

AHFC RESOLUTION NO. 040212-2

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE REFUNDING BONDS (STASSNEY WOODS APARTMENTS PROJECT) SERIES 2004; APPROVING THE FORM AND SUBSTANCE AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND INSTRUMENTS PERTAINING THERETO; AUTHORIZING OTHER ACTIONS AND DOCUMENTS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT.

WHEREAS, 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 provisions of the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended (the "Act"), for the purpose of providing a means of financing the costs of residential ownership and development that will provide decent, safe and sanitary housing for persons of low and moderate income at prices they can afford; and

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

WHEREAS, the Board of Directors of the Corporation (the "Board") has determined to authorize the issuance of the Austin Housing Finance Corporation Multifamily Housing Revenue Refunding Bonds (Stassney Woods Apartments Project) Series 2004 (the "Bonds"), pursuant to and in accordance with the terms of

therein (the "Trustee"), for the purpose of obtaining funds to finance the Project (defined below), all under and in accordance with the Constitution and laws of the State of Texas; and

WHEREAS, the Corporation desires to loan the proceeds of the Bonds to a for profit limited partnership, Mid-America Apartments of Texas, L.P. (the "Borrower"), in order to (i) refinance the costs of acquisition and rehabilitation of the residential rental project described in Exhibit A to the Mortgage (as hereinafter defined) (the "Project") located within the State of Texas and the units therein required pursuant to the Code to be occupied by persons and families of low and families of moderate income, as determined by the Corporation and pay costs of issuance of the Bonds; and

WHEREAS, the Corporation and the Borrower will execute and deliver a Financing Agreement (the "Financing Agreement") pursuant to which the Corporation will agree to lend funds to the Borrower to enable the Borrower to finance the Project.

WHEREAS, it is also anticipated that the Borrower will cause to be delivered as security for the Bonds a Credit Enhancement Instrument; and

WHEREAS, the Board has determined that the Corporation, the Trustee and the Borrower will execute a First Amendment to Land Use Restriction Agreement to be dated as of February 1, 2004 (the "Regulatory Agreement"), with respect to the Project which will be filed of record in the real property records of the county in which such Project is located; and

WHEREAS, the Board has further determined that the Corporation will sell the Bonds to RBC Dain Rauscher, Inc., or its assignee (the "Bond Purchaser") at par pursuant to the terms of the Indenture; and

WHEREAS, the Board has been presented with a draft of an Official Statement (the "Official Statement"), and has considered and desires to ratify, approve, confirm and authorize the use and distribution of such Official Statement in the public offering of the Bonds; and

WHEREAS, the Board has determined that the Corporation, the Trustee, Fannie Mae and the Borrower will execute an Assignment and Intercreditor Agreement to be dated as of March 1, 2004 (the "Intercreditor Agreement"), with respect to the Project which will be filed of record in the real property records of the county in which such Project is located; and

WHEREAS, the Board has examined proposed forms of the Indenture, the Financing Agreement, the Mortgage, the Regulatory Agreement, the Assignment and Intercreditor Agreement and the Letter of Representations, all of which are attached to and comprise a part of this Resolution; has found the form and substance of such documents to be satisfactory and proper and the recitals contained to be true, correct and complete; and has determined to authorize the issuance of the Bonds, the execution and delivery of such documents and the taking of such other actions as may be necessary or convenient in connection therewith; **NOW THEREFORE**,

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

Section 1.1 - Issuance, Execution and Delivery of the Bonds. That the issuance of the Bonds in the aggregate principal amount of \$4,050,000 is hereby authorized, under and in accordance with the conditions set forth in the Indenture, and that, upon execution and delivery of the Indenture, the authorized representatives of the Corporation named in the Resolution each are authorized hereby to execute, attest and affix the Corporations seal to the Bonds and to deliver the Bonds to the Attorney General of the State of Texas for approval, the Comptroller of Public Accounts of the State of Texas for registration and the Trustee for authentication (to the extent required in the Indenture), and thereafter to deliver the Bonds to the order of the Bond Purchaser pursuant to the Bond Purchase Agreement. The Bonds will bear interest initially at a weekly variable interest rate, determined in accordance with the Indenture.

Section 1.2 - Approval, Execution and Delivery of the Indenture. That the form and substance of the Indenture are hereby approved, and that the authorized representatives of the Corporation named in this Resolution each are authorized hereby to execute, attest and affix the Corporation's seal to the Indenture and to deliver the Indenture to the Trustee.

Section 1.3 - Approval, Execution and Delivery of the Financing Agreement and Regulatory. That the form and substance of the Financing Agreement and the Regulatory Agreement are hereby approved, and that the

authorized representatives of the Corporation named in this Resolution each are authorized hereby to execute, attest and affix the Corporation's seal to the Financing Agreement and the Regulatory.

Section 1.4 - Approval, Execution and Delivery of the Assignment and Intercreditor Agreement. That the form and substance of the Intercreditor Agreement are hereby approved, and that the authorized representatives of the Corporation named in this Resolution each are authorized hereby to execute, attest and affix the Corporation's seal to the Intercreditor Agreement and to deliver the Intercreditor Agreement to the Trustee.

Section 1.5 - Approval, Execution and Delivery of the Bond Purchase Agreement. That the sale of the Bonds to the Bond Purchaser is hereby approved, that the form and substance of the Bond Purchase Agreement are hereby approved solely with respect to the Bonds, and that the authorized representatives of the Corporation named in this Resolution each are authorized hereby to execute, attest and affix the Corporation's seal to the Bond Purchase Agreement solely with respect to the Bonds and to deliver the Bond Purchase Agreement to the Borrower and the Bond Purchaser solely with respect to the Bonds.

Section 1.6 - Approval, Execution, and Delivery of the Letter of Representations. That the form and substance of the Letter of Representations are hereby approved, and authorized representatives of the Corporation named in the

Resolution each are authorized hereby to execute the Letter of Representations and to deliver the Letter of Representations to the Securities Depository and the Trustee.

Section 1.7 - Approval, Execution, Use and Distribution of the Official Statement. That the form and substance of the Official Statement and its use and distribution by the Bond Purchaser in accordance with the terms, conditions and limitations contained therein are approved, ratified, confirmed and authorized hereby; that the authorized representatives of the Corporation named in this Resolution each are authorized hereby to make or approve such changes in the Official Statement as may be required; that the authorized representatives of the Corporation named in this Resolution each are authorized hereby to execute the Official Statement; and that the distribution and circulation of the Official Statement by the Bond Purchaser hereby is authorized and approved, subject to terms, conditions and limitations contained therein, and further subject amendments or additions thereto as may be required by the Bond Purchaser and as may be approved by the General Manager of the Corporation and the Corporation's counsel.

Section 1.8 - Execution and Delivery of Other Documents. That the authorized representatives of the Corporation named in this Resolution each are authorized hereby to execute, attest and affix the Corporation's seal to such other agreements, commitments, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.9 - Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

Exhibit A - Indenture

Exhibit B - Financing Agreement

Exhibit C - Regulatory Agreement

Exhibit D - The Mortgage

Exhibit E - Letter of Representations

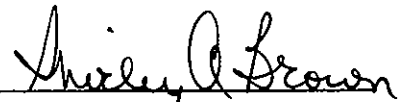
Exhibit F – Assignment and Intercreditor Agreement

Section 1.10 - Power to Revise Form of Documents. That, notwithstanding any other provisions of this Resolution, the authorized representatives of the Corporation named in this Resolution each are authorized hereby to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such authorized representative or authorized representatives, and in the opinion of McCall, Parkhurst & Horton L.L.P. and Rafael Quintanilla, Co-Bond Counsel to the Corporation, may be necessary or convenient to carry out or assist in carrying out the purpose of this Resolution, such approval to be evidenced by the execution of such documents by the authorized representatives of the Corporation named in this Resolution.

Section 1.11 - Authorized Representatives. That the President, Vice President and Secretary are hereby named as authorized representatives of the Corporation for purposes of executing, attesting, affixing the Corporation's seal to, and delivering the documents and instruments referred to herein.

ADOPTED: February 12, 2004

ATTEST:



Shirley A. Brown
Secretary

EXHIBIT A

The Indenture is included in the Transcript of Proceedings

EXHIBIT B

The Financing Agreement is included in the Transcript of Proceedings

EXHIBIT C

The Regulatory Agreement is included in the Transcript of Proceedings

EXHIBIT D

The Mortgage is included in the Transcript of Proceedings

EXHIBIT E

The Letter of Representations is included in the Transcript of Proceedings