

**INDUCEMENT RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF AUGUSTA, GEORGIA APPROVING A PROPOSED FINANCING OF A MULTIFAMILY HOUSING COMMUNITY IN AN AMOUNT NOT TO EXCEED \$28,000,000 FOR THE BENEFIT OF BON AIR APARTMENTS, LP OR ITS DESIGNEE AND AUTHORIZING THE EXECUTION OF AN INDUCEMENT LETTER.**

**WHEREAS**, the Housing Authority of the City of Augusta, Georgia (the “Authority”) has been informed by officials of Bon Air Apartments, LP, a Georgia limited partnership (the “Borrower”), that the Borrower proposes to acquire, rehabilitate and equip an approximately 203-unit multifamily housing community at 2101 Walton Way, Augusta, Georgia 30904, which is within the area of operation of the Authority (the “Project”); and

**WHEREAS**, the Authority previously adopted an Inducement Resolution dated November 19, 2020 (the “Original Resolution”) and desires to affirm and extend the Original Resolution; and

**WHEREAS**, after careful study and investigation of the nature of the Project at a meeting open to the public, held in accordance with all open meetings laws, the Authority has determined that in assisting with the financing of the acquisition, rehabilitation and equipping of the Project, it will be acting in furtherance of the purposes of the O.C.G.A. Section 8-3-1 *et seq.*, as amended (the “Act”); and

**WHEREAS**, the most feasible method of financing a portion of the Project is for the Authority to issue its revenue bonds in one or more series or other appropriate obligations (the “Bonds”) for such purpose, and for it to lend the proceeds from the sale of said Bonds to the Borrower to enable the Borrower to acquire, rehabilitate and equip the Project, with loan repayments to be sufficient and timely to enable the payment of the principal of, premium (if any) and interest on said Bonds; and

**WHEREAS**, the Borrower has requested that the Authority indicate its willingness to issue its Bonds to finance the Project which financing may include the funding of a debt service reserve fund, funding of an operating reserve fund, payment of capitalized interest on the Bonds and/or payment of professional fees and costs of issuance of the Bonds, so that said acquisition, rehabilitation and equipping of the Project may proceed; and

**WHEREAS**, the Authority has determined that it is in the best interest of the inhabitants within its area of operation (the “Area of Operation”), which includes the City of Augusta, Georgia (the “City”) on behalf of which the Authority acts, that the acquisition, rehabilitation and equipping of the Project proceed without delay.

**WHEREAS**, the Authority approves the Borrower’s selection of Butler Snow LLP, Atlanta, Georgia, as bond counsel (“Bond Counsel”) to prepare and distribute certain documents necessary for the sale and issuance of the Bonds and to do things necessary to effectuate the issuance of the Bonds.

**NOW, THEREFORE, BE IT RESOLVED** as follows:

1. Finding and Authority for this Resolution. The Authority hereby finds that providing for the issuance of the Bonds for the purpose of financing the acquisition, rehabilitation and equipping of the Project is a lawful and valid public purpose in that will further the public purpose intended to be served by the Act.

2. Preliminary Approval. The Authority hereby affirms and extends the Original Resolution and agrees in principle to issue the Bonds in an amount up to \$28,000,000 under and in accordance with the applicable laws of the State of Georgia for the purpose of financing the acquisition, rehabilitation and equipping of the Project. The execution and delivery to the Borrower of an inducement agreement is hereby authorized, said inducement agreement to be in substantially the form attached hereto as Exhibit "A" subject to such minor changes, insertions and omissions as may be approved by the Chair or Vice Chair of the Authority, and the execution of said inducement agreement by the Chair or Vice Chair and Secretary of the Authority as herewith authorized shall be conclusive evidence of any such approval. The Bonds will not be issued until the Authority has reviewed the documents pursuant to which the Bonds are to be issued and secured and until and unless the Authority adopts a bond resolution approving such documents.

3. Official Intent. It is the intention of the Authority that this resolution constitutes a declaration of "official intent" of the Authority to reimburse expenditures with the proceeds of Bonds, within the meaning of Treasury Regulations Section 1.150-2.

4. Approval and Appointment of Bond Counsel. The Authority hereby approves the Borrower's appointment of Butler Snow LLP as bond counsel ("Bond Counsel") in connection with the issuance of the Bonds.

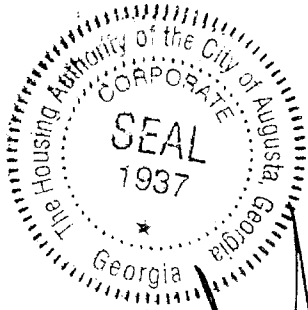
5. Public Hearings and Governmental Approvals. The Authority is hereby authorized to publish notice, conduct a public hearing, and obtain the approval of the City in accordance with the provisions of Section 147(f) of the Internal Revenue Code of 1986, as amended, and Treasury Regulations Section 5f.103-2.

6. Application for Bond Allocation. The Authority is authorized to apply for bond allocation from the Georgia Department of Community Affairs in accordance with the application procedures applicable thereto.

[Signatures and Seals on Following Pages]

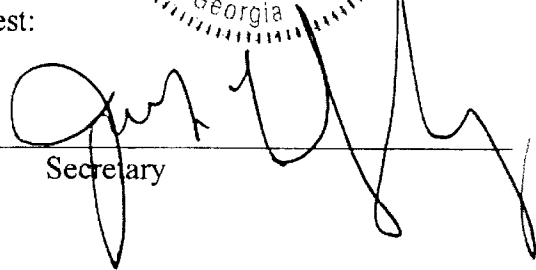
Adopted this 29<sup>th</sup> day of February 2024.

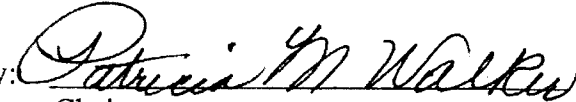
**HOUSING AUTHORITY OF THE CITY OF  
AUGUSTA, GEORGIA**



[SEAL]

Attest:

  
Secretary

By:   
Chair

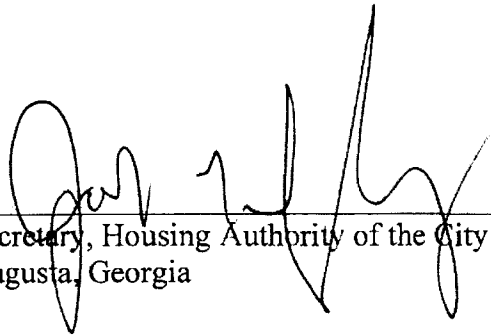
[Signature Page of Inducement Resolution]

**SECRETARY'S CERTIFICATE**

The undersigned, Secretary of the Housing Authority of the City of Augusta, Georgia, DO HEREBY CERTIFY that the foregoing two (2) pages of typewritten matter constitute a true and correct copy of the resolution adopted on February 29, 2024, by said Authority in a meeting, in accordance with all open meetings laws and the procedures of the said Authority, duly called and assembled, which was open to the public and at which a quorum was present and acting throughout, and that the original of said resolution appears of public record in the Minute Book of said Authority which is in my custody and control.

Given under my hand and the seal of said Authority, this 29<sup>th</sup> day of February 2024.



  
Secretary, Housing Authority of the City of  
Augusta, Georgia

[SEAL]

[Secretary Signature Page of Inducement Resolution]

**EXHIBIT "A"**

February 29 2024

Bon Air Apartments, LP  
3101 Bee Caves Road, Suite 220  
Austin, Texas 78746

Re: Proposed revenue bond financing

Ladies and Gentlemen:

We (the "Authority") are informed that Bon Air Apartments, LP, a Georgia limited partnership (the "Borrower"), proposes to acquire, rehabilitate and equip an approximately 203-unit multifamily housing community at 2101 Walton Way, Augusta, Georgia 30904, which is within the area of operation of the Authority (the "Project"). We understand that the cost of the Project may require expenditures of bond proceeds of up to \$28,000,000.

It is our understanding that the availability of revenue bond financing by the Authority for the purpose of facilitating the acquisition, rehabilitation and equipping of the Project is an important factor under consideration by the Borrower in determining the feasibility of the Project. As a result of our discussions with your officers and agents, we have determined that the Authority's willingness to issue its revenue bonds or similar instruments (the "Bonds") to assist the Borrower in financing the Project will be acting in furtherance of the purposes of the O.C.G.A. Section 8-3-1 *et seq.*, as amended (the "Act").

In order to induce the Borrower to acquire, rehabilitate and equip the Project and in order to carry out the public purposes of the Act, we hereby make the following proposals:

1. The Authority will, subject to the terms hereof, issue its Bonds in one or more series in a total aggregate principal amount not to exceed \$28,000,000 for the purpose of paying the costs of the Project, funding various funds and accounts in connection with the Project, as necessary, including, but not limited to, a debt service reserve fund, an operating reserve fund, and capitalized interest accounts for the Bonds and paying costs of issuance of the Bonds.

2. The terms of the Bonds (series, maturity schedule, interest rates, denominations, redemption provisions, security, *etc.*) must be satisfactory to the Borrower and the Authority and will be determined by a bond purchase contract or similar instrument to be entered into between the Authority and purchasers satisfactory to the Borrower or between the Authority, the Borrower and underwriters of the Bonds satisfactory to the Borrower.

3. (a) Simultaneously with the delivery of the Bonds, the Authority will loan the proceeds from the sale of the Bonds to the Borrower to enable the Borrower to finance the acquisition, rehabilitation and equipping of the Project, fund various funds and accounts in

connection with the Project, as necessary, including, but not limited to, a debt service reserve fund, an operating reserve fund, and capitalized interest accounts for the Bonds and pay costs of issuance of the Bonds and the terms and provisions of the loan agreement to be entered by the Authority and the Borrower in connection therewith (the "Loan Agreement"), shall be substantially in the form generally utilized in connection with such financial undertakings, as agreed upon by the Authority and the Borrower.

(b) The Loan Agreement will be dated contemporaneously with the Bonds and the term of the Loan Agreement will equal or exceed the term of the issue of Bonds.

(c) The amounts payable under the Loan Agreement will be paid directly to the holders of the Bonds or to a corporate trustee (if any) at such times and in such amounts as shall be timely and sufficient to pay the principal of, redemption premium (if any) and the interest on the Bonds as the same become due and payable. The duty of the Borrower to make all payments required under the Loan Agreement shall be absolute and unconditional after the delivery of the Bonds.

(d) The proceeds from the sale of the Bonds may be deposited in a project fund and disbursed pursuant to requisitions in accordance with the requirements of the Loan Agreement. Moneys in the project fund may be invested in any obligations that represent legal investments for proceeds of Bonds issued by the Authority.

(e) The Borrower will pay any taxes, assessments or utility charges which may be lawfully levied, assessed or charged upon the Borrower, the Authority, the Project or the payments under the Loan Agreement if such would result in a lien or charge upon the Project or the revenues of the Authority therefrom.

(f) The Loan Agreement will require the Borrower to keep the Project insured against loss or damage or perils generally insured against by industries similar to the Borrower and to carry public liability insurance covering personal injury, death or property damage with respect to the Project and may permit the Borrower to be self-insured.

(g) The Loan Agreement shall provide that in the performance of the covenants contained therein on the part of the Authority, any obligations it may incur for the payment of money shall not be a general debt on its part or on the part of the State of Georgia, the Authority, or any other political subdivision or municipality, but shall be payable solely from the specific payments received under such Loan Agreement or from Bond proceeds, insurance proceeds and/or condemnation awards.

(h) The Loan Agreement shall contain covenants providing for the indemnification of the Authority and the individual members and officers thereof for all expenses incurred by them and for any loss suffered or damage to property or any injury or death of any person occurring in connection with the rehabilitation of the Project.

4. The Authority will, if the Borrower so requests, enter into a trust indenture with a corporate trustee to be named by the Authority subject to the approval of the Borrower. The trust indenture will pledge such Loan Agreement and/or any promissory note issued by the Borrower in connection therewith, and the amounts due thereunder, to said trustee for the benefit of the holders of the Bonds, and the terms of such trust indenture shall be agreed upon by the Authority, the Borrower and said trustee.

5. The Authority hereby authorizes the Borrower to begin and continue the acquisition, rehabilitation, and equipping of the Project prior to the issuance and delivery of the Bonds.

6. The Authority will assist in the prompt preparation of the Loan Agreement, the trust indenture (if any), the bond purchase contract or similar instrument and where requested, any security deed, promissory note or guaranty agreement, which must be in form and content satisfactory to the Authority.

7. The Authority hereby agrees that the Bonds to be issued to finance the Project as herein provided shall be issued under a bond resolution of the Authority, and the basic terms of the obligations of the Authority with respect to the Bonds shall be set forth in such bond resolution or in other appropriate documents to which the Authority is a party.

8. The Borrower is hereby informed that numerous procedural and substantive actions must be undertaken and completed in order to conclude this transaction in accordance with applicable state and federal laws, rules, and regulations. While the Authority represents that it will act in good faith and use its best efforts to issue the Bonds and to provide the funds to finance the Project, the Authority cannot guarantee that such financing will occur.

9. Acceptance of this letter by the Borrower shall be deemed to mean that the Borrower agrees to guarantee the payment of all obligations incurred by the Authority at the request of the Borrower in connection with this agreement. The Borrower may advance any interim funds required in connection with planning, developing, acquiring, constructing, installing, and carrying out the Project and may be reimbursed from the proceeds of the Bonds when the same are issued and delivered. The Authority shall assist in the prompt preparation of the documents needed to carry out the financing.

10. Upon delivery of the Bonds, the provisions of this proposal and the agreement resulting from its acceptance by the Borrower shall have no further effect and, in the event of any inconsistency between the terms of this proposal and (as the case may be) the terms of the Loan Agreement, trust indenture, mortgage, promissory note or guaranty agreement or any other security documents such Loan Agreement, trust indenture, security deed, promissory note, guaranty agreement or other security documents shall control.

11. If for any reason the Bonds are not delivered within three years of the date hereof, the provisions of this proposal and the agreement resulting from its acceptance by the Borrower shall, at the option of the Authority to be evidenced in writing, be canceled and neither party shall

have any rights against the other and no third parties shall have any rights against either party except:

(a) the Borrower will pay the Authority for all expenses which have been authorized by the Borrower and incurred by the Authority in connection with the Project; and

(b) the Borrower will assume and be responsible for all contracts entered into by the Authority at the request or direction of the Borrower in connection with the Project.

(c) the Borrower shall pay the out of pocket expenses of the members, officers, and agents of the Authority, the accountants for the Authority, and counsel to the Authority incurred at the direction of the Borrower in connection with the Project and the proposed issuance of the Bonds and shall pay counsel for the Authority reasonable fees for legal services and the accountants for the Authority reasonable fees for accounting services related to the proposed issuance of the Bonds.

12. The Borrower shall apply for, and use its best efforts to obtain, all permits, licenses, authorizations, and approvals required by all governmental authorities in connection with the acquisition, rehabilitation, installation, operation, and use of the Project.

13. The Borrower shall pay to the Authority, upon the date of issuance and delivery of the Bonds, a to be determined fee. This fee shall not exceed the amount allowed under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), or any successor provision. In the event that this fee is determined to be in excess of the amount allowed by Section 148 of the Code or any successor provision, the amount of such fee shall be reduced by such amount or shall be paid in such installments, at the option of the Authority, so that such fee shall not exceed the amount allowed by Section 148 of the Code or any successor provision. The Borrower further agrees to pay the reasonable costs of computer or other accounting and mathematical services in order to ascertain that such fee does not exceed the amount allowed by Section 148 of the Code or any successor provision, if such services are deemed necessary by the Authority, its counsel, or nationally recognized bond counsel.

14. The issuance of the Bonds may be conditioned upon the Borrower agreeing to make contributions to the appropriate taxing entities in lieu of taxes in amounts equal to the taxes the Borrower would owe as the fee simple owner thereof regardless of any assertion of a claim for ad valorem tax exemption to which it would otherwise be entitled under the laws of the State of Georgia, as a fee simple owner (or as if the Borrower were a fee simple owner) of the Project or the site thereof. The foregoing shall not preclude the Borrower from asserting a claim for ad valorem tax exemption to which it would otherwise be entitled under the laws of the State of Georgia, as a fee simple owner (or as if the Borrower were a fee simple owner) of the Project or the site thereof.

15. The Borrower, in accepting this agreement, will thereby agree to indemnify, defend and hold the Authority and the individual members and officers thereof harmless against any loss



or damage to property or any injury or death of any person or persons occurring in connection with the Project or the issuance of the Bonds. The Borrower also agrees to reimburse or otherwise pay on behalf of the Authority any and all reasonable and necessary expenses not hereinbefore mentioned, incurred by the Authority and approved by the Borrower in connection with the Project or the issuance of the Bonds. This indemnity shall be superseded by a similar indemnity in the Loan Agreement, and, if the Bonds are not issued and delivered, this indemnity shall survive the termination of the agreement resulting from the Borrower's acceptance of this agreement.

16. Butler Snow LLP, Atlanta, Georgia, is hereby confirmed and authorized to act as Bond Counsel in connection with the sale of the Bonds.

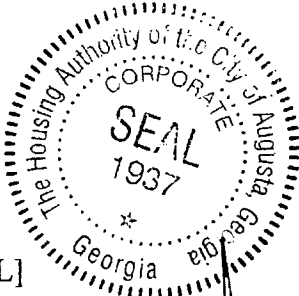
17. The Authority's obligations under this agreement are subject to (1) the continuing due diligence investigation by the Authority of the Project and the Borrower, (2) the Authority's determination in its sole discretion that the Project is financially feasible and that the Borrower is financially sound, and (3) the Bonds being sold on terms that are satisfactory to the Authority in its sole discretion. If for any reason any of the foregoing conditions are not met to the satisfaction of the Authority, the provisions of this proposal and the agreement resulting from its acceptance by the Borrower shall, at the option of the Authority to be evidenced in writing, be cancelled, and the Borrower shall have no rights against the Authority, and no third parties shall have any rights against the Authority.

18. This agreement shall inure to the benefit of and be binding upon the Borrower and the Authority and their respective legal representatives, successors and assigns.

If the foregoing proposal is satisfactory to you, the Borrower may so indicate by having the following acceptance executed by a duly authorized officer of the Borrower and returning a copy to the Authority. This proposal and acceptance will then constitute an agreement in principle with respect to the matters herein contained.

Yours very truly,

**HOUSING AUTHORITY OF  
THE CITY OF AUGUSTA, GEORGIA**



[SEAL]

Attest


By: [Signature]  
Title: Secretary

By: Patricia M Walker  
Title: Chair

**ACCEPTANCE OF PROPOSAL**

The terms and conditions contained in the foregoing proposal by the Housing Authority of the City of Augusta, Georgia are hereby accepted this 29th day of February 2024.

**BON AIR APARTMENTS, LP**

By:   
Title: Authorized Representative

