nonprofit corporation), subject to any limitations on the impairment of contracts entered into by the nonprofit corporation, by adopting amendments to the Certificate of Formation or the By-Laws of the nonprofit

corporation at a meeting of the Board of Directors of AHFC and in the case of amendments to the Certificate of Formation, delivering articles of amendment to the Secretary of State.

Article 13
Dissolution of the Corporation

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

Article 14
AHFC Approval

On _____, 2022 the Board of Directors of AHFC duly adopted AHFC Resolution No. 2022____-AHFC___ approving the creation of the nonprofit corporation and the forms of this Certificate of Formation and the initial By-Laws.

Article 15
Construction

All references in this Certificate of Formation to statutes, regulations or other sources of legal authority refer to the authorities cited, or their successors, as they may be amended from time to time.

Article 16
Incorporator

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

Name:

Rosie Truelove

Address:

City of Austin
Housing & Planning Department
Attn: Housing Development Assistance
1000 East 11th Street, 2nd Floor
Austin, Texas 78702