

John C. Shackelford

From: Bill Fisher [bfisher8@aolmail.net]
Sent: Friday, October 08, 2004 10:32 AM
To: John C. Shackelford; Roy J. True
Cc: 'Saleem Jafar'
Subject: FW: Letter to Jerry Killingsworth @ City of Dallas
Importance: High

I do not like this letter. I want one of our own. Why is Jerry not asking us for the explanation?? Saleem did you get a request?

I do not believe there was a dissolution. This was a buy out pure and simple. Odyssey Residential Holdings bought substantially all of the assets of POP and the operating companies for cash and a note and agreed to convey two deals to PRA. One in Dallas and One in Arlington.

Bill

From: Saleem Jafar [mailto:saj123@swbell.net]
Sent: Friday, October 08, 2004 11:24 AM
To: 'Bill Fisher'
Subject: FW: Letter to Jerry Killingsworth @ City of Dallas
Importance: High

Comments?

Thank you.
Saleem
972-455-9299 DD

From: Tom Davis [mailto:tdavis@providentrealty.net]
Sent: Friday, October 08, 2004 11:15 AM
To: Saleem Jafar; bpalmer@coatsrose.com
Cc: Leon Backes; kcherry@cpl-law.com
Subject: Letter to Jerry Killingsworth @ City of Dallas

The City of Dallas Housing Department has requested clarification of the recent business dissolution between PRA and Odyssey and how the LIHTC applications have been divided up between the two parties.

Please review the attached letter that I have drafted and let me know of any comments or revisions.

Leon and Kevin have previously reviewed the letter and made revisions.

Thanks,

Tom

Thomas T. Davis
Provident Realty Advisors, Inc.
975 One Lincoln Centre

10/8/2004


-Lee Exhibit
#148

John C. Shackelford

From: Killingsworth, Jerry [j.killingsworth@dallascityhall.com]
Sent: Friday, October 22, 2004 8:45 AM
To: John C. Shackelford
Cc: Ryan Evans; Dykman, Doug; Schaffner, Karen
Subject: RE: Dallas West Village, Memorial Townhomes and Homes of Pecan Grove

John, we need the following:

- Operating statement of the Odyssey Residential Holdings L.P. that match the balance sheet previously provided us.
- Personal Financial Statements of Saleem Jafar (Information provided to us verbally is that he is the 100% owner of the LP mentioned above). The financial statements needed would be those that have been or will be supplied to support the guaranties required by the financial institutions on the various projects.
- If Bill Fisher has an ownership interest in the LP, we will want to see his financials, also. Again, these would be the financials that have been prepared to support his guaranties.
- Possible need of the most recent balance sheet and operating statements for Naples Investment Company Inc. should the review of Mr. Jafar's financial prove to be inadequate to support the guaranty requirements of the various projects. It should be noted that commitment letters supplied to us on Odysseys' projects indicate that three guaranties are being required.

When those statements have been supplied and reviewed, we will be prepared to meet with you and discuss same.

From: John C. Shackelford [mailto:JShack@SHACKLAW.NET]
Sent: Friday, October 22, 2004 8:37 AM
To: Killingsworth, Jerry
Cc: Dykman, Doug; Ryan Evans; Schaffner, Karen; rtue@shacklaw.net; Bill Fisher; Saleem Jafar; wernerj@haynesboone.com
Subject: RE: Dallas West Village, Memorial Townhomes and Homes of Pecan Grove

Due to miscommunication about all of the information you are seeking about the Odyssey projects, please email me with a list of everything you are wanting from Odyssey and I will obtain it. We then need to meet asap. There's a lot we need to discuss. I'd appreciate obtaining the list at your earliest convenience to respond to you. Thank you.

From: Killingsworth, Jerry [mailto:j.killingsworth@dallascityhall.com]
Sent: Thursday, October 21, 2004 5:35 PM
To: John C. Shackelford
Cc: Dykman, Doug; Ryan Evans; Schaffner, Karen; rtue@shacklaw.net
Subject: FW: Dallas West Village, Memorial Townhomes and Homes of Pecan Grove

John, let me try to keep this simple.

Financial information of the LP, as well as, personal financials of the LP ownership that is the operating GP in all of the tax credit deals done by DHFC have been required. In fact, we have all of the necessary financial information on two of the three developers seeking approval from this council for their projects on October 27th. That information has been reviewed and was so reported at the Council briefing on October 20th.

This information is needed to ascertain the project's financial viability, which is a concern to the Council. You can

10/22/2004

certainly choose not to provide the information and it will be so reported to the Council on the 27th. It is up to the Council to choose how they want to apply the information. We will, however, inform them that there are presently three guarantees that are being offered on each project (James R. Fisher, Saleem Jafar and Family, and Naples Investment Company, Inc.) to various financial entities. They will be further informed that our experience has been that Lending and Investment Institutions, as a matter of course, require financial information to support the guarantees.

From: Schaffner, Karen
Sent: Thursday, October 21, 2004 9:32 AM
To: Killingsworth, Jerry
Subject: FW: Dallas West Village, Memorial Townhomes and Homes of Pecan Grove

From: John C. Shackelford [mailto:JShack@SHACKLAW.NET]
Sent: Wednesday, October 20, 2004 7:13 PM
To: Schaffner, Karen
Cc: doug.dykman@dallascityhall.com; Jerry.killingsworth@dallascityhall.com; bfisher8@airmail.net; Saleem Jafar; Roy J. True; wernerj@haynesboone.com
Subject: RE: Dallas West Village, Memorial Townhomes and Homes of Pecan Grove

Let me begin by saying that Bill and Saleem are attempting to fully cooperate with the new process being implemented by the City. The reason for Roy True's cover letter to Odyssey's financial statement was to explain the limitations imposed upon Bill and Saleem by a party providing assistance to Odyssey in constructing affordable housing in Texas. It was not intended to circumvent complying with the City's requests nor to be uncooperative. To do so would be illogical and foolish. Our client cannot at the City's request breach the terms of a contract. With cooperation as our goal, and I think you know from working with me in the past that I deliver that which I say I will deliver and I do that which I say I'll do, I have below set forth further detail of the parties and their interests involved in the proposed projects.

However, there are several questions this process has raised for me as one who has represented developers who have done projects in the City. Why is this being required? It has never been done before. Is this being asked of every developer currently seeking approval? Is every developer being asked about pre-development loans, i.e., the lender and payment terms? Is every question being asked of Odyssey being asked of the other developers? As you know, I represent several developers and the City has not in the past asked them to provide this detail of information. If it is intended to draw conclusions about the financial wherewithal to do these deals, this info is irrelevant. Anyone who is engaged in this business and knows how the financing and equity are structured knows this info is irrelevant to determining whether a project will be constructed, leased and operated successfully. So again I respectfully ask why is this info for the first time being requested. Please explain.

Also, I cannot advise Saleem to disclose his personal financial information under these conditions. I'm not being uncooperative, but that type of information is extremely confidential as you know and the City is not making a loan or extending financial credit to Odyssey. TDHCA would be issuing the bonds. This is not an underwriting issue for the City in the traditional sense. Also, it is irrelevant, in my opinion, as to whether Odysseys' applications are approved. Saleem's financial information is relevant to his obtaining financing, and as I point out below Odyssey has secured financing for every one of these projects. This statement applies to all developers and not just Saleem and Bill. What any principal's personal financial statement shows is not indicative of whether the project gets completed if the developer has the backing of an equity investor and bond purchaser, which Odyssey does.

Odyssey Residential Holdings, L.P. has as its general partner, Odyssey Residential GP, LLC, which has a 1% interest; and the limited partner is 1029 Family Limited Partnership, which has a 99% interest. 1029 Family Limited Partnership is an entity formed by Saleem Jafar, with other counsel, for asset protection/wealth preservation purposes.

Each project would be owned by a Texas limited partnership, the same as every other project done across the

10/22/2004

country regardless of who the developer is. The way these deals are structured, the tax credit equity investor is admitted as a limited partner and sometimes they'll use an affiliate as a special limited partner. It will be admitted whereby it owns 99.99% of the limited partnership and the general partner, who will be owned by an entity controlled by Odyssey Residential Holdings, L.P., will own .01% of the limited partnership.

Karen, the limited partner tax credit equity investor will be an affiliate of Related Capital. You're probably familiar with them. They've been the equity provider on many deals throughout Texas, including most of Southwest Housing's deals up until a couple of years ago. They would be involved in all the deals, and the bonds would be purchased by CharterMac, which is an affiliate of Related Capital.

There is no question that Bill and Saleem can complete these projects based upon their equity partner, Related Capital. I represent several developers in Texas as I stated above and as you know, and based upon my professional opinion Odyssey is better capitalized and has more financial stature than most of the developers doing these projects in Texas. Anyone suggesting otherwise is unaware of the facts.

From: Schaffner, Karen [mailto:karen.schaffner@dallascityhall.com]
Sent: Wednesday, October 20, 2004 4:14 PM
To: John C. Shackelford
Subject: FW: Dallas West Village, Memorial Townhomes and Homes of Pecan Grove

Please review the answers that Bill Fisher gave me regarding the ownership structure. Also, we will need the financial information on Saleem Jafar and his family, since they are the principals.

It would be easier if you could leave the format and just make changes to the answers if they need to be corrected.

Thanks.

From: Schaffner, Karen
Sent: Wednesday, October 20, 2004 10:43 AM
To: 'bfisher8@aolmail.net'
Subject: FW: Dallas West Village, Memorial Townhomes and Homes of Pecan Grove

From: Schaffner, Karen
Sent: Wednesday, October 20, 2004 8:51 AM
To: 'bfisher8@aolmail.net'
Cc: Schaffner, Karen
Subject: Dallas West Village, Memorial Townhomes and Homes of Pecan Grove

Bill,

With regard to your financials:

- 1) When was Odyssey Residential Holdings, L.P. formed and when was Naples Investment Company formed?

Odyssey Residential Holdings, L.P. was formed within the last few months and it has purchased all of the entities that own each of the (4) real estate assets. Naples Investment Company was formed in 1997 and will

10/22/2004

act only as a Guarantor in these transactions and will not have any percentage ownership interests in any of the real estate assets.

On Odyssey Holdings – What percentage of Odyssey Holdings does the anonymous owner own? Bill's answer is none.

Who is the General Partner? (Is it Odyssey Residential Holdings, L.P. or an individual?) Odyssey Residential, G.P. is the General Partner which is owned 100% by Saleem Jafar and his family.

And, could you provide a chart showing the percentage of ownership split for the limited partnership and its general and limited partner components.

Odyssey Residential Holdings, L.P. is the Development Company. Related Capital, Limited Partner is the 99% owner and Odyssey Residential, G.P. is the General Partner (100% owned by Saleem Jafar and his family) and .1 % owner.

What entity will guaranty the construction loans?

Naples Investment Company

With regard to the four properties:

What is the ownership % in the four properties? 100% owned by each individual entity which are all 100% owned by Odyssey Residential Holdings, L.P. the development company.

When were the properties completed? within the last 20 months

Which properties are under construction? Arlington - Rush Creek - 75% complete and Veteran's Memorial is 50% complete (both are TDHCA tax-exempt bonds and 4% tax credit transactions)

Who is the guarantor on the construction loans? He does not know

With regard to the pre-development loan:

\$200,000 pre-development loan who is the lender and what are the terms of the loan?
Related Capital is the lender - 0% loan for 6 to 9 months

With regard to the note payable for PRA?

\$900,000 note payable – PRA – who is the lender and what are the terms of the loan?

Noteholder is Leon Backes - 30 month loan - (did not give interest rate - he had to go into Councilmember's office).

10/22/2004

**SHACKELFORD
MELTON & MCKINLEY**
ATTORNEYS & COUNSELORS

John C. Shackelford
Also Admitted in Florida and Georgia
jshack@shacklaw.net

October 22, 2004

Jerry Killingsworth
City of Dallas
Housing Department
Administration Division
City Hall, 6DN
1500 Marilla Street
Dallas, Texas 75201

Dear Jerry:

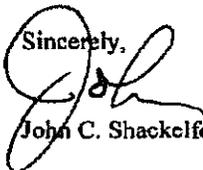
Attached please find the confidential financial statement of Saleem Jafar which is being provided to you on the basis that the information contained therein will be confidential pursuant to Sections 552.101 and 552.110 of the Open Records Act. The information contained in Mr. Jafar's financial statement is not to be disseminated or made public to any persons other than those on a need to know basis with the City of Dallas.

Also attached please find a letter dated October 7, 2004 from James D. Spound, Managing Director, Charter Mac Capital Solutions. As you see from Mr. Spound's letter, Odyssey Residential Holdings, LP ("Odyssey") has the support and financial assistance from Charter Mac and Related Capital Company to consummate all of the transactions contemplated by Odyssey in City of Dallas. For background informational purposes, please be advised that Charter Mac and Related Capital Company have made the same commitment to Odyssey with respect to other projects in San Antonio and Houston.

Bill Fisher has requested that he have until Monday to provide the remaining financial information you requested earlier today. Mr. Fisher is in San Antonio today and was unable to complete the other financial statements. He will work on them over the weekend and I will forward them to you on Monday. I trust that this is not a problem or an issue for you.

Thank you for your assistance in this matter.

Sincerely,



John C. Shackelford

JCS/sd

Enclosure

cc: Roy J. True, Esq.
Bill Fisher
Saleem A. Jafar
Joe Werner, Esq.

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Suite 600
Dallas, Texas 75231
Phone 972.490.1400 Fax 972.490.1650
www.shacklaw.net

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John C. Shackelford

From: Bill Fisher [bfisher8@airmail.net]
Sent: Friday, October 29, 2004 9:12 AM
To: John C. Shackelford; Roy J. True
Cc: 'Saleem Jafar'
Subject: FW: Financial Questions

Just our sweet spot!!!

Bill

From: Dykman, Doug [mailto:douglas.dykman@dallascityhall.com]
Sent: Friday, October 29, 2004 9:30 AM
To: Bill Fisher; sal123@swb.net
Cc: Schaffner, Karen
Subject: Financial Questions

Bill,

Below are questions to which we need answers in order to fully understand the financial information that you have provided relative to City Council support for the tax credits you are seeking. Karen Schaffner is out until Monday. When she returns, I would like to set up a conference call with you, Mr. Jafar, Karen and me to see if we can't get these answered and move on to a Council vote on November 10. You may want to include your accountant as well. I will be in Housing Committee from 1:30 until 3:00 on Monday. Please let me know of the best time for the call. Thank you.

Douglas A. Dykman, Deputy Director
Housing Department
City Hall, 6D North
Dallas, Texas 75201
214-670-3233
214-670-0156 (fax)
Douglas.Dykman@dallascityhall.com

Overriding Questions for each entity

- Who prepared the financials for all of the entities or individuals?
- Are the Financials prepared on a cash basis or an accrual basis?

Odyssey Residential Holdings

- Who loaned the money for the \$2,600,000 loan? How much was for working capital and how much was for pre-development costs associated with future deals? Does the lender have an exclusive right to purchase the tax credits and provide financing as long as the debt is outstanding? How many transactions is it anticipated to take to extinguish the debt? How much of the cash on hand in Residential Holdings is attributable to the above loan?
- What is the basis to establish the net assets in existing limited partnership and development in progress?
- Has an accountant signed off on carrying the full net basis on the two developments in process wherein the final documents are not expected to be executed until December or January?
- Is there not a liability both to the \$2,600,000 loan and the \$900,000 loan for all 4 projects such that if you carry the net asset, there is a corresponding liability?
- Why is there no income tax liability given a net income of \$2,302,491?
- What is the basis for calculating the \$2,698,000 in accrued developer fees?
- What do the guaranties of the three parties on the commitment letters cover and for how long?

10/29/2004

Saleem Jafar Personal Statement

- A new financial statement on Saleem Jafar dated such that it reflects his 100% ownership of the LP.

Naples Investment Company & Odyssey Residential Construction

- What is the Source of the cash on hand shown on both statements? Is any of it associated with the \$2,000,000 loan to the Residential Co.?
- Why is there no tax liability shown with the construction co. given that there is indicated \$1,903,429 in net income?

10/29/2004

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