

AHFC RESOLUTION NO. 041104-2

RESOLUTION AUTHORIZING AND APPROVING THE PURCHASE ASSIGNMENT, IMPOSITION OF DEED RESTRICTIONS, GROUND LEASE, FEE SHARING AGREEMENT, AND ADMINISTRATIVE AND ASSET MANAGEMENT AGREEMENT WITH RESPECT TO THE VILLAS ON SIXTH APARTMENT PROJECT; 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 "Austin HFC") 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 and planning and developing the establishment 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 Austin HFC to enter into contracts as necessary or convenient to the exercise of its powers under the Act, including the

power to plan and develop a residential development and own property exempt from taxation; and

WHEREAS, CAMPBELL-HOGUE AND ASSOCIATES, INC., a Washington company, and its affiliated entities created in connection with this transaction (the "Developer") has proposed the construction and development of a residential development located on an approximate 6.087 acre tract of land on the south side of the 1900 block of East Sixth Street within the City of Austin, State of Texas and described in Exhibit A (the "Land") which will have 160-units of affordable housing substantially all of which will be occupied by persons and families of low- and moderate-income pursuant to the Low Income Housing Tax Credit Program of the Texas Department of Housing and Community Affairs and approximately 6,694 square feet of commercial space which is an integral part of or functionally related to the units and as described in Exhibit B (the "Project"); and

WHEREAS, the Board of Directors of the Austin HFC (the "Board") authorized by AHFC Resolution No. 030109-4 the negotiation of agreements necessary to assist in the development of the Project and the creation of the **VILLAS ON SIXTH NON-PROFIT CORPORATION** (the "General Partner") for the purpose of

the General Partner being admitted as the sole general partner of the Villas on Sixth Housing Associates Limited Partnership (the "Villas Partnership") which will own the Project; and

WHEREAS, the Board has determined to authorize the execution of the Assignment of the Land Purchase Agreement set forth in Exhibit C (the "Purchase Assignment"), and the purchase of the Land at a price not to exceed \$1,900,000 plus any costs associated with the transfer of the Land, provided the Developer and all limited partners to the Villas Partnership agree that any amounts with respect to the land purchase that exceed an amount equal to \$500,000 will be funded by a lease execution payment made by the Villas Partnership from proceeds which will be contributed into the Limited Partnership by the limited partners; and

WHEREAS, the Board has determined to authorize the imposition of various easements, restrictive covenants and license agreements including, without limitation, a Water Line Easement, a Restrictive Covenant Regarding Unified Development and Right of Way Encroachment License Agreement No. 8089-0407; a Declaration of Land Use Restrictive Covenants/Land Use Restriction Agreement for Low-Income Housing Credits required by the Texas Department of Housing and

Community Affairs; and Affordable Housing Program Deed Restrictions required by the Federal Home Loan Bank set forth in Exhibit D (the "Deed Restrictions") on the Land; and

WHEREAS, the Board has determined to authorize the execution of the Ground Lease Agreement set forth in Exhibit E (the "Ground Lease") with the Villas Partnership, provided the execution is simultaneous with the purchase of the Land and payment by the Villas Partnership of a lease execution payment in accordance with the terms of the Ground Lease, pursuant to which the Austin HFC will agree to lease the Land to the Villas Partnership in accordance with the terms and conditions of the Ground Lease; and

WHEREAS, the Board has determined to authorize the execution of the Development Fee Sharing Agreement set forth in Exhibit F (the "Fee Sharing Agreement") with the Developer pursuant to which the Austin HFC will agree to assist in the development of the Project for the Villas Partnership in accordance with the terms and conditions of the Fee Sharing Agreement; and

WHEREAS, the Board has determined to authorize the execution of the Administrative and Asset Management Agreement set forth in Exhibit G (the "Management Agreement") with the General Partner pursuant to which Austin HFC will provide staff support services, asset management services and other resources to the General Partner in connection with its management of the partnership assets with respect to the Project in accordance with the terms and conditions of the Management Agreement; and

WHEREAS, the Board has examined proposed forms of the Purchase Assignment, the Deed Restrictions, the Ground Lease, the Fee Sharing Agreement, the Asset Management Agreement and the Management Agreement, 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 herein to be true, correct and complete; and has determined to authorize 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 – Approval, Execution and Delivery of the Purchase Assignment. That the form and substance of the Purchase Assignment and the purchase of the Land in an amount not to exceed \$1,900,000, plus any costs associated with the transfer of the Land, is hereby approved, and that the authorized representatives of the Austin HFC named in this Resolution each are authorized hereby to execute in the name of and on behalf of the Austin HFC, attest and affix the Austin HFC's seal to the Purchase Assignment.

Section 1.2 – Approval, Execution and Delivery of the Deed Restrictions. That the form and substance of the Deed Restrictions are hereby approved, and that the authorized representatives of the Austin HFC named in this Resolution each are authorized hereby to execute in the name of and on behalf of the Austin HFC, attest and affix the Austin HFC's seal to the Deed Restrictions.

Section 1.3 – Approval, Execution and Delivery of the Ground Lease. That the form and substance of the Ground Lease is hereby approved, and that the authorized representatives of the Austin HFC named in this Resolution each are

authorized hereby to execute in the name of and on behalf of the Austin HFC, attest and affix the Austin HFC's seal to the Ground Lease.

Section 1.4 – Approval, Execution and Delivery of the Fee Sharing Agreement. That the form and substance of the Fee Sharing Agreement is hereby approved, and that the authorized representatives of the Austin HFC named in this Resolution each are authorized hereby to execute in the name of and on behalf of the Austin HFC, attest and affix the Austin HFC's seal to the Fee Sharing Agreement.

Section 1.5 – Approval, Execution and Delivery of the Management Agreement. That the form and substance of the Management Agreement is hereby approved, and that the authorized representatives of the Austin HFC named in this Resolution each are authorized hereby to execute in the name of and on behalf of the Austin HFC, attest and affix the Austin HFC's seal to the Management Agreement.

Section 1.6 –Execution and Delivery of Other Documents. That the authorized representatives of the Austin HFC named in this Resolution each are authorized hereby to execute in the name of and on behalf of the Austin HFC, attest and affix the Austin HFC's seal to such other security agreements, financing

statements, agreements, notices, requests, demands, directions, consents, approvals, waivers, acceptances, appointments, applications, certificates, documents, instruments, letters of instruction 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 1.7 - 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 – Land

Exhibit B – Project

Exhibit C – Purchase Assignment

Exhibit D – Deed Restrictions

Exhibit E - Ground Lease

Exhibit F – Fee Sharing Agreement

Exhibit G – Management Agreement

Section 1.8 - Power to Revise Form of Documents. That, notwithstanding any other provisions of this Resolution, the authorized representatives of the Austin HFC 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 Counsel to the Austin HFC, 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 Austin HFC named in this Resolution.

Section 1.9 - Authorized Representatives. That the President, the Vice President, the Treasurer, the Secretary and the General Manager are hereby named as authorized representatives of the Austin HFC for purposes of executing, attesting, affixing the Austin HFC's seal to, and delivering the documents and instruments referred to herein.

ADOPTED: November 4, 2004

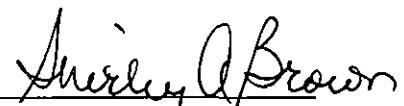
ATTEST: 
Shirley A. Brown
Secretary

EXHIBIT A

Land

The Land is set forth on Exhibit A to the Ground Lease

EXHIBIT B

Project

The Project is a 160-unit apartment complex with commercial space which is an integral part of or functionally related to the units. The unit mix and commercial space information includes:

<u>Unit Type</u>	<u>#</u>	<u>Rent Limits</u>	<u>Sq Ft</u>
1 Bedroom rental units	20	40%	756
1 Bedroom rental units	20	50%	756
1 Bedroom rental units	6	Mkt	756
2 Bedroom rental units	24	40%	917
2 Bedroom rental units	30	50%	917
2 Bedroom rental units	12	Mkt	917
3 Bedroom rental units	16	40%	1,033
3 Bedroom rental units	26	50%	1,033
3 Bedroom rental units	<u>6</u>	Mkt	1,033
Recreation Building			3,313
Learning/Youth Center			2,719
Commercial/Office space			<u>6,694</u>
Totals	160		180,815

EXHIBIT C

Purchase Assignment

The Purchase Assignment is included in the Transcript of Proceedings

EXHIBIT D

Deed Restrictions

The Deed Restrictions are included in the Transcript of Proceedings

EXHIBIT E

Ground Lease

The Ground Lease is included in the Transcript of Proceedings

EXHIBIT F

Fee Sharing Agreement

The Fee Sharing Agreement is included in the Transcript of Proceedings

EXHIBIT G

Management Agreement

The Management Agreement is included in the Transcript of Proceedings