

March 24, 2010

VIA OVERNIGHT COURIER

Williamson County Judge
710 S. Main Street
Suite 101
Georgetown, Texas 78626

Re: Capital Area Housing Finance Corporation
Single Family Mortgage Revenue Bonds
(Guaranteed Mortgage-Backed Securities Program)
Series 2009A (the "*Bonds*")

Dear Judge Don A. Gatties:

Capital Area Housing Finance Corporation (the "*Corporation*") issued the above captioned Bonds in December 2009 in order to provide funds to finance the cost of residential ownership that will provide decent, safe and sanitary housing at affordable prices for residents of the counties within the Corporation's jurisdiction pursuant to the United States Department of Treasury New Issue Bond Program (the "*NIBP*"). The Bonds are special limited obligations of the Corporation payable solely from the mortgage loans originated with the proceeds of the Bonds. The sponsoring counties of the Corporation are not in any way liable for the payment of the Bonds.

Under the terms of the NIBP, the Bonds were initially issued as taxable Bonds. Prior to December 31, 2010, the Bonds will be converted and reissued as tax-exempt Bonds. In connection with the conversion of the Bonds to tax-exempt Bonds, enclosed herewith are three (3) copies of the Chief Executive Officer's Approval of the Issuance of Bonds and the Plan of Financing thereof (the "*Approval*") for execution by you as the County Judge of County. For your reference, a description of the legal requirements behind the Approval are included below.

The Approval is required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "*Code*"). The Code requires that you, as the chief elected executive officer of the County and "applicable elected representative" thereof, approve the reissuance of the Bonds and the plan of financing thereof after a public hearing following reasonable public notice. The Corporation conducted a public hearing on March 10, 2010, at the offices of the Corporation (the

Chapman and Cutler LLP

Judge Don A. Gatties

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March 24, 2010

"Public Hearing"). A notice for the Public Hearing was published in the *Austin American Statesman* on February 22, 2010 and the *Blanco County News* on February 24, 2010. The minutes of the public hearing are enclosed.

Please review the Approval and contact Jim Shaw with the Corporation at 512-347-9903 or the undersigned at 312-845-3277 with any questions or comments you may have. Otherwise, at your convenience, please execute the three (3) signature pages for the Approval and return them to my attention using the enclosed pre-paid Federal Express envelope.

Very truly yours,

CHAPMAN AND CUTLER LLP

By Ryan J. Bowen
Ryan J. Bowen

Enclosures

cc: Jim Shaw

CAPITAL AREA HOUSING FINANCE CORPORATION

MINUTES OF PUBLIC HEARING

March 10, 2010

A public hearing was held by James E. Shaw, Hearing Officer, at the direction of the Board of Directors of the Capital Area Housing Finance Corporation, pursuant to section 147(f) of the Internal Revenue Code of 1986, as amended. The hearing was held on behalf of the Texas counties of Blanco, Bastrop, Burnet, Caldwell, Fayette, Hays, Lee, Llano, and Williamson and the City of San Marcos, Texas (the "Program Area").

The hearing was convened on Wednesday, March 10, 2010, in the offices of the Capital Area Housing Finance Corporation, 4101 Parkstone Heights Dr., Suite 280, Austin, Texas.

The purpose of the hearing was to provide residents of the Program Area an opportunity to comment on the proposed issuance by the Corporation of one or more series of qualified mortgage revenue bonds (the "Bonds") in an aggregate par amount of not to exceed \$25,000,000. The Bonds are being issued for the purpose of providing funds for mortgage loans to eligible low and moderate-income first-time homebuyers to finance the purchase of qualified, one- to four-family, owner-occupied residences located within the Program Area. The first-time homebuyer requirement is waived for mortgage loans in certain federally designated "targeted areas" in the Program Area and for certain veterans. Homebuyers' income and the purchase price of all residences financed are subject to certain limitations established under federal and state guidelines.

Present at the hearing were James E. Shaw, the Hearing Officer; Seth Searcy, the Corporation's legal counsel; and M. John Trofa with Chapman and Cutler, Bond Counsel.

Mr. Shaw called the hearing to order at 11 a.m. and announced that notice of the hearing has been published in the *Austin American-Statesman*, a newspaper of general circulation in the Central Texas region, and in the *Blanco County News*, a newspaper of general circulation in Blanco County, at least 14 days before the hearing date. The Affidavits of Publication of the notice are attached to these Minutes as Exhibit A.

No one appeared at the hearing to discuss the proposed bond issue, and the hearing was adjourned at 11:15 a.m.

I certify that the foregoing is a true and complete report of the public hearing held on March 10, 2010.

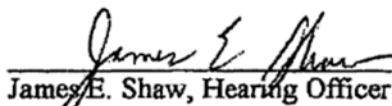

James E. Shaw, Hearing Officer

Exhibit A

AFFIDAVITS OF PUBLICATION OF HEARING NOTICE

Austin American-Statesman

PO#:

Ad ID#: 4365108

Acct#: 3128452976

Account Name: CHAPMAN & CUTLER LLP

CHAPMAN & CUTLER LLP
111 WEST MONROE STREET
CHICAGO, IL 60603

Attn: Bibiana Concailed

THE CENTRAL TEXAS
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NOTICE OF PUBLIC HI
In accordance with
147(f) of the Internal
Code of 1985, as amen
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hearing at 10 a.m. o
31, 2010, at the Bell
Courthouse, 101 East
Avenue, Belton, Texa
in the Commissioner
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AFFIDAVIT OF PUBLICATION

THE STATE OF TEXAS
COUNTY OF TRAVIS

Before me, the undersigned authority, a Notary Public in and for the County of Travis,
State of Texas, on this day personally appeared:

Shirley Fowler

Advertising Agent of the Austin American-Statesman, a daily newspaper published in said
County and State that is generally circulated in Bastrop, Bell, Blanco, Brazos, Burleson,
Burnet, Caldwell, Colorado, Comal, Coryell, Fayette, Gillespie, Gonzales, Guadalupe, Hays,
Kerr, Lampasas, Lee, Llano, Milam, Nueces, San Saba, Travis, Washington, and Williamso
Counties, who being duly sworn by me, states that the attached advertisement was published
at the lowest published rate for Classified advertising in said newspaper on the following
date(s), to wit:

First Published: 3/10/2010

Times Published: 1

Lines: 85

Last Published: 3/10/2010

Classification: Legal Notices (9980)

Cost: \$381.95

and that the attached is a true copy of said advertisement.

SWORN AND SUBSCRIBED TO BEFORE ME, this the 10th day of March, 2010



Sara Staricha Smith
Notary Public in and for
TRAVIS COUNTY, TEXAS

Austin American-Statesman
305 South Congress Ave., P.O. Box 670, Austin, Texas 78767-0670 512-445-3832

Wednesday, March 10, 2010 9:32 AM

AFFIDAVIT OF PUBLICATION

THE STATE OF TEXAS

COUNTY OF Blanco

Before me, the undersigned authority, on this day personally appeared

Jennifer Paradis, who being by me duly sworn, deposes and says
(name of newspaper representative)

that (s)he is the agent of the
(title of newspaper representative)

Blanco County News; that said newspaper is generally circulated in
(name of newspaper)

Blanco, Texas; that the attached notice was published in said
(in the municipality or nearest municipality to the proposed facility)

newspaper on the following date(s):

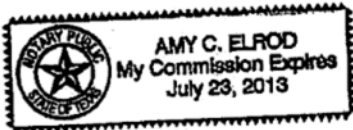
February 24, 2010

Jennifer Paradis
(newspaper or representatives signature)

Subscribed and sworn to before me, this the 24 day of Feb, 2010.

to certify which witness my hand and seal of office.

(SEAL)



Amy C. Elrod
Notary Public in and for the State of Texas

Amy C. Elrod
Print or Type Name of Notary Public

My Commision Expires 7-23-2013

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CAPITAL AREA HOUSING FINANCE CORPORATION NOTICE OF PUBLIC HEARING

In accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended, notice is hereby given that the Capital Area Housing Finance Corporation (the "Corporation") will hold a public hearing at 11:00 a.m. on March 10, 2010, at the offices of the Corporation, 4101 Parkstone Heights Drive, Suite 280, Austin, Texas 78746. The Corporation's designated hearing officer will conduct the hearing on behalf of the Texas Counties of Blanco, Bastrop, Burnet, Caldwell, Fayette, Hays, Lee, Llano and Williamson and the City of San Marcos, Texas (the "Sponsoring Political Subdivisions" or the "Program Area").

The purpose of the hearing is to provide residents of the Program Area an opportunity to comment on the proposed issuance by the Corporation of one or more series of qualified mortgage revenue bonds (the "Bonds") in an aggregate principal amount not exceeding \$25,000,000. The Bonds are being issued for the purpose of providing funds for mortgage loans to eligible low and moderate-income first-time homebuyers to finance the purchase of qualified one- to four-family owner-occupied residences located within the Program Area. The first-time homebuyer requirement is waived for mortgage loans in certain federally designated "targeted" areas in the Program Area and for certain veterans. Homebuyers' income and the purchase price of all residences financed are subject to certain limitations established under federal and state guidelines.

The Bonds will be limited obligations of the Corporation, payable solely from the revenues, receipts and resources of the Corporation pledged to their payment. The Bonds will not constitute an indebtedness or obligation of the Corporation, any of the Sponsoring Political Subdivisions (or any other city, county or other municipal or political corporation or subdivision of the State of Texas) or of the State of Texas, or a loan of credit of any of them, within the meaning of any constitutional or statutory provision.

All interested persons are invited to attend the hearing and present written or oral comments on the proposed issuance of the Bonds. Questions or written comments prior to the date of the hearing may be directed to the Corporation, 4101 Parkstone Heights Drive, Suite 280, Austin, Texas 78746, Attention: Jim Shaw at (512) 347-9903.