

## BOND PURCHASE AGREEMENT

\$ \_\_\_\_\_

Austin Housing Finance Corporation  
Multifamily Housing Revenue Bonds  
(The Timbers Apartments Project) Series 2015

October \_\_, 2015

Austin Housing Finance Corporation  
[P.O. Box 1088  
Austin, Texas 78767]

Timbers Clayton 104 Apartments, L.P.  
[c/o \_\_\_\_\_]  
3270 Nacogdoches Road  
San Antonio, Texas 78217

Ladies and Gentlemen:

Dougherty & Company LLC (the “Underwriter”) offers to enter into the following agreement (the “Bond Purchase Agreement”) with the Austin Housing Finance Corporation (the “Issuer”) and Timbers Clayton 104 Apartments, L.P., a Texas limited partnership (the “Borrower”), which, upon acceptance of this offer, will be binding upon the Issuer, the Borrower and the Underwriter. This offer is made subject to the Issuer’s and the Borrower’s acceptance on or before 5:00 p.m., Central time, today. If this offer is not timely accepted, it will thereafter be subject to withdrawal by the Underwriter upon written notice delivered to the Issuer and the Borrower at any time prior to the acceptance hereof by the Issuer and the Borrower.

Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture (as hereinafter defined). For purposes of this Bond Purchase Agreement, (a) the term “Issuer Documents” means the Indenture, the Financing Agreement, the Tax Regulatory Agreement, and this Bond Purchase Agreement, (b) the term “Borrower Documents” means the Financing Agreement, the Funding Agreement, the Note, the Tax Regulatory Agreement, the Continuing Disclosure Agreement, this Bond Purchase Agreement, and any other document executed by the Borrower relating to the Bonds (defined below), (c) the term “Trustee Documents” means the Indenture, and (d) the term “Financing Documents” means, collectively (but without duplication), the Issuer Documents, the Borrower Documents, and the Trustee Documents.

**Section 1. Purchase and Sale of the Bonds.** Upon the terms and conditions and upon the basis of the representations and warranties herein set forth, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriter, all but not less than all of the Issuer’s \$ \_\_\_\_\_ Multifamily Housing Revenue Bonds (The Timbers Apartments Project) Series 2015 (the “Bonds”) at a purchase price equal to 100% of the principal amount thereof, plus an additional payment to the Issuer of \$155,000, which is in excess of the par public offering price (the “Underwriter’s Premium”). The Underwriter will be reimbursed by the Borrower for such Underwriter’s Premium as set forth below. The Issuer will deliver the Bonds to the order of the Underwriter (with CUSIP numbers printed thereon) against payment of the purchase price therefor in immediately available funds at 10:00

a.m., Central time, on the “Closing Date” as defined herein. The Bonds will mature on the date and will bear interest at the rate set forth on Schedule I attached hereto.

The Borrower agrees to pay to the Underwriter on the Closing Date, as compensation for services of the Underwriter hereunder, a fee (the “Underwriter’s Fee”) equal to \$\_\_\_\_\_, plus a payment in the amount of \$\_\_\_\_\_ to reimburse the Underwriter for payment of the Underwriter’s Premium, as set forth above. Such fee shall include the following costs: clearance charges, regulatory agencies’ fees, computer services expenses, interest carrying charges, telephone and fax charges, and travel, but shall not include the cost of Underwriter’s Counsel. The Underwriter’s Fee and reimbursement of the Underwriter’s Premium shall be due and payable in immediately available funds on the Closing Date, solely and exclusively from funds provided by the Borrower.

Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer and the Borrower acknowledge and agree that: (i) the transaction contemplated by this Bond Purchase Agreement is an arm’s length, commercial transaction between the Issuer, the Borrower, and the Underwriter in which the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer or the Borrower; (ii) the Underwriter has not assumed any advisory or fiduciary responsibility to the Issuer or the Borrower with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer or the Borrower on other matters); (iii) the Underwriter is acting solely in its capacity as an underwriter for its own account, (iv) the only obligations the Underwriter has to the Issuer or the Borrower with respect to the transaction contemplated hereby are expressly set forth in this Bond Purchase Agreement; and (v) the Issuer and the Borrower have each consulted their own legal, accounting, tax, financial and other advisors, as applicable, to the extent they have deemed appropriate. The parties acknowledge that the structure, terms and timing of the transaction have been determined by the Underwriter and the Borrower and presented to the Issuer for approval.

The Bonds shall be issued pursuant to and in accordance with the Texas Local Government Code, Chapter 394, as amended (the “Act”). The Bonds shall be issued pursuant to the terms of the Trust Indenture (the “Indenture”) dated as of October 1, 2015, between the Issuer and Wilmington Trust, National Association, as trustee (the “Trustee”). The Bonds are being issued for the purpose of funding a loan (the “Loan”) for the benefit of the Borrower, pursuant to the terms of a certain Financing Agreement dated as of October 1, 2015, between the Issuer and the Borrower. The proceeds of the Loan will be used to finance a portion of the cost of the acquisition, rehabilitation, renovation and equipping of the Project. The Bonds will be collateralized with the proceeds of payments to the Trustee provided by Dougherty Mortgage LLC (the “Mortgage Lender”). Mortgage Lender payments will be deposited into the Collateral Fund held by the Trustee, as trustee under the Indenture, pledged to the owners of the Bonds, and are expected to be used to pay principal on the Bonds when due. The Mortgage Lender will make a mortgage loan to the Borrower insured by the Federal Housing Administration.

On or before the Closing Date, the Issuer and the Borrower shall have delivered to the Underwriter the Official Statement completed with the information permitted to be omitted from the Preliminary Official Statement, dated October \_\_, 2015 (the “Preliminary Official Statement”) by Rule 15c2-12(b) under the Securities Exchange Act of 1934 (the “Rule”) and such other amendments and supplements as shall have been approved by the Issuer, the Underwriter and the Borrower.

The Issuer and the Borrower hereby represent and warrant that the Preliminary Official Statement was deemed final by the Issuer and the Borrower as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be

excluded by the Rule. The Borrower has executed and delivered to the Underwriter a certificate in the form attached hereto as Appendix C to evidence the foregoing.

The Underwriter acknowledges that the Issuer and the Borrower have not authorized or consented to (i) the sale of Bonds to any purchaser in connection with the initial public offering of the Bonds unless a copy of the Official Statement relating to the Bonds (the "Official Statement") is delivered to such purchaser not later than the settlement of such transaction, (ii) making any representations or providing any information to prospective purchasers of the Bonds in connection with the initial public offering and sale of the Bonds other than the information set forth in the Official Statement and any amendment thereto approved in writing by the Issuer and the Borrower, or (iii) any actions in connection with the public offering and sale of the Bonds in violation of applicable requirements of federal and state securities laws and any applicable requirements of the Municipal Securities Rulemaking Board and the Financial Industry Regulatory Authority.

**Section 2. Representations and Warranties of the Issuer.** The Issuer represents and warrants as of the date hereof to the Underwriter and the Borrower as follows:

(a) The Issuer is a public nonprofit housing finance corporation organized and validly existing pursuant to the laws of the State of Texas (the "State"), and has full legal right, power and authority (i) to enter into the Issuer Documents, (ii) to adopt the Bond Resolution dated October [1], 2015 authorizing the issuance of the Bonds (the "Bond Resolution"), (iii) to issue, sell and deliver the Bonds as provided herein and in the Indenture, (iv) to authorize the Trustee under the Indenture to use the proceeds of the Bonds to make the Loan to provide for the acquisition, renovation, improvement and equipping of the Project, and (v) to carry out the transactions on its part contemplated by the Issuer Documents, as they may be amended or supplemented from time to time by the Issuer.

(b) The information in the Official Statement under the headings "THE ISSUER" and "ABSENCE OF LITIGATION" (insofar as the information under such captions applies to the Issuer) was, on the date thereof, and is, on the date hereof, true and correct and did not, on the date thereof, and does not, on the date hereof, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(c) By adopting the Bond Resolution, the Issuer has duly authorized and approved the execution, delivery and use of the Official Statement (but by such authorization and approval, the Issuer makes no representations as to the accuracy or sufficiency of its contents, except as provided herein), has duly authorized and approved the execution and delivery of and the performance by the Issuer of the obligations on its part contained in the Issuer Documents, has duly authorized and approved the issuance, execution and delivery of, and the performance by the Issuer of its obligations under, the Bonds and has duly authorized and approved the consummation by it of all other transactions on its part contemplated by the Issuer Documents. The Bond Resolution has been duly adopted by the Issuer, has not been amended, modified or repealed and is in full force and effect on the date hereof.

(d) The Issuer is not in breach of or default under any applicable law or administrative regulation of the State of Texas or of the United States, or any applicable judgment or decree or any loan agreement, note, resolution, agreement or other instrument to which the Issuer is a party or is otherwise subject which would impair in any material respect the performance of its obligations under the Issuer Documents.

(e) The execution and delivery by the Issuer of the Bonds and the Issuer Documents, compliance with the provisions of each thereof and the consummation of the transactions contemplated

thereby will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, note, resolution, agreement or other instrument to which the Issuer is a party or is otherwise subject; provided, however, that the Issuer makes no representation or warranty with respect to compliance with applicable state securities or Blue Sky laws or the registration of the Bonds or the Note under the Securities Act of 1933, as amended, or the qualification of the Indenture under the Trust Indenture Act of 1939, as amended.

(f) All approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to the performance by the Issuer of its obligations under the Issuer Documents have been obtained or will be obtained before the Closing Date (other than approvals related to the securities laws of any state or those obligations of the Borrower in Section 4(e) as to which no view is herein expressed); provided, however, that the Issuer makes no representation or warranty with respect to compliance with applicable state securities or Blue Sky laws or the registration of the Bonds or the Note under the Securities Act of 1933, as amended, or the qualification of the Indenture under the Trust Indenture Act of 1939, as amended.

(g) There is no action, suit, proceeding, inquiry or investigation against the Issuer, at law or in equity, by or before any court, public board or body, pending, or to the best knowledge of the Issuer threatened in writing, affecting the existence of the Issuer or the titles of its officials to their respective offices, or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the pledge of revenues or assets of the Issuer pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way materially adversely affecting or questioning (i) the use of the Official Statement or the use of the proceeds of the Bonds to make the Loan, (ii) the validity or enforceability of the Bonds, any proceedings of the Issuer taken with respect to the Bonds or any of the Issuer Documents, (iii) the tax-exempt status of the interest on the Bonds or the accuracy or completeness of the Official Statement, (iv) the execution and delivery of the Issuer Documents or the Bonds, or (v) the power of the Issuer to carry out the transactions contemplated by the Bonds, the Official Statement or any of the Issuer Documents.

(h) The Bonds, when issued, authenticated and delivered in accordance with the Indenture and sold to the Underwriter as provided herein, will be validly issued and outstanding limited and special obligations of the Issuer, enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditor's rights generally and further subject to the exercise of judicial discretion in accordance with general principles of equity, and entitled to the benefits of the Indenture.

(i) The Issuer Documents, when duly executed and delivered by the Issuer and the other parties thereto, and all other documents to be delivered by the Issuer in connection with the consummation of the transactions contemplated hereby and by the Official Statement and such Issuer Documents, when duly executed and delivered by the Issuer and the other parties thereto, will constitute valid, legal and binding limited obligations of the Issuer, enforceable in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditor's rights generally and further subject to the exercise of judicial discretion in accordance with general principles of equity.

(j) Any certificate signed by any official of the Issuer and delivered to the Underwriter shall be deemed to be a representation and warranty by the Issuer to the Underwriter as to the statements made therein.

(k) To the best of its knowledge, neither the Issuer nor anyone acting with its authorization on its behalf (other than the Underwriter) has, directly or indirectly, offered for sale or solicited any offer

to acquire the Bonds or any security the offering of which would be deemed for purposes of the Securities Act of 1933, as amended, to be part of the offering of the Bonds contemplated hereby.

(l) The Bonds, the principal of and the interest thereon, are special limited obligations of the Issuer payable solely from the revenues and assets of the Issuer pledged under the Indenture and from no other revenues or assets of the Issuer. The Bonds do not constitute an indebtedness or obligation of the State of Texas, and neither the faith and credit nor the taxing power of the State of Texas is pledged to the payment of the principal of or interest on the Bonds. The Issuer has no taxing power which is available to pay the Bonds.

### **Section 3. Covenants of the Issuer and Certain Conditions and Acknowledgements.**

The Issuer covenants with the Underwriter as follows:

(a) The Issuer is and will be at the Closing Date duly organized and validly existing as a public nonprofit housing finance corporation duly organized and existing under the constitution and laws 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 Financing Agreement and the Indenture, to pledge the property described in the Indenture 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 Bond Purchase Agreement and under the Financing Agreement, the Indenture and the Bonds have been, or as of the Closing Date will have been, duly and effectively taken; this Bond Purchase Agreement has been and the Financing Agreement and the Indenture will, as of the Closing Date, have been duly executed, issued and delivered; and the Bonds will, as of the Closing Date, have been duly authorized, executed, issued and delivered.

(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 Financing Agreement, or this Bond Purchase Agreement or (ii) the tax-exempt status of interest on the Bonds.

(c) The execution and delivery by the Issuer of the Bonds, the Indenture, the Financing Agreement and this Bond 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 Underwriter).

(d) The information relating to the Issuer contained in the Preliminary Official Statement and the Official Statement under the headings "THE ISSUER" and "ABSENCE OF LITIGATION" (to the extent that litigation affecting the Issuer is described under that heading) or incorporated by reference in the Preliminary Official Statement and the Official Statement or otherwise supplied in writing by the Issuer for inclusion therein does not contain any untrue statement of a material fact and does not omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(e) Each of the representations of the Issuer contained in the Financing 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 Underwriter as if set forth herein.

(f) 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 Bonds in gross income of the owners thereof for federal income tax purposes.

(g) The obligation of the Issuer under this Bond Purchase Agreement shall be subject to the Issuer having received such legal opinions, certificates, proceedings, instruments and other documents as, in the sole discretion of counsel to the Issuer, are necessary in order to satisfy, or evidence satisfaction of, the conditions precedent in the Indenture.

(h) The Underwriter acknowledges that the Issuer, its officers, counsel, advisors and agents, [Travis] County, Texas, and employees and agents of any of the foregoing (each individually an "Issuer Party" and all collectively the "Issuer Parties") have not undertaken to furnish information to the Underwriter, or to ascertain the accuracy or completeness of any information that may have been furnished to the Underwriter by or on behalf of the Borrower relating to the operations, financial condition or future prospects of the Borrower or the Project and that none of the Issuer Parties have made any representations concerning the accuracy or completeness of any information supplied to the Underwriter and relating to the Project. On the basis of the foregoing, the Issuer hereby consents to the Underwriter's lawful use of the Preliminary Official Statement and the Official Statement in connection with the offer, sale, and distribution of the Bonds.

**Section 4. Representations, Warranties and Agreements of the Borrower.** The Borrower represents, warrants and agrees with the Underwriter and the Issuer as follows:

(a) The Borrower is duly organized and existing as a limited partnership under the laws of the State of Texas, has full legal right, power and authority to own its properties and to conduct its business as described in the Official Statement and to enter into and to carry out and consummate the transactions contemplated by the Borrower Documents and the Official Statement, and is duly qualified to do such business and is in good standing wherever such qualification and/or standing are required, including the State of Texas.

(b) By all necessary action, the Borrower has duly authorized and approved the execution and delivery of the Borrower Documents, and the performance by the Borrower of the obligations in connection with the issuance of the Bonds on its part contained in the Borrower Documents and the consummation by it of all other transactions contemplated by the Indenture, the Official Statement and the Borrower Documents in connection with the issuance of the Bonds.

(c) On the Closing Date, the Borrower Documents will constitute the valid, legal and binding obligations of the Borrower (assuming due authorization, execution and delivery by the respective other parties thereto, where necessary), enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws of general applicability affecting the enforcement of creditors' rights and to general principles of equity, regardless of whether such enforceability is considered in equity or in law.

(d) Between the date of this Bond Purchase Agreement and the date which is 25 days after the Closing Date, the Borrower shall promptly notify the Underwriter of the institution of any action, suit, proceeding, inquiry or investigation, of which it becomes aware, seeking to prohibit, restrain or otherwise restrict the issuance of the Bonds, the execution, delivery and performance by the Borrower of the

Borrower Documents or the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(e) The information relating to the Borrower contained in the Preliminary Official Statement and the Official Statement under the headings “PRIVATE PARTICIPANTS,” “THE PROJECT,” “CERTAIN BONDHOLDERS’ RISKS,” “UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE” or “ABSENCE OF LITIGATION” (as such information thereunder pertains to the Borrower) or incorporated by reference in the Preliminary Official Statement and the Official Statement or otherwise supplied in writing by the Borrower for inclusion therein does not contain any untrue statement of a material fact and does not omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(f) If between the date of this Bond Purchase Agreement and the date which is 25 days after the Closing Date an event occurs, that is known to the Borrower that would cause the section of the Preliminary Official Statement, the Official Statement and any amendments or supplements under the headings “PRIVATE PARTICIPANTS,” “THE PROJECT,” “CERTAIN BONDHOLDERS’ RISKS,” “UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE” or “ABSENCE OF LITIGATION” (as such information thereunder pertains to the Borrower) to contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein with respect to the Borrower, in light of the circumstances under which they were made, not misleading, the Borrower shall promptly notify the Underwriter, and, if in the opinion of the Underwriter such event requires an amendment of or supplement to the Official Statement, the Borrower, at the expense of the Borrower, will amend or supplement the Official Statement in a form and manner approved by the Issuer, the Borrower and the Underwriter; provided, however, if such event shall occur on or prior to the Closing Date, the Underwriter, in its sole discretion, shall have the right to terminate its obligations hereunder by written notice to the Issuer and the Borrower, and the Underwriter shall have no obligation to purchase and pay for the Bonds.

(g) To the best knowledge of the Borrower, after due and diligent inquiry, as of the date hereof, the Borrower is not in any material respect in violation of, breach of or default under any applicable constitutional provision or law of any state or of the United States, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities, properties or assets, or any indenture, mortgage, deed of trust, resolution, note, agreement (including, without limitation, the Borrower Documents) or instrument to which the Borrower is a party or by which the Borrower or any of its property or assets is bound, which violation or breach of or default would have a material adverse effect upon the transactions contemplated by this Bond Purchase Agreement, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instruments; and the execution and delivery of the Borrower Documents, and compliance with the provisions on the Borrower’s part contained therein, do not and will not conflict with or constitute on the part of the Borrower a violation or breach of or default under any constitutional provision or law of any state or of the United States, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities, properties or assets, or any indenture, mortgage, deed of trust, resolution, note, agreement (including, without limitation, the Borrower Documents) or instrument to which the Borrower is a party or by which the Borrower or any of its property or assets is bound which breach or default would have a material adverse effect upon the transactions contemplated by this Bond Purchase Agreement, nor will any such execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower or under the terms of any such law, regulation or instrument, except as provided by the Bonds or the Borrower Documents provided, however, that the Borrower makes no representation or warranty with respect to compliance with

applicable state securities or Blue Sky laws or the registration of the Bonds or the Note under the Securities Act of 1933, as amended, or the qualification of the Indenture under the Trust Indenture Act of 1939, as amended.

(h) All consents, approvals, authorizations, and orders of or filings or registrations with any governmental authority, board, agency or commission of any state or of the United States having jurisdiction required in connection with, or the absence of which would materially adversely affect, the execution and delivery by the Borrower of the Borrower Documents or the performance by the Borrower of its obligations thereunder have been or will be obtained prior to the Closing Date and are or will be in full force and effect prior to the Closing Date; provided, however, that the Borrower makes no representation or warranty with respect to compliance with applicable state securities or Blue Sky laws or the registration of the Bonds or the Note under the Securities Act of 1933, as amended, or the qualification of the Indenture under the Trust Indenture Act of 1939, as amended.

(i) As of the date hereof, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any judicial or administrative court or governmental agency or body, state, federal or other, pending or, to the best knowledge of the Borrower, threatened against the Borrower, affecting the existence of the Borrower or the titles of its officers executing this Bond Purchase Agreement, or contesting or affecting as to the Borrower, the validity or enforceability of the Act, the Bonds, any Borrower Document or the execution and delivery or adoption by the Borrower of any Borrower Document, or in any way contesting or challenging the completeness or accuracy of the Official Statement or the powers of the Borrower or its authority with respect to the Borrower Documents or the consummation of the transactions contemplated hereby or thereby; nor, to the best knowledge of the Borrower, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the Borrower's financial condition or operations or the validity of the authorization, execution, delivery or performance by the Borrower of any Borrower Document.

(j) The Borrower will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the Borrower shall not be required to register as a dealer or broker of securities or execute a general or special consent to service of process or qualify to do business in any jurisdiction where it is not now so subject.

(k) Any certificate signed by the Borrower and delivered to the Underwriter, or the Issuer pursuant to the Indenture or the Borrower Documents shall be deemed a representation and warranty by the Borrower to the Underwriter, and the Issuer as to the statements made therein.

(l) The Borrower will not take or omit to take any action, which action or omission will adversely affect the exclusion from gross income of interest on the Bonds for purposes of federal income taxation.

(m) The Borrower shall honor all other covenants contained in the Borrower Documents, which agreements are incorporated herein and made a part of this Bond Purchase Agreement; provided, however, that nothing herein shall be deemed to alter the non-recourse nature of any covenants which are, under the terms of the Borrower Documents, without recourse to the Borrower.

(n) The Borrower is not in default under any undertakings with respect to continuing disclosure requirements designed to comply with the Rule in connection with any issue of municipal securities.

The execution and delivery of this Bond Purchase Agreement by the Borrower shall constitute a representation to the Underwriter and the Issuer that the representations and warranties contained in this Section 4 are true as of the date hereof.

#### **Section 5. Indemnification.**

(a) The Borrower and the General Partner each agrees to pay, defend, protect, indemnify, save and hold harmless the Issuer and the Underwriter and each past, present and future member, officer, director, official, employee and agent of the Issuer and the Underwriter and each person, if any, who controls any of the foregoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended (collectively referred to herein as the “Indemnified Parties”), against any and all liabilities, losses, damages, costs, expenses (including reasonable attorneys’ fees), causes of action (whether in contract, tort or otherwise), suits, claims, demands and judgments of any kind, character and nature (collectively referred to herein as the “Liabilities”) caused by (i) the breach (or alleged breach) by the Borrower of any of its representations or warranties in this Bond Purchase Agreement or (ii) any untrue or misleading statement or alleged untrue or alleged misleading statement of a material fact relating to the Borrower or the Project contained in the Official Statement or caused by any omission or alleged omission of a material fact from the Official Statement relating to the Borrower and the Project necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, based upon information provided (or required to be provided) by the Borrower, unless caused by the gross negligence or willful misconduct of the Indemnified Party seeking indemnification.

(b) Any Indemnified Party shall notify the Borrower and the General Partner of the existence of any Liability to which this indemnification obligation would apply and shall give to the Borrower and the General Partner an opportunity to defend the same at the Borrower’s or the General Partner’s expense and with counsel satisfactory to the Indemnified Party, provided that the Indemnified Party shall at all times also have the right to fully participate in the defense. If there may be legal defenses available to the Indemnified Party that are in conflict with those available to the Borrower or the General Partner or if the Borrower or the General Partner shall, after this notice and within a period of time necessary to preserve any and all defenses to any claim asserted, fail to assume the defense or to employ counsel for that purpose satisfactory to the Indemnified Party, the Indemnified Party shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle the claim or other matter on behalf of, for the account of, and at the risk of, the Borrower and the General Partner, provided that any compromise or settlement shall be entered into only with the consent of the Borrower and the General Partner.

(c) Except with respect to the Issuer (including its past, present and future officers, directors, members, employees, counsel or agents), in order to provide for just and equitable contribution in circumstances in which the indemnity provided for in paragraph (b) of this Section 5 is for any reason held to be unavailable (other than a holding to the effect that the specific circumstances are not the subject of the indemnity), the Borrower, the General Partner and the Indemnified Party shall contribute proportionately to the aggregate Liabilities to which the Borrower, the General Partner and the Indemnified Party may be subject, so that the Indemnified Party is responsible for that portion represented by the percentage that the fees paid by the Borrower to the Indemnified Party in connection with the issuance and administration of the Bonds bear to the aggregate offering price of the Bonds, with the Borrower and the General Partner responsible for the balance; provided, however, that in no case shall the

Indemnified Party be responsible for any amount in excess of the fees paid by the Borrower to the Indemnified Party in connection with the issuance and administration of the Bonds.

(d) The Indemnified Parties, other than the Issuer and the Underwriter, shall be considered to be third party beneficiaries of this Bond Purchase Agreement for purposes of this Section 5. The provisions of this Section 5 will be in addition to all liability that the Borrower may otherwise have and shall survive any termination of this Bond Purchase Agreement, the offering and sale of the Bonds and the payment or provisions for payment of the Bonds.

(e) The indemnification hereunder shall be in addition to, and shall not limit, any indemnity granted by the Borrower pursuant to the Financing Agreement, the Tax Regulatory Agreement or any other document.

**Section 6. Disclosure Matters.** The Issuer and the Borrower acknowledge that the Underwriter is required to comply with the requirements of the Rule in connection with the offer and sale of the Bonds and each agrees to cooperate (at the cost and expense of the Borrower) with the Underwriter so as to enable the Underwriter to comply with the Rule. To this end:

(a) The Borrower has delivered to the Underwriter the Official Statement that the Borrower deemed final as of its date, except for the omission of no more than the following information: the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, and other terms of the Bonds depending on such matters (collectively, the "Permitted Omissions").

(b) If, during the period from the date hereof to and including the date as of which the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than 25 days following the Closing Date, any event occurs as a result of which the Official Statement for the Bonds as then amended or supplemented might include an untrue statement of material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer, if such event relates to the information included in the Official Statement under the captions "THE ISSUER" and "ABSENCE OF LITIGATION" (insofar as such information thereunder pertains to the Issuer), or the Borrower, if such event relates to the captions "PRIVATE PARTICIPANTS," "THE PROJECT," "CERTAIN BONDHOLDERS' RISKS," "UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE" or "ABSENCE OF LITIGATION" (insofar as such information thereunder pertains to the Borrower), shall promptly notify the Underwriter thereof and shall (in either case, at the expense of the Borrower), upon the request of the Underwriter, prepare and deliver to the Underwriter as many copies of an amendment or supplement which will correct such statement or omission as the Underwriter may reasonably request.

(c) On or before the date which is five business days after the date hereof (or such earlier date as is necessary to accompany any confirmation that requests payment for a Bond), the Issuer agrees to deliver or cause to be delivered to the Underwriter, at the expense of the Borrower, as many copies of the Official Statement as the Underwriter may reasonably request.

**Section 7. Closing.** At 10:00 a.m., Central time, on October \_\_, 2015, or at such time on such earlier or later date as shall be agreed upon in writing by the Issuer, the Borrower, and the Underwriter (the "Closing Date"), the Issuer will deliver or cause to be delivered, the Bonds in definitive form, duly executed and authenticated by the Trustee. Delivery of the Bonds shall be made at the offices of the Trustee (or such other place upon which the Underwriters and the Issuer mutually agree) which shall hold the Bonds as custodian for The Depository Trust Company, 55 Water Street, New York, New

York 10041 (“DTC”) under its “FAST” system. Subject to the terms and conditions hereof, the Issuer and the Borrower shall deliver at the offices of McCall, Parkhurst & Horton L.L.P., Dallas, Texas (“Bond Counsel”), the other documents and instruments to be delivered pursuant to this Bond Purchase Agreement (the “Closing Documents”), and the Underwriter shall accept delivery of the Bonds and Closing Documents and pay the purchase price for the Bonds as set forth in Section 1 above by wire transfer, to the Trustee, in immediately available federal funds. Immediately following such payment and acceptance, the Underwriter shall receive its fee with respect to the Bonds in the amount set forth in Section 1 above by wire transfer from the Trustee in immediately available federal funds to the order of the Underwriter, in such manner as shall be agreed upon by the Borrower and the Underwriter. This delivery and payment is herein called the “Closing” and the date on which the Closing occurs is herein called the “Closing Date.” The Bonds shall be prepared and delivered as fully registered Bonds without coupons in the denominations set forth in the Official Statement or multiples thereof. One fully registered Bond in the total aggregate principal amount of the Bonds, bearing a proper, duly assigned CUSIP number, will be issued initially in the name of Cede & Co., as nominee of DTC.

**Section 8. Closing Conditions.** The Underwriter has entered into this Bond Purchase Agreement in reliance upon representations, warranties and agreements of the Issuer and the Borrower contained herein, in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer and the Borrower of their obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter’s obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be subject to the performance by the Issuer and the Borrower of their obligations to be performed by them hereunder at or prior to the Closing, and to the accuracy in all material respects of the representations and warranties of the Issuer and of the Borrower contained herein as of the date hereof and as of the Closing as if made on the Closing Date, and shall also be subject to the following additional conditions:

(a) At the time of the Closing, the Bond Resolution shall have been duly approved and adopted by the Issuer and shall be in full force and effect and each of the Financing Documents shall have been duly authorized, executed and delivered, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter and there shall have been taken in connection therewith and in connection with the issuance of the Bonds all such actions as, in the opinion of Bond Counsel and counsel for the Underwriter, shall be necessary and appropriate in connection with the transactions contemplated hereby.

(b) The Underwriter may terminate this Bond Purchase Agreement by notification to the Issuer and the Borrower if at any time subsequent to the date hereof and at or prior to the Closing:

(i) (A) legislation shall be enacted by the Congress of the United States or adopted by the Senate or House of Representatives of the United States, or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to the Senate or House of Representatives by any committee of either such body to which such legislation has been referred for consideration or by a conference committee of such bodies, (B) a decision shall be rendered by a court of the United States or by the Tax Court of the United States, (C) a ruling, regulation or official action shall be rendered by or on behalf of the United States, or (D) a ruling, regulation or official action shall be issued, in any manner, including by pronouncement, press release or any other form of notice, by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or another governmental agency of the United States or by or on behalf of any member of the Senate or House of Representatives of the United States in any such instance with respect to federal taxation of interest received on obligations of the general character of the Bonds and which (1) in the reasonable opinion of counsel for the Underwriter,

would have or proposes action which would have the effect of making such interest includable in gross income for federal income tax purposes or (2) which, in the reasonable opinion of the Underwriter, would materially adversely affect the marketability of or the market price for the Bonds;

(ii) between the date hereof and the Closing, payment for and delivery of the Bonds is rendered impossible because (A) trading in securities generally shall have been suspended on the New York Stock Exchange or a general banking moratorium shall have been established by Federal or New York authorities or (B) a war involving the United States shall have been declared, or a national emergency, or any other outbreak or escalation of hostilities, or another national or international calamity shall have occurred, the effect of any of which, in the reasonable judgment of the Underwriter, materially adversely affects the marketability of the Bonds;

(iii) any event shall occur or exist which, in the reasonable judgment of the Underwriter, either makes untrue or incorrect in any material respect any statement or information contained in the Official Statement, or the draft thereof, dated the date hereof, or has the effect of constituting the omission from the Official Statement, on the draft thereof, dated the date hereof, of any statement or information which should have been reflected therein for the purpose for which the Official Statement is to be used in order to make the statements or information contained therein not misleading in any material respect;

(iv) legislation shall be enacted, or any action shall be taken by the Securities and Exchange Commission, which, in the reasonable opinion of counsel for the Underwriter, has or may have the effect of requiring the contemplated distribution of the Bonds to be registered under the Securities Act of 1933, as amended, or the Indenture to be qualified as an indenture under the Trust Indenture Act of 1939, as amended;

(v) an occurrence, in the reasonable judgment of Underwriter, of a material adverse change in the capital markets which makes the sale or financing contemplated hereby impossible to proceed with the sale or financing contemplated hereby on any terms, manner and basis contemplated by the Bond Resolution and mutually agreed to by the Issuer, Underwriter and the Borrower;

(vi) there shall have occurred any materially adverse change in the affairs or financial condition of the Issuer or the Borrower which makes sale of the Bonds impossible on the terms contemplated by the Bond Resolution and mutually agreed to by the Issuer, Underwriter and the Borrower;

(vii) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any rating of the Bonds or the government of the United States which, in the reasonable judgment of the Underwriter, materially adversely effects the value or marketability of the Bonds; or

(viii) there shall have occurred any change which, in the reasonable judgment of the Underwriter, makes unreasonable or unreliable any of the assumptions upon which (1) the calculation of yield for purposes of Section 103 of the Code, (2) the payment of debt service on the Bonds or (3) the basis for the exemption of interest on the Bonds from federal income taxation, is predicated.

- (c) At or prior to the Closing, the Underwriter shall receive the following documents:
- (i) an approving opinion of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel, addressed to the Issuer, dated the Closing Date substantially in the form attached as Appendix F to the Official Statement, and a letter of such counsel dated the Closing Date and addressed to the Underwriter to the effect that such approving opinion may be relied on by the Underwriter to the same extent as if such opinion were addressed to the Underwriter;
  - (ii) opinions and/or letters, dated the Closing Date and addressed to the Underwriter and to such other parties as may be appropriate, of
    - (A) McCall, Parkhurst & Horton L.L.P., Bond Counsel, substantially in the form attached hereto as Appendix A;
    - (B) Borrower's Counsel, substantially in the form attached hereto as Appendix B;
    - (C) Counsel to the Underwriter, as to such matters as the Underwriter may reasonably request.
  - (iii) a certificate, dated the Closing Date and signed on behalf of the Issuer, to the effect that:
    - (A) the Issuer has not received notice of any pending, nor to the Issuer's actual knowledge is there any threatened, action, suit, proceeding, inquiry or investigation against the Issuer, at law or in equity, by or before any court, public board or body, affecting the existence of the Issuer or the titles of its officials to their respective offices, or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the pledge of revenues or assets of the Issuer pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way materially adversely affecting or questioning (1) the use of the Official Statement, (2) the use of the proceeds of the Bonds to make the Loan, (3) the validity or enforceability of the Bonds, any proceedings of the Issuer taken with respect to the Bonds or any of the Issuer Documents, (4) the tax exempt status of the interest on the Bonds, (5) the accuracy or completeness of the Official Statement under the headings "THE ISSUER" and "ABSENCE OF LITIGATION" (but only as to information therein relating to the Issuer), (6) the execution and delivery by the Issuer of the Issuer Documents or the Bonds, or (7) the power of the Issuer to carry out the transactions on its part contemplated in the Issuer Documents;
    - (B) to the best knowledge and belief of the persons signing the certificate, the sections of the Official Statement under the headings "THE ISSUER" and "ABSENCE OF LITIGATION" (as to the Issuer) do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading; and
    - (C) the Issuer has complied with all the covenants and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date, and the representations and warranties of the Issuer contained herein and in each of the Bond Documents to which it is a party are true and correct as of the Closing Date;

(iv) a certificate of the Issuer and a certificate of the Borrower, each dated the Closing Date, with respect to the facts, estimates and circumstances and reasonable expectations pertaining to Section 148 of the Code to support the conclusion that none of the Bonds will be an “arbitrage bond”;

(v) a certificate of the Borrower, dated the Closing Date, to the effect that (A) each of the representations and warranties set forth in each of the Borrower Documents (including this Bond Purchase Agreement) is true and correct in all material respects on the Closing Date with the same effect as if made on the Closing Date, (B) no event has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which is necessary to be disclosed therein in order to make the statements and information therein not misleading in any material respect, and (C) the Borrower has complied with all agreements and satisfied all the conditions on its part to be performed or satisfied under the Borrower Documents at or prior to the Closing Date;

(vi) counterpart originals or certified copies of each of the Financing Documents;

(vii) written evidence satisfactory to the Underwriter that Standard & Poor’s Ratings Service has issued a rating of “AA+” for the Bonds, and such rating shall be in effect on the Closing Date;

(viii) such agreements, certificates and opinions as reasonably requested by the Underwriter to evidence the closing of the Loan;

(ix) the Underwriter shall have received the Borrower’s 15c2-12 Certificate, duly executed by the Borrower substantially in the form set forth in Appendix C hereto; and

(x) such additional legal opinions, certificates (including any certificates necessary or desirable in order to establish the exclusion of the interest on the Bonds from gross income for federal income tax purposes), instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the Closing Date, of the Issuer’s representations herein and in the Official Statement and the due performance or satisfaction by the Issuer at or prior to such date of all agreements then to be performed, and all conditions then to be satisfied by the Issuer.

If the obligations of the Underwriter shall be terminated for any reason permitted by this Bond Purchase Agreement, neither the Underwriter, the Borrower nor the Issuer shall be under any further obligation hereunder.

**Section 9. Expenses.** (a) The Underwriter shall be under no obligation to pay, and the Borrower and the Issuer hereby agree to pay, any expenses incident to the performance of the Issuer’s obligations hereunder, including, but not limited to, the costs of printing and mailing the Official Statement; the fees and expenses of Issuer’s counsel, including bond counsel, and Borrower’s counsel; the fees and expenses of the Trustee and its counsel; and the fees and disbursements of any other experts or consultants retained by the Issuer or the Borrower; the fees of rating agencies in connection with the rating of the Bonds; the Underwriter’s Fee and reimbursement of the Underwriter’s Premium; the fees and expenses of counsel to the Underwriter; and all other expenses in connection with the public offering and sale of the Bonds. Notwithstanding the foregoing, the Issuer shall have no obligation to pay any fees, expenses or costs associated with or resulting from the issuance and delivery of the Bonds, other than from the proceeds of the Bonds. The Borrower shall also pay for any expenses (included in the expense component of the Underwriter’s discount) incurred by the Underwriter which are incidental to

implementing this Bond Purchase Agreement and the issuance of the Bonds, including, but not limited to, meals, transportation and lodging, if any, and any other miscellaneous closing costs.

(b) The Borrower acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred in connection with the issuance of the Bonds. The Issuer and the Borrower acknowledge that the underwriting fee will pay or reimburse the Underwriter for various expenses incurred by the Underwriter which are incidental to implementing this Bond Purchase Agreement and the issuance and purchase of the Bonds.

**Section 10. Notices.** Any notice or other communication to be given to the Issuer or the Borrower may be given by mailing the same to each of them at the respective addresses set forth on the cover hereof, and any notice or other communication to be given to the Underwriter may be given by mailing the same to Dougherty & Company LLC, 90 South Seventh Street, Suite 4300, Minneapolis, Minnesota 55402; Attention: Jerry L. Wright.

**Section 11. Parties in Interest.** This Bond Purchase Agreement is made solely for the benefit of the Issuer, the Borrower and the Underwriter (including any successor or assignees of the Issuer or Underwriter), and, except as provided in Section 5 hereof, no other party or person shall acquire or have any right hereunder or by virtue hereof.

**Section 12. Amendments.** This Bond Purchase Agreement may not be amended without the written consent of the Issuer, the Borrower and the Underwriter.

**Section 13. Survival of Representations and Warranties.** The representations and warranties of the Issuer and the Borrower shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such investigations) concerning such representations and statements of the Issuer and the Borrower and regardless of delivery of and payment for the Bonds.

**Section 14. Execution in Counterparts.** This Bond Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

**Section 15. No Prior Agreements.** This Bond Purchase Agreement supersedes and replaces all prior negotiations, agreements and understandings between the parties hereto in relation to the sale of Bonds for the Issuer and the Borrower.

**Section 16. Effective Date.** This Bond Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Issuer and the Borrower and shall be valid and enforceable as of the time of such acceptance.

**Section 17. Governing Law.** This Bond Purchase Agreement shall be governed by the laws of the State of Texas without giving effect to the conflict of law principles of the State of Texas.

**Section 18. No Personal Liability of Issuer.** The Issuer and none of the members of the Issuer, nor any officer, agent or employee of the Issuer, shall be charged personally by the Underwriter with any liability, or be held liable to the Underwriter under any term or provision of this Bond Purchase Agreement, or because of execution or attempted execution, or because of any breach or attempted or alleged breach of this Bond Purchase Agreement.

**Section 19. HUD Provisions.** The Borrower, the Underwriter and the Issuer acknowledge that this Bond Purchase Agreement, and all Borrower's obligations hereunder, are subject and subordinate to the Mortgage Loan Documents. Notwithstanding any provision in this Bond Purchase Agreement to the contrary, no obligations of the Borrower hereunder shall be payable except from (A) Surplus Cash (as defined in the HUD Regulatory Agreement) or (B) funds that are not derived from (i) revenues of the Project (as defined in the Mortgage), or (ii) any reserve or deposit made with the Mortgage Lender or any other party as required by HUD in connection with the Mortgage Loan Documents, or (iii) any proceeds of the Mortgage Note (which do not include the Collateral Payments) (collectively, "Non-Project Sources"). No claims or actions shall be made (or payable) under this Bond Purchase Agreement against the Project, the Mortgage Lender, the proceeds of the Mortgage Note or the assets of the Borrower, except from Non-Project Sources. In addition, the rights and obligations of the parties under this Bond Purchase Agreement and all other documents evidencing, implementing, or securing this Bond Purchase Agreement (collectively, the "Subordinate Bond Documents") are and shall be subordinated in all respects rights and obligations of the parties to and under the Mortgage Loan Documents. In the event of any conflict between the provisions of (i) this Bond Purchase Agreement or the Subordinate Bond Documents and (ii) the provisions of the Mortgage Loan Documents or the Program Obligations (as defined in the Mortgage), the provisions of the Mortgage Loan Documents or the Program Obligations shall control. The provisions of this Section 19 shall control over any inconsistent provisions in this Bond Purchase Agreement or the Subordinate Bond Documents. No amendment to this Bond Purchase Agreement shall conflict with the Mortgage Loan Documents or the Program Obligations.

[Remainder of page intentionally left blank]

If the foregoing is in accordance with your understanding of this Bond Purchase Agreement please sign and return to us by email your acceptance hereof, whereupon it will become a binding agreement among the Issuer, the Borrower and the Underwriter in accordance with its terms.

Very truly yours,

**DOUGHERTY & COMPANY LLC,**  
as Underwriter

By: \_\_\_\_\_  
Jerry L. Wright  
Senior Vice President

[Signatures continued on next page]

[Issuer's Signature Page to Bond Purchase Agreement]

**AUSTIN HOUSING FINANCE  
CORPORATION, as Issuer**

By: \_\_\_\_\_  
[Title]

[Signatures continued on next page]

[Borrower's Signature Page to Bond Purchase Agreement]

**TIMBERS CLAYTON 104 APARTMENTS, L.P.**,  
a Texas limited partnership

By: AHFC 1034 Clayton Lane Non-Profit Corporation,  
a Texas corporation, its General Partner

By: \_\_\_\_\_  
[ NAME ]  
Its [ TITLE ]

**SCHEDULE I**

**AMOUNT, MATURITY DATE AND INTEREST RATE**

<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
[_____ 1, 201_]	\$_____	0.____%

**APPENDIX A**

**FORM OF SUPPLEMENTAL OPINION OF  
BOND COUNSEL**

October \_\_, 2015

Austin Housing Finance Corporation  
[City], Texas

Wilmington Trust, National Association, as Trustee  
Dallas, Texas

Dougherty & Company LLC  
Minneapolis, Minnesota

Re: \$\_\_\_\_\_ Austin Housing Finance Corporation Multifamily Housing Revenue Bonds (The  
Timbers Apartments Project) Series 2015

[TO COME]

## APPENDIX B

### OPINION OF BORROWER'S COUNSEL

October \_\_, 2015

\$ \_\_\_\_\_

Austin Housing Finance Corporation  
Multifamily Housing Revenue Bonds  
(The Timbers Apartments Project) Series 2015

[After appropriate introductory language, the opinion shall state substantially as follows:]

1. The Borrower is a limited partnership, duly organized, validly existing and in good standing under the laws of the State of Texas and has all requisite limited partnership power and all material government licenses, authorizations, consents and approvals necessary to own and operate its property and conduct its business. The Borrower is qualified to do business in the State of Texas.

2. The Borrower has full legal right, power and authority (a) to own its properties and conduct its business as described in the Official Statement and (b) to enter into and to carry out and consummate the transactions contemplated by the Borrower Documents.

3. The General Partner is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Texas and has all requisite limited liability company power and all material government licenses, authorizations, consents and approvals necessary to own and operate its property and conduct its business. The General Partner is qualified to do business in the State of Texas.

4. By all necessary action, the Borrower has duly authorized and adopted the Borrower Documents, and approved the execution and delivery of, and the performance by the Borrower of the obligations in connection with the issuance of the Bonds on its part contained in the Bonds and the Borrower Documents and the consummation by it of all other transactions contemplated by the Indenture and the Borrower Documents in connection with the issuance of the Bonds. The individual[s] who have executed the Borrower Documents on behalf of the General Partner of the Borrower have the authority to bind the General Partner and thereby the Borrower to the terms and conditions of the Borrower Documents.

5. The Borrower Documents have been duly executed and delivered by the Borrower and, assuming the due authorization, execution and delivery of such agreements by the respective other parties thereto where necessary, if any, constitute legal, valid and binding obligations of the Borrower enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws of general applicability affecting the enforcement of creditors' rights and to general principles of equity, regardless of whether such enforceability is considered in equity or in law.

6. The execution and delivery of the Borrower Documents, the performance by Borrower of its obligations thereunder and the consummation of the transactions contemplated therein are within the organizational powers of Borrower and will not (i) conflict with or constitute a breach of the Borrower's organizational documents; (ii) to our knowledge, constitute a default under any indenture, mortgage, deed of trust or other material lien, lease, contract, note, order, judgment, decree or other material agreement, instrument or restriction of any kind to which Borrower is a party or by which any of its properties are

bound or affected; or (iii) result in a violation of any constitutional or statutory provision or any material order, rule, regulation, decree or ordinance of any court, government or governmental authority known to us to be applicable to the Borrower or its property.

7. To the best of our knowledge after due and diligent inquiry, as of the Closing Date, the Borrower is not in any material respect in violation of, breach of or default under any applicable constitutional provision or law of any state or of the United States, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities, properties or assets, or any indenture, mortgage, deed of trust, resolution, note, agreement (including, without limitation, the Borrower Documents) or other agreement or instrument to which the Borrower is a party or by which the Borrower or any of its property or assets is bound, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instruments; and the execution and delivery of the Bonds and the Borrower Documents, and compliance with the provisions on the Borrower's part contained therein, do not and will not conflict with, or constitute on the part of the Borrower a violation of, breach of or default under, any applicable constitutional provision or law of any state or of the United States, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities, properties or assets, or any indenture, mortgage, deed of trust, resolution, note, agreement or other agreement or instrument to which the Borrower is a party or by which the Borrower or any of its property or assets is bound, nor will any such execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower or under the terms of any such law, regulation or instrument, except as provided by the Bonds or the Borrower Documents.

8. As of the Closing Date, all consents, approvals, authorizations, and orders of or filings or registrations with any governmental authority, board, agency or issuer of any state or of the United States having jurisdiction required in connection with, or the absence of which would materially adversely affect, the execution and delivery by the Borrower of the Borrower Documents or the performance by the Borrower of its obligations thereunder have been obtained or made and are in full force and effect.

9. To the best of our knowledge after due and diligent inquiry, as of the Closing Date, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any judicial or administrative court or governmental agency or body, state, federal or other, pending or, to the best of our knowledge, threatened against the Borrower, affecting the existence of the Borrower or the titles of its officers to their respective offices, or contesting or affecting as to the Borrower the validity or enforceability of the Act, the Bonds, any Borrower Document or the execution and delivery or adoption by the Borrower of any Borrower Document, or in any way contesting or challenging the completeness or accuracy of the Official Statement or the powers of the Borrower or its authority with respect to the Borrower Documents or the consummation of the transactions contemplated thereby; nor, to the best of our knowledge, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the financial condition or operations of the Borrower or the validity of the authorization, execution, delivery or performance by the Borrower of any Borrower Document.

10. Nothing has come to our attention that would lead us to believe that the statements and information with respect to Project and the Private Participants contained in the Official Statement under the captions "PRIVATE PARTICIPANTS," "THE PROJECT," "CERTAIN BONDHOLDERS' RISKS," and "ABSENCE OF LITIGATION" (but only as to information under the caption "ABSENCE OF LITIGATION" relating to the Borrower, and except as to the statistical and financial data included in the Official Statement with respect to which we do not express any opinion), contain any untrue statement of

a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

11. The Borrower may not plead the defense of usury or maintain an action for usury with respect to the loan(s) being made under the Financing Documents.

Very truly yours,

## APPENDIX C

### RULE 15c2-12 CERTIFICATE

§ \_\_\_\_\_

Austin Housing Finance Corporation  
Multifamily Housing Revenue Bonds  
(The Timbers Apartments Project) Series 2015

The undersigned hereby certifies and represents to Dougherty & Company LLC (the “Underwriter”) that he/she is authorized to execute and deliver this certificate on behalf of Timbers Clayton 104 Apartments, L.P., a Texas limited partnership (the “Borrower”), and hereby further certifies to the Underwriter as follows:

(a) This Certificate is delivered to enable the Underwriter to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”) in connection with the issuance and sale of the above captioned bonds (the “Bonds”).

(b) In connection with the issuance and sale of the Bonds, there has been prepared a Preliminary Official Statement, dated the date of this certificate, setting forth information concerning the Bonds and the Borrower (the “Preliminary Official Statement”).

(c) As used herein, “Permitted Omissions” shall mean the offering price(s), interest rate(s), accreted values, yield to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters, all with respect to the issuance and sale of the Bonds.

(d) The Preliminary Official Statement is, as of the date thereof, deemed final within the meaning of the Rule, except for Permitted Omissions.

(e) The sections of the Preliminary Official Statement entitled “UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE” and “APPENDIX E—FORM OF CONTINUING DISCLOSURE AGREEMENT” describes the agreement the Borrower expects to make for the benefit of the Bondholders in the Continuing Disclosure Agreement dated as of October 1, 2015 by and between the Borrower and Wilmington Trust, National Association, as dissemination agent, by which the Borrower will undertake to provide continuing disclosure in accordance with the Rule.

IN WITNESS WHEREOF, I have hereunto set my hand as of the \_\_\_\_ day of October, 2015.

**TIMBERS CLAYTON 104 APARTMENTS, L.P.,**  
a Texas limited partnership

By: AHFC 1034 Clayton Lane Non-Profit Corporation,  
a Texas corporation, its General Partner

By: \_\_\_\_\_  
[ NAME ]  
Its [ TITLE ]

[Signature Page to Rule 15c2-12 Certificate]