

EXHIBIT D

**THIS DEED OF TRUST PREPARED BY:
RECORD AND RETURN TO:**

CASSIN CASSIN & JOSEPH LLP
711 Third Avenue
New York, New York 10017
Attn Deborah A Franzblau, Esq

Lots 23-24, Block "B" of NORTHCAPE
SECTION 4 REVISED, a subdivision
in Travis County, Texas according to
the map or plat thereof recorded in
Book 53, Page 51 of the Plat Records
of Travis County, Texas

FIRST DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING

Between

SAN ANTONIO ALTERNATIVE HOUSING CORPORATION NO. 15, a
Texas non-profit corporation
("Trustor")

to

JUAN A. CAVAZOS
as Trustee
("Trustee")

for the benefit of

AUSTIN HOUSING FINANCE CORPORATION, a
housing finance corporation duly organized and validly
existing under the laws of the State of Texas
("Beneficiary")

Dated as of May 31, 2007

**THIS DEED OF TRUST SECURES DEBT THAT INCLUDES FUTURE ADVANCES BY
BENEFICIARY TO TRUSTOR (EACH AS DEFINED HEREIN)**

To the Register of Deeds File this document as a Deed of Trust and as a UCC Fixture Filing The name
of the record owner is the party defined as "Trustor" herein

Meadowood Apartments
9601 Middle Fiskville Road
Travis County
Austin, Texas 78753

**FIRST DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND
FIXTURE FILING**

THIS FIRST DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING dated as of May 31, 2007 (together with any amendments or modifications hereto in effect from time to time, the "Deed of Trust"), between **SAN ANTONIO ALTERNATIVE HOUSING CORPORATION NO. 15**, a Texas non-profit corporation, having an office at c/o San Antonio Alternative Housing Corporation, 1215 South Trinity Street, San Antonio, Texas 78207 ("Trustor"), to **JUAN A. CAVAZOS**, as Trustee, having an office at 7373 Broadway, Suite 105, San Antonio, Bexar County, Texas 78209 ("Trustee") for the benefit of the **AUSTIN HOUSING FINANCE CORPORATION**, a housing finance corporation duly organized and validly existing under the laws of the State of Texas, having an office at The Street-Jones Building, 1000 East 11th Street, 2nd Floor, Austin, Texas 78702 (together with its successors and assigns, the "Beneficiary")

WITNESSETH

WHEREAS, Trustor is indebted to Beneficiary in the principal sum of **\$9,645,000.00** (the "Loan"), or so much thereof as shall be advanced pursuant to the Loan Agreement (as defined below), together with interest thereon, as evidenced by those two (2) certain Multifamily Notes dated May 31, 2007 (collectively, the "Note"), each of which is due in full on the Maturity Date (as defined in the Note), and

WHEREAS, the Loan is being funded from the proceeds of the sale of certain bonds of Beneficiary entitled \$9,335,000 00 Austin Housing Finance Corporation Multifamily Housing Revenue Bonds (Meadowood Apartments Project), Series 2007A, and \$310,000 00 Austin Housing Finance Corporation Multifamily Housing Revenue Bonds (Meadowood Apartments Project), Taxable Series 2007B (collectively, the "Bonds"),

WHEREAS, Trustor is the holder of title in fee simple in and to that certain tract of land located in Austin, Travis County, Texas, as more particularly described in Exhibit A attached hereto and made a part hereof (the "Real Estate"), and

WHEREAS, to induce Beneficiary to make the Loan and to secure payment of the Note and the other obligations described below, Trustor has agreed to execute and deliver this Deed of Trust to Trustee for the benefit of Beneficiary

GRANTING CLAUSES

NOW, THEREFORE, to secure to Beneficiary (i) the repayment of all sums due under this Deed of Trust, the Note (and all extensions, renewals, replacements and amendments thereof), that certain Loan Agreement dated as of May 1, 2007 between Trustor and Beneficiary (the "Loan Agreement") and the other Loan Documents and Bond Documents (as such terms are defined in that certain Trust Indenture of even date herewith between Beneficiary and **AMERICAN NATIONAL BANK**, a national association formed and existing under the laws of the United States (the "Bond Trustee")), (ii) the performance of all terms, conditions and covenants set forth in the Loan Documents, (iii) the repayment of all sums due or that may

become due under or in connection with any present or future agreements relating to the Note obligations between Trustor and Beneficiary, (iv) the payment of all costs and expenses of Beneficiary (including reasonable attorneys' fees) in the collection of sums due under the Note (subsections (i), (ii), (iii) and (iv) collectively, the "Liabilities"), Trustor hereby irrevocably deeds, gives, grants, bargains, sells, alienates, conveys, confirms, pledges, assigns and grants to Trustee, its successors and assigns, in trust, with power of sale for the benefit of Beneficiary all of Trustor's right, title and interest now owned or hereafter acquired in and to each of the following (collectively, the "Property")

(A) All of Trustor's estate, right, title (including any after-acquired title, whether fee title or otherwise), and interest in and to the Real Estate,

(B) Any and all buildings and improvements now or hereafter erected on, under or over the Real Estate which are or become part of the Real Estate (the "Improvements"),

(C) Any and all fixtures, machinery, equipment and other articles of real, personal or mixed property, belonging to Trustor, at any time now or hereafter installed in, attached to or situated in or upon the Real Estate, or the buildings and improvements now or hereafter erected thereon, or used or intended to be used in connection with the Real Estate, or in the operation of the buildings and improvements, plant, business or dwelling situate thereon, whether or not such real, personal or mixed property is or shall be affixed thereto, and all replacements, substitutions and proceeds of the foregoing (all of the foregoing herein called the "Service Equipment"), including without limitation (i) all appliances, furniture and furnishings, all articles of interior decoration, floor, wall and window coverings, all office, restaurant, bar, kitchen and laundry fixtures, utensils, appliances and equipment, all supplies, tools and accessories, all storm and screen windows, shutters, doors, decorations, awnings, shades, blinds, signs, trees, shrubbery and other plantings, (ii) all building service fixtures, machinery and equipment of any kind whatsoever, all lighting, heating, ventilating, air-conditioning, refrigerating, sprinkling, plumbing, security, irrigating, cleaning, incinerating, waste disposal, communications, alarm, fire prevention and extinguishing systems, fixtures, apparatus, machinery and equipment, all elevators, escalators, lifts, cranes, hoists and platforms, all pipes, conduits, pumps, boilers, tanks, motors, engines, furnaces and compressors, all dynamos, transformers and generators, (iii) all building materials, building machinery and building equipment delivered on site to the Real Estate during the course of, or in connection with, any construction or repair or renovation of the buildings and improvements, (iv) all parts, fittings, accessories, accessions, substitutions and replacements therefor and thereof, and (v) all files, books, ledgers, reports and records relating to any of the foregoing,

(D) Any and all leases, subleases, tenancies, licenses, occupancy agreements or agreements to lease all or any portion of the Real Estate, Improvements, Service Equipment or all or any other portion of the Property and all extensions, renewals, amendments, modifications and replacements thereof, and any options, rights of first refusal or guarantees relating thereto (collectively, the "Leases"), all rents, income, receipts, revenues, security deposits, escrow accounts, reserves, issues, profits, awards and payments of any kind payable under the Leases or otherwise arising from the Real Estate, Improvements, Service Equipment or all or any other portion of the Property, including, without limitation, minimum rents, additional rents, percentage rents, parking, maintenance and deficiency rents (collectively, the "Rents"), all of the

following personal property (collectively referred to as the "Contracts") all accounts, general intangibles and contract rights (including any right to payment thereunder, whether or not earned by performance) of any nature relating to the Real Estate, Improvements, Service Equipment or all or any other portion of the Property or the use, occupancy, maintenance, construction, repair or operation thereof, all management agreements, franchise agreements, utility agreements and deposits, building service contracts, maintenance contracts, construction contracts and architect's agreements, all maps, plans, surveys and specifications, all warranties and guaranties, all permits, licenses and approvals, and all insurance policies, books of account and other documents, of whatever kind or character, relating to the use, construction upon, occupancy, leasing, sale or operation of the Real Estate, Improvements, Service Equipment or all or any other portion of the Property,

(E) Any and all estates, rights, tenements, hereditaments, privileges, easements, reversions, remainders and appurtenances of any kind benefiting or appurtenant to the Real Estate, Improvements or all or any other portion of the Property, all means of access to and from the Real Estate, Improvements or all or any other portion of the Property, whether public or private, all streets, alleys, passages, ways, water courses, water and mineral rights relating to the Real Estate, Improvements or all or any other portion of the Property, all rights of Trustor as declarant or unit owner under any declaration of condominium or association applicable to the Real Estate, Improvements or all or any other portion of the Property, including, without limitation, all development rights and special declarant rights, and all other claims or demands of Trustor, either at law or in equity, in possession or expectancy of, in or to the Real Estate, Improvements or all or any other portion of the Property (all of the foregoing described in this subsection E herein called the "Appurtenances"),

(F) Any and all rights, interest and privileges which Trustor has or may have in any developer fees, now or hereafter relating to the Property (the "Developer's Fees"), and

(G) Any and all "proceeds" of any of the above-described Real Estate, Improvements, Service Equipment, Leases, Rents, Contracts and Appurtenances, which term "proceeds" shall have the meaning given to it in the Uniform Commercial Code, as amended (the "Code"), of the State in which the Property is located (collectively, the "Proceeds") and shall additionally include whatever is received upon the use, lease, sale, exchange, transfer, collection or other utilization or any disposition or conversion of any of the Real Estate, Improvements, Service Equipment, Leases, Rents, Contracts and Appurtenances, voluntary or involuntary, whether cash or noncash, including proceeds of insurance and condemnation awards, rental or lease payments, accounts, chattel paper, Deed of Trusts, documents, contract rights, general intangibles, equipment and inventory

TO HAVE AND TO HOLD the above granted and conveyed Property, subject to the Permitted Encumbrances (as hereinafter defined), unto and to the proper use and benefit of Beneficiary, its successors and assigns, forever

PROVIDED ALWAYS, and these presents are upon the express condition, that if (i) all the Liabilities, including, without limitation, all termination payments and any other amounts, if any, due under or in connection with any swap agreements or the Note secured hereunder, are paid in full, and (ii) each and every representation, warranty, agreement and covenant of this

Deed of Trust and the other Loan Documents are complied with and abided by, this Deed of Trust shall be released of record by Beneficiary

The terms of the Loan Documents are hereby made a part of this Deed of Trust to the same extent and with the same effect as if fully set forth herein. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Loan Documents.

AND Trustor covenants and agrees with and represents to Beneficiary as follows

ARTICLE I

FUTURE ADVANCES

This Deed of Trust shall secure any additional loans as well as any and all present or future advances and readvances under the Liabilities made by Beneficiary to or for the benefit of Trustor or the Property (whether such advances are obligatory or are made at the option of Beneficiary or otherwise), including, without limitation, (i) principal, interest, late charges, fees and other amounts due under the Liabilities or this Deed of Trust, (ii) all advances by Beneficiary to Trustor or any other person to pay costs of erection, construction, alteration, repair, restoration, maintenance and completion of any improvements on the Property, (iii) all advances made or costs incurred by Beneficiary for the payment of real estate taxes, assessments or other governmental charges, maintenance charges, insurance premiums, appraisal charges, environmental inspection, audit, testing or compliance costs, and costs incurred by Beneficiary for the enforcement and protection of the Property or the lien of this Deed of Trust, and (iv) all legal fees, costs and other expenses incurred by Beneficiary by reason of any default or otherwise in connection with the Liabilities.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.01. Payment and Performance Trustor shall (a) pay to Beneficiary all sums required to be paid by Trustor under the Loan Documents, in accordance with their stated terms and conditions, (b) perform and comply with all terms, conditions and covenants set forth in each of the Loan Documents by which Trustor is bound, and (c) perform and comply with all of Trustor's obligations and duties as landlord under any Leases.

Section 2.02. Seisin and Warranty Trustor hereby warrants that (a) Trustor has good and indefeasible title to the Property, (b) Trustor has the right, full power and lawful authority to grant, convey and assign the same to Beneficiary in the manner and form set forth herein, and (c) this Deed of Trust is a valid and enforceable security conveyance of Property subject only to the items as shown on Schedule B of that certain Commitment for Title Insurance issued by Presidio Title LLC, as agent for Lawyers Title Insurance Corporation No. 105025, and any other liens, easements, rights of way, covenants, restrictions, encumbrances and other matters affecting title to the Property approved in writing by Beneficiary (collectively, the "Permitted Encumbrances"). Trustor hereby covenants that Trustor shall (i) preserve such title and the validity and priority of this Deed of Trust and shall forever warrant and defend the same to

Beneficiary against all lawful claims whatsoever, and (ii) execute, acknowledge and deliver all such further documents or assurances as may at any time hereafter be required by Beneficiary to protect fully this Deed of Trust

Section 2.03. Insurance

(a) Trustor shall obtain and maintain at all times throughout the term of this Deed of Trust the following insurance (i) comprehensive general public liability insurance covering all operations of Trustor, (ii) "ISO Broad Form" fire and extended coverage hazard insurance (nonreporting Commercial Property Policy with Special Cause of Loss form) covering the Property in an aggregate amount not less than 100% of the agreed-upon full insurable replacement value of the Property (and with not more than a \$10,000 deductible from the loss payable for any casualty), including coverage for loss of rents or business interruption, (iii) during the course of any construction, reconstruction, remodeling or repair of any Improvements, builders' all-risk extended coverage insurance (nonreporting Completed Value with Special Cause of Loss form) in amounts based upon the completed replacement value of the Improvements (excluding roads, foundations, parking areas, paths, walkways and like improvements) and endorsed to provide that occupancy by any person shall not void such coverage, (iv) if, pursuant to the Loan Agreement, the Property is required to be insured pursuant to the National Flood Insurance Reform Act of 1994, and the regulations promulgated thereunder, flood insurance in an amount at least equal to the lesser of the agreed-upon full insurable replacement value of the Property (less any value attributable to the Real Estate) or the maximum limit of coverage available, (v) insurance which complies with the workers' compensation and employers' liability laws of all states in which Trustor shall be required to maintain such insurance, and (vi) such other insurance as Beneficiary may reasonably require

(b) Each insurance policy required under this Section shall (i) be written by an insurance company authorized or licensed to do business in the state within which the Property is located having an Alfred M Best Company, Inc rating of "A-V" or better and a financial size category of not less than IX, (ii) be for terms of a least one year, with premium prepaid, (iii) be subject to the reasonable approval of Beneficiary as to insurance companies, amounts, content, forms of policies and expiration dates, and (iv) name Beneficiary, its successors and assigns (A) as an additional insured under all liability insurance policies, and (B) as the first mortgagee, under a standard noncontributory mortgagee clause, on all property insurance policies and all loss of rents or loss of business income insurance policies

(c) Trustor further agrees that each insurance policy (i) shall provide at least 30 days' prior written notice to Beneficiary prior to any policy reduction or cancellation for any reason, (ii) shall contain an endorsement or agreement by the insurer that any loss shall be payable to Beneficiary, as mortgagee, in accordance with the terms of such policy, notwithstanding any act or negligence of Trustor which might otherwise result in forfeiture of such insurance, (iii) shall waive all rights of setoff, counterclaim, deduction or subrogation against Trustor, and (iv) shall exclude Beneficiary from the operation of any coinsurance clause

(d) At least 15 days prior to the expiration of any insurance policy, Trustor shall furnish evidence satisfactory to Beneficiary that such policy has been renewed or replaced or is no longer required

(e) Notwithstanding the foregoing, in the event that Trustor fails to maintain insurance in accordance with this Section 2.03 by reason of the failure of Trustor to comply with the provisions of Sections 2.03(c) and (d) hereof, and Beneficiary elects to obtain insurance to protect its interests hereunder, Beneficiary may obtain insurance in any amount and of any type Beneficiary deems appropriate to protect Beneficiary's interest only and Beneficiary shall have no duty or obligation to Trustor to maintain insurance in any greater amount or of any other type for the benefit of Trustor. All insurance premiums incurred or paid by Beneficiary shall be at Trustor's sole cost and expense in accordance with Article I hereof. Beneficiary's election to obtain insurance shall not be deemed to waive any Event of Default (as hereinafter defined) hereunder.

Section 2.04. Taxes and Other Charges Trustor shall promptly pay and discharge all taxes, assessments, water and sewer rents, and other governmental charges, if applicable, imposed upon the Property when due, but in no event after interest or penalties commence to accrue thereon or become a lien upon the Property. Notwithstanding the foregoing, Trustor shall have the right to contest, at its own expense, by appropriate legal proceedings conducted in good faith and with due diligence, the amount or validity of such taxes, assessments, water and sewer rents, or other governmental charges, provided that (a) Trustor has established on its books or by deposit of cash with Beneficiary, at the option of Beneficiary, a reserve for the payment thereof in such amount as Beneficiary may require, and (b) such contest operates to prevent collection, stay any proceedings which may be instituted to enforce payment of such item, and prevent a sale of the Property to pay such item. Trustor shall promptly provide to Beneficiary, upon request, copies of receipted tax bills, canceled checks or other evidence satisfactory to Beneficiary evidencing that such taxes, assessments, water and sewer rents, and other governmental charges have been timely paid. Trustor shall not claim or demand or be entitled to any credit on account of the Liabilities for any part of the taxes paid with respect to the Property or any part thereof and no deduction shall otherwise be made or claimed from the taxable value of the Property, or any part thereof, by reason of this Deed of Trust.

Section 2.05. Escrows Trustor shall pay to Beneficiary at the time each installment is due under the Note, a sum equal to the premiums which will next become due on the insurance policies required by this Deed of Trust, in an amount as estimated by Beneficiary, less all sums already paid therefor or deposited with Beneficiary for the payment thereof, divided by the number of payments to become due before one month prior to the date when such taxes and assessments and/or premiums, as applicable, will become due, such sums to be held by Beneficiary to pay the same when due. If such escrow funds are not sufficient to pay such insurance premiums, as the same become due, Trustor shall pay to Beneficiary, upon request, such additional amounts as Beneficiary shall estimate to be sufficient to make up any deficiency. No amount paid to Beneficiary hereunder shall be deemed to be trust funds but may be commingled with general funds of Beneficiary, and no interest shall be payable thereon. Upon the occurrence of an Event of Default, Beneficiary shall have the right, at its sole discretion, to apply any amounts so held against the Liabilities.

Section 2.06. Transfer of Title Without the prior written consent of Beneficiary in each instance, Trustor shall not cause or permit any Transfer of the Property or any part thereof, whether voluntarily, involuntarily or by operation of law, nor shall Trustor enter into any agreement or transaction to Transfer, or accomplish in form or substance a Transfer, of the Property. A "Transfer" of the Property includes (a) the direct or indirect sale, transfer or conveyance of the Property or any portion thereof or interest therein, except for Permitted Encumbrances, the Leases and except as expressly permitted herein or in the Regulatory Agreement, (b) the execution of an installment sale contract or similar Deed of Trust affecting all or any portion of the Property, (c) the transfer of any ownership interest in Trustor, and (d) an agreement by Trustor leasing all or a substantial part of the Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of or the grant of a security interest in and to any Leases.

Section 2.07. No Encumbrances Except for the Permitted Encumbrances, Trustor shall not create or permit to exist any mortgage, pledge, lien, security interest (including, without limitation, a purchase money security interest), encumbrance, attachment, levy, distraint or other judicial process on or against the Property or any part thereof (including, without limitation, fixtures and other personalty), whether superior or inferior to the lien of this Deed of Trust, without the prior written consent of Beneficiary. If any such lien or encumbrance is filed without Trustor's consent, Trustor shall satisfy, discharge or transfer such lien or encumbrance to bond or other security within 30 days after written demand by Beneficiary.

Section 2.08. Removal of Fixtures Trustor shall not remove or permit to be removed from the Property any fixtures presently or in the future owned by Trustor as the term "fixtures" is defined by the law of the state where the Property is located (unless such fixtures have been replaced with similar fixtures of equal or greater utility and value or Beneficiary has consented to the removal of same).

Section 2.09. Maintenance and Repair; Alterations

(a) Trustor shall (i) abstain from and not permit the commission of waste in or about the Property, (ii) keep the Property, at Trustor's own cost and expense, in good repair, working order and condition, (iii) make or cause to be made, as and when necessary, all repairs and replacements, whether or not insurance proceeds are available therefor, and (iv) not remove, demolish, materially alter, discontinue the use of, permit to become vacant or deserted, or otherwise dispose of all or any part of the Property. All alterations, replacements, renewals or additions made pursuant hereto shall automatically become a part of the Property and shall be covered by the lien of this Deed of Trust.

(b) Beneficiary, and any persons authorized by Beneficiary, shall have the right, but not the obligation, to enter upon the Property at any reasonable time, with prior notice to Trustor, to inspect and photograph its condition and state of repair. In the event any such inspection reveals, in the reasonable discretion of Beneficiary, the necessity for any repair, alteration, replacement, cleanup or maintenance, Trustor shall, at the discretion of Beneficiary, either (i) cause such work to be effected promptly, or (ii) promptly establish an interest-bearing reserve fund with Beneficiary in an amount determined by Beneficiary for the purpose of effecting such work.

Section 2.10. Compliance With Applicable Laws Trustor agrees to observe, conform and comply, and to use reasonable efforts to cause its tenants to observe, conform and comply with all applicable federal, state, county, municipal and other governmental or quasi-governmental laws, rules, regulations, ordinances, codes, requirements, covenants, conditions, orders, licenses, permits, approvals and restrictions, including, without limitation, Environmental Laws (as defined below) and the Americans with Disabilities Act of 1990 (collectively, the "Legal Requirements"), now or hereafter affecting all or any part of the Property, its occupancy or the business or operations now or hereafter conducted thereon and the personalty contained therein, within such time as required by such Legal Requirements. Except as disclosed in Article VI hereof, Trustor represents and warrants that the Property currently is in compliance with all Legal Requirements applicable to the Property.

Section 2.11. Damage, Destruction and Condemnation

(a) If all or any part of the Property shall be damaged or destroyed, or if title to or the temporary use of the whole or any part of the Property shall be taken or condemned by a competent authority for any public or quasi-public use or purpose ("Condemnation"), there shall be no abatement or reduction in the amounts payable by Trustor under the Loan Documents and Trustor shall continue to be obligated to make such payments.

(b) If all or any part of the Property is partially or totally damaged or destroyed (a "Casualty"), Trustor shall give prompt notice thereof to Beneficiary, and Beneficiary may make proof of loss if not made promptly by Trustor. Trustor hereby authorizes and directs any affected insurance company to make payment under such insurance, including the return of unearned premiums, to Beneficiary instead of to Trustor and Beneficiary jointly, and Trustor appoints Beneficiary as Trustor's attorney-in-fact to endorse any draft thereof, which appointment, being for security, is coupled with an interest and irrevocable. Beneficiary is hereby authorized and empowered by Trustor to settle, adjust or compromise, in consultation with Trustor, any claims for loss, damage or destruction to the Property. Trustor shall pay all costs of collection of insurance proceeds payable on account of such damage or destruction. Trustor shall have no claim against the insurance proceeds, or be entitled to any portion thereof, and all rights to the insurance proceeds are hereby assigned to Beneficiary as security for payment of the Liabilities. Subject to the provisions of Section 2.11(d) below, Beneficiary shall have the option, in its sole discretion, of paying or applying all or any part of the proceeds of insurance or a condemnation award to (i) reduction of the Liabilities, (ii) restoration, replacement or repair of the Property in accordance with the Loan Agreement and Beneficiary's standard construction loan disbursement conditions and requirements ("Restoration"), or (iii) Trustor.

(c) Immediately upon obtaining knowledge of the institution of any proceeding for the Condemnation of all or any part of the Property, Trustor shall give notice to Beneficiary. Trustor shall, at its sole cost and expense, diligently prosecute any such proceeding and shall consult with Beneficiary, its attorneys and experts, and shall cooperate with it in the defense of any such proceeding. Beneficiary may participate in any such proceeding and Trustor shall from time to time deliver to Beneficiary all Deed

of Trusts requested by it to permit such participation. Trustor shall not, without Beneficiary's prior written consent, enter into any agreement (i) for the taking or conveyance in lieu thereof of all or any part of the Property, or (ii) to compromise, settle or adjust any such proceeding. All awards and proceeds of Condemnation are hereby assigned to Beneficiary, and Trustor, upon request by Beneficiary, agrees to make, execute and deliver any additional assignments or documents necessary from time to time to enable Beneficiary to collect the same. Subject to the provisions of Section 2.11(d) below, such awards and proceeds shall be paid or applied by Beneficiary, in its sole discretion, to (i) reduction of the Liabilities, (ii) Restoration, or (iii) Trustor

(d) Notwithstanding the provisions of Sections 2.11(b) and (c) above, so long as no Event of Default has occurred and is continuing under this Deed of Trust, Trustor shall be entitled (but shall not be required) to have proceeds of insurance or Condemnation (the "Proceeds") used for Restoration of the Improvements damaged or destroyed by such Casualty or Condemnation, subject to the following terms and conditions

(i) Trustor must make such election in writing to Beneficiary within sixty (60) days following the date of such casualty or taking,

(ii) The Proceeds shall be deposited in an interest-bearing account with Beneficiary, to be held as substitute collateral for the Liabilities, and to be disbursed for the costs of completion, repair and restoration in the same manner and subject to the same terms and conditions as the disbursement of the proceeds of the Loan as set forth in the Loan Agreement,

(iii) Trustor shall furnish evidence reasonably satisfactory to Beneficiary that the Improvements can be completed or restored to their condition immediately prior to the casualty for a cost not in excess of the Proceeds plus identifiable funds of Trustor available for such purpose,

(iv) Trustor shall submit to Beneficiary for approval the plans and specifications for such Improvements (if different from the original) and the construction contract, if any, together with such additional information as Beneficiary may reasonably request to verify that Beneficiary's security will not be materially impaired by reason of such use of the Proceeds, and

(v) The balance of the Proceeds, if any, shall be applied to the indebtedness secured hereby in reverse order of maturity

(e) In the event that any of the Liabilities are not then payable or remain contingent at the time any such proceeds are received by Beneficiary and would otherwise be applied to the indebtedness secured hereby, then and in such event, such proceeds may be held by Beneficiary in an interest-bearing account (with interest payable to Trustor) as additional collateral for such remaining unmatured or contingent Liabilities so long as said Liabilities remain outstanding

(f) Subject to the applicable provisions of the Bond Documents, Trustor shall not be relieved of its duty to repair, restore, rebuild or replace the Property following damage or destruction or partial Condemnation if no or inadequate insurance proceeds or condemnation awards are available to defray the cost of repair, restoration, rebuilding or replacement

Section 2.12. Required Notices Trustor shall notify Beneficiary within ten business days of (a) receipt of any notice from any governmental or quasi-governmental authority relating to the structure, use or occupancy of the Property or alleging a violation of any Legal Requirement, (b) a change in the occupancy or use of all or any part of the Property that materially impacts the performance of the Property, (c) receipt of any notice from the holder of any lien or security interest in all or any part of the Property, (d) commencement of any litigation affecting or potentially affecting the financial ability of Trustor or the value of the Property, (e) a pending or threatened Condemnation of all or any part of the Property, (f) Casualty causing damage to all or any part of the Property, (g) receipt of any notice with regard to any Release of Hazardous Substances (as such terms are defined below) or any other environmental matter affecting the Property or Trustor's interest therein, (h) receipt of any request for information, demand letter or notification of potential liability from any entity relating to potential responsibility for investigation or cleanup of Hazardous Substances on the Property or at any other site owned or operated by Trustor, (i) receipt of any notice from any tenant of all or any part of the Property alleging a default, failure to perform or any right to terminate its lease or to set off rents, if such action would materially impact the performance of the Property, or (j) receipt of any notice of the imposition of, or of threatened or actual execution on, any lien on or security interest in all or any part of the Property

Section 2.13. Books and Records; Inspection Trustor shall keep and maintain (a) complete and accurate books and records, in accordance with generally accepted accounting principles consistently applied, reflecting all items of income and expense in connection with the operation of the Property, and (b) copies of all written contracts, leases and other agreements affecting the Property. Beneficiary or its designated representatives shall, upon reasonable prior notice to Trustor, have (i) the right of entry and free access to the Property during business hours (which may be without notice in any case of emergency) to inspect the Property, and (ii) the right to examine and audit all books, contracts and records of Trustor relating to the Property

Section 2.14. Right To Reappraise Beneficiary shall have the right to conduct or have conducted by an independent appraiser acceptable to Beneficiary appraisals of the Property in form and substance satisfactory to Beneficiary at the sole cost and expense of Trustor, provided, however, that Trustor shall not be obligated to bear the expense of such appraisals so long as (a) no Event of Default exists, and (b) such appraisals are not required by applicable law, rule or regulation of any governmental authority having jurisdiction over Beneficiary. The cost of such appraisals, if chargeable to Trustor as aforesaid, shall be added to the Liabilities and shall be secured by this Deed of Trust in accordance with the provisions of Article I hereof

ARTICLE III

SECURITY AGREEMENT; FIXTURE FILING

This Deed of Trust constitutes a security agreement under the Code and shall be deemed to constitute a fixture financing statement. Trustor hereby grants to Beneficiary a security interest in the personal and other property (other than real property) included in the Property, and all replacements of, substitutions for, and additions to, such property, and the proceeds thereof. Beneficiary may, at Trustor's expense, file and refile any financing or continuation statements or other security agreements Beneficiary may reasonably require from time to time to perfect, confirm or maintain the lien of this Deed of Trust with respect to such property. Without limiting the foregoing, Trustor hereby irrevocably appoints Beneficiary attorney-in-fact for Trustor to execute, deliver and file such Deed of Trusts for or on behalf of Trustor at Trustor's expense, which appointment, being for security, is coupled with an interest and shall be irrevocable. With respect to goods that become fixtures after the recording of this Deed of Trust and before the completion of construction of the Improvements, this Deed of Trust is, and shall be construed to be, a "Construction Deed of Trust" under the Code, and any mortgage or deed of trust given to refinance this Deed of Trust shall be, and shall be construed to be, a deed of trust given to refinance a construction deed of trust. For purposes of perfecting the security interest in personal property which is intended to become fixtures, Trustor hereby certifies as follows:

- (a) Trustor's state of organization is Texas,
- (b) Trustor's address is c/o San Antonio Alternative Housing Corporation, 1215 South Trinity Street, San Antonio, Texas 78207, and
- (c) Trustor's tax identification number is #74-2951658

Trustor authorizes Beneficiary to file a financing statement with the appropriate filing offices in the State in which Trustor is a registered organization, without Trustor's signature, further to perfect the security interests granted herein.

ARTICLE IV

ASSIGNMENT OF LEASES

Trustor hereby absolutely, presently and unconditionally conveys, transfers and assigns to Beneficiary all of Trustor's right, title and interest, now existing or hereafter arising, in and to the Leases and Rents. Notwithstanding that this assignment is effective immediately, so long as no Event of Default exists, Trustor shall have the privilege under a revocable license granted hereby to operate and manage the Property and to collect, as they become due, but not prior to accrual, the Rents. Trustor shall receive and hold such Rents in trust as a fund to be applied, and Trustor hereby covenants and agrees that such Rents shall be so applied, first, to the operation, maintenance and repair of the Property and the payment of interest, principal and other sums becoming due under the Liabilities, before retaining and/or disbursing any part of the Rents for any other purpose. The license herein granted to Trustor shall automatically, without notice or any other action by Beneficiary, terminate upon the occurrence of an Event of Default, and all

Rents subsequently collected or received by Trustor shall be held in trust by Trustor for the sole and exclusive benefit of Beneficiary. Nothing contained in this Article IV, and no collection by Beneficiary of Rents, shall be construed as imposing on Beneficiary any of the obligations of the lessor under the Leases.

Trustor shall timely perform all of its obligations under the Leases. Trustor represents and warrants that (a) Trustor has title to and full right to assign presently, absolutely and unconditionally the Leases and Rents, (b) no other assignment of any interest in any of the Leases or Rents has been made, and (c) Trustor has not accepted Rent under any Lease more than 30 days in advance of its accrual, and payment thereof has not otherwise been forgiven, discounted or compromised.

Trustor shall not, without the prior written consent of Beneficiary (a) enter into any single lease of all or substantially all of the Property, or (b) collect or accept rent from any tenant of the Property for a period of more than one month in advance. Any of the foregoing acts, if done without the prior written consent of Assignee in each instance, shall be null and void.

ARTICLE V

DECLARATION OF NO OFFSET

Trustor represents to Beneficiary that Trustor has no knowledge of any offsets, counterclaims or defenses to the Liabilities either at law or in equity. Trustor shall, within five days upon request in person or within seven days upon request by mail, furnish to Beneficiary or Beneficiary's designee a written statement in form satisfactory to Beneficiary confirming the amount due under the Liabilities and whether there are offsets or defenses against the same and, if so, the nature and extent thereof.

ARTICLE VI

ENVIRONMENTAL MATTERS

Section 6.01. Definitions. As used herein, "Environmental Laws" shall mean all existing or future federal, state and local statutes, ordinances, regulations, rules, executive orders, standards and requirements, including the requirements imposed by common law, concerning or relating to industrial hygiene and the protection of health and the environment including, but not limited to, (a) those relating to the generation, manufacture, storage, transportation, disposal, release, emission or discharge of Hazardous Substances (as hereinafter defined), (b) those in connection with the construction, fuel supply, power generation and transmission, waste disposal or any other operations or processes relating to the Property, and (c) those relating to the atmosphere, soil, surface and ground water, wetlands, stream sediments and vegetation on, under, in or about the Property. Any terms mentioned herein which are defined in any Environmental Law shall have the meanings ascribed to such terms in said laws, provided, however, that if any of such laws are amended so as to broaden any term defined therein, such broader meaning shall apply subsequent to the effective date of such amendment.

Section 6.02. Representations, Warranties and Covenants Trustor represents, warrants, covenants and agrees as follows

(a) Except as set forth in that certain environmental report accepted by Beneficiary in connection with the making of the Loan, neither Trustor nor the Property or any occupant thereof is in violation of or subject to any existing, pending, threatened investigation or inquiry by any governmental authority pertaining to any Environmental Law. Trustor shall not cause or permit the Property to be in violation of, or do anything which would subject the Property to any remedial obligations under, any Environmental Law, and shall promptly notify Beneficiary in writing of any existing, pending or threatened investigation or inquiry by any governmental authority in connection with any Environmental Law. In addition, Trustor shall provide Beneficiary with copies of any and all material written communications with any governmental authority in connection with any Environmental Law, concurrently with Trustor's giving or receiving of same.

(b) Trustor has taken all reasonable steps necessary to determine and has determined that there has been no release, spill, discharge, leak, disposal or emission (individually, a "Release" and, collectively, "Releases") of any hazardous material, hazardous substance or hazardous waste, including gasoline, petroleum products, explosives, toxic substances, mycotoxins, solid wastes and radioactive materials (collectively, "Hazardous Substances") at, upon, under or within the Property. The use which Trustor or any other occupant of the Property makes or intends to make of the Property will not result in Release of any Hazardous Substances on or to the Property. During the term of this Deed of Trust, Trustor shall take all steps necessary to determine whether there has been a Release of any Hazardous Substances on or to the Property and if Trustor finds a Release has occurred, Trustor shall remove or remediate the same promptly upon discovery at its sole cost and expense.

(c) To the best of Trustor's knowledge, the Property has not been used by the present or previous owners and/or operators nor will be used in the future to refine, produce, store, handle, transfer, process, transport, generate, manufacture, heat, treat, recycle or dispose of Hazardous Substances.

(d) The Property (i) is being operated and complies with all Environmental Laws, and all permits required thereunder have been obtained and complied with in all respects, and (ii) does not have any Hazardous Substances present excepting small quantities of products, in proper storage containers, that are used in the operation of the commercial business of Trustor and its tenants, and the usual waste products therefrom ("Permitted Substances").

(e) Trustor will and will use commercially reasonable efforts to cause its tenants to operate the Property in compliance with all Environmental Laws and, other than Permitted Substances, will not place or permit to be placed any Hazardous Substances on the Property.

(f) No lien has been attached to or threatened to be imposed upon the Property, and there is no basis for the imposition of any such lien based on any

governmental action under Environmental Laws Neither Trustor nor any other person has been, is or will be involved in operations at the Property which could lead to the imposition of environmental liability on Trustor, or on any subsequent or former owner of the Property, or the creation of an environmental lien on the Property In the event that any such lien is filed, Trustor shall, within 30 days from the date that Trustor is given notice of such lien (or within such shorter period of time as is appropriate in the event that steps have commenced to have the Property sold), either (i) pay the claim and remove the lien from the Property, or (ii) furnish a cash deposit, bond or other security satisfactory in form and substance to Beneficiary in an amount sufficient to discharge the claim out of which the lien arises

Section 6.03. Right To Inspect and Cure Beneficiary shall have the right to conduct or have conducted by its agents or contractors such environmental inspections, audits and tests as Beneficiary shall deem necessary or advisable from time to time at the sole cost and expense of Trustor, provided, however, that Trustor shall not be obligated to bear the expense of such environmental inspections, audits and tests so long as (a) no Event of Default exists, and (b) Beneficiary has no cause to believe in its reasonable judgment that there has been a Release or threatened Release of Hazardous Substances at the Property or that Trustor or the Property is in violation of any Environmental Law The cost of such inspections, audits and tests, if chargeable to Trustor as aforesaid, shall be added to the Liabilities and shall be secured by this Deed of Trust Trustor shall, and shall use reasonable efforts to cause each tenant of the Property to, cooperate with such inspection efforts, such cooperation shall include, without limitation, supplying all information requested concerning the operations conducted and Hazardous Substances located at the Property In the event that Trustor fails to comply with any Environmental Law, Beneficiary may, in addition to any of its other remedies under this Deed of Trust, cause the Property to be in compliance with such laws and the cost of such compliance shall be added to the sums secured by this Deed of Trust in accordance with the provisions of Article I hereof

ARTICLE VII

EVENTS OF DEFAULT

Each of the following shall constitute a default (each, an "Event of Default") hereunder

(a) Nonpayment when due of any sum required to be paid to Beneficiary under the Note (giving effect to any notice and period of grace provided therein),

(b) A breach of any covenant contained in Section 2 03, 2 04, 2 06, 2 07 or 10 14 hereof,

(c) A breach by Trustor of any other term, covenant, condition, obligation or agreement under this Deed of Trust and the continuance of such breach for a period of 30 days after written notice thereof shall have been given to Trustor,

(d) An Event of Default under any of the other Loan Documents not cured as provided therein,

(e) Any representation or warranty made by Trustor or by any guarantor in any Loan Document or to induce Beneficiary to enter into the transactions contemplated hereunder shall prove to be false, incorrect or misleading in any material respect as of the date when made,

(f) The filing by or against Trustor or any guarantor of a petition seeking relief, or the granting of relief, under the Federal Bankruptcy Code or any similar federal or state statute, any assignment for the benefit of creditors made by Trustor or any guarantor, the appointment of a custodian, receiver, liquidator or trustee for Trustor or any guarantor or for any of the property of Trustor or any guarantor, or any action by Trustor or any guarantor to effect any of the foregoing, or if Trustor or any guarantor becomes insolvent (however defined) or is not paying its debts generally as they become due,

(g) The death, dissolution, liquidation, merger, consolidation or reorganization of Trustor or any guarantor of the Liabilities or the institution of any proceeding to effect any of the foregoing,

(h) The filing, entry or issuance of any judgment, execution, garnishment, attachment, distraint or lien against Trustor or the Property, subject to the provisions of Section 2.07 hereof, if applicable, and

(i) A default under any other loan from the Beneficiary to Trustor or under any other obligation secured by the Property or any part thereof continuing beyond any applicable notice and grace periods

ARTICLE VIII

REMEDIES

Section 8.01. Acceleration, Remedies. At any time during the existence of an Event of Default, Beneficiary, at Beneficiary's option, may declare the Liabilities to be immediately due and payable without further demand, and may invoke the power of sale and any other remedies permitted by Texas law or provided in this Deed of Trust or in any other Loan Document. Trustor acknowledges that the power of sale granted in this Deed of Trust may be exercised by Beneficiary without prior judicial hearing. Beneficiary shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including attorneys' fees, costs of documentary evidence, abstracts and title reports.

(a) If Beneficiary invokes the power of sale, Beneficiary may, by and through the Trustee, or otherwise, sell or offer for sale the Property in such portions, order and parcels as Beneficiary may determine, with or without having first taken possession of the Property, to the highest bidder for cash at public auction. Such sale shall be made at the courthouse door of the county in which all or any part of the Real Estate to be sold is situated (whether the parts or parcel, if any, situated in different counties are contiguous or not, and without the necessity of having any Service Equipment present at such sale) on the first Tuesday of any month between the hours of 10:00 a.m. and 4:00 p.m., after

advertising the time, place and terms of sale and that portion of the Property to be sold by posting or causing to be posted written or printed notice of sale at least twenty-one (21) days before the date of the sale at the courthouse door of the county in which the sale is to be made and at the courthouse door of any other county in which a portion of the Real Estate may be situated, and by filing such notice with the County Clerk(s) of the county(s) in which all or a portion of the Real Estate may be situated, which notice may be posted and filed by the Trustee acting, or by any person acting for the Trustee, and Beneficiary has, at least twenty-one (21) days before the date of the sale, served written or printed notice of the proposed sale by certified mail on each debtor obligated to pay the Liabilities according to Beneficiary's records by the deposit of such notice, enclosed in a postpaid wrapper, properly addressed to such debtor at debtor's most recent address as shown by Beneficiary's records, in a post office or official depository under the care and custody of the United States Postal Service. The affidavit of any person having knowledge of the facts to the effect that such service was completed shall be *prima facie* evidence of the fact of service.

(b) Trustee shall deliver to the purchaser at the sale, within a reasonable time after the sale, a deed conveying the Property so sold in fee simple with covenants of general warranty. Trustor covenants and agrees to defend generally the purchaser's title to the Property against all claims and demands. The recitals in Trustee's deed shall be *prima facie* evidence of the truth of the statements contained in those recitals. Trustee shall apply the proceeds of the sale in the following order: (i) to all reasonable costs and expenses of the sale, including reasonable Trustee's fees not to exceed 5% of the gross sales price, attorneys' fees and costs of title evidence, (ii) to the Liabilities in such order as Beneficiary, in Beneficiary's discretion, directs, and (iii) the excess, if any, to the person or persons legally entitled to the excess.

(c) If all or any part of the Property is sold pursuant to this Section 8, Trustor will be divested of any and all interest and claim to the Property, including any interest or claim to all insurance policies, utility deposits, bonds, loan commitments and other intangible property included as a part of the Property. Additionally, after a sale of all or any part of the Real Estate, Improvements, and Service Equipment, Trustor will be considered a tenant at sufferance of the purchaser of the same, and the purchaser shall be entitled to immediate possession of such property. If Trustor shall fail to vacate the Property immediately, the purchaser may and shall have the right, without further notice to Trustor, to go into any justice court in any precinct or county in which the Property is located and file an action in forcible entry and detainer, which action shall lie against Trustor or its assigns or legal representatives, as a tenant at sufferance. This remedy is cumulative of any and all remedies the purchaser may have under this Deed of Trust or otherwise.

(d) In any action for a deficiency after a foreclosure under this Deed of Trust, if any person against whom recovery is sought requests the court in which the action is pending to determine the fair market value of the Property, as of the date of the foreclosure sale, the following shall be the basis of the court's determination of fair market value:

(i) the Property shall be valued "as is" and in its condition as of the date of foreclosure, and no assumption of increased value because of post-foreclosure repairs, refurbishment, restorations or improvements shall be made,

(ii) any adverse effect on the marketability of title because of the foreclosure or because of any other title condition not existing as of the date of this Deed of Trust shall be considered,

(iii) the valuation of the Property shall be based upon an assumption that the foreclosure purchaser desires a prompt resale of the Property for cash within a six month-period after foreclosure,

(iv) although the Property may be disposed of more quickly by the foreclosure purchaser, the gross valuation of the Property as of the date of foreclosure shall be discounted for a hypothetical reasonable holding period (not to exceed 6 months) at a monthly rate equal to the average monthly interest rate on the Note for the twelve months before the date of foreclosure,

(v) the gross valuation of the Property as of the date of foreclosure shall be further discounted and reduced by reasonable estimated costs of disposition, including brokerage commissions, title policy premiums, environmental assessment and clean-up costs, tax and assessment, prorations, costs to comply with legal requirements and attorneys' fees,

(vi) expert opinion testimony shall be considered only from a licensed appraiser certified by the State of Texas and, to the extent permitted under Texas law, a member of the Appraisal Institute, having at least five years' experience in appraising property similar to the Property in the county where the Property is located, and who has conducted and prepared a complete written appraisal of the Property taking into considerations the factors set forth in this Deed of Trust, no expert opinion testimony shall be considered without such written appraisal,

(vii) evidence of comparable sales shall be considered only if also included in the expert opinion testimony and written appraisal referred to in subsection (vi), above, and

(viii) an affidavit executed by Beneficiary to the effect that the foreclosure bid accepted by Trustee was equal to or greater than the value of the Property determined by Beneficiary based upon the factors and methods set forth in subsections (i) through (vii) above before the foreclosure shall constitute *prima facie* evidence that the foreclosure bid was equal to or greater than the fair market value of the Property on the foreclosure date

(e) Beneficiary may, at Beneficiary's option, comply with these provisions in the manner permitted or required by Title 5, Section 51.002 of the Texas Property Code (relating to the sale of real estate) or by Chapter 9 of the Texas Business and Commerce Code (relating to the sale of collateral after default by a debtor), as those titles and chapters now exist or may be amended or succeeded in the future, or by any other present

or future articles or enactments relating to same subject Unless expressly excluded, the Property shall include Rents collected before a foreclosure sale, but attributable to the period following the foreclosure sale, and Trustor shall pay such Rents to the purchaser at such sale At any such sale

(i) whether made under the power contained in this Deed of Trust, Section 51.002 of the Texas Property Code, Chapter 9 of the Texas Business and Commerce Code, any other legal requirement or by virtue of any judicial proceedings or any other legal right, remedy or recourse, it shall not be necessary for Trustee to have physically present, or to have constructive possession of, the Property (Trustor shall deliver to Trustee any portion of the Property not actually or constructively possessed by Trustee immediately upon demand by Trustee) and the title to and right of possession of any such property shall pass to the purchaser as completely as if the property had been actually present and delivered to the purchaser at the sale,

(ii) each Deed of Trust of conveyance executed by Trustee shall contain a general warranty of title, binding upon Trustor,

(iii) the recitals contained in any Deed of Trust of conveyance made by Trustee shall conclusively establish the truth and accuracy of the matters recited in the Deed of Trust, including nonpayment of the Liabilities and the advertisement and conduct of the sale in the manner provided in this Deed of Trust and otherwise by law and the appointment of any successor Trustee,

(iv) all prerequisites to the validity of the sale shall be conclusively presumed to have been satisfied,

(v) the receipt of Trustee or of such other party or officer making the sale shall be sufficient to discharge to the purchaser or purchasers for such purchaser(s)' purchase money, and no such purchaser or purchasers, or such purchaser(s)' assigns or personal representatives, shall thereafter be obligated to see to the application of such purchase money or be in any way answerable for any loss, misapplication or non-application of such purchase money,

(vi) to the fullest extent permitted by law, Trustor shall be completely and irrevocably divested of all of Trustor's right, title, interest, claim and demand whatsoever, either at law or in equity, in and to the property sold, and such sale shall be a perpetual bar to any claim to all or any part of the property sold, both at law and in equity, against Trustor and against any person claiming by, through or under Trustor, and

(vii) to the extent and under such circumstances as are permitted by law, Beneficiary may be a purchaser at any such sale

Section 8.02. Release Upon payment of the Liabilities, Beneficiary shall release this Deed of Trust Trustor shall pay Beneficiary's reasonable costs incurred in releasing this Deed of Trust

Section 8.03. Trustee

(a) Trustee may resign by giving of notice of such resignation in writing to Beneficiary. If Trustee shall die, resign or become disqualified from acting under this Deed of Trust or shall fail or refuse to act in accordance with this Deed of Trust when requested by Beneficiary or if for any reason and without cause Beneficiary shall prefer to appoint a substitute trustee to act instead of the original Trustee named in this Deed of Trust or any prior successor or substitute trustee, Beneficiary shall have full power to appoint a substitute trustee and, if preferred, several substitute trustees in succession who shall succeed to all the estate, rights, powers and duties of the original Trustee named in this Deed of Trust. Such appointment may be executed by an authorized officer, agent or attorney-in-fact of Beneficiary (whether acting pursuant to a power of attorney or otherwise), and such appointment shall be conclusively presumed to be executed with authority and shall be valid and sufficient without proof of any action by Beneficiary.

(b) Any successor Trustee appointed pursuant to this Section shall, without any further act, deed or conveyance, become vested with all the estates, properties, rights, powers and trusts of the predecessor Trustee with like effect as if originally named as Trustee in this Deed of Trust, but, nevertheless, upon the written request of Beneficiary or such successor Trustee, the Trustee ceasing to act shall execute and deliver an Deed of Trust transferring to such successor Trustee, all the estates, properties, rights, powers and trusts of the Trustee so ceasing to act, and shall duly assign, transfer and deliver any of the property and monies held by the Trustee ceasing to act to the successor Trustee.

(c) Trustee may authorize one or more parties to act on Trustee's behalf to perform the ministerial functions required of Trustee under this Deed of Trust, including the transmittal and posting of any notices.

Section 8.04. Intentionally Omitted

Section 8.05. No Fiduciary Duty Beneficiary owes no fiduciary or other special duty to Trustor.

Section 8.06. Fixture Filing This Deed of Trust is also a fixture filing under the Uniform Commercial Code of Texas.

Section 8.07. Additional Provisions Regarding Assignment of Rents Article IV shall not be construed to require a *pro tanto* or other reduction of the Liabilities resulting from the assignment of Rents. If the provisions of Article IV and the preceding sentence cause the assignment of Rents in Article IV to be deemed to be an assignment for additional security only, Beneficiary shall be entitled to all rights, benefits and remedies attendant to such collateral assignment. The assignment of Rents contained in Article IV shall terminate upon the release of this Deed of Trust.

Section 8.08. Loan Charges Trustor and Beneficiary intend at all times to comply with the laws of the State of Texas governing the maximum rate or amount of interest payable on or in connection with the Liabilities (or applicable United States federal law to the extent that it permits Beneficiary to contract for, charge, take, reserve or receive a greater amount of interest

than under Texas law) If the applicable law is ever judicially interpreted so as to render usurious any amount payable under the Note, this Deed of Trust or any other Loan Document, or contracted for, charged, taken, reserved or received with respect to the Liabilities, or if acceleration of the maturity of the Liabilities, or if any prepayment by Trustor results in Trustor having paid any interest in excess of that permitted by any applicable law, then Trustor and Beneficiary expressly intend that all excess amounts collected by Beneficiary shall be applied to reduce the unpaid principal balance of the Liabilities (or, if the Liabilities has been or would thereby be paid in full, shall be refunded to Trustor), and the provisions of the Note, this Deed of Trust and the other Loan Documents immediately shall be deemed reformed and the amounts thereafter collectible under the Loan Documents reduced, without the necessity of the execution of any new documents, so as to comply with any applicable law, but so as to permit the recovery of the fullest amount otherwise payable under the Loan Documents The right to accelerate the maturity of the Liabilities does not include the right to accelerate any interest which has not otherwise accrued on the date of such acceleration, and Beneficiary does not intend to collect any unearned interest in the event of acceleration All sums paid or agreed to be paid to Beneficiary for the use, forbearance or detention of the Liabilities shall, to the extent permitted by any applicable law, be amortized, prorated, allocated and spread throughout the full term of the Liabilities until payment in full so that the rate or amount of interest on account of the Liabilities does not exceed the applicable usury ceiling Notwithstanding any provision contained in the Note, this Deed of Trust or any other Loan Document that permits the compounding of interest, including any provision by which any accrued interest is added to the principal amount of the Liabilities, the total amount of interest that Trustor is obligated to pay and Beneficiary is entitled to receive with respect to the Liabilities shall not exceed the amount calculated on a simple (i.e., non-compounded) interest basis at the maximum rate on principal amounts actually advanced to or for the account of Trustor, including all current and prior advances and any advances made pursuant to the Deed of Trust or any other Loan Document (such as for the payment of Impositions and similar expenses or costs)

Section 8.09. Property and Liability Insurance – Delivery of Policy to Beneficiary
Notwithstanding the provisions of Section 2.03, Trustor shall not be required to deliver a certified copy of any renewal policy of insurance to Beneficiary more than 15 days prior to the expiration date of the policy then held by Beneficiary

Section 8.10. ENTIRE AGREEMENT. THIS DEED OF TRUST, THE NOTE AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. INDEMNITY

Section 8.11. WAIVER OF TRIAL BY JURY. TRUSTOR AND BENEFICIARY EACH (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS DEED OF TRUST OR THE RELATIONSHIP BETWEEN THE PARTIES AS TRUSTOR AND BENEFICIARY THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL

BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

**ARTICLE IX
INDEMNITY**

Section 9.01. Indemnity. (a) Trustor shall pay, and shall defend, protect, indemnify and save harmless the Trustee and Beneficiary, their heirs, legal representatives, successors and assigns, from and against, all liabilities, losses, damages, costs, expenses (including attorney's fees and expenses), causes of action, suits, claims, demands or judgments of any nature arising out of Trustor's interest in the Property, or the use, condition or occupancy of such property, including, without limitation, those arising from any or all of the following (A) injury to or death of any person, or damage to or loss of property, on the Property or on adjoining sidewalks, streets or ways, or connected with the use, condition or occupancy thereof (not arising directly from the Trustee's or the Beneficiary's negligent acts (but not omissions) or willful misconduct on or about the Property), (B) violations by Trustor of this Deed of Trust, (C) real estate taxes and other taxes, claims and charges arising out of the ownership, leasing, use, condition or occupancy of the Property, (D) any notices, orders, violations or penalties filed against Trustor or imposed upon the Property or any part thereof or any other property of Trustor, or, to the extent the same relate to the transactions contemplated by this Deed of Trust, against the Trustee or the Beneficiary (including in each case and without limitation, any liability, expenses, loss or damage arising out of any violation (or alleged violation) of any Environmental Law or the existence (or alleged existence) of any Hazardous Substance on, in or under such Property and whether or not the same shall have migrated there from adjacent properties), and (E) any action taken or omitted to be taken by the Trustee hereunder, but only if such action or omission is not caused by the negligence of Trustee Upon the occurrence of any event giving rise to liability of the Trustor under the indemnification contained in this Paragraph (a), the Trustee shall give the Trustor notice of such event and a copy of any communication or document received by the Trustee with respect to each event and Trustor shall be entitled to conduct the negotiation or defense of any claim, cause of action, suit, demand or judgment by counsel selected by Trustor, subject to the approval of such counsel by the Trustee in its reasonable judgment The failure of the Trustee to give the Trustor prompt notice of such occurrence shall not excuse the Trustor from liability under this Paragraph (a) except to the extent that such liability arose directly by reason of the failure of the Trustee to give such notice The indemnification provided in this Paragraph (a) shall survive the discharge, release or satisfaction of this Deed of Trust and the payment in full of the Note as to any cause of action, suit, claim, demand or judgment arising prior to such discharge, release or satisfaction This indemnification shall not extend to any willful misconduct, gross negligence or bad faith of Trustee or Beneficiary

(b) Trustor hereby agrees to indemnify and hold harmless Trustee, Beneficiary, and their respective successors, assigns, directors, officers, shareholders, employees, attorneys and agents (collectively the "indemnified parties") from and against any and all losses, damages, claims, liabilities, obligations, penalties, actions, judgments, suits, costs and expenses (including without limitation attorney's fees and disbursements) which may be imposed on, incurred by or asserted against any of the indemnified parties in connection with the Property described herein, the Note secured hereby, this Deed of Trust, and any and all other Loan Documents executed in connection therewith, or any transaction or matter in any way connected

with the Property described herein, the Note secured hereby or the other Loan Documents executed in connection therewith or in any manner arising out of the use or intended use of the proceeds of the loan evidenced by the Note secured hereby, INCLUDING LOSSES, DAMAGES, CLAIMS, LIABILITIES, OBLIGATIONS, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS OR EXPENSES ARISING FROM THE NEGLIGENCE OF BENEFICIARY, except to the extent any such losses, damages, claims, liabilities, obligations, penalties, actions, judgments, suits, costs or expenses are incurred solely as the result of the willful misconduct, bad faith or gross negligence of the indemnified parties. Any amount payable in accordance with this paragraph (b) shall be deemed part of the indebtedness secured hereby and shall bear interest at the rate or rates provided in the Note and be payable immediately upon demand by Beneficiary or otherwise in accordance with the terms of this Deed of Trust. The indemnification provided in this Paragraph (b) shall survive the discharge, termination, foreclosure, release or satisfaction of this Deed of Trust and the payment in full of the Note as to any cause of action, suit, claim, demand or judgment arising prior to such discharge, termination, foreclosure, release or satisfaction.

ARTICLE X MISCELLANEOUS

Section 10.01. Notices All notices and communications under this Deed of Trust shall be in writing and shall be given by (a) hand delivery, (b) certified, first-class mail (postage prepaid, return receipt requested), or (c) reliable overnight commercial courier (charges prepaid), to the addresses listed in this Deed of Trust. Notice shall be deemed to have been given and received (i) if by hand delivery, upon delivery, (ii) if by mail, five days after the date first deposited in the U S mail, and (iii) if by overnight courier, on the date scheduled for delivery. A party may change its address by giving written notice to the other party as specified herein.

Section 10.02. Remedies Cumulative The rights and remedies of Beneficiary as provided in this Deed of Trust or in any other Loan Document shall be cumulative and concurrent, may be pursued separately, successively or together, may be exercised as often as occasion therefor shall arise, and shall be in addition to any other rights or remedies conferred upon Beneficiary at law or in equity. The failure, at any one or more times, of Beneficiary to assert the right to declare the Liabilities due, grant any extension of time for payment of the Liabilities, take other or additional security for the payment thereof, release any security, change any of the terms of the Loan Documents, or waive or fail to exercise any right or remedy under any Loan Document shall not in any way affect this Deed of Trust or the rights of Beneficiary.

Section 10.03. No Implied Waiver Beneficiary shall not be deemed to have modified or waived any of its rights or remedies hereunder unless such modification or waiver is in writing and signed by Beneficiary, and then only to the extent specifically set forth therein. A waiver in one event shall not be construed as continuing or as a waiver of or bar to such right or remedy on a subsequent event.

Section 10.04. Partial Invalidity The invalidity or unenforceability of any one or more provisions of this Deed of Trust shall not render any other provision invalid or unenforceable. In lieu of any invalid or unenforceable provision, there shall be added automatically a valid and

enforceable provision as similar in terms to such invalid or unenforceable provision as may be possible

Section 10.05. Binding Effect The covenants, conditions, waivers, releases and agreements contained in this Deed of Trust shall bind, and the benefits thereof shall inure to, the parties hereto and their respective heirs, executors, administrators, successors and assigns and are intended and shall be held to be real covenants running with the land, provided, however, that this Deed of Trust cannot be assigned by Trustor without the prior written consent of Beneficiary, and any such assignment or attempted assignment by Trustor shall be void and of no effect with respect to Beneficiary

Section 10.06. Modifications This Deed of Trust may not be supplemented, extended, modified or terminated except by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought

Section 10.07. Commercial Loan Trustor represents and warrants that the loans or other financial accommodations included as Liabilities secured by this Deed of Trust were obtained solely for the purpose of carrying on or acquiring a business or commercial investment and not for residential, consumer or household purposes

Section 10.08. Governing Law This Deed of Trust shall be governed by and construed in accordance with the substantive laws of the State of Texas without reference to conflict-of-laws principles

Section 10.09. Joint and Several Liability If Trustor consists of more than one person or entity, the word "Trustor" shall mean each of them and their liability shall be joint and several

Section 10.10. Nonmerger In the event Beneficiary shall acquire title to the Property by conveyance from Trustor or as a result of foreclosure, this Deed of Trust shall not merge in the fee estate of the Property but shall remain and continue as an existing and enforceable lien for the Liabilities secured hereby until the same shall be released of record by Beneficiary in writing

Section 10.11. Additional Usury Provisions Trustor and Beneficiary intend at all times to comply with the laws of the State of Texas governing the maximum rate or amount of interest payable on or in connection with the Liabilities (or applicable United States federal law to the extent that it permits Beneficiary to contract for, charge, take, reserve or receive a greater amount of interest than permits Beneficiary to contract for, charge, take, reserve or receive a greater amount of interest than under Texas law) If the applicable law is ever judicially interpreted so as to render usurious any amount payable under the Note, this Deed of Trust or any Loan Documents, or contracted for, charged, taken, reserved or received with respect to the Liabilities, or if acceleration of the maturity of the Liabilities, or if any prepayment by Trustor results in Trustor having paid any interest in excess of that permitted by any applicable law, then Trustor and Beneficiary expressly intend that all excess amounts collected by Beneficiary shall be applied to reduce the unpaid principal balance of the Liabilities (or, if the Liabilities has been or would thereby be paid in full, shall be refunded to Trustor), and the provisions of the Note,

this Deed of Trust and the Loan Documents immediately shall be deemed reformed and the amounts thereafter collectible under the Loan Documents reduced, without the necessity of the execution of any new documents, so as to comply with any applicable law, but so as to permit the recovery of the fullest amount otherwise payable under the Loan Documents. The right to accelerate the maturity of the Liabilities does not include the right to accelerate any interest which has not otherwise accrued on the date of such acceleration, and Beneficiary does not intend to collect any unearned interest in the event of acceleration. All sums paid or agreed to be paid to Beneficiary for the use, forbearance or detention of the Liabilities shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of the Liabilities until payment in full so that the rate or amount of interest on account of the Liabilities does not exceed the applicable usury ceiling. Notwithstanding any provisions contained in the Note, this Deed of Trust or any Loan Documents that permits the compounding of interest, including any provisions by which any accrued interest is added to the principal amount of the Liabilities, the total amount of interest that Trustor is obligated to pay and Beneficiary is entitled to receive with respect to the Liabilities shall not exceed the amount calculated on a simple (i.e., noncompounded) interest basis at the maximum rate on principal amounts actually advanced to or for the account of Trustor, including all current and prior advances and any advances made pursuant to the Deed of Trust or any Loan Documents (such as for the payment of impositions and similar expenses or costs).

Section 10.12. Non-Recourse. The obligations of Trustor under this Deed of Trust shall be non-recourse to the extent provided in Section 10.01 of the Loan Agreement.

Section 10.13. Extended Low-Income Housing Commitment. If applicable, the Beneficiary agrees that the lien of this Deed of Trust shall be subordinate to any extended low-income housing commitment (as such term is defined in Section 42(h)(6)(B) of the Internal Revenue Code) (the "Extended Use Agreement") recorded against the Property, provided that such Extended Use Agreement, by its terms must terminate upon foreclosure under this Deed of Trust or upon a transfer of the Property by Deed of Trust in lieu of foreclosure or comparable conversion of the Loan, in accordance with Section 42(h)(6)(E) of the Internal Revenue Code. The Trustor acknowledges and agrees that any default, Event of Default, or breach (however such terms may be defined) under the Extended Use Agreement shall be an Event of Default under this Deed of Trust and that any costs, damages or other amounts, including reasonable attorneys' fees incurred by the Beneficiary as a result of an Event of Default by the Trustor, and any amounts paid to cure any default under the Extended Use Agreement, shall be an obligation of the Trustor and become part of the indebtedness secured by this Deed of Trust.

Section 10.14. Single Asset Trustor. Until the indebtedness secured by this Deed of Trust is paid in full, Trustor (a) shall not own any real or personal property other than the Property and personal property related to the operation and maintenance of the Property, (b) shall not operate any business other than the management and operation of the Property, and (c) shall not maintain its assets in a way difficult to segregate and identify.

Section 10.15. Reporting. Within 120 days after the end of each fiscal year of Trustor, Trustor shall furnish to Beneficiary (a) a statement of income and expenses for Trustor's operation of the Property for that fiscal year, (b) a statement of changes in financial position of Trustor relating to the Property for that fiscal year, (c) when requested by Beneficiary, a balance

sheet showing all assets and liabilities of Trustor relating to the Property as of the end of that fiscal year, and (d) such other reports and information as Beneficiary may reasonably request from time to time. If Trustor's fiscal year is other than the calendar year, Trustor must also submit to Beneficiary a year-end statement of income and expenses within 120 days after the end of the calendar year.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Trustor has hereunto executed this Deed of Trust as of the day and year first above written

TRUSTOR:

**SAN ANTONIO ALTERNATIVE HOUSING
CORPORATION NO. 15**, a Texas non-profit corporation

By _____
Name Rod Radle
Title Executive Director

STATE OF TEXAS)
 ss
COUNTY OF BEXAR)

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared **ROD RADLE**, in his capacity as **EXECUTIVE DIRECTOR** of **SAN ANTONIO ALTERNATIVE HOUSING CORPORATION NO. 15**, a Texas non-profit corporation, known to me to be the person whose name is subscribed to the foregoing Deed of Trust, and, being by me first duly sworn, declared and acknowledged to me under oath that s/he executed the same for the purposes and consideration therein expressed and in the capacity therein stated, as the act and deed of said corporation

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of May, 2007

Notary Public in and for _____
County, State of _____

EXHIBIT A

LEGAL DESCRIPTION

Lots 23-24, Block "B" of NORTHCAPE SECTION 4 REVISED, a subdivision in Travis County, Texas according to the map or plat thereof recorded in Book 53, Page 51 of the Plat Records of Travis County, Texas

EXHIBIT E

BOND PURCHASE AGREEMENT

May 24, 2007

Austin Housing Finance Corporation
1000 East Eleventh Street
Suite 200
Austin, Texas 78702

San Antonio Alternative Housing Corporation No 15
1215 South Trinity Street
San Antonio, Texas 78207

Re \$9,335,000 Austin Housing Finance Corporation Multifamily Housing Revenue Bonds (Meadowood Apartments Project), Series 2007A

\$310,000 Austin Housing Finance Corporation Multifamily Housing Revenue Bonds (Meadowood Apartments Project), Taxable Series 2007B

Ladies and Gentlemen

The undersigned, Wachovia Bank, National Association (in such capacity, the "Initial Purchaser"), hereby offers to enter into this Bond Purchase Agreement (this "Purchase Agreement") with Austin Housing Finance Corporation (the "Issuer") and San Antonio Alternative Housing Corporation No 15, a Texas nonprofit corporation (the "Borrower"), for the purchase by the Initial Purchaser and sale by the Issuer of (i) \$9,335,000 aggregate principal amount of the Issuer's Multifamily Housing Revenue Bonds (Meadowood Apartments Project), Series 2007A (the "Series A Bonds") and (ii) \$310,000 aggregate principal amount of the Issuer's Multifamily Housing Revenue Bonds (Meadowood Apartments Project), Taxable Series 2007B (the "Series B Bonds," and together with the Series A Bonds, the "Bonds") This offer is made subject to the acceptance by the Issuer and the Borrower prior to 5 00 p m , Charlotte, North Carolina time, on the date hereof, and upon such acceptance this Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Issuer, the Borrower and the Initial Purchaser

Section 1 Purchase Price Upon the terms and conditions and based on the representations, warranties and covenants of the Issuer and the Borrower hereinafter set forth, the Initial Purchaser hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Initial Purchaser, all, but not less than all, of the Bonds at an aggregate purchase price of \$9,645,000, the par amount of the Bonds The Bonds are to be dated the date of delivery thereof,

and are to mature, be subject to redemption prior to maturity and bear interest as set forth in the Indenture (as defined in Section 2)

Section 2 Bond Documents The Bonds shall be as described in, and shall be issued and secured under and pursuant to, a Trust Indenture dated as of May 1, 2007 (the "Indenture") between the Issuer and American National Bank, as trustee (the "Trustee") The proceeds of the Bonds will be loaned by the Issuer to the Borrower pursuant to a Loan Agreement dated as of May 1, 2007 (the "Loan Agreement") The Borrower's payment obligations under the Loan Agreement will be evidenced by two promissory notes (the "Notes") to be executed by the Borrower on the hereinafter defined Closing Date and secured by a First Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the Closing Date (the "Mortgage")

Section 3 Representations, Warranties and Covenants of the Issuer The Issuer makes the following representations, warranties and covenants, all of which shall survive delivery of the Bonds, and agrees with the Initial Purchaser that

(a) The Issuer is and will be at the Closing Date duly organized and validly existing as a housing finance corporation of the State of Texas with the power and authority under the constitution and laws of the State of Texas, to issue the Bonds and to execute, deliver and perform its obligations hereunder and under the Loan Agreement and the Indenture, to pledge the property described in the Indenture and to be pledged thereby in the manner and to the extent therein set forth, all actions required for the issuance of the Bonds and the execution and delivery of, and the performance of its obligations under, this Purchase Agreement and under the Loan Agreement, the Indenture and the Bonds have been, or as of the Closing Date will have been, duly and effectively taken, this Purchase Agreement has been and the Loan Agreement and the Indenture will, as of the Closing Date, have been duly executed, issued and delivered and, assuming the due authorization, execution and delivery by the other parties thereto are, or will, as of the Closing Date, be valid, binding and enforceable agreements of the Issuer, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally, and the Bonds will, as of the Closing Date, have been duly authorized, executed, issued and delivered, and will constitute, legal, valid and binding limited obligations of the Issuer, enforceable in accordance with their respective terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally

(b) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending, or, to the best knowledge of the Issuer, threatened against or affecting the Issuer wherein an unfavorable decision, ruling or finding would adversely affect (i) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Loan Agreement or this Purchase Agreement or (ii) the tax-exempt status of interest on the Series A Bonds

(c) The execution and delivery by the Issuer of the Bonds, the Indenture, the Loan Agreement and this Purchase Agreement and the performance by the Issuer of its

obligations thereunder (i) do not violate applicable provisions of the constitution, statutory laws or regulations of the State of Texas, (ii) do not violate its activating resolution or bylaws, (iii) do not breach or result in a default under any other agreement to which it is a party, and (iv) do not violate the terms of any judicial or administrative judgment, order, decree or arbitral decision that names the Issuer and is specifically directed to it or its properties, and no approval or other action by, or filing or registration with, any governmental authority or agency is required in connection therewith that has not been obtained or accomplished or will not be obtained or accomplished by the Closing Date (provided no representation or warranty is expressed as to any action required under federal or state securities or Blue Sky laws in connection with the sale of the Bonds by the Initial Purchaser)

(d) Each of the representations of the Issuer contained in the Loan Agreement and in the Indenture are and will, as of the Closing Date, be true and correct in all material respects and are hereby made to the Initial Purchaser as if set forth herein

(e) The Issuer will not take or omit to take any action, which action or omission might in any way result in the inclusion of the interest on the Series A Bonds in gross income of the owners thereof for federal income tax purposes

(f) Any certificate signed by any officer or official of the Issuer and delivered to the Initial Purchaser shall be deemed a representation and warranty by the Issuer as to the statements made therein

(g) The Issuer is not in default in the payment of the principal of or interest on any of its other indebtedness for borrowed money or under any instrument under or subject to which any indebtedness has been incurred and the Issuer has no knowledge that any event has occurred or is continuing that, with the lapse of time or the giving of notice, or both, would constitute an event of default under any such indebtedness or instrument

Section 4 Representations, Warranties and Covenants of the Borrower The Borrower makes the following representations, warranties and covenants, all of which shall survive delivery of the Bonds, and agrees with the Initial Purchaser that

(a) The Borrower is and will be on the Closing Date a duly organized and validly existing nonprofit corporation in good standing under the laws of the State of Texas and has full power and authority to own its properties and operate its business, as presently conducted, the Borrower has taken all necessary corporate action to authorize, execute and deliver this Purchase Agreement, and the Borrower has, or as of the Closing Date will have, taken all necessary corporate action to authorize, execute and deliver the Loan Agreement, the Notes and the Mortgage (this Purchase Agreement, the Loan Agreement, the Notes and the Mortgage being referred to hereinafter collectively as the "Borrower Documents"), the Borrower has approved the terms of the Indenture and this Purchase Agreement has been, and the other Borrower Documents will, as of the Closing Date, have been duly executed and delivered by the Borrower, and will constitute the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in

accordance with their respective terms except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and the application of general principles of equity

(b) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending, or, to the best knowledge of the Borrower, threatened against or affecting the Borrower wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition of the Borrower or would adversely affect (i) the transactions contemplated by, or the validity or enforceability of, the Borrower Documents, the Bonds or the Indenture or (ii) the tax-exempt status of interest on the Series A Bonds

(c) The execution and delivery by the Borrower of this Purchase Agreement and the other Borrower Documents and the performance by the Borrower of its obligations thereunder are within the corporate powers of the Borrower and (i) do not violate provisions of statutory laws or regulations applicable to the Borrower, (ii) do not violate its articles of incorporation or bylaws and (iii) do not breach or result in a default under any other agreement to which it is a party

(d) The information relating to the Borrower and the Project (as defined in the Indenture) provided to the Initial Purchaser is true and correct in all material respects

(e) Each of the Borrower's representations and warranties contained in the Borrower Documents are and will, as of the Closing Date, be true and correct in all material respects and are hereby made to the Initial Purchaser as if set forth herein

(f) The Borrower will not take or omit to take any action, which action or omission might in any way result in the inclusion of interest on the Series A Bonds in gross income of the owners thereof for federal income tax purposes

(g) Any certificate signed by any officer of the Borrower and delivered to the Initial Purchaser shall be deemed a representation and warranty by the Borrower as to the statements made therein

(h) The Borrower is not in default in the payment of the principal of or interest on any other of its indebtedness for borrowed money or under any instrument under or subject to which any indebtedness has been incurred and no event has occurred and is continuing that, with the lapse of time or the giving of notice or both, would constitute an event of default under any such instrument

Section 5 Purchase of the Bonds

(a) The Initial Purchaser agrees to purchase the Bonds for the price of \$9,645,000, the par amount of the Bonds

(b) The Initial Purchaser's obligations under this Purchase Agreement shall be conditioned upon the performance by the Issuer and the Borrower of their respective

obligations to be performed hereunder and shall also be subject to the following additional conditions

(i) the representations and warranties of the Issuer and the Borrower contained herein shall be true, complete and correct in all material respects on the date hereof and as of the Closing Date as if made on the Closing Date,

(ii) as of the Closing Date, (A) this Purchase Agreement, the other Borrower Documents, the Bonds and the Indenture shall be in full force and effect and shall be in the forms previously furnished to the Initial Purchaser except for such changes as may have been agreed to by the Initial Purchaser, and (B) there shall be in full force and effect such ordinances and resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby,

(iii) none of the following shall have occurred between the date hereof and the Closing Date

(A) legislation shall have been enacted by the Congress of the United States of America or the legislature of the State of Texas or shall have been reported out of committee of either body or be pending in a committee of either body, or shall have been recommended to the Congress of the United States of America or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed for consideration by either such Committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or of the State of Texas or the United States Tax Court, or a ruling shall have been made or a regulation or temporary regulation shall have been proposed or made or any other release or announcement shall have been made by the Treasury Department of the United States or any branch thereof or the Internal Revenue Service, with respect to federal or the State of Texas taxation upon revenues or other income of the general character to be derived by the Issuer or upon interest received on obligations of the general character of the Bonds, which in the reasonable judgment of the Initial Purchaser, materially adversely affects the market for municipal securities, such as the Bonds,

(B) there shall have occurred any outbreak or escalation of hostilities or other national or international calamity or crisis, the effect of

such outbreak, escalation, calamity or crisis on the financial markets of the United States being such as, in the reasonable judgment of the Initial Purchaser, materially adversely affects the market for municipal securities, such as the Bonds,

(C) there shall be in force a general suspension of trading on the New York Stock Exchange or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange, whether by virtue of a determination by that Exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction,

(D) a general banking moratorium shall have been established by either federal, North Carolina, Texas or New York authorities or any devaluation of the dollar shall have been proposed or effected by any governmental authority of the United States,

(E) there shall be any material adverse change in the affairs of the Issuer or the Borrower that, in the reasonable judgment of the Initial Purchaser, affects materially and adversely the market price or the marketability of municipal securities, such as the Bonds,

(F) there shall be established any new material restriction on transactions in securities (including the imposition of any limitation on interest rates) or the sale of the Bonds by the Initial Purchaser as contemplated by this Purchase Agreement,

(G) there shall occur a default with respect to the debt obligations of or the institution of proceedings under bankruptcy laws by or against any state of the United States or agency or instrumentality thereof or any municipality located in the United States or agency or instrumentality thereof that, in the reasonable judgment of the Initial Purchaser, affects materially and adversely the market price or marketability of municipal securities, such as the Bonds, or

(H) any legislation shall be enacted or proposed, any decision of any federal or state court or any ruling or regulation (final, temporary or proposed) of the Securities and Exchange Commission or other governmental agency shall have been made or issued that would (1) make the Bonds or any securities of the Issuer or of any similar body subject to the registration requirements of the Securities Act of 1933, as amended, or (2) require the qualification of an indenture with respect to the Bonds or any such securities under the Trust Indenture Act of 1939, as amended,

(iv) at or prior to the Closing Date, all of the conditions to the issuance of the Bonds set forth in the Indenture shall have been satisfied in a manner satisfactory to the Initial Purchaser

If there shall be a failure to satisfy the conditions to the Initial Purchaser's obligations contained in this Purchase Agreement or if the Initial Purchaser's obligations shall be terminated for any reason permitted under this Purchase Agreement, this Purchase Agreement shall terminate, and the Initial Purchaser, the Issuer and the Borrower shall have no further obligation hereunder, except as provided in Section 7

Section 6 Closing At 10 00 a m , Austin, Texas time, on May 31, 2007, or at such other time or on such earlier or later date as we mutually agree upon (herein called the "Closing" and the date of the Closing herein called the "Closing Date"), the Issuer will deliver or cause to be delivered to The Bank of New York, as agent for the Initial Purchaser, at 3rd floor – Window B, ASP#117629, 1 Wall Street, New York, New York 10286, Attention Vincent Fuente, or at such other place as the parties hereto may mutually agree upon, the Bonds as described below in typewritten form duly executed and authenticated, and at the offices of McCall, Parkhurst & Horton L L P , Austin, Texas, the other documents mentioned herein It is anticipated that CUSIP identification numbers will be placed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Initial Purchaser to accept delivery of and pay for the Bonds in accordance with the terms of this Purchase Agreement Upon such delivery of the Bonds, the Initial Purchaser will pay the full purchase price thereof by immediately available federal funds payable to the Trustee on behalf of the Issuer One fully-registered Bond for each maturity of each series, in the aggregate principal amount of each such maturity, shall be issued to and registered in the name of Wachovia Bank, National Association

Section 7 Fees and Expenses

(a) The Borrower shall pay all fees and expenses incurred in connection with the issuance and sale of the Bonds and the preparation, execution, delivery and filing of this Purchase Agreement, the Indenture, the Bonds, the Loan Agreement, any other Borrower Document and any other document that may be delivered in connection herewith or therewith, including, but not limited to, the fees and expenses of Bond Counsel, counsel for the Initial Purchaser, counsel for the Borrower and counsel for the Issuer, the fees and expenses of the Issuer and the Trustee, the cost of printing and delivery of the Bonds, rating agency fees, if any, and the fees and expenses of the Initial Purchaser (including, without limitation, a closing fee in the amount of \$120,562 50)

(b) Such fees and expenses shall be paid by the Borrower whether or not the Bonds are issued or sold All such fees and expenses, to the extent they are identifiable and billed, shall be paid on the Closing Date, and the remainder shall be paid promptly upon receipt of statements therefor The obligations of the Borrower under this Section shall survive the issuance and maturity of the Bonds and any termination of this Purchase Agreement

Section 8 Governing Law This Purchase Agreement has been executed and delivered at, and shall be deemed to have been made in, Texas, and shall be interpreted in accordance with the internal laws (as opposed to the conflicts of laws provisions) of the State of Texas

Section 9 Counterparts This Purchase Agreement may be signed in any number of counterparts, each of which shall be an original, and by the parties hereto on separate counterparts, with the same effect as if the signatures thereto and hereto were upon the same instrument

Section 10 Binding Effect This Purchase Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns, except that no party hereto may assign any of its rights or obligations hereunder without the consent of the other parties

Section 11 Survival of Representations and Obligations The agreements, representations, warranties and covenants set forth in this Purchase Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of the Initial Purchaser, the Issuer or the Borrower or any of their respective officials, officers, directors or agents, and will survive delivery of and payment for the Bonds, the maturity of the Bonds and any termination of this Purchase Agreement

Section 12 Notices All notices, certificates, requests or other communications hereunder shall be given in accordance with Section 13 01 of the Indenture using the same address for the Initial Purchaser

Section 13 Purchaser's Understanding

(a) The Initial Purchaser has neither requested nor received from (nor does the Initial Purchaser expect to receive from) the Issuer or any of its directors, officers, employees or agents any information with respect to the Borrower, the Issuer, the Bonds or the security therefor, except for any such information which is included within the express representations and warranties of the Issuer in this Purchase Agreement or in any other instrument delivered to the Initial Purchaser by or on behalf of the Issuer in connection with the transactions contemplated hereby

(b) Neither the Issuer nor any of its directors, officers, employees or agents shall have any responsibility to the Initial Purchaser for the completeness of information obtained by the Initial Purchaser from any source with respect to the Borrower, its assets, business, circumstances, financial condition and properties, or with respect to the Bonds, and the security purported to be afforded hereby or, subject only to the exception stated in (a) above, for the accuracy of any such information, and the Initial Purchaser acknowledges that, as between itself and the Issuer, the Initial Purchaser assumes responsibility for obtaining such information and making such investigation as it deems necessary or desirable in connection with the decision to purchase the Bonds

(c) The Initial Purchaser has been provided with, or given access to, all financial and other information it has requested of the Borrower in connection with its purchase of the Bonds

(d) The Initial Purchaser has such information and experience in financial and business matters that it is capable of evaluating the merits and risks of investment in the Bond and considers this investment to be prudent

(e) The Initial Purchaser is purchasing the Bonds for its own account and not with a view to the resale or distribution thereof, except to any trust or similar vehicle established by the Initial Purchaser

(f) The Initial Purchaser understands that neither the Borrower nor the Issuer have prepared or provided any offering statement, prospectus, offering circular or other comprehensive offering statement containing material information with respect to the Bonds, the Issuer or the Borrower. The Initial Purchaser has made its own inquiry and analysis with respect to the Issuer, the Borrower, the Project (as defined in the Indenture), the Bonds and the security therefore and other material factors affecting the security for and the payment of the Bonds, and the Issuer shall have no responsibility for the completeness or accuracy of any information with respect thereto

Section 14 Miscellaneous

(a) This Purchase Agreement may be amended from time to time only by an instrument in writing executed by all the parties hereto

(b) The headings contained herein are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Purchase Agreement

(c) Any provision of this Purchase Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating any other provision hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction

[The remainder of this page is left blank intentionally]

IN WITNESS WHEREOF, the parties hereto have caused this Purchase Agreement to be duly executed as of the day and year first above written

WACHOVIA BANK, NATIONAL ASSOCIATION

By _____
Patrick Fry
Director

ACCEPTED:

AUSTIN HOUSING FINANCE CORPORATION

By _____
Name _____
Title _____

**SAN ANTONIO ALTERNATIVE HOUSING
CORPORATION NO. 15**

By _____
Name _____
Title _____

[Signature page to Purchase Agreement]

EXHIBIT F

ASSIGNMENT OF LIENS AND SECURITY INTEREST

THE STATE OF TEXAS

KNOWN ALL BY THESE PRESENTS

COUNTY OF DALLAS

Austin Housing Finance Corporation (herein called the "Assignor"), for and in consideration of the sum of ten and no/100 dollars (\$10 00) cash and valuable consideration in hand paid by American National Bank, a national association, as Trustee, a national banking association (hereinafter called the "Assignee), and in receipt and sufficiency of which consideration are hereby confessed and acknowledged by the Assignor, has transferred, assigned, sold, set over, and delivered, and does hereby transfer, assign, sell, set over, and deliver, unto the Assignee the First Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of May 31, 2007, made by the San Antonio Alternative Housing Corporation No 15 to the Assignor for the benefit and use of the Austin Housing Finance Corporation

This Assignment is made by the Assignor without recourse or warranty, express or implied. This Assignment is executed in connection with and in furtherance of a Trust Indenture of even date herewith by and between the Assignee and the Austin Housing Finance Corporation and a Loan Agreement of even date herewith by and between the Assignee and the San Antonio Alternative Housing Corporation No 15, all in connection of the issuance of the Austin Housing Finance Corporation's Multifamily Housing Revenue Bonds (Meadowood Apartments Project) Series 2007A and Taxable Series 2007B

AFTER RECORDING RETURN TO

American National Bank
3033 E 1st Avenue
Denver, Colorado 80206-5698
Attn: Tamara Dixon

Executed on the date of the acknowledgment set forth hereinbelow, to be effective, however, for all purposes as of the 31st day of May, 2007

_____, as Assignor

THE STATE OF TEXAS
COUNTY OF TRAVIS

This instrument was acknowledged before me on the ____ day of May, 2007 by
Tamara Dixon, mortgage trustee and officer of American National Bank

(SEAL)

Witness my hand and seal at office in _____ this _____ day
of _____, 2007

Notary Public