

RESOLUTION NO. 20080807-AHFC-002

WHEREAS, the Austin Housing Finance Corporation (the "Corporation") has been duly created and organized by action of the City Council of the City of Austin, Texas (the "Sponsoring Governmental Unit") under the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code (the "Act"), to provide a means of financing the costs of residential ownership and development to provide decent, safe, sanitary and affordable housing for persons of low- and moderate-income; and

WHEREAS, the Act authorizes the Corporation to issue bonds to defray, in whole or in part, the development costs of multifamily residential developments; and

WHEREAS, the Board of Directors of the Corporation (Board) authorized the issuance of the Austin Housing Finance Corporation Multifamily Housing Revenue Bonds (Stony Creek/Princeton Apartments Project) Series 1999A and Taxable Series 1999B (collectively, the Bonds), in the aggregate principal amount of \$9,390,000 and \$270,000, respectively, in accordance with the terms of a Trust

Indenture, dated as of November 1, 1999 (the "Indenture"), by and between the Corporation and American National Bank, successor to The Bank of Cherry Creek, N.A., as Trustee (the "Trustee"), to fund the cost of acquiring and rehabilitating two multifamily residential rental projects located in Austin, Texas (collectively, the "Project"), in accordance with the Constitution and laws of the State of Texas; and

WHEREAS, the Corporation loaned the proceeds of the Bonds to San Antonio Alternative Housing Corporation No. 4, a Texas non-profit corporation (the "Borrower"), to finance the development of the Project, in which a portion of the units were required pursuant to Section 142(d) of the Internal Revenue Code of 1986, as amended, to be occupied by persons of low- and moderate-income; and

WHEREAS, the Corporation and the Borrower executed and delivered a Loan Agreement, dated as of November 1, 1999 (the "Loan Agreement"), under which the Corporation agreed to lend funds to the Borrower to enable the Borrower to finance the Project; and

WHEREAS, the Borrower executed, delivered and filed for record a Regulatory Agreement and Declaration of Restrictive Covenants for each property, each dated October 1, 1999 (collectively, the "Regulatory Agreement"), that restricts occupancy of a portion of the units in the Project to persons and families of low- and moderate-income; and

WHEREAS, the Borrower has determined to sell the Project and desires to defease the Bonds with a portion of the proceeds of the sale; and

WHEREAS, *the Borrower has requested that the Corporation consent to the transfer of the Project, along with all other interests of the Borrower, from the Borrower to M3 Multifamily, LLC, a California limited liability company, or an affiliate or assigned entity (the "Transferee") and execute all documents allowing the transfer and other related matters, including a Consent to Sale Agreement and a Defeasance Agreement; and*

WHEREAS, in connection with the transfer, the Transferee and Borrower are required to comply with the transfer provisions set forth in the Regulatory Agreement; **NOW, THEREFORE**,

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

Section 1. Approval of Transfer and Defeasance. The negotiation and execution of agreements and other documents to effectuate the transfer and defeasance set forth in the recitals above is approved.

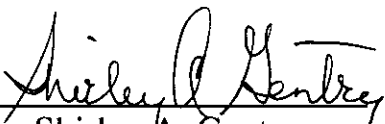
Section 2. Power to Negotiate, Execute and Deliver Documents. The authorized representatives of the Corporation are authorized to negotiate, execute, and deliver agreements and all other documents as, in the judgment of an authorized representative, and in the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel to the Corporation, may be necessary or convenient to carry out this resolution, including but not limited to the transfer of the Project and the discharge or defeasance of the Bonds.

Section 3. Authorized Representatives. The President, Vice President, Secretary, General Manager, and Treasurer are named as authorized representatives of the Corporation to execute, attest, affix the Corporation's seal to, and deliver the documents described in this resolution and such other documents

and other actions as may be necessary or convenient to effectuate the foregoing, and such representatives of the Corporation are authorized to approve such changes to the forms of such documents as may be reasonably requested and are consistent with the tenor of this resolution.

ADOPTED: August 7, 2008

ATTEST:


Shirley A. Gentry
Secretary