

RESOLUTION NO. 040930-2 C

**WITH RESPECT TO THE ISSUANCE OF BONDS TO FINANCE
A MULTI-FAMILY PROJECT [FALLWELL MEADOWS APARTMENTS]
(FOR 2005)**

WHEREAS, the Austin Housing Finance Corporation (the "Corporation") has been duly created and organized pursuant to and in accordance with the provisions of the Texas Housing Finance Corporations Act, Chapter 394, Local Government Code, V.T.C.A., 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 at which they can afford; and;

WHEREAS, pursuant to law, and particularly the Act and/or other applicable laws, the Issuer and/or an entity legally acting for and on behalf of the Corporation (either or both being hereinafter called, for convenience of reference, the "Issuer") is or are authorized to provide for the acquisition and construction of multifamily housing projects, and to provide for the issuance of revenue bonds for such purpose; and

WHEREAS, Fallwell 05 Housing, L.P., is a limited company organized under the laws of the State of Texas; and

WHEREAS, as hereinafter used the term "Borrower" shall mean Fallwell 05 Housing, L.P. and/or one of its subsidiary, affiliate or related partnerships, corporations or other entities; and

WHEREAS, the Borrower has advised the Issuer that it or one of its subsidiary, affiliate or related corporations or entities is considering proceeding with the acquisition, construction, and/or improvement of a multi-family project described in Exhibit A, attached hereto and incorporated herein for all purposes (the "Project") within Austin, Texas, within the boundaries of the Issuer; and

WHEREAS, the Borrower has advised the Issuer that a contributing factor which would further induce the Borrower to proceed with providing for the acquisition, construction and/or improvement of the Project would be a commitment and agreement by the Issuer to issue revenue bonds pursuant to the Act (the "Bonds") to finance and pay for the Project; and

WHEREAS, the Borrower has proposed to the Issuer that the Borrower will be further induced to proceed with providing for the acquisition, construction and/or improvement of the Project if the Issuer will make such commitment and agreement and adopt this Resolution; and

WHEREAS, all or a portion of the expenditures relating to the Project (the "Expenditures") have been paid within 60 days prior to the passage of this Resolution or will be paid on or after the passage of this Resolution; and

WHEREAS, the Issuer reasonably expects (based upon information supplied by the Borrower, upon which it is reasonable and prudent for the Issuer to rely) to reimburse the Borrower or persons acting on its behalf for the Expenditures with the proceeds of the Bonds; and

WHEREAS, the Issuer finds, intends, and declares that this Resolution shall, in accordance with its provisions, constitute the commitment and agreement of the Issuer to issue the Bonds in such aggregate principal amount, now estimated not to exceed \$15,000,000, as is actually required to finance and pay for the acquisition, construction and/or improvement of the Project; and

WHEREAS, the Issuer finds, considers, and declares that the issuance of the Bonds in such amount and for such purpose will be appropriate and consistent with the objectives of the Act, and that the adoption of this Resolution is and constitutes, and is intended as, (i) an inducement to the Borrower to proceed with providing for the acquisition, construction and/or improvement of the Project, (ii) the taking of affirmative official action by the Issuer, acting by and through its Board of Directors, towards the issuance of the Bonds, and that such action is, and is intended to be, similar to the adoption of a bond resolution, within the meaning of Section 1.103-8(a)(5) of the Federal Treasury Regulations and (iii) the declaration of the intention of the Issuer, in accordance with the

provisions of Section 1.150-2 of the Federal Treasury Regulations, to reimburse the Expenditures for the Project at such time as the Bonds are issued.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF AUSTIN HOUSING FINANCE CORPORATION THAT:

Section 1. The Issuer is committed and agrees as follows:

(a) To adopt a bond resolution or bond resolutions prepared by its Bond Counsel, McCall, Parkhurst & Horton L.L.P., Dallas, Texas, when requested by the Borrower, authorizing the issuance of Bonds pursuant to the Act, and to issue the Bonds, subject to the requirements of the Act, the execution of the appropriate agreements or contracts described in (b), below, and the sale of the Bonds under terms and conditions satisfactory to the Issuer and the Borrower, to finance and pay for the acquisition, construction and/or improvement of the Project, including amounts sufficient to pay the fees, expenses, and costs in connection with such issuance, including an amount adequate to reimburse the Issuer for its administrative and overhead expenses and costs with respect to the Bonds and the Project, with the Bonds to be payable from payments by the Borrower to the Issuer and/or to a corporate trustee in such sums as are necessary to pay the principal of, interest on, and redemption premium, if any, together with the paying agents' and trustee's fees on, the Bonds, as and when the same shall become due and payable.

(b) Prior to the issuance of the Bonds, when requested by the Borrower, to enter into such loan agreement, installment sale agreement, lease, and/or any other appropriate contracts or agreements between the Issuer and the Borrower as are mutually acceptable in all respects to the Issuer and the Borrower, under which the Borrower will be obligated to make payments to the Issuer and/or to a corporate trustee in such sums as are necessary to pay the principal of, interest on, and redemption premium, if any, together with the paying agents' and trustee's fees on, the Bonds, as and when the same shall become due and payable, and with such payments also to be sufficient to defray the Issuer's administrative, overhead, and other expenses and costs with respect to the Bonds and the Project.

(c) To take, or cause to be taken, such other action, and to execute such additional contracts and agreements mutually agreeable to the parties in all respects, when requested by the Borrower as may be required in accordance with the Act and this Resolution to cause the issuance of the Bonds and to obtain an allocation of state volume cap for the Bonds.

Section 2. By the acceptance of this Resolution and proceeding with the Project, the Borrower thereby agrees that it will (i) fully indemnify and hold the Issuer harmless from any and all damages, losses, and reasonable expenses, including attorneys' fees, arising at any time from or with respect to the Bonds

and the Project (except those resulting from gross negligence or willful misconduct of the Issuer), and (ii) pay or reimburse the Issuer for all reasonable and necessary out-of-pocket expenses, including attorneys' fees and expenses and the fees and expenses of other consultants, which the Issuer may incur at the request of the Borrower arising from the performance or attempted performance by the Issuer of its obligations hereunder.

Section 3. The adoption of this Resolution shall be deemed to constitute the acceptance of the Borrower's proposal that it be further induced to proceed with providing for the acquisition, construction and/or improvement of the Project, and said proposal and acceptance shall constitute an agreement between the Issuer and the Borrower in accordance with the provisions of this Resolution.

Section 4. The Issuer reasonably expects (based upon information supplied by the Borrower, upon which it is reasonable and prudent for the Issuer to rely) to reimburse the Expenditures with the proceeds of the Bonds.

ADOPTED: September 30, 2004

ATTEST:

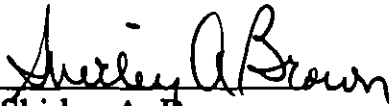

Shirley A. Brown
City Clerk

EXHIBIT A

DESCRIPTION OF PROJECT

The Project consists of a 250-unit apartment community located at the East side of the 11000 Block of Fallwell Lane, Austin, Travis County, Texas 78617.

FOR OFFICE USE				Date & Time Received
Application # _____	Lottery # _____	Docket # _____		
Sub-Ceiling # _____	Priority # _____	Amount Requested _____		
Reservation _____	35 -Day Filing _____	Closing Deadline _____		
Date _____	Deadline _____	Region _____		
QCT _____	Non-QCT _____	Proj. AMFI _____		
Metro _____	Non-Metro _____			

TEXAS BOND REVIEW BOARD

2005 APPLICATION FOR ALLOCATION OF PRIVATE ACTIVITY BONDS

Please submit one signed original and one copy of this application form with one set of attachments to:

Texas Bond Review Board
300 W. 15th St. , #409
Austin, TX 78701-1649

For questions, contact TBRB at:

Rob Latsha, Program Administrator
(512) 475-0890
latsha@brb.state.tx.us

A FAX WILL NOT BE ACCEPTED FOR FILING!

1. ISSUER INFORMATION:	
Issuer Name & Mailing Address Austin Housing Finance Corporation 505 Barton Springs Road, Suite 600 Austin, Texas 78767-8828	Contact Name, Phone, Fax, & E-mail Martin Gonzalez Phone: (512) 499-3103 Fax: (512) 499-3161 martin.gonzalez@cl.austin.tx.us
Date of Incorporation:	December 18, 1979

2. GOVERNMENT UNIT(S) INFORMATION:	
Government Unit Name & Mailing Address City of Austin, Texas 114 West 7 th Street, 5 th Floor Austin, Texas 78701	Contact Name, Phone, Fax, & E-mail Jim Williams Phone: (512) 974-2190 Fax: (512) 499-2912 jim.williams@cl.austin.tx.us

3. BORROWER/USER INFORMATION:	
Name & Mailing Address Interport 05 Housing, L.P. 5910 North Central Expressway, Suite 1145 Dallas, Texas 75206	Contact Name, Phone, Fax, & E-mail Mr. Deepak Sulakhe Phone: (214) 891-7839 Fax: (214) 987-4032 Email: dsulakhe@southwesthousing.com
Corporate Structure Limited Partnership	Date of Incorporation or Formation of Partnership To be formed

4. BOND COUNSEL INFORMATION:

Name of Firm & Mailing Address	Contact Name, Phone, Fax, & E-mail
McCall, Parkhurst & Horton L.L.P. 717 North Harwood, Suite 900 Dallas, Texas 75201-8587	Mark A. Malveaux Phone: (214) 754-9221 Fax: (214) 754-9250 mmalveaux@mphlegal.com
	Contact's Assistant Name, Phone, & E-mail
	Bonnie Mola Phone: (214) 754-9224 bmola@mphlegal.com

5. FINANCIAL ADVISOR INFORMATION:

Name of Firm & Mailing Address	Contact Name, Phone, Fax, & E-mail
Public Financial Management, Inc. One Commodore Plaza 800 Brazos Street, 13 th Floor Austin, Texas 78768	Mr. William Newman Phone: (512) 472-7194 Fax: (512) 472-0932 newmanb@publicfm.com

6. UNDERWRITER INFORMATION:

Name of Firm & Mailing Address	Contact Name, Phone, Fax, & E-mail
To be determined	

7. PROJECT INFORMATION:

Describe the Proposed Project.
New construction of 250-unit multifamily residential rental facilities to be known as Fallwell Meadows Apartments.

8. PROJECT LOCATION:

Street Address (must include zip code; will not process w/out zip)	Legal Description (for Multi-Family Projects)
East side of 11000 Fallwell Lane Austin, Texas 78617 Travis County	See attached Exhibit A

If project is for single family mortgage loans, all zip codes in the lending area must be disclosed below

9. REQUESTED AMOUNT:

Indicate amount of Reservation requested

\$15,000,000

10. RESERVATION AND BOND INFORMATION:☒ **A. Qualified Bond**

(A)

If bonds are qualified bonds, state the subparagraph of §141(e)(1) of the Code that applies:

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If §141(e)(1) of the Code applies, state the paragraph of §142(a) of the Code that applies:

☒ **a. Exempt Facility Bond**

- ☐ 1. Airports (non government)
- ☐ 2. Docks & Wharves (non government)
- ☐ 3. Mass Commuting Facilities
- ☐ 4. Facilities for the Furnishing of Water
- ☐ 5. Sewage Facilities
- ☐ 6. Solid Waste Disposal Facilities (non government)
- ☒ 7. Qualified Residential Rental Projects (Complete Residential Rental Attachment)
- ☐ 8. Facilities for Local Furnishing of Electric Energy/Gas
- ☐ 9. Local District Heating/Cooling Facilities
- ☐ 10. Qualified Hazardous Waste Facilities
- ☐ 11. High-speed Intercity Rail Facilities
- ☐ 12. environmental enhancements of hydroelectric generating facilities, or
- ☐ 13. qualified public educational facilities.

☐ **b. Qualified Mortgage Bond (Complete Qualified Mortgage Bond Attachment)**☐ **c. Qualified Veteran's Mortgage Bond**☐ **d. Qualified Small Issue Bond**

number of jobs to be created: _____ number of jobs to be retained: _____

☐ **e. Qualified Student Loan Bond (Complete Allocation Statement Attachment)**☐ **f. Qualified Redevelopment Bond**☐ **g. Qualified 501(c)3 Bond**☐ **B. Not a Qualified Bond**

If the bond is not a qualified bond, state whether §141(b)(5) of the Code applies, or in the case of a transition rule project, state the paragraph of the Tax Act that applies: _____

C. Is this a "state voted issue"? (If "yes", move to Item 11)☐ Yes☒ No**D. Previous Reservation - Has a reservation been granted for the same project during this calendar year? If "yes", please specify the date of reservation: _____**☐ Yes☒ No**E. Carryforward and/or Unexpended Proceeds - Are the bonds being issued for the same stated purpose for which the issuer has received sufficient carryforward during a prior year or for which there exists unexpended proceeds from a prior issue or issues of bonds issued by the issuer or for which there is an ongoing MCC program?**☐ Yes☒ No

(Must be on or before December 24, 2005 unless carryforward extension is granted)
June 30, 2005

Please indicate who should receive the Certificates		Street Address
Issuer <input type="checkbox"/>	Bond Counsel <input checked="" type="checkbox"/>	
Name of Firm: McCall, Parkhurst & Horton L.L.P.		717 North Harwood, Suite 900
Contact Name & Phone #: Mark A. Malveaux (214) 754-9221		Dallas, Texas 75201-8587
Please indicate the preferred Method of Delivery (Note: Certificates will not be sent by regular mail.)		
Messenger <input type="checkbox"/>		Account # 0752-0421-3
Fed Ex <input checked="" type="checkbox"/>		(Please be sure to include project name on airbill)
Other Carrier (Specify Below) <input type="checkbox"/>		

[illegible]

14. APPLICATION ATTACHMENTS:

Mark all that apply and attach applicable items

TBRB

- | | |
|--|--------------------------|
| <input checked="" type="checkbox"/> A. Certification Regarding Fees & Check Copy, on the form prescribed by the Board | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> B. Inducement Resolution or Preliminary Action | <input type="checkbox"/> |
| <input type="checkbox"/> C. Binding Contract or, if SLB, other document (Unexpended Proceeds) | <input type="checkbox"/> |
| <input type="checkbox"/> D. Statement by Trustee of Issuer (Amount of Unexpended Proceeds) | <input type="checkbox"/> |
| <input type="checkbox"/> E. Legal Counsel Opinion (RE: Item C. above) | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> F. Legal Counsel Opinion (State's Ceiling) | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> G. Issuer's Certified Articles of Incorporation and Bylaws (or update letter if on file) | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> H. Issuer's Certificate of Continued Existence | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> I. Borrower's & User's Certificate of Good Standing (Including partners or parents) | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> J. Executed Earnest Money Contract (Multi-Family Issues Only) | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> K. Residential Rental Attachment (Multi-Family Issues Only) | <input type="checkbox"/> |
| <input type="checkbox"/> L. Unit Resolutions required by §190.1(c)33 (MRB & MCC Issues Only) | <input type="checkbox"/> |
| <input type="checkbox"/> M. Utilization Percentage Worksheet (MRB & MCC Issues Only) | <input type="checkbox"/> |
| <input type="checkbox"/> N. Information Required by §1372.0281 (Student Loan Issues Only) | <input type="checkbox"/> |
| <input type="checkbox"/> O. Allocation Statement required by §1372.033(c) on form prescribed by the Board (Student Loan Issues Only) | <input type="checkbox"/> |
| <input type="checkbox"/> P. Independent Auditor's Report of Item O. above (Student Loan Issues Only) | <input type="checkbox"/> |
| <input type="checkbox"/> Q. Other(Specify Below) | <input type="checkbox"/> |

15. AUTHORIZED REPRESENTATIVE:

Austin Housing Finance Corporation	(the "Issuer") hereby names
Mark A. Malveaux	as authorized representative to act on behalf of the
Issuer on specific correspondence as requested by the Board regarding §190.5(h) of the rules.	

The undersigned, being the duly authorized officer or member of the Issuer, hereby certifies that the information contained in this Application for Reservation and related attachments is understood to be true and correct to the best knowledge and belief of the undersigned. The undersigned certifies that he/she is familiar with the provisions of Chapter 1372, Texas Government Code, and the Texas Bond Review Board's related rules.

Will Wynn
Signature of Authorized Officer/Member of Issuer

10-11-04
Date

Will Wynn, President

Typed Name and Title

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS :
AUSTIN HOUSING FINANCE CORPORATION :

We, the undersigned officers of the Board of Directors of Austin Housing Finance Corporation, hereby certify as follows:

1. The Board of Directors of said corporation convened in REGULAR MEETING ON THE 30TH DAY OF SEPTEMBER, 2004, at the designated meeting place in Austin, Texas, and the roll was called of the duly constituted officers and members of said Board, to-wit:

Will Wynn, President
Jackie Goodman, Vice President
Daryl Slusher, Member
Raul Alvarez, Member
Betty Dunkerly, Member
Brewster McCracken, Member
Danny Thomas, Member

and all of said persons were present, except the following absentees: _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written

RESOLUTION WITH RESPECT TO THE ISSUANCE OF BONDS TO FINANCE A MULTI-FAMILY PROJECT (FALLWELL MEADOWS APARTMENTS) (FOR 2005)

was duly introduced for the consideration of said Board and read in full. It was then duly moved and seconded that said Resolution be adopted; and, after due discussion, said motion carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: All members of said Board shown present above
voted "Aye"; except _____.

NOES:

ABSTENTIONS:

2. That a true, full and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said Board's minutes of said Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said Board's minutes of said Meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said Board as indicated therein; that each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for adoption at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose.

SIGNED AND SEALED the 30th September, 2004

Shirley A. Brown
Secretary, Board of Directors

Will Wynn
President, Board of Directors

(SEAL)

