

Tab 3

Presentation, Discussion and Possible Approval of a Resolution authorizing the issuance of Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (The Bloom at Lamar Square) Series 2026; approving a Trust Indenture, a Loan Agreement, a Bond Purchase Agreement, an Asset Oversight, Compliance and Security Agreement, a Regulatory Agreement, a Preliminary Official Statement and a final Official Statement; authorizing the execution of documents and instruments necessary or convenient to carry out the issuance of the bonds; and other provisions in connection therewith.

Bond documents relating to the proposed:

Texas State Affordable Housing Corporation
Multifamily Housing Revenue Bonds
(The Bloom at Lamar Square)
Series 2026

presented to the Board of Directors of Texas State Affordable Housing Corporation
(April 21, 2026 board meeting)

Document
Number:

1. Bond Resolution authorizing the issuance of the bonds and approving the substantially final bond documents (as listed below)
2. Trust Indenture
3. Loan Agreement
4. Bond Purchase Agreement
5. Asset Oversight, Compliance and Security Agreement
6. Regulatory Agreement and Declaration of Restrictive Covenants
7. Preliminary Official Statement

Texas State Affordable Housing Corporation
Multifamily Housing Revenue Bonds
(The Bloom at Lamar Square)
Series 2026

**Bond Document No. 1:
Bond Resolution**

RESOLUTION NO. 26-_____

TEXAS STATE AFFORDABLE HOUSING CORPORATION

RESOLUTION authorizing the issuance of Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (The Bloom at Lamar Square) Series 2026; approving a Trust Indenture, a Loan Agreement, a Bond Purchase Agreement, an Asset Oversight, Compliance and Security Agreement, a Regulatory Agreement, a Preliminary Official Statement and a final Official Statement; authorizing the execution of documents and instruments necessary or convenient to carry out the issuance of the bonds; and other provisions in connection therewith

WHEREAS, Texas State Affordable Housing Corporation (the "Issuer") has been duly created and organized pursuant to and in accordance with the provisions of the Texas Non-Profit Corporation Act, Article 1396-1.01 et seq. Vernon's Annotated Texas Civil Statutes, as amended and under the authority of Subchapter Y of Chapter 2306, Texas Government Code, as amended (the "Act"), for the public purpose, among other things, of promoting the public health, safety and welfare through the provision of adequate, safe and sanitary housing primarily for individuals and families of low, very low and extremely low income; and

WHEREAS, the Act authorizes the Issuer to (a) make loans to provide financing for multifamily residential rental housing in the State of Texas (the "State") intended to be occupied by persons and families of low, very low and extremely low income; (b) issue its bonds or other obligations, including notes, for the purpose, among others, of obtaining funds to make loans for multifamily developments, to establish any necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such obligations; (c) pledge all or any part of the revenues, receipts or resources of the Issuer, including the revenues and receipts to be received by the Issuer from such loans, and to mortgage, pledge or grant security interests in such loans or other property of the Issuer in order to secure the payment of the principal or redemption price of and interest on such obligations; and (d) make, enter into, and enforce contracts, agreements, leases, indentures, mortgages, deeds, deeds of trust, security agreements, pledge agreements, credit agreements and other instruments with any person on terms the Issuer determines to be acceptable; and

WHEREAS, the Issuer has determined to provide a loan to FC Bloom Housing, LP, a Texas limited partnership (the "Borrower"), for the purpose of acquiring, constructing and equipping a multifamily residential development to be located in the City of Austin, Texas and to be known as The Bloom at Lamar Square (the "Project") to be rented to persons of low income and paying certain costs of issuance of the Bonds (hereinafter defined), as evidenced by that certain Loan Agreement (the "Agreement") by and between the Issuer and the Borrower and in connection therewith the Borrower has agreed to assume certain of the obligations set forth in the Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") by and among the Issuer, UMB Bank, N.A., as trustee (the "Trustee") and the Borrower; and

WHEREAS, the Issuer now proposes to issue its bonds styled "Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (The Bloom at Lamar Square) Series 2026" (the "Bonds") pursuant to this Resolution and a Trust Indenture (the "Indenture") between the Issuer and the Trustee; and

WHEREAS, the Issuer further proposes to sell the Bonds, upon the issuance thereof, to Stifel, Nicolaus & Company, Incorporated (the "Underwriter"); and

WHEREAS, all capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Indenture unless the context in which they appear requires otherwise; and

WHEREAS, there have been presented to the Issuer proposed forms of each of the following:

1. the Indenture;
2. the Agreement;
3. the Bond Purchase Agreement (the "Purchase Agreement"), by and among the Underwriter, the Issuer and the Borrower;
4. the Asset Oversight, Compliance and Security Agreement (the "Asset Oversight and Compliance Agreement"), by and between the Borrower and the Issuer;
5. the Regulatory Agreement; and
6. the Preliminary Official Statement (the "Preliminary Official Statement"), relating to the Bonds.

WHEREAS, the Issuer finds the form and substance of the above-listed documents (hereinafter, collectively the "Bond Documents") to be satisfactory and proper and finds the recitals with regard to the Issuer contained therein to be true, correct and complete and hereby determines to proceed with the issuance and sale of the Bonds, the execution of such documents and the taking of such other actions as may be necessary and appropriate in connection therewith; and now

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXAS STATE AFFORDABLE HOUSING CORPORATION THAT:

Section 1: Based solely upon the representations made to the Board of Directors of the Issuer (the "Board") by the Borrower, it appears and the Board hereby finds that the issuance of the Bonds and the making of the various contractual commitments, as provided herein, will provide a means of financing the Project within the State that accomplishes the public purpose of providing adequate, safe and sanitary housing primarily for individuals and families of low, very low and extremely low income.

Section 2: The issuance of the Bonds in one or more series and in the aggregate maximum principal amount of not to exceed \$16,500,000, is hereby authorized and approved. The Bonds shall mature, bear interest at the rate or rates and shall be subject to the redemption features as specified in the Indenture. The Board hereby approves the Indenture in substantially the form and substance presented to the Board with such changes or additions thereto as may be approved by the Chairperson, Vice Chairperson, President or Executive Vice President of the Issuer (upon advice of bond counsel to the Issuer), as evidenced by their execution and delivery thereof and the Chairperson, Vice Chairperson, President or Executive Vice President of the Issuer is authorized and directed, for and on behalf of the Issuer, to execute the Indenture and such officers are hereby authorized to deliver the Indenture. Upon execution by the parties thereto

and delivery thereof, the Indenture shall be binding upon the Issuer in accordance with the terms and provisions thereof.

Section 3: The Board hereby approves the Agreement in substantially the form and substance presented to the Board with such changes or additions thereto as may be approved by the Chairperson, Vice Chairperson, President or Executive Vice President of the Issuer (upon advice of bond counsel to the Issuer), as evidenced by their execution and delivery thereof and the Chairperson, Vice Chairperson, President or Executive Vice President of the Issuer is hereby authorized and directed, for and on behalf of the Issuer, to execute the Agreement and such officers are hereby authorized to deliver the Agreement. Upon execution by the parties thereto and delivery thereof, the Agreement shall be binding upon the Issuer in accordance with the terms and provisions thereof.

Section 4: The Board hereby approves the Purchase Agreement in substantially the form and substance presented to the Board with such changes or additions thereto as may be approved by the Chairperson, Vice Chairperson, President or Executive Vice President of the Issuer (upon advice of bond counsel to the Issuer), as evidenced by their execution and delivery thereof and the Chairperson, Vice Chairperson, President or Executive Vice President of the Issuer are each hereby authorized and directed, for and on behalf of the Issuer, to execute the Purchase Agreement, and such officers are hereby authorized to deliver the Purchase Agreement. Upon execution by the parties thereto and delivery thereof, the Purchase Agreement shall be binding upon the Issuer in accordance with the terms and provisions thereof.

Section 5: The Board hereby approves the Asset Oversight and Compliance Agreement in substantially the form and substance presented to the Board with such changes or additions thereto as may be approved by the Chairperson, Vice Chairperson, President or Executive Vice President of the Issuer (upon advice of bond counsel to the Issuer), as evidenced by their execution and delivery thereof and the Chairperson, Vice Chairperson, President or Executive Vice President of the Issuer are each hereby authorized and directed, for and on behalf of the Issuer, to execute the Asset Oversight and Compliance Agreement, and such officers are hereby authorized to deliver the Asset Oversight and Compliance Agreement. Upon execution by the parties thereto and delivery thereof, the Asset Oversight and Compliance Agreement shall be binding upon the Issuer in accordance with the terms and provisions thereof.

Section 6: The Board hereby approves the Regulatory Agreement in substantially the form and substance presented to the Board with such changes or additions thereto as may be approved by the Chairperson, Vice Chairperson, President or Executive Vice President of the Issuer (upon advice of bond counsel to the Issuer), as evidenced by their execution and delivery thereof and the Chairperson, Vice Chairperson, President or Executive Vice President of the Issuer are each hereby authorized and directed, for and on behalf of the Issuer, to execute the Regulatory Agreement, and such officers are hereby authorized to deliver the Regulatory Agreement. Upon execution by the parties thereto and delivery thereof, the Regulatory Agreement shall be binding upon the Issuer in accordance with the terms and provisions thereof.

Section 7: The Board hereby approves the Preliminary Official Statement and the changes to the Preliminary Official Statement which will result in the final Official Statement (the "Official Statement") proposed to be delivered in connection with the sale of the Bonds, in substantially the form and substance presented to the Board with such changes or additions thereto as may be approved by the Chairperson, Vice Chairperson, President or Executive Vice President of the Issuer (upon advice of bond counsel to the Issuer) and the Chairperson, Vice Chairperson, President or Executive Vice President of the Issuer is hereby authorized and

directed, for and on behalf of the Issuer, to execute the Preliminary Official Statement and the Official Statement. Delivery to the Underwriter of the Preliminary Official Statement and the Official Statement, based upon representations received from the Borrower is hereby authorized.

Section 8: The Board hereby approves the Bonds in substantially the form and substance set forth in the Indenture as presented to the Board with such changes or additions as may be approved by the Chairperson, Vice Chairperson, President or Executive Vice President of the Issuer, as evidenced by their execution and delivery thereof and the Chairperson, Vice Chairperson, President or Executive Vice President of the Issuer are hereby authorized and directed, for and on behalf of the Issuer, to execute the Bonds or have their facsimile signatures placed upon the Bonds, and the Chief Financial Officer and Treasurer, Secretary or any Assistant Secretary, by manual or facsimile signature, are hereby authorized and directed to attest the signature of the Chairperson, Vice Chairperson, President or Executive Vice President, and any of such officers is hereby authorized and directed to deliver the Bonds.

Section 9: The Board hereby approves the sale of the Bonds to the Underwriter in accordance with the terms and conditions specified in the Purchase Agreement approved herein.

Section 10: UMB Bank, N.A. is hereby appointed as Trustee and paying agent under the terms of the Indenture for the Bonds. If said bank shall be unable or unwilling to so serve, the Chairperson, Vice Chairperson, President or Executive Vice President of the Issuer is hereby authorized and directed to designate a commercial bank or other entity with trust powers acceptable to it to serve as Trustee and paying agent.

Section 11: The Chairperson, Vice Chairperson, President and Executive Vice President of the Issuer, either individually or jointly, are hereby authorized to approve any different date, designation or title by which the Bonds shall be known, the principal amount or amounts and maturity date or dates of the Bonds to be issued pursuant to this Resolution, to establish the interest rate or rates to be borne by the Bonds, provided, however, that the interest rate or rates shall never exceed 15% per annum. The Chairperson, Vice Chairperson, President and Executive Vice President of the Issuer, either individually or jointly, are further authorized to engage the services of consultants that may be needed, in the opinion of such officer, to fully complete the issuance and delivery of the Bonds.

Section 12: The officers of the Issuer are each hereby authorized to execute and deliver to the Trustee the written order of the Issuer for the authentication and delivery of the Bonds by the Trustee in accordance with the Indenture.

Section 13: All action (not inconsistent with provisions of this Resolution) heretofore taken by the Board and officers of the Issuer directed toward the financing of the Project and the issuance of the Bonds shall be and the same hereby is ratified, approved, and confirmed.

Section 14: The officers of the Issuer shall take all action in conformity with the Act necessary or reasonably required to effectuate the issuance of the Bonds and take all action necessary or desirable in conformity with the Act to finance the Project and for carrying out, giving effect to, and consummating the transactions described in the Bonds, this Resolution, the Bond Documents, and any other instruments authorized by this Resolution or required to effect the transactions contemplated hereby, including without limitation, the execution and delivery of any certificates, agreements or documents, including a remarketing agreement, if any, in addition to those specifically referenced herein which are associated with the issuance of the Bonds.

Section 15: The President or the Executive Vice President of the Issuer is authorized to approve such changes to the documents specifically referenced in this Resolution and to make any changes or enter into any supplements or amendments that may be required following the closing of the Bonds for a period of up to one year as well as the certificates, agreements and documents authorized in Section 14 hereof, as they deem necessary or appropriate. The execution and delivery of such documents by either of such officers shall constitute conclusive evidence of such approval.

Section 16: If any section, paragraph, clause, or provision of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution. In case any obligation of the Issuer authorized or established by this Resolution or the Bonds is held to be in violation of law as applied to any person or in any circumstance, such obligation shall be deemed to be the obligation of the Issuer to the fullest extent permitted by law.

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PASSED, APPROVED AND EFFECTIVE this April 21, 2026.

TEXAS STATE AFFORDABLE HOUSING
CORPORATION

President

Texas State Affordable Housing Corporation
Multifamily Housing Revenue Bonds
(The Bloom at Lamar Square)
Series 2026

**Bond Document No. 2:
Trust Indenture**

TRUST INDENTURE

Dated as of June 1, 2026

between

TEXAS STATE AFFORDABLE HOUSING CORPORATION,
as Issuer

and

UMB BANK, N.A.
as Trustee

Relating to

[\$14,500,000]
Texas State Affordable Housing Corporation
Multifamily Housing Revenue Bonds
(The Bloom at Lamar Square)
Series 2026

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(This Index is not a part of the Indenture
but rather is for convenience of reference only)

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TRUST INDENTURE

THIS TRUST INDENTURE dated as of June 1, 2026 (this “**Indenture**”), is made by and between the **TEXAS STATE AFFORDABLE HOUSING CORPORATION** (the “**Issuer**”), a Texas nonprofit corporation, and **UMB BANK, N.A.**, a national banking association, as Trustee (the “**Trustee**”) under the circumstances summarized in the following recitals (the capitalized terms not defined in the recitals and granting clauses being used therein as defined in Article I hereof):

A. The Issuer is authorized under Subchapter Y of Chapter 2306, Texas Government Code, as amended (the “**Act**”), to issue bonds to finance multifamily residential rental housing intended to be occupied by persons and families of low, very low and extremely low income in the State of Texas; and

B. Pursuant to the Act and this Indenture, the Issuer has determined to issue its Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (The Bloom at Lamar Square) Series 2026 (the “**Bonds**”) in the original aggregate principal amount of \$[14,500,000], to provide for the financing of the acquisition, construction and equipping of a multifamily rental housing development to be known as The Bloom at Lamar Square (as more particularly described herein, and defined as the “**Project**”) to be owned and operated by FC Bloom Housing, LP, a Texas limited partnership (the “**Borrower**”).

C. Pursuant to a Loan Agreement, dated as of June 1, 2026 (the “**Loan Agreement**”) between the Issuer and the Borrower, the Issuer has agreed to use the proceeds of the sale of the Bonds to make a loan in the amount of \$[14,500,000] (the “**Loan**”), to the Borrower to assist in the financing of the Project.

D. The Borrower has agreed to use the proceeds of the Loan to finance the acquisition, construction and equipping of the Project with disbursements of the proceeds of the Loan to be made pursuant to the provisions of this Indenture and the Loan Agreement.

E. The Borrower’s repayment obligations in respect of the Loan will be evidenced by a Note dated as of the Closing Date (the “**Note**”) delivered to the Issuer, which Note will be endorsed by the Issuer to the Trustee pursuant to this Indenture.

F. The Bonds will be secured by this Indenture, and the Issuer is authorized to execute and deliver this Indenture and to do or cause to be done all acts provided or required herein to be performed on its part.

G. All acts and conditions required to happen, exist and be performed precedent to and in the issuance of the Bonds and the execution and delivery of this Indenture have happened, exist and have been performed, or at the delivery of the Bonds will exist, will have happened and will have been performed (i) to make the Bonds, when issued, delivered and authenticated, valid obligations of the Issuer in accordance with the terms thereof and hereof and (ii) to make this Indenture a valid, binding and legal trust agreement for the security of the Bonds in accordance with its terms;

H. The Trustee has accepted the trusts created by this Indenture, and in evidence thereof has joined in the execution hereof; and

I. In order to assure compliance with Sections 103 and 142 through 150, inclusive, of the Code, the Issuer, the Borrower and the Trustee have entered into a Regulatory Agreement and Declaration of Restrictive Covenants, dated as of the same date hereof, (as amended and supplemented from time to time, the “**Regulatory Agreement**”), the Issuer has executed a Certificate as to Tax Exemption dated the Closing Date (the “**Issuer's Certificate As To Tax Exemption**”) and the Borrower has executed a Borrower's Tax Letter of Representation dated the Closing Date (the “**Borrower's Tax Letter of Representation**” and together with the Issuer’s Certificate as to Tax Exemption, the “**Tax Certificates**”), each of which sets forth various certifications, representations, and covenants relating to the tax-exempt status of the Bonds.

NOW, THEREFORE, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the Holders thereof, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, in order to secure the payment of Bond Service Charges on the Bonds according to their true intent and meaning, to secure the performance and observance of all of the covenants, agreements, obligations and conditions contained herein, and to declare the terms and conditions upon and subject to which the Bonds are and are intended to be issued, held, secured and enforced, the Issuer has executed and delivered this Indenture and absolutely assigns hereby to the Trustee (except Reserved Rights), and to its successors in trust, and its assigns, all right, title and interest of the Issuer in and to (i) the Revenues, including, without limitation, all Loan Payments, Eligible Funds and other amounts receivable by or on behalf of the Issuer under the Loan Agreement in respect of repayment of the Loan, (ii) the Special Funds, including all accounts therein and all money and securities deposited therein and (except for the Rebate Amount (as defined herein) required to be rebated to the United States of America under the Code in connection with the Bonds, as described in Section 4.09 hereof) the investment earnings thereon and the proceeds derived therefrom, (iii) the proceeds derived from the sale of the Bonds (subject to the provisions of the Bond Resolution), (iv) the Loan Agreement, including all amendments, extensions and renewals of the terms thereof, if any, (v) the Note, including all amendments, extensions and renewals of the terms thereof, if any, and (vi) any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind pledged, assigned or transferred, as and for additional security hereunder by the Issuer or by anyone on its behalf, or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of this Indenture, except for the Reserved Rights (the foregoing collectively referred to as the “**Trust Estate**”),

TO HAVE AND TO HOLD unto the Trustee and its successors in that trust and its assigns forever;

BUT IN TRUST, NEVERTHELESS, and subject to the provisions hereof,

(a) except as provided otherwise herein, for the equal and proportionate benefit, security and protection of all present and future Holders of the Bonds issued or to be issued under and secured by this Indenture,

(b) for the enforcement of the payment of the principal of and interest on the Bonds, when due and payable, according to the true intent and meaning thereof and of this Indenture, and

(c) to secure the performance and observance of and compliance with the covenants, agreements, obligations, terms and conditions of this Indenture,

in each case, without preference, priority or distinction, as to lien or otherwise, of any one Bond over any other by reason of designation, number, date of the Bonds or of authorization, issuance, sale, execution, authentication, delivery or maturity thereof, or otherwise, so that each Bond and all Bonds shall have the same right, lien and privilege under this Indenture and shall be secured equally and ratably hereby, it being intended that the lien and security of this Indenture shall take effect from the date hereof, without regard to the date of the actual issue, sale or disposition of the Bonds, as though upon that date all of the Bonds were actually issued, sold and delivered to purchasers for value; provided, however, that

(i) if the principal of the Bonds and the interest due or to become due thereon shall be paid, at the times and in the manner to which reference is made in the Bonds, according to the true intent and meaning thereof, or the Outstanding Bonds shall have been paid and discharged in accordance with Article VIII hereof, and

(ii) if all of the covenants, agreements, obligations, terms and conditions of the Issuer under this Indenture shall have been kept, performed and observed and there shall have been paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then

(iii) this Indenture and the rights assigned hereby shall cease, determine and be void, except as provided in Section 8.03 hereof with respect to the survival of certain provisions hereof; otherwise, this Indenture shall be and remain in full force and effect.

It is declared that all Bonds issued hereunder and secured hereby are to be issued, authenticated and delivered, and that the Trust Estate assigned hereby, is to be dealt with and disposed of under, upon and subject to, the terms, conditions, stipulations, covenants, agreements, obligations, trusts, uses and purposes provided in this Indenture. The Issuer has agreed and covenanted, and agrees and covenants with the Trustee and with each and all Holders, as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. In addition to the words and terms defined elsewhere in this Indenture or by reference to the Loan Agreement, unless the context or use clearly indicates another meaning or intent:

“**Act**” means Subchapter Y of Chapter 2306, Texas Government Code, as amended and supplemented.

“Act of Bankruptcy” means written notice to the Trustee that the Borrower has become insolvent or has failed to pay its debts generally as such debts become due or has admitted in writing its inability to pay any of its indebtedness or has consented to or has petitioned or applied to any court or other legal authority for the appointment of a receiver, liquidator, trustee or similar official for itself or for all or any substantial part of its properties or assets or that any such trustee, receiver, liquidator or similar official has been appointed or that a petition in bankruptcy, insolvency, reorganization or liquidation proceedings (or similar proceedings) have been instituted by or against the Borrower; provided that, if in the case of an involuntary proceeding, such proceeding is not dismissed within 90 days after commencement thereof.

“Additional Payments” means the amounts required to be paid by the Borrower pursuant to the provisions of Section 4.4 of the Loan Agreement.

“Administrative Expenses” means the Ordinary Trustee Fees and Expenses, the Dissemination Agent Fee and the Issuer’s Fees.

“Affiliate” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “control” when used with respect to any specified Person means the power to direct the policies of such Person, directly or indirectly, whether through the power to appoint and remove its directors, the ownership of voting securities, by contract, or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“AHFC” means the Austin Housing Finance Corporation, a Texas public, nonprofit corporation organized and operated under Chapter 394 of the Texas Local Government Code, in its capacity as maker of the AHFC Loan.

“AHFC Loan” means an existing loan to the Borrower from AHFC in the principal amount of \$5,500,000.

“AHFC Loan Documents” means the loan agreement and other agreements, notes, deeds of trust, regulatory agreements, land use restriction agreement, any other agreements, instruments and documents relating to, evidencing, or securing the AHFC Loan.

“AHFC Loan Mortgages” means the deeds of trust securing the AHFC Loan.

“Authorized Borrower Representative” means any person who, at any time and from time to time, is designated as the Borrower’s authorized representative by written certificate furnished to the Issuer and the Trustee signed on behalf of the Borrower by or on behalf of any authorized general partner of the Borrower if the Borrower is a general or limited partnership, by any authorized managing member of the Borrower if the Borrower is a limited liability company, or by any authorized officer of the Borrower if the Borrower is a corporation, which certificate may designate an alternate or alternates. The Trustee may conclusively presume that a person designated in a written certificate filed with it as an Authorized Borrower Representative is an Authorized Borrower Representative until such time as the Borrower files with it (with a copy to the Issuer) a written certificate revoking such person’s authority to act in such capacity. The initial Authorized Borrower Representative is the Executive Director of the sole member of the General Partner.

“Authorized Denomination” means \$5,000, or any integral multiple of \$1,000 in excess thereof.

“Authorized Issuer Representative” means the Chairperson, Vice Chairperson, President, Executive Vice President, Secretary or Assistant Secretary of the Issuer and any other officer or employee of the Issuer designated by certificate of any of the foregoing as authorized by the Issuer to perform a specified act, sign a specified document or otherwise take action with respect to the Bonds. The Trustee may conclusively presume that a person designated in a written certificate filed with it as an Authorized Issuer Representative is an Authorized Issuer Representative until such time as the Issuer files with it a written certificate identifying a different person or persons to act in such capacity.

“Bankruptcy Code” means Title 11 of the United States Code entitled “Bankruptcy,” as in effect now and in the future, or any successor statute.

“Beneficial Owner” means, with respect to the Bonds, the Person owning the Beneficial Ownership Interest therein, as evidenced to the satisfaction of the Trustee.

“Beneficial Ownership Interest” means the right to receive payments and notices with respect to the Bonds held in a Book Entry System.

“Bond Counsel” means any counsel nationally recognized as having an expertise in connection with the exclusion of interest on obligations of states and local governmental units from the gross income of the holders thereof for federal income tax purposes, and initially shall mean Norton Rose Fulbright US LLP, as bond counsel.

“Bond Documents” means, collectively, the Indenture, the Loan Agreement, the Regulatory Agreement, the Tax Certificates, and the Note.

“Bond Fund” means the Bond Fund created in Section 4.01 hereof.

“Bond Payment Date” means each Interest Payment Date and any other date Bond Service Charges on the Bonds are due, including any Redemption Date or any Mandatory Tender Date.

“Bond Purchase Agreement” means the Purchase Contract, dated _____, 20____, among the Underwriter, the Issuer and the Borrower.

“Bond Resolution” means the certain resolution relating to the issuance and sale of the Bonds, adopted by the Governing Body on December 16, 2025.

“Bond Service Charges” means, for any period or payable at any time, the principal of, premium, if any, and interest on the Bonds for that period or payable at that time whether due at maturity or upon redemption, Mandatory Tender or acceleration.

“Bond Year” means each one-year period that ends at the close of business on the day selected by the Borrower. The first and last Bond Years may be short periods. If no day is selected by the Borrower before the earlier of the final maturity of the Bonds or the date that is five years

after the Closing Date, Bond Years end on each anniversary of the Closing Date and on the date of final maturity.

“**Bonds**” means the Issuer’s Multifamily Housing Revenue Bonds (The Bloom at Lamar Square) Series 2026 authorized in the Bond Resolution and Section 2.01 hereof in the original aggregate principal amount of \$[14,500,000].

“**Book Entry Form**” or “**Book Entry System**” means, with respect to the Bonds, a form or system, as applicable, under which (a) physical Bond certificates in fully registered form are issued only to a Depository or its nominee, with the physical Bond certificates “immobilized” in the custody of the Depository and (b) the ownership of book entry interests in Bonds and Bond Service Charges thereon may be transferred only through a book entry made by others than the Issuer or the Trustee. The records maintained by others than the Issuer or the Trustee constitute the written record that identifies the owners, and records the transfer, of book entry interests in those Bonds and Bond Service Charges thereon.

“**Borrower**” means FC Bloom Housing, LP, a Texas limited partnership.

“**Borrower Documents**” means the Financing Documents to which the Borrower is a party and the documents to which the Borrower is a party relating to and securing the Subordinate Loans and the Construction Loan.

“**Borrower's Tax Letter of Representation**” means the Borrower's Tax Letter of Representation executed by Borrower and delivered on the Closing Date.

“**Business Day**” means a day that is not a Saturday or a Sunday, or a day on which (a) banking institutions in the City of New York or in the city in which the Designated Office of the Trustee or Remarketing Agent is located are authorized or obligated by law or executive order to be closed, or (b) The New York Stock Exchange is closed, and on which the United States Government makes payments of principal and interest on its Treasury obligations.

“**Cash Flow Projection**” means a cash flow projection prepared by an Independent firm of certified public accountants, a financial advisory firm, a law firm or other Independent third party qualified and experienced in the preparation of cash flow projections for structured finance transactions similar to the Bonds, designated by the Borrower and acceptable to the Rating Agency, establishing the sufficiency of (a) the amount on deposit in the Special Funds, (b) projected investment income to accrue on amounts on deposit in the Special Funds during the applicable period and (c) any additional Eligible Funds delivered to the Trustee by or on behalf of the Borrower to pay Bond Service Charges and the Administrative Expenses, in each instance, when due and payable, including, but not limited to, any cash flow projection prepared in connection with (i) the initial issuance and delivery of the Bonds, (ii) a proposed remarketing of the Bonds as provided in Section 3.07 hereof; (iii) the release of Eligible Funds from the Negative Arbitrage Account of the Bond Fund, as provided in Section 4.03, (iv) the purchase, sale or exchange of Eligible Investments as provided in Section 4.10 hereof and (v) the optional redemption of the Bonds as provided in Section 4.10 hereof, including in the event that the Trustee intends to sell or otherwise dispose of Eligible Investments prior to maturity at a price below par. The cost and expense of obtaining any Cash Flow Projection shall be the sole responsibility of the

Borrower. The Trustee shall be entitled to assume any Cash Flow Projection delivered to it is satisfactory to the Rating Agency and shall not be obligated to seek approval from the Rating Agency of any such Cash Flow Projection.

“**Closing Date**” means the date of delivery of the Bonds in exchange for the purchase price thereof.

“**CMF Funds Sponsor Loan**” means the unsecured loan to be made from the Sponsor to Borrower in the amount of \$2,000,000, with the proceeds of an award of capital magnet funds by the United States Department of Treasury.

“**CMF Funds Sponsor Loan Documents**” means all loan and other agreements, notes deeds of trust, regulations, agreements, land uses restriction agreements, any other agreements, instruments and documents relating to, evidencing, or securing the CMF Funds Sponsor Loan.

“**Code**” means the Internal Revenue Code of 1986, as amended and in force and effect on the date hereof.

“**Collateral Fund**” means the Collateral Fund created in Section 4.01 hereof.

“**Collateral Payment**” has the meaning set forth in Section 3.2 of the Loan Agreement.

“**Completion Certificate**” means the certificate attached as Exhibit C to the Loan Agreement.

“**Completion Date**” means the date the Project is substantially completed and available and suitable for use as multifamily housing, as set forth in the Completion Certificate.

“**Comptroller**” means the Comptroller of Public Accounts of the State of Texas.

“**Computation Date**” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“**Construction Lender**” means Bank of America, N.A., in its capacity as construction lender under the Construction Loan.

“**Construction Loan**” means a taxable construction loan from the Construction Lender to the Borrower.

“**Construction Loan Document**” means all agreements, documents and instruments evidencing, securing and relating to the Construction Loan.

“**Continuing Disclosure Agreement**” means the Continuing Disclosure Agreement dated as of the date hereof between the Borrower and the Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“**Controlling Holders**” means in the case of consent or direction to be given hereunder, the Holders of the majority in aggregate principal amount of the Outstanding Bonds.

“Costs of Issuance” means costs to the extent incurred in connection with, and allocable to, the issuance of the Bonds within the meaning of Section 147(g) of the Code. For example, Costs of Issuance include the following costs, but only to the extent incurred in connection with, and allocable to, the borrowing: underwriters’ spread; counsel fees; financial advisory fees; fees paid to an organization to evaluate the credit quality of an issue; trustee fees; paying agent fees; bond registrar, certification and authentication fees; accounting fees; printing costs for bonds and offering documents; public approval process costs; engineering and feasibility study costs; guarantee fees, other than qualified guarantees; and similar costs directly incurred in connection with the borrowing.

“Costs of Issuance Fund” means the Costs of Issuance Fund created in Section 4.01 hereof.

“Depository” means, with respect to the Bonds, DTC, until a successor Depository shall have become such pursuant to the applicable provisions of this Indenture, and thereafter, Depository shall mean the successor Depository. Any Depository shall be a securities depository that is a clearing agency under a federal law operating and maintaining, with its participants or otherwise, a Book Entry System to record ownership of book entry interests in Bonds or Bond Service Charges thereon, and to effect transfers of book entry interests in Bonds.

“Designated Office” means, with respect to the Trustee or the Remarketing Agent, the office of the Trustee or the Remarketing Agent at the respective Notice Address set forth in this Section 1.01 or, solely for purposes of presentation for transfer, payment or exchange of the Bonds, the designated corporate trust operations or agency office of the Trustee in Kansas City, Missouri, or at such other address as may be specified in writing by the Trustee or the Remarketing Agent, as applicable, as provided in Section 12.03 hereof.

“Disbursement Request” means a request for disbursement of Bond proceeds in the form attached as Exhibit B to the Loan Agreement.

“Dissemination Agent” means the Trustee, or any successor, as Dissemination Agent under the Continuing Disclosure Agreement.

“Dissemination Agent Fee” means the annual fee in the amount of \$1,000 payable to the Dissemination Agent as compensation for its services and expenses in performing its obligations under the Continuing Disclosure Agreement.

“DTC” means The Depository Trust Company (a limited purpose trust company), New York, New York, and its successors or assigns.

“DTC Participant” means any participant contracting with DTC under its book entry system and includes securities brokers and dealers, banks and trust companies and clearing corporations.

“Eligible Funds” means, as of any date of determination, any of:

- (a) the proceeds of the Bonds (including any additional amount paid by the Underwriter to the Trustee as the purchase price of the Bonds);

(b) money received by the Trustee representing proceeds of the Construction Loan and the Subordinate Loans, except for the AHFC Loan;

(c) remarketing proceeds of the Bonds (including any additional amount paid by the Remarketing Agent to the Trustee as the remarketing price of the Bonds) received from the Remarketing Agent or any purchaser of Bonds (other than funds provided by the Borrower, the Issuer, or any Affiliate of either the Borrower or the Issuer);

(d) any other amounts, including the proceeds of refunding bonds, for which the Trustee has received an Opinion of Counsel (which opinion may assume that no Holder or Beneficial Owner of Bonds is an “insider” within the meaning of the Bankruptcy Code) to the effect that (A) the use of such amounts to make payments on the Bonds would not violate Section 362(a) of the Bankruptcy Code or that relief from the automatic stay provisions of such Section 362(a) would be available from the bankruptcy court and (B) payments of such amounts to Holders would not be avoidable as preferential payments under Section 547 or 550 of the Bankruptcy Code should the Issuer or the Borrower become a debtor in proceedings commenced under the Bankruptcy Code;

(e) the proceeds of draws by the Trustee on any letter of credit provided to the Trustee for the benefit of the Borrower;

(f) any payments made by the Borrower and held by the Trustee for a continuous period of 123 days, provided that no Act of Bankruptcy has occurred during such period; and

(g) investment income derived from the investment of the money described in (a) through (f) above.

“**Eligible Investments**” means, subject to the provisions of Section 4.10, any of the following investments, to the extent authorized under State law, which mature (or are redeemable at the option of the Trustee without penalty) at such time or times as to enable timely disbursements to be made from the fund in which such investment is held or allocated in accordance with the terms of this Indenture:

(a) Government Obligations; and

(b) Shares or units in any money market mutual fund rated “Aaa-mf” by Moody’s (or the equivalent Highest Rating Category given by the Rating Agency for that general category of security) including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund and receives reasonable compensation therefor that are registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of direct obligations of the government of the United States of America.

“**Event of Default**” means any of the events described as an Event of Default in Section 6.01 hereof or Section 7.1 of the Loan Agreement.

“Expense Fund” means the Expense Fund created in Section 4.01 hereof.

“Extension Payment” means the amount due, if any, in connection with the change or extension of the Mandatory Tender Date pursuant to Section 3.07 hereof, and which shall be determined by a Cash Flow Projection.

“Extraordinary Services” and **“Extraordinary Expenses”** mean all services rendered and all reasonable expenses incurred by the Trustee under this Indenture or the other Financing Documents, other than Ordinary Services and Ordinary Expenses. Extraordinary Services and Extraordinary Expenses shall specifically include but are not limited to services rendered or expenses incurred by the Trustee in connection with, or in contemplation of, an Event of Default.

“Favorable Opinion of Bond Counsel” means, with respect to any action, or omission of an action, the taking or omission of which requires such an opinion, an unqualified written opinion of Bond Counsel to the effect that such action or omission does not adversely affect the Federal Tax Status of the Bonds under existing law (subject to the inclusion of any customary exceptions acceptable to the recipient thereof).

“FC Sponsor Loan” means the loan to the Borrower from the Sponsor derived from fundraising and foundation sources in an amount not to exceed \$4,500,000.

“FC Sponsor Loan Documents” means all loan and other agreements, notes, deeds of trust, regulations, agreements, land uses restriction agreements, any other agreements, instruments and documents relating to, evidencing, or securing the FC Sponsor Loan.

“FC Sponsor Loan Mortgage” means the deed of trust securing the Sponsor Loan.

“Federal Tax Status” means, as to the Bonds, the status of the interest on the Bonds as excludable from gross income for federal income tax purposes (except on any Bond during any period during which it is held by a “substantial user” of the Project or “related person” to such a substantial user within the meaning of Section 147(a) of the Code).

“FHLB Dallas Sponsor Loan” means the loan to the Borrower from the Sponsor derived from funds from the Federal Home Loan Bank of Dallas in the maximum principal amount of \$1,450,000.

“FHLB NY Sponsor Loan” means the loan to the Borrower from the Sponsor derived from funds from the Federal Home Loan Bank of New York in the maximum principal amount of \$2,000,000.

“Financing Documents” means this Indenture, the Bonds, the Loan Agreement, the Note, the Regulatory Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Remarketing Agreement and any other instrument or document executed in connection with the Bonds, together with all modifications, extensions, renewals and replacements thereof.

“Force Majeure” means any of the causes, circumstances or events described as constituting Force Majeure in Section 7.1 of the Loan Agreement.

“General Partner” means FC Lamar Square Phase 1 Housing, LLC, a Texas limited liability company, and its permitted successors and assigns.

“Governing Body” means the members of the board of directors of the Issuer.

“Government” shall mean the government of the United States of America, any political subdivision of the United States of America (including, without limitation, any state, territory, federal district, municipality or possession) and any department, agency or instrumentality thereof; and **“Governmental”** shall mean of, by, or pertaining to any Government.

“Government Obligations” means noncallable, non-redeemable (i) direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged, and (ii) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the full and timely payment of the principal of, premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (i) or (ii) issued or held in Book Entry Form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par at the option of anyone other than the holder thereof.

“Gross Proceeds” means any proceeds, as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds, as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

“Highest Rating Category” means, with respect to an Eligible Investment, that the Eligible Investment is rated by a Rating Agency in the highest rating given by that Rating Agency for that Rating Category, provided that such rating shall include but not be below “Aa1” or “Aa1/VMIG 1” if rated by Moody’s or “A-1+” or “AA+” if rated by S&P.

“Holder” or **“Holder of a Bond”** means the Person in whose name a Bond is registered on the Register.

“Indenture” means this Trust Indenture, dated as of June 1, 2026, between the Issuer and the Trustee, as amended or supplemented from time to time.

“Independent” when used with respect to a specified Person means such Person has no specific financial interest direct or indirect in the Borrower or any Affiliate of the Borrower and in the case of an individual is not a director, trustee, officer, partner, member or employee of the Borrower or any Affiliate of the Borrower and in the case of an entity, does not have a partner, director, trustee, officer, member or employee who is a director, trustee, partner, member, officer or employee of any partner of the Borrower or any Affiliate of the Borrower.

“Initial Bond” means the initial Bond registered by the Comptroller and subsequently canceled and replaced by a definitive Bond pursuant to this Indenture.

“Initial Borrower Deposit” means funds in the amount of \$-0- to be contributed by or on behalf of the Borrower on the Closing Date, which is to be deposited as provided in Section 4.02(c).

“Initial Interest Rate” means _____ % per annum.

“Initial Mandatory Tender Date” means July 1, 2029.

“Initial Remarketing Date” means the Initial Mandatory Tender Date, but only if the conditions for remarketing the Bonds on such date as provided in Section 3.07 hereof are satisfied.

“Interest Payment Date” means (a) January 1 and July 1 of each year beginning January 1, 2027, (b) each Redemption Date and (c) each Mandatory Tender Date. In the case of payment of defaulted interest, “Interest Payment Date” also means the date of such payment established pursuant to Section 2.05.

“Interest Period” means, initially, the period from the Closing Date to and including the day preceding the first Interest Payment Date, and thereafter, the period commencing on each succeeding Interest Payment Date and ending on the day preceding the next Interest Payment Date.

“Interest Rate” means the Initial Interest Rate to but not including the Initial Mandatory Tender Date, and thereafter the applicable Remarketing Rate.

“Interest Rate for Advances” means the rate per annum that is 2% plus that interest rate announced by the Trustee in its lending capacity as a bank as its “Prime Rate” or its “Base Rate”, whichever is greater and lawfully chargeable, in whole or in part.

“Investor Partner” means, collectively, Bank of America, N.A. and its lawful successors and assigns, and MPC TX The Bloom, LLC.

“Issuer” means Texas State Affordable Housing Corporation, a Texas nonprofit corporation, and its successors and assigns.

“Issuer Administrative Fee” means, until the end of the Qualified Project Period, or the final maturity of the Bonds, whichever is later, an annual fee paid by the Borrower, with such Issuer Administrative Fee being remitted through the Trustee to the Issuer as designated by the Issuer, equal to 0.10% of the aggregate principal amount of the Bonds outstanding, with a minimum annual fee of \$5,000. The first annual payment of the Issuer Administrative Fee must be paid on the Closing Date. All future annual payments will be due on or before July 10th starting in 2027.

“Issuer Closing Fee” means the one-time fee in the amount equal to 0.15% (15 basis points) of the principal amount of the Bonds on the Closing Date, with a minimum of \$20,000. The Issuer Closing Fee is due to the Issuer on the Closing Date.

“Issuer Compliance Fee” means the fee payable for monitoring services provided by the Issuer for the term of the Qualified Project Period, being an annual fee in an amount equal to the greater of \$45 per unit or \$2,500 for each property included in the Project to be paid, remitted through the Trustee to the Issuer as designated by the Issuer, in advance at the beginning of each calendar year, on or before July 10th. The first year’s fee shall be paid on the Closing Date. The second year’s fee will begin in calendar year 2027. Beginning with the third annual payment, the

Issuer Compliance Fee shall increase by 2% per annum, with a maximum increase of 20% or ten annual increases.

“Issuer Documents” means the Financing Documents to which the Issuer is a party.

“Issuer's Certificate As To Tax Exemption” means the Certificate as to Tax Exemption executed by the Issuer and delivered on the Closing Date.

“Issuer’s Fees” means collectively, the Issuer Administrative Fee, the Issuer Closing Fee and the Issuer Compliance Fee.

“Loan” means the loan by the Issuer to the Borrower of the proceeds received from the sale of the Bonds.

“Loan Agreement” means the Loan Agreement dated as of even date with this Indenture, between the Issuer and the Borrower and assigned by the Issuer, except for Reserved Rights, to the Trustee, as amended or supplemented from time to time.

“Loan Payments” means the amounts required to be paid by the Borrower in repayment of the Loan pursuant to the provisions of the Loan Agreement and the Note.

“Local Time” means Central time (daylight or standard, as applicable) in Dallas, Texas.

“Low Income Tenants” shall have the meaning ascribed to such term in the Regulatory Agreement.

“Mandatory Tender” means a tender of Bonds required by Section 3.05.

“Mandatory Tender Date” means (a) the Initial Mandatory Tender Date and (b) if the Bonds Outstanding on the Initial Mandatory Tender Date or on any subsequent Mandatory Tender Date are remarketed pursuant to Section 3.07 hereof for a Remarketing Period that does not extend to the final maturity of the Bonds, the day after the last day of the Remarketing Period.

“Maturity Date” means July 1, 2030.

“Maximum Interest Rate” means the interest rate equal to the lesser of (a) 12% per annum, or (b) the maximum interest rate that may be paid on the Bonds under State law pursuant to Chapter 1204 of the Texas Government Code.

“Moody’s” means Moody’s Investors Service, a Delaware corporation, and its successors and assigns, or if it shall for any reason no longer perform the functions of a securities rating agency, then any other nationally recognized rating agency designated by the Borrower and acceptable to the Trustee and the Remarketing Agent.

“National Housing Act” means the National Housing Act of 1937, as amended, and the applicable regulations thereunder.

“Negative Arbitrage Account” means the Negative Arbitrage Account of the Bond Fund created in Section 4.01 hereof.

“Nonpurpose Investment” shall mean any investment property (as defined in Section 148(b) of the Code) that is acquired with the Gross Proceeds of the Bonds and which is not acquired to carry out the governmental purpose of the Bonds.

“Note” means the promissory note of the Borrower, dated as of the Closing Date in connection with the Bonds, in the form attached to the Loan Agreement as Exhibit A and in the aggregate principal amount of \$[14,500,000], evidencing the obligation of the Borrower to make Loan Payments.

“Notice Address” means:

To the Issuer:	Texas State Affordable Housing Corporation 6701 Shirley Avenue Austin, Texas 78752 Attention: President Telephone: (512) 477-3568 Email: dlong@tsahc.org
With a copy to:	Norton Rose Fulbright US LLP 2200 Ross Avenue, Suite 3600 Dallas, Texas 75201 Attention: Paul A. Braden Email: paul.braden@nortonrosefulbright.com Telephone: (214) 855-8189
And a copy to:	Norton Rose Fulbright US LLP 2200 Ross Avenue, Suite 3600 Dallas, Texas 75201 Attention: Robert D. Dransfield Email: robert.dransfield@nortonrosefulbright.com Telephone: (214) 855-8068
To the Trustee:	UMB Bank, N.A. 6034 West Courtyard Drive, Suite 225 Austin, Texas 78730 Attention: Rob Rodriguez Telephone: (512) 582-5859 Email: robert.rodriguez@umb.com
To the Borrower:	FC Bloom Housing, LP c/o Foundation Communities, Inc. 3000 S IH 35, Suite 300 Austin, Texas 78704 Attention: Walter Moreau E-mail: walter.moreau@foundcom.org

With a copy to: Duane Morris LLP
2801 Via Fortuna, Terrace 7, Suite 200
Austin, TX 78746
Attention: Scott Marks
Telephone: (512) 277-2268
E-mail: SAMarks@duanemorris.com

And a copy to: Rigby Slack Lawrence Pepper + Comerford PLLC
3500 Jefferson St., Suite 330
Austin, TX 78731
Attention: Cathleen Slack
Telephone: (512) 782-2062
E-mail: cslack@rigbyslack.com

And with a copy to Investor
Partner (Bank of America): Bank of America, N.A.
Banc of America CDC Special Holding Company, Inc.
100 Federal Street, 4th Floor
Boston, MA 02110
MA5-100-04-11
Attention: Asset Management

With a copy to: Buchalter LLP
1000 Wilshire Blvd., Suite 1500
Los Angeles, CA 90017
Attention: Michael Williamson
Telephone: (213) 891-5074
Email: mwilliamson@buchalter.com
Ref: Bloom at Lamar Square - Equity (B0965-0872)

And with a copy to Investor
Partner (Monarch): MPC TX The Bloom, LLC
3414 Peachtree Road, Suite 825
Atlanta, Georgia 30326
Attention: Robin Delmer
E-mail: rdelmer@monarchprivate.com

With a copy to: Barnes & Thornburg LLP
3340 Peachtree Road, Suite 2900
Atlanta, Georgia 30326
Attention: Sean Honeywill
E-mail: shoneywill@btlaw.com

To the Construction
Lender: Bank of America, N.A.
901 Main Street, 66th Floor
Dallas, TX 75202
Attention: Valerie Williams

Telephone: (214) 209-3219
E-mail: valerie.a.williams@bofa.com

With a copy to: Buchalter LLP
1000 Wilshire Blvd., Suite 1500
Los Angeles, CA 90017
Attention: Michael Williamson
Email: mwilliamson@buchalter.com

To the Rating Agency: Moody's Investors Service, Inc.
250 Greenwich Street, 16th Floor
New York, NY 10007
Attention: Public Finance Group – Housing Team
Electronic notices shall be delivered to:
Housing@moodys.com

To the Remarketing Agent: Stifel, Nicolaus & Company, Incorporated
639 Loyola Avenue, Suite 200
New Orleans, LA 70113
Attention: John Sabatier
Telephone Number: (504) 210-3110
E-mail: sabatierj@stifel.com

With a copy to: Tiber Hudson LLC
1800 M Street NW, Suite 350 South
Washington, DC 20036
Attention: Kent Neumann, Esq.
Telephone Number: (202) 973-0107
Email: kent@tiberhudson.com

or such additional or different address, notice of which is given under Section 12.03 hereof. Notwithstanding the foregoing or anything to the contrary contained herein, no notice to the Trustee shall be deemed given to or received by the Trustee unless actually delivered to an officer of the Trustee having responsibility under this Indenture.

“Opinion of Bond Counsel” means an opinion of Bond Counsel.

“Opinion of Counsel” means an opinion from an attorney or firm of attorneys, acceptable to the Issuer, with experience in the matters to be covered in the opinion.

“Optional Redemption Date” means January 1, 2029.

“Ordinary Services” and **“Ordinary Expenses”** mean those services normally rendered, and those expenses normally incurred, by a trustee under instruments similar to this Indenture.

“Ordinary Trustee Fees and Expenses” means amounts due to the Trustee for the Ordinary Services and the Ordinary Expenses of the Trustee incurred in connection with its duties

under this Indenture, an acceptance fee equal to \$2,500 payable on the Closing Date and an annual fee payable on the Closing Date and thereafter on the anniversary of the Closing Date until the Redemption Date of the Bonds, initially in an amount equal to \$4,500; provided that, the amount of Ordinary Trustee Fees and Expenses payable under this Indenture is limited to money withdrawn from the Expense Fund, and the Borrower will be responsible to pay the remaining amount of the Ordinary Trustee Fees and Expenses pursuant to Section 4.4 of the Loan Agreement. In addition, all amounts due to the Trustee for Extraordinary Services and all Extraordinary Expenses of the Trustee will be paid as provided in Section 6.06 of this Indenture or directly by the Borrower pursuant to Section 4.4 of the Loan Agreement.

“Organizational Documents” means the Amended and Restated Limited Partnership Agreement of the Borrower, dated as of the Closing Date.

“Outstanding Bonds,” “Bonds Outstanding” or “Outstanding” as applied to Bonds mean, as of the applicable date, all Bonds which have been authenticated and delivered, or which are being delivered by the Trustee under this Indenture, except:

(a) Bonds cancelled upon surrender, exchange or transfer, or cancelled because of payment on or prior to that date;

(b) Bonds, or the portion thereof, for the payment or for cancellation of which sufficient money has been deposited and credited with the Trustee on or prior to that date for that purpose (whether upon or prior to the maturity of those Bonds);

(c) Bonds, or the portion thereof, which are deemed to have been paid and discharged or caused to have been paid and discharged pursuant to the provisions of this Indenture; and

(d) Bonds in lieu of which others have been authenticated under Section 2.07 of this Indenture.

“Permitted Encumbrances” means, as applied to the Project:

(a) Such conditions, leases, restrictions, covenants, reservations, easements, and other matters of record to which the Project is subject on the Closing Date;

(b) Zoning and other ordinances;

(c) Liens for taxes and assessments and other governmental charges, both general and special and not yet due and payable;

(d) Reservations, exceptions, encroachments, easements, rights of way, covenants, conditions, restrictions, leases, and other similar title exceptions or encumbrances affecting real property, provided they do not in the aggregate materially detract from the value of such properties or materially interfere with their use in the ordinary conduct of the Borrower’s business;

(e) [the condominium declaration;]

- (f) The Regulatory Agreement;
- (g) The leases of portions of the Project;
- (h) The Tax Credit LURA;
- (i) The TDHCA LURAs;
- (j) The restrictions associated with the FHLB Dallas Sponsor Loan and the FHLB NY Sponsor Loan;
- (k) The FHLB Dallas Sponsor Loan documents;
- (l) The FHLB NY Sponsor Loan documents;
- (m) The Construction Loan Documents;
- (n) The FC Sponsor Loan Mortgage;
- (o) The CMF Funds Sponsor Loan Documents;
- (p) The THHS Sponsor Loan Documents; and
- (q) Liens securing any of the Permitted Encumbrances listed hereinabove.

“**Person**” or words importing persons mean firms, associations, partnerships (including without limitation, general and limited partnerships), joint ventures, societies, estates, trusts, corporations, limited liability companies, public or governmental bodies, other legal entities and natural persons.

“**Plans and Specifications**” means the plans and specifications describing the Project as now prepared and as they may be changed as provided in the Loan Agreement.

“**Predecessor Bond**” of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by the particular Bond. For the purposes of this definition, any Bond authenticated and delivered under Section 2.07 of this Indenture in lieu of a lost, stolen or destroyed Bond shall, except as otherwise provided in Section 2.07, be deemed to evidence the same debt as the lost, stolen or destroyed Bond.

“**Project**” means the 58-unit residential rental housing development to be known as The Bloom at Lamar Square to be constructed as a part of a condominium, to be located at or about 1326 or 1328 Lamar Square Drive, Austin, Travis County, Texas 78704.

“**Project Fund**” means the Project Fund created in Section 4.01 hereof.

“**Qualified Project Period**” shall have the meaning ascribed to such term in the Regulatory Agreement.

“Rating Agency” means Moody’s, S&P or any other nationally recognized securities rating agency rating the Bonds, or such rating agency’s successors or assigns, and initially means Moody’s so long as Moody’s is rating the Bonds.

“Rebate Amount” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Rebate Analyst” means a certified public accountant, financial analyst or attorney, or any firm of the foregoing, or a financial institution (which may include the Trustee) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code and selected by the Borrower at the expense of the Borrower to calculate the Rebate Amount or, in the event that the Borrower fails to so select a Rebate Analyst and the Borrower fails to pay such fee one month prior to any date on which calculations are required to be made, any qualified person retained by the Trustee at the expense of the Borrower to calculate the Rebate Amount. The initial Rebate Analyst will be Tiber Hudson LLC.

“Rebate Fund” means the Rebate Fund created in Section 4.01 hereof.

“Redemption Date” means any date hereunder on which Bonds are to be redeemed, including (a) the Maturity Date, (b) the date of acceleration of the Bonds or (c) pursuant to Section 3.01 and 3.05 hereof.

“Register” means the books kept and maintained by the Trustee for registration and transfer of Bonds pursuant to Section 2.06 hereof.

“Regular Record Date” means, with respect to any Bond, the close of business on the 5th day of the calendar month next preceding each Interest Payment Date, whether or not such date is a Business Day.

“Regulations” means any proposed, temporary, or final Income Tax Regulations issued pursuant to sections 103 and 141 through 150 of the Code. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

“Regulatory Agreement” means the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of even date with this Indenture, by and among the Issuer, the Trustee and the Borrower, as amended or supplemented from time to time.

“Remarketing Agent” means initially Stifel, Nicolaus & Company, Incorporated, and thereafter any successor Remarketing Agent (which meets the requirements of Section 5.17 hereof) that may be appointed by the Authorized Borrower Representative.

“Remarketing Agent Fee” means the fee of the Remarketing Agent for its remarketing services.

“Remarketing Agreement” means the Remarketing Agreement, dated as of June 1, 2026, by and between the Borrower and the Remarketing Agent, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

“Remarketing Date” means the Initial Remarketing Date and, if the Bonds Outstanding on such date or on any subsequent Remarketing Date are remarketed pursuant to Section 3.07 for a Remarketing Period that does not extend to the final maturity of the Bonds, the day after the last day of the Remarketing Period.

“Remarketing Expenses” means the costs and expenses, other than Administrative Expenses, incurred by the Trustee and its counsel, the Remarketing Agent and its counsel, the Issuer and its counsel, and Bond Counsel in connection with the remarketing of the Bonds, including bond printing and registration costs, costs of funds advanced by the Remarketing Agent, registration and filing fees, the cost of any Cash Flow Projections or other verification reports, rating agency fees and other costs and expenses incurred in connection with or properly attributable to the remarketing of Bonds as certified to the Trustee by the Remarketing Agent in writing.

“Remarketing Notice Parties” means the Borrower, the Issuer, the Trustee, the Remarketing Agent and the Construction Lender.

“Remarketing Period” means the period beginning on a Remarketing Date and ending on the last day of the term for which Bonds are remarketed pursuant to Section 3.07 or the final Maturity Date of the Bonds, as applicable.

“Remarketing Proceeds Account” means the Remarketing Proceeds Account of the Bond Fund created in Section 4.01 hereof.

“Remarketing Rate” means the interest rate or rates established pursuant to Section 2.02(c) and borne by the Bonds then Outstanding from and including each Remarketing Date to, but not including, the next succeeding Remarketing Date or the final Maturity Date of the Bonds, as applicable.

“Reserved Rights” of the Issuer means (a) all of the Issuer’s right, title and interest in and to all reimbursement, costs, expenses and indemnification; (b) the right of the Issuer to amounts payable to it pursuant to Section 4.4 of the Loan Agreement, including the Issuer’s Fees; (c) all rights of the Issuer to receive any Rebate Amount; (d) all rights of the Issuer to receive notices, reports or other information, and to make determinations and grant approvals or consent hereunder and under the other Financing Documents; (e) all rights of the Issuer of access to the Project and documents related thereto and to specifically enforce the representations, warranties, covenants and agreements of the Borrower set forth in the Borrower’s Tax Letter of Representation and in the Regulatory Agreement; (f) any and all rights, remedies and limitations of liability of the Issuer set forth in this Indenture, the Loan Agreement, the Issuer’s Certificate as to Tax Exemption, the Regulatory Agreement or the Note, as applicable, regarding (1) the negotiability, registration and transfer of the Bonds, (2) the loss or destruction of the Bonds, (3) the limited liability of the Issuer as provided in the Act, this Indenture, the Loan Agreement, the Regulatory Agreement or the Note, (4) the maintenance of insurance by the Borrower, (5) no liability of the Issuer to third parties, and (6) no warranties of suitability or merchantability by the Issuer; (g) all rights of the Issuer in connection with any amendment to or modification of this Indenture, the Loan Agreement, the Tax Certificates, the Regulatory Agreement and the Note, and (h) any and all limitations of the Issuer’s liability and the Issuer’s disclaimers of warranties set forth in this Indenture, the Regulatory

Agreement or the Loan Agreement, and the Issuer's right to inspect and audit the books, records and permits of the Borrower and the Project.

"Revenues" means (a) the Loan Payments, (b) all other money received or to be received by the Trustee in respect of repayment of the Loan, including without limitation, all money and investments in the Bond Fund, (c) any money and investments in the Special Funds, and (d) all income and profit from the investment of the foregoing money. The term "Revenues" does not include any money or investments in the Rebate Fund.

"S&P" means S&P Global Ratings, and its successors and assigns, or if it shall for any reason no longer perform the functions of a securities rating agency, then any other nationally recognized rating agency designated by the Borrower and acceptable to the Trustee and the Remarketing Agent.

"Secretary" means the person serving as the Secretary of the Issuer, or in his or her absence, the acting or assistant secretary of the Issuer.

"Special Funds" means, collectively, the Bond Fund, the Project Fund and the Collateral Fund, and any accounts therein, all as created in this Indenture.

"Special Record Date" means, with respect to any Bond, the date established by the Trustee in connection with the payment of overdue interest or principal on that Bond.

"Sponsor" means Foundation Communities, Inc., a Texas nonprofit corporation.

"Sponsor Loans" means, collectively, the (1) CMF Sponsor Loan, (2) FC Sponsor Loan, (3) FHLB Dallas Sponsor Loan, (4) FHLB NY Sponsor Loan and (5) THHS Sponsor Loan.

"Sponsor Loan Mortgages" means the deeds of trust dated effective as of the Closing Date, made by Borrower for the benefit of Sponsor to secure the Sponsor Loans.

"State" means the State of Texas.

"Subordinate Loans" means, collectively, the AHFC Loan and the Sponsor Loans.

"Supplemental Indenture" means any indenture supplemental to this Indenture entered into between the Issuer and the Trustee in accordance with Article VII hereof.

"Tax Certificates" means jointly, the Borrower's Tax Letter of Representation and the Issuer's Certificate as to Tax Exemption.

"Tax Credit LURA" means the extended low-income housing commitment (as such term is defined in Section 42(h)(6)(B) of the Code that will be recorded against the Project.

"TDHCA" means the Texas Department of Housing and Community Affairs.

"TDHCA Cornerstone LURA" means that certain Land Use Restriction Agreement dated and effective February 24, 2005 by and between Mary Lee Community and TDHCA relating to

the Cornerstone Apartments, which will be transferred to a portion of the condominium project which will contain the Project.

“**TDHCA Villa Elaina LURA**” means that certain Land Use Restriction Agreement dated and effective February 26, 2004 by and between Mary Lee Foundation and Texas Department of Housing and Community Affairs relating to the Villa Elaina Apartments, as amended by that certain First Amendment to Land Use Restriction Agreement dated February 29, 2012, which will be transferred to a portion of the condominium project which will contain the Project.

“**TDHCA LURAs**” means, jointly, the TDHCA Cornerstone LURA and the TDHCA Villa Elaina LURA.

“**Tendered Bond**” means any Bond which has been tendered for purchase pursuant to a Mandatory Tender.

“**THHS Sponsor Loan**” means the unsecured loan to be made from the Sponsor to Borrower in the amount of \$2,000,000, with the proceeds of a grant awarded by the Texas Health and Human Services Commission.

“**THHS Sponsor Loan Documents**” means all loan and other agreements, notes deeds of trust, regulations, agreements, land uses restriction agreements, any other agreements, instruments and documents relating to, evidencing, or securing the THHS Funds Sponsor Loan.

“**Trust Estate**” means the property rights, money, securities and other amounts pledged and assigned to the Trustee hereunder pursuant to the Granting Clauses hereof.

“**Trustee**” means UMB Bank, N.A., a national banking association, until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter, “Trustee” shall mean the successor Trustee.

“**Undelivered Bond**” means any Bond that is required under this Indenture to be delivered to the Remarketing Agent or the Trustee for purchase on a Mandatory Tender Date or Redemption Date but that has not been received on the date such Bond is required to be so delivered.

“**Underwriter**” means Stifel, Nicolaus & Company, Incorporated.

“**Yield**” of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations, and (2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

Section 1.02. Interpretation. Any reference herein to the Issuer, to the Governing Body or to any member or officer of either includes entities or officials succeeding to their respective functions, duties or responsibilities pursuant to or by operation of law or lawfully performing their functions. Any reference to a section or provision of the Constitution of the State or the Act, or to a section, provision or chapter of the laws of the State, or to any statute of the United States of America, includes that section, provision or chapter as amended, modified, revised, supplemented or superseded from time to time; provided that no amendment, modification, revision, supplement or superseding section, provision or chapter shall be applicable solely by reason of this paragraph, if it constitutes in any way an impairment of the rights or obligations of the Issuer, the Holders,

the Trustee or the Borrower under the Bond Resolution, the Bonds, the Financing Documents or any other instrument or document entered into in connection with any of the foregoing, including without limitation, any alteration of the obligation to pay Bond Service Charges in the amount and manner, at the times, and from the sources provided in the Bond Resolution and this Indenture, except as permitted herein.

Unless the context indicates otherwise, words importing the singular number include the plural number, and vice versa. The terms “hereof,” “hereby,” “herein,” “hereto,” “hereunder,” “hereinafter” and similar terms refer to this Indenture; and the term “hereafter” means after, and the term “heretofore” means before, the date of this Indenture. Words of any gender include the correlative words of the other genders, unless the sense indicates otherwise.

Section 1.03. Captions and Headings. The captions and headings in this Indenture are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Articles, Sections, subsections, paragraphs, subparagraphs or clauses hereof.

Section 1.04. Content of Certificates and Opinions. Every certificate or opinion provided for in this Indenture with respect to compliance with any provision hereof made or given by an Authorized Issuer Representative of the Issuer or an Authorized Borrower Representative may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion or representation given by counsel or an accountant, unless such Authorized Issuer Representative of the Issuer or such Authorized Borrower Representative knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement is based is erroneous. Any such certificate or opinion made or given by counsel or an accountant may be based, insofar as it relates to factual matters with respect to which information is in the possession of the Issuer or the Borrower, as applicable, upon a certificate or opinion of or representation by an Authorized Issuer Representative of the Issuer or an Authorized Borrower Representative, unless such counsel or accountant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such certificate, opinion or representation is based is erroneous. The same Authorized Issuer Representative of the Issuer or Authorized Borrower Representative, or the same counsel or accountant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Indenture, but different officers, counsel or accountants may certify to different matters.

(End of Article I)

ARTICLE II

AUTHORIZATION AND TERMS OF BONDS

Section 2.01. Authorization and General Terms of Bonds.

(a) Issuance of Bonds. It is determined to be necessary to, and the Issuer shall, issue, sell and deliver Bonds in the aggregate principal amount of \$[14,500,000] for the purpose of making the Loan to finance the acquisition, equipping and construction of the Project, and no Bonds may be issued under the provisions of this Indenture except in accordance with this Article. No additional bonds may be issued under this Indenture.

(b) General Terms. The Bonds shall be designated “Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (The Bloom at Lamar Square) Series 2026;” shall be in substantially the form as set forth in Exhibit A to this Indenture; shall be numbered consecutively from R-1 upwards, except for the Initial Bond, which shall be numbered I-1; shall be in Authorized Denominations; and shall be dated the Closing Date, except for the Initial Bond which shall be dated June 1, 2026.

(c) Initial Bond. The Initial Bond, which shall be numbered I-1 and registered by the Comptroller, shall be identical to the form of Bond attached as Exhibit A, except that the second-to-last paragraph of the Initial Bond shall read as follows:

“This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture unless the Comptroller’s Registration Certificate hereon has been executed by an authorized representative of the Texas Comptroller of Public Accounts by manual or facsimile signature.”

In lieu of the authentication certificate of the Trustee, the Initial Bond shall contain the following certificate:

**“REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS**

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO. _____
THE STATE OF TEXAS	§	

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Texas Comptroller of Public Accounts.

Witness my signature and seal of office this _____.

Comptroller of Public Accounts of the
State of Texas

(SEAL)”

The provisions of Exhibit A may be rearranged or re-ordered for purposes of the Initial Bond.

(d) Registered Form. All Bonds, unless a Supplemental Indenture shall have been executed and delivered pursuant to Article VII hereof, shall be in fully registered form, and the Holder of a Bond shall be regarded as the absolute owner thereof for all purposes of this Indenture.

(e) Further Details. The Bonds shall be negotiable instruments in accordance with the Act, and shall express the purpose for which they are issued and any other statements or legends which may be required by law. Each Bond shall be of a single maturity, unless the Trustee shall approve the authentication and delivery of a Bond of more than one maturity.

Section 2.02. Maturity and Interest.

(a) General. The Bonds shall bear interest on the principal amount Outstanding from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or provided for, from the Closing Date, payable on each Interest Payment Date. The Bonds shall bear interest for each Interest Period at the Interest Rate as more specifically set forth hereinafter. Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Bonds shall mature on the Maturity Date, subject to prior redemption as set forth in Section 3.01 hereof and subject to Mandatory Tender for purchase as set forth in Section 3.05 hereof.

(b) Initial Interest Rate. From the date of their initial delivery to but not including the Initial Mandatory Tender Date, the interest rate on the Bonds shall be the Initial Interest Rate per annum. On the Initial Mandatory Tender Date, the Bonds shall be subject to Mandatory Tender pursuant to Section 3.05 hereof. If insufficient funds are available to pay the purchase price on the Bonds following such Mandatory Tender on the Initial Mandatory Tender Date, the Bonds shall be redeemed in accordance with the provisions of Section 3.01(b).

(c) Establishment of Remarketing Rate. The Remarketing Agent shall establish the interest rate on the Bonds Outstanding for each Remarketing Period at the Remarketing Rate in accordance with this Section 2.02. Not less than 10 Business Days preceding each Remarketing Date, the Remarketing Agent, taking into consideration prevailing market conditions, shall, using its best professional judgment, determine the minimum rate(s) of interest which, if borne by the Bonds then Outstanding for the Remarketing Period specified by the Remarketing Agent at the direction of the Borrower as provided in Section 3.05 hereof, would enable such Bonds to

be remarketed at a price equal to 100% of the principal amount of such Bonds. The rate of interest determined in accordance with the previous sentence shall be the Remarketing Rate for the specified Remarketing Period; provided that if the rate of interest so determined for such period would exceed the Maximum Interest Rate, the Bonds Outstanding shall be remarketed for the longest Remarketing Period for which the minimum rate of interest that would enable such Bonds to be remarketed at a price equal to 100% of the principal amount of such Bonds that would not exceed the Maximum Interest Rate. Notwithstanding the foregoing, if the rate of interest so determined for any Remarketing Period would exceed the Maximum Interest Rate, the Bonds Outstanding shall not be remarketed.

(d) Notice of Remarketing Rate. The Remarketing Agent shall, upon determination of the Remarketing Rate and Remarketing Period, immediately (and in no event later than the Business Day following the day on which the Remarketing Agent makes its determination of the Remarketing Rate and the Remarketing Period) give notice of its determination by telephone or electronic mail, promptly confirmed in writing, to the Trustee, the Issuer and the Borrower. The Remarketing Rate and the Remarketing Period shall be conclusive and binding upon the Trustee, the Issuer, the Borrower and the Holders for the purposes of this Indenture.

Section 2.03. Execution and Authentication of Bonds. Unless otherwise provided in the applicable Bond Resolution or Supplemental Indenture, each Bond shall be signed by the President or Executive Vice President of the Issuer and attested by the Secretary or Assistant Secretary of the Issuer in their official capacities (provided that any or all of those signatures may be facsimiles). In case any officer whose signature or a facsimile of whose signature shall appear on any Bond shall cease to be that officer before the issuance of the Bond, such signature or the facsimile thereof nevertheless shall be valid and sufficient for all purposes, the same as if he or she had remained in office until that time. Any Bond may be executed on behalf of the Issuer by an officer who, on the date of execution is the proper officer, although on the date of the Bond that person was not the proper officer. Any facsimile signatures shall have the same force and effect as if said officers had manually signed the Bonds. The Bonds may be typewritten, printed, engraved, lithographed or otherwise produced.

Except for the Initial Bond, no Bond shall be valid or become obligatory for any purpose or shall be entitled to any security or benefit under this Indenture unless and until a certificate of authentication, substantially in the form set forth in Exhibit A to this Indenture, has been signed by the Trustee, at the written direction of the Issuer. The authentication by the Trustee upon any Bond shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered hereunder and is entitled to the security and benefit of this Indenture. The certificate of the Trustee may be executed by any person authorized by the Trustee, and it shall not be necessary that the same authorized person sign the certificates of authentication on all of the Bonds. In lieu of the certificate of authentication of the Trustee, the Initial Bond shall be registered by the Comptroller as provided in Section 2.01(c) hereof.

Section 2.04. Source of Payment of Bonds. The Bonds are not and never shall become general obligations of the Issuer, but to the extent provided in and except as otherwise permitted by this Indenture, the Bonds shall be special limited obligations of the Issuer and the Bond Service Charges thereon shall be payable equally and ratably solely from and secured solely by the Trust Estate.

NOTWITHSTANDING ANYTHING HEREIN CONTAINED TO THE CONTRARY, ANY OBLIGATION THAT THE ISSUER MAY INCUR UNDER THIS INDENTURE OR UNDER ANY INSTRUMENT EXECUTED IN CONNECTION HERewith THAT SHALL ENTAIL THE EXPENDITURE OF MONEY SHALL NOT BE A GENERAL OBLIGATION OF THE ISSUER, BUT SHALL BE A SPECIAL LIMITED OBLIGATION PAYABLE SOLELY FROM THE TRUST ESTATE. THE BONDS SHALL CONSTITUTE A VALID CLAIM OF THE RESPECTIVE HOLDERS THEREOF AGAINST THE TRUST ESTATE, WHICH IS PLEDGED TO SECURE THE PAYMENT OF THE BOND SERVICE CHARGES AND WHICH SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THIS INDENTURE. THE BONDS, TOGETHER WITH INTEREST THEREON, SHALL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER GIVING RISE TO NO CHARGE AGAINST THE ISSUER'S GENERAL CREDIT AND PAYABLE SOLELY FROM, AND CONSTITUTE CLAIMS OF THE HOLDERS THEREOF AGAINST ONLY, THE TRUST ESTATE. THE BOND SERVICE CHARGES SHALL NOT BE DEEMED TO CONSTITUTE DEBT OF THE ISSUER (EXCEPT TO THE EXTENT OF THE TRUST ESTATE). THE BONDS ARE NOT AND DO NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH, CREDIT, OR TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE ISSUER HAS NO TAXING POWER.

No agreement or obligation contained herein shall be deemed to be an agreement or obligation of any governing board member, director, officer, agent or employee of the Issuer in his or her individual capacity, and no member of the governing board of the Issuer nor any officer executing any Bond shall be liable personally on such Bond or be subject to any personal liability or accountability by reason of the issuance thereof. No governing board member, director, officer, agent or employee of the Issuer shall incur any personal liability with respect to any other action taken by him or her pursuant to this Indenture.

Section 2.05. Payment and Ownership of Bonds. Bond Service Charges shall be payable in lawful money of the United States of America without deduction for the services of the Trustee. Subject to the provisions of Sections 2.09 and 2.10 of this Indenture, (a) the principal of any Bond shall be payable when due to a Holder upon presentation and surrender of such Bond at the Designated Office of the Trustee or at the office designated by the Trustee, and (b) interest on any Bond shall be paid on each Interest Payment Date by check or draft which the Trustee shall cause to be mailed on that date to the Person in whose name the Bond (or one or more Predecessor Bonds) is registered at the close of business on the Regular Record Date applicable to that Interest Payment Date on the Register at the address appearing therein. If any interest or principal is due on a day that is not a Business Day, payment will be made on the next succeeding Business Day with the same effect as if made on the day such payment was due.

If and to the extent, however, that the Issuer shall fail to make payment or provision for payment of interest on any Bond on any Interest Payment Date, that interest shall cease to be payable to the Person who was the Holder of that Bond (or of one or more Predecessor Bonds) as of the applicable Regular Record Date. In that event, except as provided below in this Section,

when money becomes available for payment of the interest, (a) the Trustee shall, pursuant to Section 6.06(d), establish a Special Record Date for the payment of that interest which shall be not more than 15 nor fewer than 10 days prior to the date of the proposed payment, and (b) the Trustee shall cause notice of the proposed payment and of the Special Record Date to be mailed by first-class mail, postage prepaid, to each Holder at its address as it appears on the Register not fewer than ten (10) days prior to the Special Record Date and, thereafter, the interest shall be payable to the Persons who are the Holders of the Bonds (or their respective Predecessor Bonds) at the close of business on the Special Record Date.

Subject to the foregoing, each Bond delivered under this Indenture upon transfer thereof, or in exchange for or in replacement of any other Bond, shall carry the rights to interest accrued and unpaid, and to accrue on that Bond, or which were carried by that Bond.

Except as provided in this Section and the first paragraph of Section 2.07 hereof, (a) the Holder of any Bond shall be deemed and regarded as the absolute owner thereof for all purposes of this Indenture, (b) payment of or on account of the Bond Service Charges on any Bond shall be made only to or upon the order of that Holder or its duly authorized attorney in the manner permitted by this Indenture, and (c) neither the Issuer nor the Trustee shall, to the extent permitted by law, be affected by notice to the contrary. All of those payments shall be valid and effective to satisfy and discharge the liability upon that Bond, including without limitation, the interest thereon, to the extent of the amount or amounts so paid.

Section 2.06. Registration and Transfer of Bonds. So long as any of the Bonds remain Outstanding, the registration and transfer of Bonds, as provided in this Indenture, will be maintained and kept at the Designated Office of the Trustee.

Subject to the provisions set forth above and in Section 2.09 hereof, any Bond may be transferred upon the Register, upon presentation and surrender thereof at the Designated Office of the Trustee, together with an assignment duly executed by the Holder or its duly authorized attorney in any form which shall be satisfactory to the Trustee. Upon transfer of any Bond and on request of the Trustee, the Issuer shall execute in the name of the transferee, and the Trustee shall authenticate and deliver, a new Bond or Bonds, of any Authorized Denomination or Denominations, in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Bonds presented and surrendered for transfer.

In all cases in which Bonds shall be transferred hereunder, the Issuer shall execute, and the Trustee shall authenticate and deliver, Bonds in accordance with the provisions of this Indenture. The transfer shall be made without charge; provided, that the Issuer and the Trustee may make a charge for every exchange or transfer of Bonds sufficient to reimburse them for any tax or excise required to be paid with respect to the transfer. The charge shall be paid before a new Bond is delivered.

Where a Bond is being transferred and is authenticated after the Regular Record Date but before a date on which a payment is due, such payment will be made to the holder of the Bond as of the Regular Record Date.

All Bonds issued upon any transfer of Bonds shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Bonds surrendered upon transfer.

Section 2.07. Mutilated, Lost, Wrongfully Taken or Destroyed Bonds. If any Bond is mutilated, lost, wrongfully taken or destroyed, in the absence of written notice to the Issuer or the Trustee that a lost, wrongfully taken or destroyed Bond has been acquired by a bona fide purchaser, the Issuer shall execute, and the Trustee shall authenticate and deliver, a new Bond of like date, maturity and denomination as the Bond mutilated, lost, wrongfully taken or destroyed; provided, that (a) in the case of any mutilated Bond, the mutilated Bond first shall be surrendered to the Trustee, and (b) in the case of any lost, wrongfully taken or destroyed Bond, there first shall be furnished to the Trustee evidence of the loss, wrongful taking or destruction satisfactory to the Trustee, together with indemnity satisfactory to the Authorized Borrower Representative, the Trustee and the Authorized Issuer Representative.

If any lost, wrongfully taken or destroyed Bond shall have matured, instead of issuing a new Bond, the Issuer may direct the Trustee to pay that Bond without surrender thereof upon the furnishing of satisfactory evidence and indemnity as in the case of issuance of a new Bond. The Issuer and the Trustee may charge the Holder of a mutilated, lost, wrongfully taken or destroyed Bond their reasonable fees and expenses in connection with their actions pursuant to this Section.

Every new Bond issued pursuant to this Section by reason of any Bond being mutilated, lost, wrongfully taken or destroyed (a) shall constitute, to the extent of the Outstanding principal amount of the Bond lost, mutilated, taken or destroyed, an additional contractual obligation of the Issuer, regardless of whether the mutilated, lost, wrongfully taken or destroyed Bond shall be enforceable at any time by anyone and (b) shall be entitled to all of the benefits of this Indenture equally and proportionately with any and all other Bonds issued and Outstanding hereunder.

All Bonds shall be held and owned on the express condition that the foregoing provisions of this Section are exclusive with respect to the replacement or payment of mutilated, lost, wrongfully taken or destroyed Bonds and, to the extent permitted by law, shall preclude any and all other rights and remedies with respect to the replacement or payment of negotiable instruments or other investment securities without their surrender, notwithstanding any law or statute to the contrary now existing or enacted hereafter.

Section 2.08. Cancellation of Bonds. Any Bond surrendered pursuant to this Article for the purpose of payment or retirement or for exchange, replacement or transfer shall be cancelled upon presentation and surrender thereof to the Trustee.

Notwithstanding any provision of this Indenture to the contrary, the Issuer, or the Borrower on behalf of the Issuer, may deliver at any time to the Trustee with written instructions for cancellation any Bonds previously authenticated and delivered hereunder, which the Issuer or the Borrower may have acquired in any manner whatsoever. All Bonds so delivered shall be cancelled promptly by the Trustee. Certification of the surrender and cancellation shall be made to the Issuer by the Trustee upon the written request of the Issuer. Unless otherwise directed by the Issuer, cancelled Bonds shall be retained and stored by the Trustee for a period of four years after their cancellation. Those cancelled Bonds shall be destroyed by the Trustee by shredding or incineration

at that time or at any earlier time directed in writing by the Issuer. The Trustee shall provide certificates describing the destruction of cancelled Bonds to the Issuer.

Section 2.09. Special Agreement with Holders. Notwithstanding any provision of this Indenture or of any Bond to the contrary, with the approval of the Borrower, the Trustee may enter into an agreement with any Holder providing for making all payments to that Holder of principal of and interest on that Bond or any part thereof (other than any payment of the entire unpaid principal amount thereof) at a place and in a manner other than as provided in this Indenture and in the Bond, without presentation or surrender of the Bond, upon any conditions which shall be satisfactory to the Trustee and the Borrower; provided, that payment in any event shall be made to the Person in whose name a Bond shall be registered on the Register, with respect to payment of principal, on the date such principal is due, and, with respect to the payment of interest, as of the applicable Regular Record Date or Special Record Date, as the case may be.

The Trustee will furnish a copy of each of those agreements, certified to be correct by an officer of the Trustee, to the Issuer and the Borrower. Any payment of principal or interest pursuant to such an agreement shall constitute payment thereof pursuant to, and for all purposes of, this Indenture.

Section 2.10. Book Entry System. Notwithstanding any provision of this Indenture to the contrary, the Bonds issued hereunder shall be initially issued in a Book Entry System, registered in the name of a Depository or its nominee as registered owner of the Bonds, and held in the custody of that Depository. Unless otherwise requested by a Depository, a single certificate will be issued and delivered to the Depository for each maturity of Bonds. Beneficial Owners of Bonds in a Book Entry System will not receive physical delivery of Bond certificates except as provided hereinafter. For so long as a Depository shall continue to serve as securities depository for the Bonds as provided herein, all transfers of Beneficial Ownership Interests will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring Beneficial Ownership Interests of Bonds is to receive, hold or deliver any Bond certificate; provided; that, if a Depository fails or refuses to act as securities depository for the Bonds, the Issuer shall take the actions necessary to provide for the issuance of Bond certificates to the Holders of such Bonds.

With respect to Bonds registered in the name of a Depository, the Issuer, the Borrower and the Trustee shall have no responsibility or obligation to any participant therein or to any Person on whose behalf any participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, neither the Issuer, the Borrower nor the Trustee shall have any responsibility or obligation with respect to (a) the accuracy of the records of the Depository or any participant therein or any other Person, other than a registered owner of the Bonds, as shown on the Register, or any notice with respect to the Bonds or (b) the payment to any participant in the Depository or any other Person, other than a registered owner of the Bonds, as shown in the Register, of any amount with respect to principal of or interest on or purchase price of the Bonds.

Replacement Bonds may be issued directly to Beneficial Owners of Bonds other than a Depository, or its nominee, but only in the event that (a) the Depository determines not to continue to act as securities depository for the Bonds (which determination shall become effective no less than 90 days after written notice to such effect to the Issuer and the Trustee); or (b) the Issuer has advised a Depository of its determination (which determination is conclusive as to the Depository

and Beneficial Owners of the Bonds) that the Depository is incapable of discharging its duties as securities depository for the Bonds; or (c) the Issuer has determined (which determination is conclusive as to the Depository and the Beneficial Owners of the Bonds) that the interests of the Beneficial Owners of the Bonds might be adversely affected if such book-entry only system of transfer is continued. Upon occurrence of any of the foregoing events, the Issuer and the Borrower shall use commercially reasonable efforts to attempt to locate another qualified securities depository. If the Issuer and the Borrower fail to locate another qualified securities depository to replace the Depository, the Issuer and the Borrower, at the Borrower's expense, shall cause to be authenticated and delivered replacement Bonds, in certificate form, to the Beneficial Owners of the Bonds. In the event that the Issuer makes the determination noted in (b) or (c) above (provided that the Issuer undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the Issuer to make any such determination), and has made provisions to notify the Beneficial Owners of Bonds of such determination by mailing an appropriate notice to the Depository, the Issuer, and the Borrower shall cause to be issued replacement Bonds in certificate form to Beneficial Owners of the Bonds as shown on the records of the Depository provided to the Issuer.

Upon the written consent of 100% of the Beneficial Owners of the Bonds, the Trustee shall withdraw the Bonds from any Depository and authenticate and deliver Bonds fully registered to the assignees of that Depository or its nominee. If the request for such withdrawal is not the result of any Issuer action or inaction, such withdrawal, authentication and delivery shall be at the cost and expense (including costs of printing, preparing and delivering such Bonds) of the Persons requesting such withdrawal, authentication and delivery; otherwise such withdrawal, authentication and delivery shall be at the cost and expense of the Borrower.

Whenever, during the term of the Bonds, the beneficial ownership thereof is determined by a book entry at a Depository, (a) the requirements in this Indenture of holding, delivering or transferring Bonds shall be deemed modified to require the appropriate Person or entity to meet the requirements of the Depository as to registering or transferring the book entry to produce the same effect and (b) delivery of the Bonds will be in accordance with arrangements among the Issuer, the Trustee and the Depository notwithstanding any provision of this Indenture to the contrary.

The Trustee and the Issuer shall enter into any letter of representation with a Depository to implement the Book Entry System of Bond registration described above.

Any provision of this Indenture to the contrary notwithstanding, so long as the Bonds are registered solely in the name of the Depository or its nominee, all payments with respect to principal of, premium, if any, and interest on, the Bonds and all notices with respect to the Bonds shall be made and given in accordance with the policies and procedures of the Depository.

Section 2.11. Delivery of the Bonds. Upon the execution and delivery of this Indenture, and satisfaction of the conditions established by the Issuer in the Bond Resolution and in the Bond Purchase Agreement for delivery of the Bonds, the Issuer shall execute the Initial Bond and register the same with the Comptroller. Upon the payment on the Closing Date of the purchase price of the Bonds, the Trustee shall cancel the Initial Bond and authenticate the definitive Bond(s) and deliver the definitive Bond(s) to the Depository, as further directed by the Underwriter.

Prior to the delivery of any Bonds against payment therefor, the Trustee shall have received the following (which may be in electronic form unless otherwise specified):

- (a) a copy of the Bond Resolution;
- (b) copies of executed counterparts of this Indenture and the other documents specifically listed in the definition of Financing Documents;
- (c) one or more opinions of Bond Counsel to the effect that the Bonds have been duly and validly authorized, issued and delivered and constitute legal, valid and binding limited obligations of the Issuer, and that under existing law the interest payable on the Bonds is excludable from gross income for federal income tax purposes (except with respect to interest on any Bond for any period during which it is held by a person who is a “substantial user” of the Project or a “related person” of such a “substantial user” within the meaning of Section 147(a) of the Code);
- (d) an Opinion of Counsel for the Borrower to the effect that the documents specifically listed in the definition of Borrower Documents have been duly authorized, executed and delivered by the Borrower and are legal, valid and binding agreements of the Borrower in accordance with their respective terms subject to customary qualifications and exceptions;
- (e) funds the Trustee is required to receive for deposit pursuant to Section 4.02 hereof;
- (f) a written request and authorization by the Issuer (acting through an Authorized Issuer Representative) to the Trustee to authenticate and deliver the Bonds to the initial purchasers thereof upon payment to the Trustee, for the account of the Issuer, of the sum specified as the purchase price therefor in such request and authorization;
- (g) the opinion of the Attorney General of the State approving the Bonds;
- (h) the Initial Bond registered by the Comptroller; and
- (i) any other documents or opinions which the Trustee, the Issuer or Bond Counsel may reasonably require, which requirement shall be deemed to be satisfied upon the delivery of the opinions of Bond Counsel described in Section 2.11(c).

(End of Article II)

ARTICLE III

REDEMPTION, MANDATORY TENDER AND REMARKETING OF BONDS

Section 3.01. Redemption of Bonds. The Bonds are subject to redemption prior to the Maturity Date as follows:

(a) Optional Redemption. The Bonds are subject to optional redemption in whole or in part by the Issuer at the written direction of the Borrower, which written direction shall be received by the Trustee at least thirty (30) days prior to the required notice mailing date as stated in Section 3.03 hereof, on any Business Day on or after the later to occur of (i) the date the Project is placed in service and satisfies the 50% test pursuant to Section 42(h)(4)(B) of the Code, as certified in writing by the Borrower to the Trustee or (ii) the Optional Redemption Date at a redemption price equal to 100% of the principal amount of such Bonds to be redeemed plus accrued interest to the applicable Redemption Date. Bonds subject to redemption in accordance with this paragraph shall be redeemed from (i) amounts on deposit in the Collateral Fund, (ii) amounts on deposit in the Negative Arbitrage Account of the Bond Fund, (iii) amounts on deposit in the Project Fund, and (iv) any other Eligible Funds available or made available for such purpose at the direction of the Borrower. The Trustee shall conduct a selection of the Bonds for partial redemption in a random by lot selection process.

(b) Mandatory Redemption. The Bonds shall be redeemed in whole at a redemption price of 100% of the principal amount of such Bonds, plus accrued interest to the Redemption Date, on any Mandatory Tender Date upon the occurrence of any of the following events: (i) the Borrower has previously elected not to cause the remarketing of the Bonds, (ii) the conditions to remarketing set forth in this Indenture have not been met by the dates and times set forth in Section 3.07(b) or Section 3.07(d) hereof, or (iii) the proceeds of a remarketing on deposit in the Remarketing Proceeds Account at 11:00 a.m. Local Time on the Mandatory Tender Date are insufficient to pay the purchase price of the Outstanding Bonds on such Mandatory Tender Date. Bonds subject to redemption in accordance with this paragraph shall be redeemed from (i) amounts on deposit in the Collateral Fund, (ii) amounts on deposit in the Negative Arbitrage Account of the Bond Fund, if any, (iii) amounts on deposit in the Project Fund, and (iv) any other Eligible Funds available or made available for such purpose at the direction of the Borrower.

Section 3.02. Purchase in Lieu of Redemption. At the election of the Borrower upon a redemption in whole of the Bonds, by written notice to the Trustee and the Remarketing Agent given not less than five (5) Business Days in advance of such redemption date, the Bonds will be deemed tendered for purchase in lieu of the redemption on such date and the call for redemption shall be cancelled. The purchase price of Bonds so purchased in lieu of redemption shall be the principal amount thereof together with all accrued and unpaid interest to the date of redemption and any prepayment fee, if due, and shall be payable on the date of redemption thereof from Eligible Funds. Bonds so purchased in lieu of redemption shall remain Outstanding and shall be registered to or upon the direction of the Borrower.

Section 3.03. Notice of Redemption. Notices of redemption shall be given as set forth in this Section 3.03. If the Borrower intends to effect an optional redemption of the Bonds, then, at least five (5) days prior to the latest date by which the Trustee must give notice of an optional

redemption as set forth in this paragraph, the Borrower shall deliver to the Trustee written notice of such redemption. Unless waived by any Holder of Bonds to be redeemed, official notice of redemption shall be given by the Trustee on behalf of the Issuer by sending a copy of an official redemption notice by Electronic Means or by first class mail, postage prepaid, to the Holder of each Bond to be redeemed, at the address of such Holder shown on the Register at the opening of business on the fifth day prior to such mailing, (i) with respect to a mandatory redemption of the Bonds, not less than twenty (20) days nor more than thirty (30) days prior to the date fixed for redemption, and (ii) with respect to an optional redemption of the Bonds, not less than ten (10) days prior to the date fixed for redemption. A second notice of redemption shall be given, as soon as practicable, by Electronic Means or by first class mail to the Holder of each Bond which has been so called for redemption (in whole or in part) but has not been presented and surrendered to the Trustee within sixty (60) days following the date fixed for redemption of that Bond.

All official notices of redemption shall be dated and shall state: (1) the proposed Redemption Date, (2) the redemption price, (3) the identification by designation, letters, numbers or other distinguishing marks and the principal amounts of the Bonds to be redeemed, (4) that on the Redemption Date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the Designated Office of the Trustee, (6) the numbers and CUSIP numbers of the Bonds to be redeemed, and (7) that the notice of redemption is conditioned upon there being deposited with the Trustee on or prior to the date of redemption money sufficient to pay the redemption price of the Bonds to be redeemed and, in the case of any redemption premium on Bonds, that there be on deposit Eligible Funds sufficient to pay such redemption premium.

Notices of redemption shall be revocable in the event that there is not on deposit with the Trustee on or prior to the proposed Redemption Date money sufficient to pay the redemption price of the Bonds to be redeemed or, in the case of any redemption premium on Bonds, there is not on deposit Eligible Funds sufficient to pay such redemption premium.

Failure to receive notice by mailing or any defect in that notice regarding any Bond, however, shall not affect the validity of the proceedings for the redemption of any other Bond.

Notice of any redemption hereunder with respect to Bonds held under a Book Entry System shall be given by the Trustee only to the Depository, or its nominee, as the Holder of such Bonds in the manner required by the Depository. Selection of Beneficial Ownership Interests in the Bonds called for redemption and notice of the redemption to the Beneficial Owners are the responsibility of the Depository and any failure of such Depository to notify the Beneficial Owners of any such notice and its contents or effect will not affect the validity of such notice of any proceedings for the redemption of such Bonds.

Section 3.04. Payment of Redeemed Bonds. Notice having been mailed in the manner provided in Section 3.03 or 3.06 hereof, the Bonds and portions thereof called for redemption shall become due and payable on the Redemption Date, and upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price, including interest accrued to the Redemption Date.

Upon the payment of the price of Bonds being redeemed or prepaid, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed or prepaid with the proceeds of such check or other transfer.

If money for the redemption of all of the Bonds and portions thereof to be redeemed, together with interest accrued thereon to the Redemption Date, is held by the Trustee on the Redemption Date, so as to be available therefor on that date and if notice of redemption has been given as provided in Section 3.03 or Section 3.06 hereof, then from and after the Redemption Date those Bonds called for redemption shall cease to bear interest and no longer shall be considered to be Outstanding hereunder.

All money deposited in the Bond Fund and held by the Trustee for the redemption, purchase or prepayment of particular Bonds shall be held in trust for the account of the Holders thereof and shall be paid to them, respectively, upon presentation and surrender of those Bonds.

Section 3.05. Mandatory Tender.

(a) Purchase of Bonds on Mandatory Tender Dates. All Outstanding Bonds shall be subject to Mandatory Tender by the Holders for purchase in whole and not in part on each Mandatory Tender Date. The purchase price for each such Bond shall be payable in lawful money of the United States of America by wire, check or draft, shall equal 100% of the principal amount to be purchased and accrued interest, if any, to the Mandatory Tender Date, and shall be paid in full on the applicable Mandatory Tender Date.

(b) Holding of Tendered Bonds. While tendered Bonds are in the custody of the Trustee pending purchase pursuant hereto, the tendering Holders thereof shall be deemed the owners thereof for all purposes, and interest accruing on tendered Bonds through the day preceding the applicable Mandatory Tender Date is to be paid as if such Bonds had not been tendered for purchase.

(c) Effect of Prior Redemption. Notwithstanding anything herein to the contrary, any Bond tendered under this Section 3.05 will not be purchased if such Bond matures or is redeemed on or prior to the applicable Mandatory Tender Date.

(d) Purchase of Tendered Bonds. The Trustee shall utilize amounts representing proceeds of remarketed Bonds on deposit in the Remarketing Proceeds Account to pay the principal amount, plus accrued interest, of Bonds tendered for purchase not later than 11:30 a.m. Local Time on the Mandatory Tender Date.

(e) Cancellation of Remarketing. In the event the Bonds must be redeemed as a result of the occurrence of any of the events listed in Section 3.01(b), the remarketing shall be cancelled and all Bonds Outstanding on the Mandatory Tender Date shall be redeemed in accordance with Section 3.01(b).

(f) Undelivered Bonds. Bonds shall be deemed to have been tendered for purposes of this Section 3.05 whether or not the Holders shall have delivered such Undelivered Bonds to the Trustee, and subject to the right of the Holders of such Undelivered Bonds to receive the purchase price of such Bonds on the Mandatory Tender Date, such Undelivered Bonds shall be null and

void. If such Undelivered Bonds are to be remarketed, the Trustee shall authenticate and deliver new Bonds in replacement thereof pursuant to the remarketing of such Undelivered Bonds.

Section 3.06. Notice of Mandatory Tender.

(a) Notice to Holders. No later than the 30th day prior to a Mandatory Tender Date, the Trustee shall give written notice of a mandatory tender on the Mandatory Tender Date to the Holders of the Bonds then Outstanding (with a copy to the Borrower, the Issuer, the Investor Partner and the Remarketing Agent) by first class mail, postage prepaid, at their respective addresses appearing on the Register stating:

(i) the Mandatory Tender Date and that (A) if certain conditions are met, all Outstanding Bonds are subject to Mandatory Tender for purchase on the Mandatory Tender Date, (B) all Outstanding Bonds must be tendered for purchase no later than 9:00 a.m., Local Time, on the Mandatory Tender Date and (C) Holders will not have the right to elect to retain their Bonds;

(ii) the address of the Designated Office of the Trustee at which Holders should deliver their Bonds for purchase and the date of the required delivery;

(iii) that all Outstanding Bonds will be purchased on the Mandatory Tender Date at a price equal to the principal amount of the Outstanding Bonds plus interest accrued to the Mandatory Tender Date;

(iv) that if, in the event that the conditions to remarketing set forth in Section 3.07(b) or Section 3.07(d) are not met as set forth therein, or, if proceeds from the remarketing are insufficient to pay the purchase price of the Bonds on the Mandatory Tender Date, all of the Bonds will be redeemed, without further notice, on the Mandatory Tender Date; and

(v) that any Bonds not tendered will nevertheless be deemed to have been tendered and will cease to bear interest from and after the Mandatory Tender Date.

(b) Second Notice. In the event that any Bond required to be delivered to the Trustee for payment of the purchase price of such Bond shall not have been delivered to the Trustee on or before the 30th day following a Mandatory Tender Date, the Trustee shall mail a second notice to the Holder of the Bond at its address as shown on the Register setting forth the requirements set forth in this Indenture for delivery of the Bond to the Trustee and stating that delivery of the Bond to the Trustee (or compliance with the provisions of this Indenture concerning payment of lost, stolen or destroyed Bonds) must be accomplished as a condition to payment of the purchase price applicable to the Bond.

(c) Failure to Give Notice. Neither failure to give or receive any notice described in this Section 3.06, nor the lack of timeliness of such notice or any defect in any notice (or in its content) shall affect the validity or sufficiency of any action required or provided for in this Section 3.06.

Section 3.07. Remarketing of Bonds.

(a) Notice of Mandatory Tender. No later than 11:00 a.m. Local Time on the 35th day prior to each Mandatory Tender Date, the Trustee shall give notice to the Borrower, the Investor Partner and the Remarketing Agent by telephone or electronic mail, confirmed on the same day in writing, which states that all Outstanding Bonds shall be tendered or deemed to be tendered pursuant to Section 3.05 hereof.

(b) Preliminary Conditions to Remarketing. No later than 11:00 a.m. Local Time on the 15th day prior to the Mandatory Tender Date then in effect, the Borrower may give notice to the Remarketing Notice Parties by telephone or electronic mail, confirmed on the same day in writing, that it elects to cause the Bonds to be remarketed. A remarketing of the Bonds shall be permitted only if the following conditions are satisfied no later than the time the foregoing election notice is given:

(i) notice by the Borrower to the Remarketing Agent of the Remarketing Period pursuant to Section 3.10 of the Loan Agreement, approved in writing by the Remarketing Agent;

(ii) delivery to the Trustee and the Remarketing Agent of a preliminary Cash Flow Projection with respect to the proposed Remarketing Period; and

(iii) the Borrower shall have notified the Trustee in writing that they have approved as to form and substance any disclosure document or offering materials which, in the Opinion of Counsel to the Remarketing Agent, are necessary to be used in connection with the remarketing of the Outstanding Bonds.

(c) Remarketing. No later than the 10th day prior to each Mandatory Tender Date, the Remarketing Agent shall offer for sale and use its best efforts to sell the Bonds Outstanding on the Mandatory Tender Date at a price equal to 100% of the principal amount of such Bonds plus accrued interest on such Bonds. No later than the Business Day following the day on which the Remarketing Agent makes its determination of the Remarketing Rate and the Remarketing Period, the Remarketing Agent shall give notice, by telephone or electronic mail, promptly confirmed in writing, to the Remarketing Notice Parties specifying the principal amount of Bonds, if any, it has remarketed (including Bonds to be purchased on the Mandatory Tender Date for its own account), the Remarketing Rate(s) and the Remarketing Period applicable to the Bonds.

The Remarketing Agent shall have the right to remarket the Bonds tendered pursuant to Section 3.05 hereof; provided, however, that no Bond shall be remarketed unless all of the Outstanding Bonds are remarketing and all such Bonds shall be remarketed at a price not less than the amount equal to 100% of the principal amount thereof plus accrued interest (if any). The Remarketing Agent shall have the right to purchase any Bond tendered or deemed tendered pursuant to Section 3.05 hereof at the purchase price thereof, and to thereafter sell such Bond. Any such purchase shall constitute a remarketing hereunder.

The Remarketing Agent shall not remarket any Bond to the Issuer, the Borrower, any guarantor of the Bonds or any person which is an “insider” of the Issuer, the Borrower, or any such guarantor within the meaning of the Bankruptcy Code.

(d) Final Conditions to Remarketing.

(i) If, no later than four (4) Business Days prior to a Mandatory Tender Date, the Remarketing Agent shall have notified the Trustee in writing of the remarketing of the Outstanding Bonds and that the proceeds from the remarketing (including proceeds of remarketing of Outstanding Bonds to be purchased by the Remarketing Agent on the Mandatory Tender Date for its own account) or other funds equal to the amount needed to purchase the remarketed Bonds on the Mandatory Tender Date are expected to be available to the Trustee on the Mandatory Tender Date for deposit into the Remarketing Proceeds Account;

(ii) If, no later than four (4) Business Days prior to a Mandatory Tender Date, the Trustee shall have received written notice from the Remarketing Agent that the Remarketing Agent has received written confirmation from the Rating Agency that the then current rating assigned to the Outstanding Bonds will continue to be effective on the Remarketing Date; and

(iii) If, no later than two (2) Business Days prior to a Mandatory Tender Date, there shall be on deposit with the Trustee, from funds provided by or on behalf of the Borrower, any additional amount required to pay the Extension Payment and the estimated Remarketing Expenses;

then the Trustee shall immediately give notice, by telephone or electronic mail, which notice shall be immediately confirmed in writing, to the Remarketing Agent, the Investor Partner and the Borrower that (a) all conditions precedent as set forth in Section 3.07(d) to the remarketing of the Outstanding Bonds have been satisfied and (b) the sale and settlement of the Outstanding Bonds is expected to occur on the Mandatory Tender Date. Following the Trustee’s notice, the Outstanding Bonds shall be sold to the purchasers identified by the Remarketing Agent for delivery and settlement on the Mandatory Tender Date, and the Trustee shall apply (i) the funds in the Remarketing Proceeds Account of the Bond Fund on the Remarketing Date to payment of the purchase price of the Outstanding Bonds and (ii) the funds in the Expense Fund to payment of the Remarketing Expenses.

(e) Remarketing Proceeds. No later than 10:00 a.m. Local Time on each Mandatory Tender Date, the Remarketing Agent shall pay to the Trustee, in immediately available funds, the proceeds theretofore received by the Remarketing Agent from the remarketing of Bonds tendered for purchase on such Mandatory Tender Date. The proceeds from the remarketing of the Bonds shall be deposited in the Remarketing Proceeds Account, segregated from any funds of the Borrower and the Issuer and shall in no case be considered to be or be assets of the Borrower or the Issuer. Funds representing remarketing proceeds received by the Remarketing Agent after 10:00 a.m. Local Time on each Mandatory Tender Date shall be paid to the Trustee as soon as practicable upon such receipt.

(f) Delivery of Purchased Bonds. On or before the Business Day next preceding each Remarketing Date, the Remarketing Agent, by telephonic advice or electronic mail, shall notify the Trustee of (i) the principal amount of Bonds to be sold by the Remarketing Agent pursuant to Section 3.07 hereof and the purchase price, and, unless the Bonds are then in the Book-Entry System, the names, addresses and social security numbers or other tax identification numbers of the proposed purchasers thereof and (ii) the principal amount of Bonds tendered for purchase on such Mandatory Tender Date which will not be sold by the Remarketing Agent pursuant to Section 3.07 hereof. Such telephonic advice shall be confirmed by written notice delivered or electronically communicated at the same time as the telephonic advice.

Bonds purchased by the Trustee on a Mandatory Tender Date that have been remarketed shall be delivered to the purchasers thereof as directed by the Remarketing Agent. Bonds delivered as provided in this Section shall be registered in the manner directed by the recipient thereof.

Section 3.08. Cancellation of Bonds. The Trustee shall immediately cancel Bonds if the tender price of the Bonds is paid from amounts other than proceeds derived from the remarketing of the Bonds.

(End of Article III)

ARTICLE IV

REVENUES AND FUNDS

Section 4.01. Creation of Funds. There are hereby established the following funds and accounts to be held in trust and maintained by the Trustee under this Indenture:

- (a) the Bond Fund, and therein the Negative Arbitrage Account and the Remarketing Proceeds Account (but only at such times as money is to be deposited or held in such Accounts as provided in this Indenture);
- (b) the Project Fund;
- (c) the Costs of Issuance Fund;
- (d) the Collateral Fund;
- (e) the Rebate Fund; and
- (f) the Expense Fund.

Each fund and account therein shall be maintained by the Trustee as a separate and distinct trust fund or account to be held, managed, invested, disbursed and administered as provided in this Indenture. All money deposited in the funds and accounts created hereunder shall be used solely for the purposes set forth in this Indenture and the Tax Certificates. The Trustee shall keep and maintain adequate records pertaining to each fund and account, and all disbursements therefrom, in accordance with its general practices and procedures in effect from time to time. The Trustee in its sole discretion may also terminate funds and accounts that are no longer needed.

The Trustee shall, at the written direction of an Authorized Borrower Representative, and may, in its sole discretion, establish such additional accounts within any fund, and subaccounts within any of the accounts, as the Issuer or the Trustee may deem necessary or useful for the purpose of identifying more precisely the sources of payments into and disbursements from that fund and its accounts, or for the purpose of complying with the requirements of the Code, but the establishment of any such account or subaccount shall not alter or modify any of the requirements of this Indenture with respect to a deposit or use of money in the Special Funds or the Rebate Fund, or result in commingling of funds not permitted hereunder.

The Trustee shall cause to be kept and maintained adequate records pertaining to the investment of all proceeds of the Bonds sufficient to permit the Borrower, on behalf of the Issuer, to determine the Rebate Amount, if any, with respect to the Bonds required to be paid to the United States of America pursuant to Section 148 of the Code. The Trustee shall have no responsibility to make such determination.

Section 4.02. Allocation of Bond Proceeds and Other Deposits.

- (a) Allocation of Bond Proceeds. Proceeds of the Bonds in the amount of \$[14,500,000] shall be delivered to the Trustee on the Closing Date (as evidence of the full

funding of the Loan on the Closing Date) and deposited to the Project Fund for disbursement to Borrower in connection with approved Disbursement Requests; and

(b) Allocation of Certain Eligible Funds. \$ _____ shall be deposited to the Negative Arbitrage Account of the Bond Fund.

(c) Allocation of Initial Borrower Deposit. On the Closing Date, the Trustee shall receive the Initial Borrower Deposit from money other than the proceeds of the Bonds. The Trustee shall deposit \$ _____ of the Initial Borrower Deposit into the Project Fund, \$ _____ into the Expense Fund and \$ _____ to the Costs of Issuance Fund.

Section 4.03. Bond Fund. On the Closing Date, there shall be deposited in the Negative Arbitrage Account of the Bond Fund the amount set forth in Section 4.02(b) hereof, which is an amount equal to the amount of interest payments on the Bonds from the Closing Date to the Initial Mandatory Tender Date. The portion of any Extension Payment received by the Trustee in connection with a remarketing in accordance with Section 3.07 hereof designated for the payment of Bond Service Charges shall also be deposited in the Negative Arbitrage Account.

So long as there are any Outstanding Bonds, to the extent the Borrower has not received a credit against Loan Payments, all Loan Payments under the Loan Agreement shall be paid on or before each Bond Payment Date directly to the Trustee, and deposited in the Bond Fund, in at least the amount necessary to pay the Bond Service Charges due on the Bonds on such Bond Payment Date.

The Bond Fund (and the account therein for which provision is made in this Indenture) and the money and Eligible Investments therein shall be used solely and exclusively for the payment of Bond Service Charges as they become due.

Bond Service Charges shall be payable, as they become due, in the following order: (1) from money on deposit in the Bond Fund (excluding the Negative Arbitrage Account of the Bond Fund), (2) from the money on deposit in the Negative Arbitrage Account of the Bond Fund (but only to pay the interest portion of any Bond Service Charges), (3) from money on deposit in the Collateral Fund and transferred as necessary to the Bond Fund, and (4) thereafter, from money on deposit in the Project Fund and transferred as necessary to the Bond Fund.

Upon receipt of a Cash Flow Projection provided on behalf of the Borrower, the Trustee is authorized by the Indenture to release from the Negative Arbitrage Account the amount set forth in the Cash Flow Projection to or at the written direction of the Borrower.

Section 4.04. Project Fund. Money in the Project Fund shall be disbursed in accordance with the provisions of Section 3.6 of the Loan Agreement and this Section 4.04.

In connection with each Disbursement Request, once that Disbursement Request has been approved by the Construction Lender as provided for in the Construction Loan Documents, Construction Lender will make an advance of the Construction Loan by depositing the amount requested in that Disbursement Request (to the extent approved by the Construction Lender) in Eligible Funds into the Collateral Fund as provided in Section 4.06 hereof, and subject to the provisions of this Section 4.04, the Trustee shall disburse a corresponding amount of Bond

proceeds on deposit in the Project Fund in accordance with Section 3.6 of the Loan Agreement for use by the Borrower to pay costs of the Project. The Trustee shall disburse the applicable Bond proceeds from the Project Fund on the same Business Day that it receives the Eligible Funds in connection with a Disbursement Request approved by the Construction Lender, if the Trustee receives such funds and the associated executed Disbursement Request prior to 12:30 PM Local Time on such Business Day, otherwise the disbursement shall be made as soon as practicable on the next succeeding Business Day. No Disbursement Request will be effectively submitted to Trustee for purposes of this Section unless and until it has first been approved by Construction Lender (even if the deposit of Eligible Funds is not from the Construction Loan but another source).

Notwithstanding any provision of the Loan Agreement or any other provision of this Indenture to the contrary, the Trustee shall not disburse money from the Project Fund, other than to pay Bond Service Charges on the Bonds, unless and until Eligible Funds in an amount equal to or greater than the requested disbursement amount have been deposited in the Collateral Fund. Prior to making any disbursement (except to pay Bond Service Charges), the Trustee shall determine that the aggregate amount that will be held in (a) the Collateral Fund and (b) the Project Fund, after the anticipated disbursement, is at least equal to the then-Outstanding principal amount of the Bonds; provided, however, notwithstanding any provision to the contrary herein or in the other Financing Documents, that upon receipt of Eligible Funds from the entity making such deposit into the Collateral Fund, the Trustee shall be obligated to either (i) disburse Bond proceeds in like amount, or (ii) return the Eligible Funds to the entity making such deposit into the Collateral Fund within one Business Day after receipt of the Eligible Funds.

To the extent money is not otherwise available to the Trustee, including money on deposit in the Bond Fund or the Collateral Fund, the Trustee shall transfer from the Project Fund to the Bond Fund sufficient money to pay Bond Service Charges, if any, on each Bond Payment Date without further written direction.

On any Redemption Date, the Trustee shall transfer any amounts then on deposit in the Project Fund into the Bond Fund to pay Bond Service Charges on the Bonds. The Trustee shall have no liability for any losses incurred in connection with Eligible Investments.

Upon the occurrence and continuance of an Event of Default hereunder because of which the principal amount of the Bonds has been declared to be due and immediately payable pursuant to Section 6.03 hereof, any money remaining in the Project Fund shall be promptly transferred by the Trustee to the Bond Fund.

Any money in the Project Fund remaining after the Completion Date and payment, or provision for payment, in full of the costs of the Project set forth in Section 3.6 of the Loan Agreement (but in any event paying required retainage), at the direction of the Authorized Borrower Representative, promptly shall be paid into the Bond Fund and used to redeem Bonds on the earliest date on which such Bonds are subject to optional redemption, as set forth in Section 3.01(a) hereof.

Section 4.05. Costs of Issuance Fund. Amounts on deposit in the Costs of Issuance Fund shall be used by the Trustee to pay Costs of Issuance as directed by the Borrower. Any amounts

remaining on deposit in the Costs of Issuance Fund 30 days after the Closing Date shall be (i) if derived from proceeds of the Bonds, transferred to the Project Fund or (ii) if derived from sources other than proceeds of the Bonds, transferred to the Borrower or used as directed by the Borrower, as the case may be.

Section 4.06. Collateral Fund.

(a) The Trustee shall deposit in the Collateral Fund all Eligible Funds received pursuant to Section 4.2 of the Loan Agreement and any other Eligible Funds received by the Trustee for deposit into the Collateral Fund (as and when provided for in Section 4.04). Section 4.2 of the Loan Agreement requires the Borrower to cause the Construction Lender to transfer Eligible Funds to be funded with respect to a particular Disbursement Request as and when provided for in the Construction Loan Documents to the Trustee for deposit into the Collateral Fund in a principal amount equal to, and as a prerequisite to the disbursement of, an equal amount of Bond proceeds on deposit in the Project Fund to be disbursed by the Trustee to pay, as and when provided for in Section 4.04, costs of the Project described in Section 3.6 of the Loan Agreement. If the Trustee is not prepared to disburse Bond proceeds from the Project Fund as described in this Indenture because no associated Disbursement Request has been provided in accordance with this Indenture, such deposit shall not be made to the Collateral Fund, and such Eligible Funds shall be returned to the party providing them.

(b) The Eligible Funds deposited into the Collateral Fund shall be promptly invested in its entirety by the Trustee, solely and exclusively, in Eligible Investments, by reallocating such Eligible Investments from the Project Fund to the Collateral Fund pursuant to Section 4.15 hereof. Upon reallocation, such Eligible Funds shall be deemed deposited in the Collateral Fund, and the Trustee shall transfer funds in the amount of such Eligible Funds to the Project Fund for disbursement pursuant to Section 4.04 hereof. Each deposit into the Collateral Fund shall constitute an irrevocable deposit solely for the benefit of the Holders, subject to the provisions hereof.

(c) The Trustee shall transfer money in the Collateral Fund to the Bond Fund on each Bond Payment Date, in an amount necessary to pay Bond Service Charges due on such Bond Payment Date (to the extent money is not otherwise available to the Trustee, including money on deposit in the Remarketing Proceeds Account or the Bond Fund).

(d) Amounts on deposit in the Collateral Fund in excess of the amount required to pay Bond Service Charges after payment in full of the Bonds may be transferred to the Project Fund and used to pay costs of the Project as provided in Section 3.6 of the Loan Agreement.

(e) The Bonds shall not be, and shall not be deemed to be, paid or prepaid by reason of any deposit into the Collateral Fund unless and until the amount on deposit in the Collateral Fund is transferred to the Bond Fund and applied to the payment of the principal of any of the Bonds or the principal component of the redemption price of any of the Bonds or the tender price of any of the Bonds, all as provided in this Indenture.

(f) Notwithstanding anything herein to the contrary, amounts disbursed from the Collateral Fund for a Redemption on the Bonds will be used to make corresponding payments on the Loan and on the Bonds (the balance of the Loan and the Bonds shall always be the same).

Section 4.07. Completion of the Project. The completion of the construction of the Project and payment of all costs and expenses incident thereto shall be evidenced by the filing with the Trustee and the Issuer of the Completion Certificate required by Section 3.9 of the Loan Agreement. As soon as practicable after the filing with the Trustee of the Completion Certificate, any balance remaining in the Project Fund (other than the amounts retained by the Trustee as described in the Completion Certificate) shall be deposited or applied in accordance with Section 3.6 of the Loan Agreement at the direction of the Authorized Borrower Representative.

Section 4.08. Expense Fund. The Trustee shall apply money on deposit in the Expense Fund solely for the following purposes, upon receipt of written instructions from the Borrower, in the following order of priority:

- (a) to transfer money to the Rebate Fund to the extent necessary to pay the Rebate Amount (if any) in accordance with Section 5.4(a)(8) of the Loan Agreement;
- (b) to pay the Ordinary Trustee's Fees and Expenses when due;
- (c) to pay the Dissemination Agent Fee when due;
- (d) to pay the Issuer's Fees when due; and
- (e) to pay the Issuer's Fees not previously paid.

To the extent money in the Expense Fund is not sufficient to pay the foregoing fees and expenses, such deficiency shall be paid by the Borrower pursuant to Section 4.4 of the Loan Agreement immediately upon written demand.

The portion of any Extension Payment received by the Trustee in connection with an extension of the Mandatory Tender Date pursuant to Section 3.07 hereof designated for the payment of Administrative Expenses shall also be deposited in the Expense Fund.

Section 4.09. Rebate Fund. (a) The Rebate Fund shall be for the sole benefit of the United States of America and shall not be subject to the claim of any other Person, including without limitation, the Issuer. The Rebate Fund shall be held and applied only as provided in this Section. The Trustee shall maintain the Rebate Fund, for the benefit of all persons who are or have at any time been Bondholders, at all times prior to the final payment to the United States of America of the amounts described in Subsection (c) of this Section which fund shall not be part of the trust estate established hereunder. The money deposited to the Rebate Fund, together with all investments thereof and investment income therefrom, shall be held in trust separately and apart from the other funds held under the Indenture and applied solely as provided in this Section, unless in the opinion of Bond Counsel failure to make such application will not adversely affect any exclusion from gross income of interest on the Bonds under the Code.

(b) The Trustee shall deposit or transfer to the credit of the account of the Rebate Fund each amount delivered to the Trustee by the Borrower for deposit thereto and each amount directed by the Borrower to be transferred thereto. The Trustee shall credit all earnings and debit all losses from the investment of money held for the account of the Rebate Fund to such fund.

(c) (i) Within 30 days after each Computation Date, the Trustee, on behalf of the Issuer, shall withdraw from the Rebate Fund and pay to the United States of America the appropriate portion of the Rebate Amount (determined by the Rebate Analyst on behalf of the Borrower) in the installments, to the place and in the manner required by Section 148(f) of the Code, the Regulations, and rulings thereunder as instructed by the Borrower or its legal counsel and as provided in subsection (iii) below.

(ii) Within five days after receipt from the Borrower or the Rebate Analyst of written notification of any amount due to the United States of America pursuant to Section 1.148-3(h) of the Regulations accompanied by relevant IRS forms including IRS Form 8038-T, the Trustee shall withdraw from the Rebate Fund an amount which when added to all prior payments to the United States of America equals the correct appropriate portion of the Rebate Amount, plus any penalties and interest and pay such correction amount to the United States of America.

(iii) All payments to the United States of America pursuant to this Subsection shall be made by the Trustee for the account and in the name of the Issuer and shall be paid by draft posted by certified United States Mail (return receipt requested), addressed to the appropriate Internal Revenue Service Center (and, if appropriate, accompanied by the relevant Internal Revenue Service Form, such as Form 8038-T or such other statements, explanations or forms required pursuant to the Regulations or other Internal Revenue Service promulgations).

(d) The Trustee shall preserve all statements, forms, and explanations received from the Borrower or the Issuer pursuant to this Section and all records of transactions in the Rebate Fund until six years after the discharge of the Bonds.

(e) The Trustee may conclusively rely on the information provided, instructions of and forms prepared by the Borrower or the Rebate Analyst with regard to any actions to be taken by it, including payments to be made, pursuant to this Section and shall have no liability for any consequences of any failure of the Borrower to supply accurate or sufficient instructions or to compute correctly any payment due pursuant to this Section. The Trustee shall have no responsibility or duty to perform any rebate calculation or to expend its own funds to make any rebate payments.

(f) If at any time during the term of this Indenture the Borrower, the Issuer or the Trustee desires to take any action which would otherwise be prohibited by the terms of this Section, such Person shall be permitted to take such action if it shall first obtain and provide at the expense of the Borrower to the other Persons named herein an opinion of Bond Counsel to the effect that such action shall not adversely affect the exclusion of interest on the Bonds from gross income of the owners of any Bond for Federal income tax purposes and shall be in compliance with the laws of the State of Texas.

(g) Notwithstanding any provision of the bond documents or mortgage loan documents and unless otherwise specifically agreed to in a separate written agreement, the Trustee shall not be liable or responsible for any method of calculation, or any calculation or determination which may be required in connection with or for the purpose of complying with Section 148 of the Code or any successor statute or any regulation, ruling, or other judicial or administrative interpretation thereof, including, without limitation, the calculation of amounts required to be paid the United States of America or the determination of the maximum amount which may be invested in “nonpurpose investments” having a higher yield than the yield on the Bonds, in connection with any such investments. The method of calculation, calculation and determination required by Section 148 of the Code shall be accomplished by a Rebate Analyst. The Trustee shall not be liable or responsible for the negligence or misconduct of the Rebate Analyst. The Trustee shall not be liable or responsible for monitoring the compliance by the Borrower or the Issuer of any of the requirements of Section 148 of the Code or any applicable regulation, ruling, or other judicial or administrative interpretation thereof (except for the administrative functions described in this Section and in this Indenture), it being acknowledged and agreed that the sole obligation of the Trustee in this regard shall be (i) to invest the moneys received by the Trustee pursuant to the written instructions of the Borrower in the specific investments identified by the Borrower or, in the absence of such identification, to make investments as otherwise provided herein and to disburse said moneys in accordance with the terms of this Indenture and (ii) to follow instructions contained in this Section and in this Indenture. The Trustee shall not be liable for the Bonds becoming “arbitrage bonds” within the meaning of the Code, as a result of investments it makes in compliance with the instructions it receives or pursuant to or in compliance with the terms of this Indenture.

Section 4.10. Investment of Special Funds and Rebate Fund. Except as otherwise set forth in this Section, moneys in the Special Funds and the Rebate Fund shall be invested and reinvested by the Trustee in Eligible Investments at the written direction of the Authorized Borrower Representative. Written direction may include electronic direction. At no time shall the Authorized Borrower Representative direct that any funds constituting Gross Proceeds of the Bonds be used in any manner as would constitute failure of compliance with Section 148 of the Code.

Investments of moneys in the Special Funds shall mature or be redeemable without penalty at the times and in the amounts necessary to provide moneys to pay Bond Service Charges on the Bonds. Any of those investments may be purchased from or sold to the Trustee, the Registrar, an authenticating agent or a paying agent, or any bank, trust company or savings and loan association affiliated with any of the foregoing. The Trustee shall sell or redeem investments credited to the Special Funds to produce sufficient moneys applicable hereunder to and at the times required for the purposes of paying Bond Service Charges when due as aforesaid, and shall do so without necessity for any order on behalf of the Issuer and without restriction by reason of any order. If the Trustee is required to sell or otherwise dispose of any Eligible Investments prior to maturity, the Borrower shall, at the Borrower’s expense, deliver to the Trustee (i) a Cash Flow Projection and (ii) Eligible Funds in the amount set forth in such Cash Flow Projection, if any.

An investment made from moneys credited to the Special Funds shall constitute part of that respective Fund. All investment earnings from amounts on deposit in the Special Funds shall be credited to the Bond Fund. All gains resulting from the sale of, or income from, any investment

made from moneys credited to the Special Funds shall be credited to and become part of the Special Fund from which the investment was made. In the absence of written directions of the Authorized Borrower Representative as provided above, the Trustee shall be required to invest such funds in the Morgan Stanley Institutional Liquidity Funds Government Portfolio (CUSIP #61747C889, Ticker: MPCXX), as standing instructions. At the written direction of the Authorized Borrower Representative, the Trustee may invest funds in its own proprietary money market funds or deposit products. Following the Closing Date, at the written direction of the Borrower, the Trustee is permitted to purchase, sell or exchange Eligible Investments with a Cash Flow Projection at the direction of the Borrower. Notwithstanding anything herein to the contrary, (i) earnings received by the Trustee with respect to Eligible Investments purchased for the purpose of paying Bond Service Charges shall be held uninvested and (ii) Bond proceeds and the initial deposit to the Negative Arbitrage Account pursuant to Section 4.02(b) hereof shall be held uninvested until the Trustee has purchased, sold or exchanged Eligible Investments pursuant to written direction of the Borrower pursuant to this Section. All investment earnings, gains resulting from the sale of, or income from, any investment made from amounts on deposit in the Rebate Fund shall be retained therein. The Trustee shall not be liable for losses on investments, including depreciation of value, or any other act or omission related to investments made in compliance with the provisions of this Indenture. The Trustee shall have no discretion for investing funds or advising any parties on investing funds, and is not providing investment supervision, recommendations, or advice but is only acting hereunder pursuant to written direction or the provisions hereof in the absence of written direction.

Section 4.11. Money to be Held in Trust. Except where money has been deposited with or paid to the Trustee pursuant to an instrument restricting its application to particular Bonds, all money required or permitted to be deposited with or paid to the Trustee under any provision of this Indenture or the Note, and any investments thereof, shall be held by the Trustee in trust. Except for money held by the Trustee pursuant to Section 4.09 hereof, all money described in the preceding sentence held by the Trustee shall be subject to the lien of this Indenture hereof while so held. The Trustee shall be entitled to assume that any investment which at the time of purchase is an Eligible Investment remains an Eligible Investment thereafter, absent actual receipt of written notice to the contrary. The Trustee shall have no responsibility to monitor the ratings of Eligible Investments after the initial purchase of or investment in such Eligible Investment.

The money in any fund or account established under this Indenture shall be subject to the unclaimed property laws of the State.

The Trustee shall cause to be kept and maintained adequate records pertaining to the Special Funds and all deposits and disbursements therefrom. The Trustee shall satisfy this obligation by providing trust statements (which may be via access to online statements) for all periods in which there are funds in the Special Funds to the Borrower and the Investor Partner.

Section 4.12. Valuation. For the purpose of determining the amount on deposit to the credit of any Special Fund or account, the value of obligations in which money in such Special Fund or account shall have been invested shall be computed at the then market value thereof based on such public pricing sources as shall generally be available to the Trustee. The Trustee shall have no liability for the accuracy of any such valuation. The Trustee shall have no responsibilities (except as expressly set forth herein) as to the validity, sufficiency, value, genuineness, ownership

or transferability of the Truste Estate, written instructions, or any other documents in connection therewith, and will not be regarded as making nor be required to make, any representations thereto.

The Eligible Investments shall be valued by the Trustee at any time requested by the Authorized Borrower Representative on reasonable written notice to the Trustee (which period of notice may be waived or reduced by the Trustee); provided, however, that the Trustee shall not be required to value the Eligible Investments more than once in any calendar month.

Section 4.13. Nonpresentation of Bonds. In the event that any Bond shall not be presented for payment when the principal thereof becomes due, or a check or draft for interest is uncashed, if money sufficient to pay the principal then due of that Bond or of such check or draft shall have been made available to the Trustee for the benefit of its Holder, all liability of the Issuer to that Holder for such payment of the principal then due of the Bond or of such check or draft thereupon shall cease and be discharged completely. Thereupon, it shall be the duty of the Trustee to hold such money, without liability for interest thereon, in a separate account in the Bond Fund for the exclusive benefit of the Holder, who shall be restricted thereafter exclusively to such money for any claim of whatever nature on its part under this Indenture or on, or with respect to, the principal then due of that Bond or of such check or draft.

Any of such money which shall be so held by the Trustee, and which remains unclaimed by the Holder of a Bond not presented for payment or check or draft not cashed for a period of three years after the principal of all the Outstanding Bonds, or any interest thereon, has become due and payable (whether at maturity or upon call for redemption or by declaration as provided in this Indenture), shall then be paid in accordance with Title 6 of the Texas Property Code. Thereupon, the Issuer, the Trustee and the Borrower shall be released from any further liability with respect to payment of such purchase price or principal, premium, or interest. The Trustee shall comply with the reporting requirements of Chapter 74 of the Texas Property Code.

Section 4.14. Repayment to the Borrower from the Bond Fund. On any Mandatory Tender Date, any amounts in the Bond Fund in excess of the amount necessary to cover any negative arbitrage from such Mandatory Tender Date through the last day of the new Remarketing Period established pursuant to Section 3.07 hereof, or if no such Remarketing Period has been established, the Maturity Date (assuming 0.00% interest earnings on all deposits) shall, upon written instruction to the Trustee from the Borrower, be paid to or at the direction of the Borrower.

Except as provided in Section 4.09 and Section 4.13 hereof, any amounts remaining in the Bond Fund (a) after all of the Outstanding Bonds shall be deemed paid and discharged under the provisions of this Indenture, and (b) after payment of all fees, charges and expenses of the Trustee and of all other amounts required to be paid under this Indenture, the Loan Agreement, the Regulatory Agreement and the Note, shall be paid to the Borrower to the extent that those amounts are in excess of those necessary to effect the payment and discharge of the Outstanding Bonds.

Section 4.15. Allocation and Reallocation of Eligible Investments Deposited to the Collateral Fund and the Project Fund. On the Closing Date, the Trustee shall allocate ownership of the Eligible Investments acquired pursuant to Section 4.10 hereof and deposited for the benefit of the Project Fund and the Collateral Fund as follows: The Trustee shall allocate (1) to the Collateral Fund an exact amount of such Eligible Investments equal to the amount of Eligible

Funds presented to the Trustee for deposit to the Collateral Fund on the Closing Date; and (2) to the Project Fund, an amount equal to the total amount of the Project Fund immediately preceding the receipt of the Eligible Funds on the Closing Date minus the amount of the Eligible Funds received on the Closing Date. On each subsequent month when additional Eligible Funds are presented to the Trustee for deposit to the Collateral Fund (the “**Subsequent Allocation Date**”), the dollar amount of such additional Eligible Funds shall be allocated to the Collateral Fund and a like amount shall be reduced from the Project Fund. On each Subsequent Allocation Date, the Trustee shall be deemed to have liquidated that portion of the Eligible Investments allocated to the Project Fund and transferred equivalent Eligible Investments to be allocated to the Collateral Fund.

(End of Article IV)

ARTICLE V

THE TRUSTEE AND REMARKETING AGENT

Section 5.01. Trustee's Acceptance and Responsibilities. The Trustee accepts the trusts imposed upon it by this Indenture, and agrees to observe and perform those trusts, but only upon and subject to the terms and conditions set forth in this Article, to all of which the parties hereto and the Holders agree.

(a) Prior to the occurrence of a default or an Event of Default (as defined in Section 6.01 hereof) of which the Trustee has been notified in writing, as provided in paragraph (f) of Section 5.02 hereof, or of which by that paragraph the Trustee is deemed to have notice, and after the cure or waiver of all defaults or Events of Default which may have occurred,

(i) the Trustee undertakes to perform and needs to perform only those duties and obligations which are set forth specifically and expressly in this Indenture, these duties shall be deemed purely ministerial in nature, and the Trustee shall not be liable except for the performance of such duties and no covenants, duties or obligations shall be implied to the Trustee;

(ii) the Trustee may rely conclusively, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates, reports or opinions furnished to the Trustee and conforming on their face to the requirements of this Indenture; but in the case of any such certificates reports or opinions which by any provision hereof are required specifically to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform on their face to the requirements of this Indenture.

(b) In case a default or an Event of Default has occurred and is continuing hereunder (of which the Trustee has been notified in writing, or is deemed to have notice in accordance with Section 5.02(f) hereof), the Trustee shall exercise those rights and powers vested in it by this Indenture and shall use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(c) The Trustee shall not be liable for any acts or omissions, except for such losses, damages or expenses which have been finally adjudicated by a court of competent jurisdiction to have directly resulted from the Trustee's negligence or willful misconduct. No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(i) this Subsection shall not be construed to affect the limitation of the Trustee's duties and obligations provided in subparagraph (a)(i) of this Section or the Trustee's right to rely on the truth of statements and the correctness of opinions as provided in subparagraph (a)(ii) of this Section;

(ii) the Trustee shall not be liable for any action taken or omitted or error of judgment made in good faith by any one of its officers, employees or agents unless it shall be established that the Trustee was grossly negligent in ascertaining the pertinent facts;

(iii) the Trustee may request and shall have the right but not the obligation to act as directed by and shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture;

(iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or satisfactory indemnity against such costs, expenses, risk or liability is not reasonably assured to it; and

(v) the Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility.

(d) Whether or not therein expressly so provided, every provision of this Indenture or any other Financing Document relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article V.

Section 5.02. Certain Rights and Obligations of the Trustee. Except as otherwise provided in Section 5.01 hereof:

(a) The Trustee (i) may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees (but shall not be responsible for the acts or omissions of any such attorney, agent, receiver or employee appointed with due care), (ii) may request an officer's certificate, and shall be entitled to the advice of counsel concerning all matters of trusts hereof and duties hereunder, and (iii) at Borrower's expense, may pay reasonable compensation in all cases to all of those attorneys, agents, receivers and employees reasonably employed by it in connection with the trusts hereof out of the funds held under the Indenture. The Trustee may conclusively rely and act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Issuer or the Borrower) approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in good faith in reliance upon that opinion or advice and the Trustee is under no duty to perform an independent investigation as to any statement or fact contained in any certificate, opinion or advice it obtains regarding the accuracy or truth of any statement or correctness of any opinion.

(b) Except for its certificate of authentication on the Bonds, the Trustee shall not be responsible for:

- (i) any recital in this Indenture, in the Bonds, or in any other Financing Documents,
- (ii) the validity, priority, recording, re-recording, filing or re-filing of this Indenture, any Supplemental Indenture, the Regulatory Agreement, or any of the other Financing Documents,
- (iii) any instrument or document of further assurance or collateral assignment,
- (iv) the filing of any financing statements, amendments thereto or continuation statements,
- (v) failure of the Borrower to maintain insurance on the Project (as required by the Loan Agreement or otherwise), the adequacy of any insurance coverage maintained by the Borrower, or the collection of insurance moneys,
- (vi) the validity of the execution by the Issuer of this Indenture, any Supplemental Indenture or instruments or documents of further assurance or the right, title or interest of the Issuer therein,
- (vii) the existence, genuineness, value, protection or sufficiency of the security or collateral for the Bonds intended to be secured hereby or the Note,
- (viii) the value of or title to the Project,
- (ix) the maintenance of the security hereof; or
- (x) the technical or financial feasibility of the Project, or for the compliance of the Project with the Act, or the tax-exempt status of the Bonds.

The Trustee shall not be bound to ascertain or inquire as to the observance or performance of any covenants, agreements or obligations on the part of the Issuer or the Borrower under the Loan Agreement except as set forth hereinafter; but the Trustee may require of the Issuer or the Borrower full information and advice as to the observance or performance of those covenants, agreements and obligations. Except as otherwise provided in Section 6.04 hereof, the Trustee shall have no obligation to observe or perform any of the duties of the Issuer under the Loan Agreement.

(c) The Trustee shall not be accountable for the use or application by the Borrower or any other Person of the proceeds of any Bonds authenticated or delivered hereunder, for the sufficiency of said proceeds or cash flow to accomplish the intended objective of the financing, or for the use or application of any moneys paid over by the Trustee in accordance with any provision of this Indenture or the Financing Documents. Neither the Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the Issuer or Borrower, or any of their directors, members, officers, agents, affiliates or employee, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other Person.

(d) The Trustee may conclusively rely upon and shall be protected in acting or refraining from acting upon any resolution, statement, instrument, opinion, report, direction, notice, request, direction, consent, certificate, order or decree of a court of competent jurisdiction, judgment, affidavit, letter, bond, debenture, note or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons. Any action taken by the Trustee pursuant to this Indenture upon the direction, request, authority or consent of any Person who is the Holder of any Bonds at the time of making the request or giving the authority or consent, shall be conclusive and binding upon all future Holders of the same Bond and of Bonds issued in exchange therefor or in place thereof.

(e) As to the existence or nonexistence of any fact for which the Issuer or the Borrower may be responsible or as to the sufficiency or validity of any instrument, document, report, paper or proceeding, the Trustee, shall be entitled to rely upon a certificate signed on behalf of the Issuer or Borrower, as appropriate, by an authorized officer thereof or Authorized Borrower Representative as sufficient evidence of the facts recited therein. Prior to the occurrence of a default or Event of Default hereunder of which the Trustee has been notified, as provided in paragraph (f) of this Section, or of which by that paragraph the Trustee is deemed to have notice, the Trustee may accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient; provided, that the Trustee in its discretion may require and obtain any further evidence which it deems to be necessary or advisable; and, provided further, that the Trustee shall not be bound to secure any further evidence. The Trustee may accept a certificate of the officer, or an assistant thereto, having charge of the appropriate records, to the effect that a resolution has been enacted by the Governing Body in the form recited in that certificate, as conclusive evidence that the resolution has been duly enacted and is in full force and effect.

(f) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default hereunder, except Events of Default described in paragraphs (a) and (b) of Section 6.01 hereof, unless the Trustee shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the Issuer or by the Holders of at least 25% of the aggregate principal amount of Bonds then Outstanding. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no default or Event of Default, except as noted above.

(g) At any reasonable time, the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives (i) may inspect and copy fully all books, papers and records of the Issuer pertaining to the Project and the Bonds, and (ii) may make any memoranda from and in regard thereto as the Trustee may desire. The Trustee and its agents, attorneys, experts, engineers, accountants and representatives shall have the right, but not the responsibility or duty, to inspect the facility, including all books and records.

(h) The Trustee shall not be required to give any bond or surety with respect to the execution of these trusts and powers or otherwise in respect of the premises.

(i) Notwithstanding anything contained elsewhere in this Indenture, the Trustee may demand, at the expense of the Borrower, any showings, certificates, reports, opinions, appraisals and other information, and any corporate action and evidence thereof, in addition to that required

by the terms hereof, as a condition to the authentication of any Bonds or the taking of any action whatsoever within the purview of the Financing Documents, if the Trustee deems it to be desirable for the purpose of establishing the right of the Issuer to the authentication of any Bonds or the right of any Person to the taking of any other action by the Trustee; provided, that the Trustee shall not be required to make that demand.

(j) Before taking action hereunder (with the exception of any action required to be taken under Section 6.02 hereof), the Trustee may require that an indemnity (satisfactory to the Trustee in its sole and absolute discretion) be furnished to it for the reimbursement of all expenses, fees and costs which it may incur and to protect it against all liability by reason of any action so taken, except liability finally adjudicated by a court of competent jurisdiction to have been the direct result of its negligence or willful misconduct. The Trustee may (but shall not be obligated to) take action without that indemnity, and in that case, the Borrower shall reimburse the Trustee for all of the Trustee's expenses pursuant to Section 5.03 hereof.

(k) Unless otherwise provided herein, all moneys received by the Trustee under this Indenture shall be held in trust for the purposes for which those moneys were received, until those moneys are used, applied or invested as provided herein; provided, that those moneys need not be segregated from other moneys, except to the extent required by this Indenture or by law. The Trustee shall not have any liability for interest on any moneys received hereunder, except to the extent expressly provided herein. The Trustee shall not be required to make any disbursement of funds until having collected funds.

(l) Any resolution by the Governing Body, and any opinions, certificates and other instruments and documents for which provision is made in this Indenture, may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for its actions taken hereunder.

(m) The Trustee shall be entitled to file proofs of claim in bankruptcy. Trustee fees and expenses are intended to constitute administrative expenses in bankruptcy.

(n) The Trustee shall have the right to accept and act upon instructions or directions pursuant to this Indenture and the other Financing Documents sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods (collectively, "Electronic Means"), provided, however, that the Issuer, the Borrower and such other Person providing notice to the Trustee shall provide to the Trustee an incumbency certificate listing such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Issuer, the Borrower or such other Person providing notice to the Trustee elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions, notwithstanding that such instructions conflict or are inconsistent with a subsequent written instruction. The Trustee has offered the Issuer and the Borrower commercially reasonable security procedures with respect to such instructions and the Issuer and the Borrower have chosen not to avail themselves of such procedures. Each of the Issuer, the Borrower and such other Person providing notice to the

Trustee agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions and the risk of interception and misuse by third parties. All notices, approvals, consents, requests and any communications to the Trustee hereunder or under any other Financing Document must be in writing in English and must be in the form of a document that is signed manually or by way of an electronic signature (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other electronic signature provider). To the fullest extent permitted by applicable law and except for the certificate of authentication on the Bonds (which must be manually signed by an authorized representative of the Trustee) and instruments of transfer of the Bonds, facsimile or electronically transmitted signatures believed by the Trustee to comply with the ESIGN ACT of 2000 or other applicable law shall constitute original signatures for all purposes under this Indenture. Notwithstanding the foregoing, the Trustee may in any instance and in its sole discretion require that an original document bearing a manual signature be delivered to the Trustee in lieu of, or in addition to, any document signed via electronic signature.

(o) The permissive right of the Trustee to do things enumerated in this Indenture and the other Financing Documents shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct. The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds. The Trustee shall have no duty to review or analyze any financial statements or other financial information delivered to the Trustee under this Indenture and the other Financing Documents and shall hold such financial statements and other financial information solely as a repository for the benefit of the Holders. The Trustee shall not be deemed to have notice of any information contained therein or event of default which may be disclosed therein in any manner. The Trustee shall not be responsible or liable for the environmental condition or any contamination of any property which secures the Bonds or for any diminution in value of any such property as a result of any contamination of the property by any hazardous substance, hazardous material, pollutant or contaminant. The Trustee shall not be liable for any claims by or on behalf of the Holders or any other person or entity arising from contamination of the property by any hazardous substance, hazardous material, pollutant or contaminant, and shall have no duty or obligation to assess the environmental condition of any such property or with respect to compliance of any such property under state or federal laws pertaining to the transport, storage, treatment or disposal of, hazardous substances, hazardous materials, pollutants, or contaminants or regulations, permits or licenses issued under such laws. The Trustee in performing its duties and exercising its rights under any of the other Financing Documents shall be entitled to all rights, protections and limitations of liability set forth in this Indenture, and the provisions of this Indenture relating to the rights, protections and limitations of liability of the Trustee shall be deemed to be set forth and included in the Financing Documents, mutatis mutandis, as if references to “hereof”, “herein”, “this Indenture” and the like set forth in this Indenture referred to the applicable Financing Document.

(p) The Trustee shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or document other than this Indenture and the Tax Regulatory Agreement, whether or not an original or a copy of such agreement has

been provided to the Trustee. The Trustee shall have no duty to know or inquire as to the performance or nonperformance of any provision of any other agreement, instrument, or document other than this Indenture.

(q) In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of such action.

(r) Upon written request by the Rating Agency, the Trustee shall furnish to the Rating Agency (with a copy to the Issuer) the balance of funds on hand with the Trustee and other information as may be reasonably required to maintain the rating on the Bonds.

(s) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under the Financing Documents shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture, and final payment of the Bonds.

(t) In the event that any asset held hereunder shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting such asset, the Trustee is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. In the event that the Trustee obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

(u) The Trustee shall have no obligation to give, execute, deliver, file, record, authorize or obtain any financing statements, notices, instruments, documents, agreements, consents or other papers as shall be necessary to (i) create, preserve, perfect or validate the security interest granted to the Trustee pursuant to this Indenture or (ii) enable the Trustee to exercise and enforce its rights under this Indenture with respect to such pledge and security interest. In addition, the Trustee shall have no responsibility or liability (i) in connection with the acts or omissions of the Borrower in respect of the foregoing or (ii) for or with respect to the legality, validity and enforceability of any security interest created in the Trust Estate or the perfection and priority of such security interest.

(v) Notwithstanding anything to the contrary herein, the Trustee shall have no duty to prepare or file any Federal or state tax report or return with respect to any funds held pursuant to this Indenture or any income earned thereon, except for the delivery and filing of tax information reporting forms required to be delivered and filed with the Internal Revenue Service. Each Party agrees that, for tax reporting purposes, the assets held hereunder shall be deemed in part to be the property of Borrower and all interest and other income from investment of such assets shall,

as of the end of each calendar year and to the extent required by the Internal Revenue Service, be reported as having been earned by Borrower, whether or not such income was disbursed during such calendar year. With respect to the preparation, delivery and filing of such required tax information reporting forms and all matters pertaining to the reporting of earnings on funds held under this Indenture, the Trustee shall be entitled to request and receive written instructions from Borrower, and the Trustee shall be entitled to rely conclusively and without further inquiry on such written instructions. With respect to any other payments made under this Indenture, the Trustee shall not be deemed the payer and shall have no responsibility for performing tax reporting. The Trustee's function of making such payments is solely ministerial and upon express direction of the Parties. To the extent that the Trustee becomes liable for the payment of any taxes in respect of income derived from the investment of the assets held hereunder, the Trustee shall satisfy such liability to the extent possible from such assets. The Borrower shall indemnify, defend and hold the Trustee harmless from and against any tax, late payment, interest, penalty or other cost or expense that may be assessed against the Trustee on or with respect to such assets and the investment thereof unless such tax, late payment, interest, penalty or other expense was finally adjudicated to have been directly caused by the negligence or willful misconduct of the Trustee. The indemnification provided by this Section is in addition to the indemnification provided elsewhere and shall survive the resignation or removal of the Trustee and the termination of this Indenture.

Section 5.03. Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment or reimbursement by the Borrower, as provided herein and in the Loan Agreement, for reasonable fees for Ordinary Services rendered hereunder and for all advances, counsel fees and other Ordinary Expenses reasonably paid or incurred by it in connection with the provision of Ordinary Services, and shall have the right to increase its fees as the cost of business dictates and as negotiated with the Borrower. For purposes hereof, fees for Ordinary Services and reimbursement of Ordinary Expenses provided for by its standard fee schedule shall be considered customary. Expenses shall be subject to increase as the cost of business dictates and as negotiated with the Borrower. In the event the Trustee should perform Extraordinary Services, it shall be entitled to customary extra compensation therefor and to reimbursement for reasonable Extraordinary Expenses incurred in connection therewith and shall not be required to undertake any Extraordinary Services unless it has received such indemnities and security as it may deem necessary or appropriate in its sole discretion for the payment of such Extraordinary Expenses. Unless and until such time as the Trustee resigns or is replaced, and a successor Trustee is appointed pursuant to Section 5.09 hereunder, the Trustee shall continue to perform its duties hereunder (but not any Extraordinary Services) notwithstanding the Borrower's failure to timely pay such fees.

Without creating a default or an Event of Default hereunder, however, the Borrower may contest in good faith the reasonableness of any Extraordinary Service and Extraordinary Expense and the amount of any fee, charge or expense.

The Trustee shall not be entitled to compensation or reimbursement for Extraordinary Services or Extraordinary Expenses which have been finally adjudicated by a court of competent jurisdiction to have directly resulted from the Trustee's negligence or willful misconduct. The customary fees for its Ordinary Services and charges of the foregoing shall be entitled to payment and reimbursement only from (i) the Additional Payments made by the Borrower pursuant to the

Loan Agreement, or (ii) from moneys available therefor in the Expense Fund or Section 6.06 hereof. Any amounts payable to the Trustee pursuant to this Section 5.03 shall be payable upon demand and shall bear interest from the date of demand therefor at the Interest Rate for Advances.

Section 5.04. Intervention by Trustee. The Trustee may intervene on behalf of the Holders, and shall intervene if requested to do so in writing by the Holders of at least a majority of the aggregate principal amount of Bonds then Outstanding, in any judicial proceeding to which the Issuer or the Borrower is a party and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Holders of the Bonds. The rights and obligations of the Trustee under this Section are subject to the approval of that intervention by a court of competent jurisdiction. The Trustee may require that a satisfactory bond be provided to it in accordance with Section 5.01 and Section 5.02 hereof before it takes action hereunder.

Section 5.05. Successor Trustee. Anything herein to the contrary notwithstanding,

(a) any corporation or association (i) into which the Trustee may be converted or merged, (ii) with which the Trustee or any successor to it may be consolidated, or (iii) to which it may sell or transfer its corporate trust assets and corporate trust business as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, merger, consolidation, sale or transfer, ipso facto, shall be and become successor Trustee hereunder and shall be vested with all of the title to the whole property or Trust Estate hereunder; and

(b) that corporation or association shall be vested further, as was its predecessor, with each and every trust, property, remedy, power, right, duty, obligation, discretion, privilege, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by, vested in or conveyed to the Trustee, without the execution or filing of any instrument or document or any further act on the part of any of the parties hereto.

Any successor Trustee, however, (i) shall be a trust company or a bank having the powers of a trust company, (ii) shall be in good standing within the State, (iii) shall be duly authorized to exercise trust powers within the State, and (iv) shall have a reported capital, surplus and retained earnings of not less than \$50,000,000.

Section 5.06. Appointment of Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including without limitation, the laws of the State) denying or restricting the right of banks or trust companies to transact business as trustees in that jurisdiction. It is recognized that, (a) if there is litigation under this Indenture or other instruments or documents relating to the Bonds and the Project, and in particular, in case of the enforcement hereof or thereof upon a default or an Event of Default, or (b) if the Trustee should deem that, by reason of any present or future law of any jurisdiction, it may not (i) exercise any of the powers, rights or remedies granted herein to the Trustee, (ii) hold title to the properties, in trust, as granted herein, or (iii) take any action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an individual or additional institution as a co-Trustee. The following provisions of this Section are adopted to these ends.

In the event that the Trustee appoints an individual or additional institution as a co-Trustee, each and every trust, property, remedy, power, right, duty, obligation, discretion, privilege, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by, vested in or conveyed to the Trustee shall be exercisable by, vest in and be conveyed to that co-Trustee, but only to the extent necessary for it to be so vested and conveyed and to enable that co-Trustee to exercise it. Every covenant, agreement and obligation necessary to the exercise thereof by that co-Trustee shall run to and be enforceable by it. Neither the Trustee nor any co-trustee shall be responsible or liable for the misconduct or negligence of the other.

Should any instrument or document in writing from the Issuer reasonably be required by the co-Trustee so appointed by the Trustee for vesting and conveying more fully and certainly in and to that co-Trustee those trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens, that instrument or document shall be executed, acknowledged and delivered, but not prepared, by the Issuer. In case any co-Trustee or a successor to it shall die, become incapable of acting, resign or be removed, all of the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens of the co-Trustee shall be exercised by, vest in and be conveyed to the Trustee, to the extent permitted by law, until the appointment of a successor to the co-Trustee.

Section 5.07. Resignation by the Trustee. The Trustee may resign from the trusts created hereby only upon giving 30 days' prior written notice to the Issuer, the Borrower, the Remarketing Agent and to the Holders as their names and addresses appear on the Register at the close of business fifteen (15) days prior to the mailing. The resignation shall take effect upon the appointment of a successor Trustee as provided for in Section 5.09 of this Indenture or an order of a court of competent jurisdiction allowing the Trustee to resign.

Section 5.08. Removal of the Trustee. The Trustee may be removed at any time upon 30 days' prior written notice to the Trustee, (a) by the Issuer, (b) by the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding, which written instrument must designate a successor Trustee or (c) with the prior written consent of the owners of 100% in aggregate principal amount of Bonds then Outstanding, by the Borrower.

The Trustee also may be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Issuer or the Holders of not less than 25% in aggregate principal amount of the Bonds then Outstanding under this Indenture.

The removal of the Trustee under this Section 5.08 shall take effect upon the appointment of a successor Trustee as provided for in Section 5.09 of this Indenture.

Section 5.09. Appointment of Successor Trustee. If (a) the Trustee shall resign, shall be removed, shall be dissolved, or shall become otherwise incapable of acting hereunder, (b) the Trustee shall be taken under the control of any public officer or officers, or (c) a receiver shall be appointed for the Trustee by a court, then a successor Trustee shall be appointed by the Issuer,

with the written consent of the Borrower; provided, that if a successor Trustee is not so appointed within ten (10) days after (i) a notice of resignation or an instrument or document of removal is received by the Issuer, as provided in Sections 5.07 and 5.08 hereof, respectively, or (ii) the Trustee is dissolved, taken under control, becomes otherwise incapable of acting or a receiver is appointed, in each case, as provided above, then, so long as the Issuer shall not have appointed a successor Trustee, the Holders of a majority in aggregate principal amount of Bonds then Outstanding may designate a successor Trustee by an instrument or document or concurrent instruments or documents in writing signed by or on behalf of those Holders. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 30 days, the Holder of any Bond Outstanding hereunder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Every successor Trustee appointed pursuant to this Section (a) shall be a trust company or a bank having the powers of a trust company, (b) shall be in good standing within the State, (c) shall be duly authorized to exercise trust powers within the State, (d) shall have a reported capital, surplus and retained earnings of not less than \$50,000,000, and (e) shall be willing to accept the trusteeship under the terms and conditions of this Indenture.

Every successor Trustee appointed hereunder shall execute and acknowledge, and shall deliver to its predecessor, the Issuer and the Borrower an instrument or document in writing accepting the appointment. Thereupon, without any further act, the successor shall become vested with all of the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens of its predecessor. Upon the written request of its successor, the Issuer or the Borrower, and payment of all fees and expenses owed to it, the predecessor Trustee (a) shall execute and deliver an instrument or document transferring to its successor all of the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens of the predecessor Trustee hereunder, and (b) shall take any other action necessary to duly assign, transfer and deliver to its successor all property (including without limitation, all securities and moneys) held by it as Trustee. Should any instrument or document in writing from the Issuer be requested by any successor Trustee for vesting and conveying more fully and certainly in and to that successor the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens vested or conveyed or intended to be vested or conveyed hereby in or to the predecessor Trustee, the Issuer shall execute, acknowledge and deliver that instrument or document.

In the event of a change in the Trustee, the predecessor Trustee shall cease to be custodian of any moneys which it may hold pursuant to this Indenture and shall cease to be registrar, authenticating agent and paying agent for any of the Bonds, to the extent it served in any of those capacities. The rights of the predecessor Trustee to indemnification and reimbursement of fees and expenses shall survive the Trustee's resignation or removal.

Section 5.10. Adoption of Authentication. In case any of the Bonds shall have been authenticated, but shall not have been delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee and may deliver those Bonds so authenticated as

provided herein. In case any Bonds shall not have been authenticated, any successor Trustee may authenticate those Bonds either in the name of any predecessor or in its own name. In all cases, the certificate of authentication shall have the same force and effect as provided in the Bonds or in this Indenture with respect to the certificate of authentication of the predecessor Trustee.

Section 5.11. Dealing in Bonds. The Trustee, its Affiliates, and any directors, officers, employees or agents thereof, in good faith, may become the owners of Bonds secured hereby with the same rights which it or they would have hereunder if the Trustee did not serve in that capacity.

Section 5.12. Representations, Agreements and Covenants of Trustee. The Trustee hereby represents that it is a national banking association duly organized and validly existing under the laws of the United States of America, in good standing and duly authorized to exercise corporate trust powers in the State, and that it has an unimpaired reported capital, surplus and retained earnings of not less than \$50,000,000. The Trustee covenants that it will take such action, if any, as is necessary to remain in good standing and duly authorized to exercise corporate trust powers in the State, and that it will maintain an unimpaired reported capital, surplus and retained earnings of not less than \$50,000,000. The Trustee accepts and agrees to observe and perform the duties and obligations of the Trustee to which reference is made in any other instrument or document to which it is a party providing security for any of the Bonds expressly subject to this Indenture, including this Article V.

Section 5.13. Reserved.

Section 5.14. Interpleader. In the event of a dispute between any of the parties hereto with respect to the disposition of any funds held by the Trustee hereunder, or the Trustee receives conflicting demands made upon the Trustee with respect to the Trustee's duties hereunder or any other document related to the Bonds, the Trustee shall be entitled to file a suit in interpleader in a court in the State of Texas seeking to require the parties to interplead and litigate in such court their several claims and rights among themselves. Upon the filing of such a suit and the deposit of the applicable funds to such court, the Trustee will ipso facto be fully released and discharged from all obligations to further perform any and all duties imposed hereunder or any other document related to the Bonds regarding such matter and/or such funds that are the subject of such interpleader suit. In the event that the Trustee remains as Trustee under this Indenture and receives a court order, directive or other request regarding the interpleader suit, the Trustee shall be entitled to rely upon such instruction without incurring any obligation or liability and the parties hereto release, hold harmless and indemnify the Trustee for any obligation or liability for so relying on such court instruction. Whether a part of an interpleader action or some other action or matter, the Trustee is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. If the Trustee obeys or complies with any such writ, order or decree it shall not be liable to any Person should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

Section 5.15. Survival of Certain Provisions. The provisions of Sections 5.01 through 5.14 of this Indenture shall survive the release, discharge and satisfaction of this Indenture and the resignation or removal of the Trustee.

Section 5.16. Concerning the Remarketing Agent.

The Remarketing Agent identified in Section 1.01 hereof shall serve as the Remarketing Agent for the Bonds. The Remarketing Agent shall designate to the Trustee its Designated Office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Issuer, the Borrower and the Trustee. In addition, the Remarketing Agent will agree particularly to:

- (a) keep such records relating to its computations of interest rates for the Bonds as shall be consistent with prudent industry practice and to make such records available for inspection by the Issuer, the Trustee and the Borrower at all reasonable times; and
- (b) perform all of its functions and duties under this Indenture.

The Remarketing Agent shall be entitled to advice of legal counsel on any matter relating to the Remarketing Agent's obligations hereunder and shall be entitled to act upon the opinion of such counsel in the exercise of reasonable care in fulfilling such obligations.

The Remarketing Agent shall be entitled to appoint additional co-Remarketing Agents to assist in the performance of the Remarketing Agent's obligations under this Indenture, and any such appointment shall be effective without any action by the Issuer or the Borrower being necessary; provided that any such co-Remarketing Agent, shall have a capitalization of at least \$5,000,000, or shall have a line of credit with a commercial bank in the amount of at least \$5,000,000, shall be in conformity with all standards and requirements of the Municipal Securities Rulemaking Board and the Securities and Exchange Commission, and shall be authorized by law to perform all the duties imposed upon it by this Indenture. The Remarketing Agent shall take responsibility for any co-Remarketing Agent it appoints.

Section 5.17. Qualification of Remarketing Agent.

The Remarketing Agent shall be a member in good standing of the Financial Industry Regulatory Authority having a capitalization of at least \$5,000,000, or shall have a line of credit with a commercial bank in the amount of at least \$5,000,000, and shall be authorized by law to perform all the duties imposed upon it by this Indenture. Subject to the terms of the Remarketing Agreement, the Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 30 days' notice of such resignation to the Issuer, the Borrower and the Trustee. The Remarketing Agent may be removed, with prior notice to the Issuer, at any time by the Borrower, with at least 30 days' notice of such removal to the Remarketing Agent.

Upon any resignation or removal of the Remarketing Agent, the departing Remarketing Agent shall pay over, assign and deliver any money and Bonds held by it in such capacity to its successor.

The Trustee, within 30 days of the Trustee's receipt of written notice of the resignation or removal of the Remarketing Agent or the appointment of a successor Remarketing Agent, shall give notice thereof by registered or certified mail to the Rating Agency (if the Bonds are then rated) and to the Holders of the Bonds.

Section 5.18. Additional Duties. Notwithstanding any provisions hereof to the contrary, the Trustee shall have the following additional duties:

(a) The Trustee shall provide the Rating Agency upon its written request such information within its possession as the Rating Agency shall reasonably require from time to time in order to maintain the rating on the Bonds; and

(b) The Trustee shall provide to the Underwriter upon its request, at the sole cost and expense of the Underwriter, a list of the names and addresses of the registered Holders of all Bonds then outstanding or, if the Bonds are held in Book Entry Form, the special position report (or similar list of Beneficial Owners) from the Depository.

Section 5.19. Notices to Rating Agency and Remarketing Notice Parties. The Trustee shall notify the Rating Agency and the Remarketing Notice Parties of (a) the occurrence of an Event of Default of which the Trustee has actual notice, (b) the occurrence of any monetary or other material default under the Loan of which the Trustee has actual notice, (c) any change in the identity of the Trustee, (d) any amendments, modifications, supplements or changes to this Indenture, the Loan Agreement, the Note or the Bonds, including any extension of principal or modification of interest or redemption premium due on any of the Bonds, in each case only in the event the Trustee has actual notice, (e) any change or proposed change in the structure or identity of the Borrower of which the Trustee has actual knowledge, (f) any partial prepayment of the Loan or the giving of notice of the call for redemption of any Bonds, (g) any change or notification of proposed change of the Mandatory Tender Date pursuant to a remarketing of the Bonds, (h) [reserved], (i) any defeasance or acceleration of the Bonds hereunder, (j) any change in the Remarketing Agent of which the Trustee has actual knowledge or (k) any sale of Eligible Investments below par, as shown in a Cash Flow Projection delivered to the Rating Agency prior to the sale date; provided, however, the Trustee shall only provide notice of such the occurrence of items (a) through (k) if a responsible officer of the Trustee has actual knowledge or has received written notice thereof.

(End of Article V)

ARTICLE VI

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND HOLDERS

Section 6.01. Defaults; Events of Default. The occurrence of any of the following events is defined as and declared to be and to constitute an “Event of Default” hereunder:

(a) Payment of any interest on any Bond shall not be made when and as that interest shall become due and payable;

(b) Payment of the principal of any Bond shall not be made when and as that principal shall become due and payable, whether at stated maturity, upon acceleration or otherwise;

(c) Failure by the Issuer to observe or perform any other covenant, agreement or obligation on its part required to be observed or performed as set forth in this Indenture or in the Bonds, which failure shall have continued for a period of 30 days after written notice, by registered or certified mail, to the Issuer, the Borrower, and the Investor Partner specifying the failure and requiring that it be remedied, which notice may be given by the Trustee in its discretion and shall be given by the Trustee at the written request of the Holders of not less than 25% in aggregate principal amount of Bonds then Outstanding; and

(d) The occurrence and continuance of an Event of Default as defined in Section 7.1 of the Loan Agreement.

The term “default” or “failure” as used in this Article means (i) a default or failure by the Issuer in the observance or performance of any of the covenants, agreements or obligations on its part to be observed or performed contained in this Indenture or in the Bonds, or (ii) a default or failure by the Borrower under the Loan Agreement, exclusive of any period of grace or notice required to constitute an Event of Default, as provided above or in the Loan Agreement.

Section 6.02. Notice of Default. If an Event of Default shall occur which the Trustee is deemed to have notice of pursuant to Section 5.02(f) hereof, the Trustee shall give written notice of the Event of Default, by overnight delivery or Electronic Means, to the Issuer, the Investor Partner, the Borrower and the Remarketing Agent, within ten (10) business days after the Trustee is deemed to have notice of the Event of Default pursuant to Section 5.02(f) hereof. Within 30 days after the Trustee is deemed to have notice of the Event of Default pursuant to Section 5.02(f) hereof, the Trustee shall give written notice thereof to the Holders of all Bonds then Outstanding as shown by the Register at the close of business 15 days prior to the mailing of that notice; provided, that except in the case of an Event of Default described in paragraphs (a) and (b) of Section 6.01 hereof, the Trustee shall be protected in withholding such notice if and so long as the Trustee in good faith determines that the withholding of notice to the Holders is in the interests of the Holders.

Section 6.03. Acceleration. Upon the occurrence of an Event of Default described in Section 6.01(a) and (b), the Trustee shall declare by notice in writing delivered to the Borrower and the Issuer (with copies to the Investor Partner and the Construction Lender), the principal of all Bonds then Outstanding (if not then due and payable), and the interest accrued thereon, to be due and payable immediately. If the Trustee is unable to determine that sufficient funds will be

available to pay (not out of the Trustee's own funds) the full amount of the principal and accrued but unpaid interest to the Holders of the Bonds as of the date of acceleration, the Trustee shall declare the principal of the Bonds immediately due and payable, but only upon the written direction of the Controlling Holders of the Bonds then Outstanding. Upon the occurrence of any Event of Default other than those described in Section 6.01(a) and (b) hereof, the Trustee may, and upon the written consent of the Controlling Holders shall declare by a notice in writing delivered to the Borrower, the principal of all Bonds then Outstanding (if not then due and payable), and the interest thereon, to be due and payable immediately. Upon such declaration, principal and interest on the Bonds shall become and be due and payable immediately. Interest on the Bonds shall accrue to the date determined by the Trustee for the tender of payment to the Holders pursuant to that declaration; provided, that interest on any unpaid principal of Bonds Outstanding shall continue to accrue from the date determined by the Trustee for the tender of payment to the Holders of those Bonds.

The provisions of the preceding paragraph are subject, however, to the condition that if, at any time after declaration of acceleration and prior to the entry of a judgment in a court for enforcement hereunder (after an opportunity for hearing by the Issuer and the Borrower), (i) all sums payable hereunder (except the principal of and interest on Bonds which have not reached their stated maturity dates but which are due and payable solely by reason of that declaration of acceleration), plus interest to the extent permitted by law on any overdue installments of interest at the rate borne by the Bonds shall have occurred, shall have been duly paid or provision shall have been duly made therefor by deposit with the Trustee, and (ii) all existing Events of Default shall have been cured, then and in every case, the Trustee shall waive the Event of Default and its consequences and shall rescind and annul that declaration. No waiver or rescission and annulment shall extend to or affect any subsequent Event of Default or shall impair any rights consequent thereon.

The Investor Partner shall be entitled (but not obligated) to cure any Event of Default hereunder within the time frame provided to the Borrower hereunder. The Issuer and the Trustee agree that a cure of any default or Event of Default made or tendered by the Investor Partner shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

Section 6.04. Other Remedies; Rights of Holders. With or without taking action under Section 6.03 hereof, upon the occurrence and continuance of an Event of Default, the Trustee may pursue any available remedy, including without limitation actions at law or equity to enforce the payment of Bond Service Charges or the observance and performance of any other covenant, agreement or obligation under this Indenture, the Loan Agreement, the Regulatory Agreement or the Note or any other instrument providing security, directly or indirectly, for the Bonds.

If, upon the occurrence and continuance of an Event of Default, the Trustee is requested so to do by the Holders of at least a majority in aggregate principal amount of Bonds Outstanding, the Trustee (subject to the provisions of Sections 5.01 and 5.02 and particularly subparagraph Section 5.01(c)(iv) and Subsection 5.02(j) of those Sections), shall exercise any rights and powers conferred by this Section.

No remedy conferred upon or reserved to the Trustee (or to the Holders) by this Indenture is intended to be exclusive of any other remedy. Each remedy shall be cumulative and shall be in addition to every other remedy given hereunder or otherwise to the Trustee or to the Holders now or hereafter existing.

No delay in exercising or omission to exercise any remedy, right or power accruing upon any default or Event of Default shall impair that remedy, right or power or shall be construed to be a waiver of any default or Event of Default or acquiescence therein. Every remedy, right and power may be exercised from time to time and as often as may be deemed to be expedient.

No waiver of any default or Event of Default hereunder, whether by the Trustee or by the Holders, shall extend to or shall affect any subsequent default or Event of Default or shall impair any remedy, right or power consequent thereon.

As the assignee of all right, title and interest of the Issuer in and to the Loan Agreement (except for the Reserved Rights), the Trustee is empowered to enforce each remedy, right and power granted to the Issuer under the Loan Agreement. In exercising any remedy, right or power thereunder or hereunder, the Trustee shall take any action which would best serve the interests of the Holders in the judgment of the Trustee, applying the standards described in Sections 5.01 and 5.02 hereof.

Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding without the approval of the Holders so affected.

Notwithstanding anything contained herein to the contrary, upon the occurrence and continuance of an Event of Default, before taking any action which may subject the Trustee to liability under any environmental law, statute, regulation or similar requirement relating to the environment, the Trustee may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished by the Borrower or other entity acceptable to the Trustee for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such action.

Section 6.05. Right of Holders to Direct Proceedings. The Holders of a majority in aggregate principal amount of Bonds then Outstanding shall have the right at any time to direct, by an instrument or document in writing executed and delivered to the Trustee, the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture or any other proceedings hereunder; provided, that (a) any direction shall not be other than in accordance with the provisions of law and of this Indenture, (b) the Trustee shall be indemnified as provided in Sections 5.01 and 5.02, and (c) the Trustee may take any other action which it deems to be proper and which is not inconsistent with the direction.

Section 6.06. Application of Money. If at any time after the occurrence of an Event of Default the moneys held by the Trustee under this Indenture (other than amounts in the Rebate

Fund) shall not be sufficient to pay the principal of and interest on the Bonds as the same become due and payable and other amounts due and payable under this Indenture and the Financing Documents, such moneys, together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of remedies in this Article or otherwise, shall be applied by the Trustee as set forth in this Section 6.06. After payment of any costs, expenses, liabilities and advances paid, incurred or made by the Trustee in the collection of money and to all Ordinary Trustee Fees and Expenses and fees of the Trustee for Extraordinary Services and Extraordinary Expenses (including without limitation, reasonable attorneys' fees and expenses, except as limited by law or judicial order or decision entered in any action taken under this Article VI), all money received by the Trustee on deposit in the Special Funds shall be applied as follows, subject to Section 2.05 hereof and any provision made pursuant to Section 4.10 or 4.11 hereof:

(a) Unless the principal of all of the Bonds shall have become, or shall have been declared to be, due and payable, all of such money shall be deposited in the Bond Fund and shall be applied:

First -- To the payment to the Holders entitled thereto of all installments of interest then due on the Bonds, in the order of the dates of maturity of the installments of that interest, beginning with the earliest date of maturity and, if the amount available is not sufficient to pay in full any particular installment, then to the payment thereof ratably, according to the amounts due on that installment, to the Holders entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds; and

Second -- To the payment to the Holders entitled thereto of the unpaid installments of principal of any of the Bonds which shall have become due, in the order of their due dates, beginning with the earliest due date, with interest on those Bonds from the respective dates upon which they became due at the rates specified in those Bonds, and if the amount available is not sufficient to pay in full all Bonds due on any particular date, together with that interest, then to the payment thereof ratably, according to the amounts of principal due on that date, to the Holders entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds.

(b) If the principal of all of the Bonds shall have become due or shall have been declared to be due and payable pursuant to this Article, all of such money shall be deposited into the Bond Fund and shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest, of interest over principal, of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Holders entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds.

(c) If the principal of all of the Bonds shall have been declared to be due and payable pursuant to this Article, and if that declaration thereafter shall have been rescinded and annulled under the provisions of Section 6.03 or 6.10 hereof, subject to the provisions of paragraph (b) of this Section in the event that the principal of all of the Bonds shall become due and payable later,

the money on deposit in the Special Funds shall remain in such funds and accounts and shall be applied in accordance with the provisions of this Indenture.

(d) Whenever money on deposit in the Special Funds is to be applied pursuant to the provisions of this Section, such money shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of money available for application and the likelihood of additional money becoming available for application in the future. Whenever the Trustee shall direct the application of such money, it shall fix the date upon which the application is to be made, and upon that date, interest shall cease to accrue on the amounts of principal, if any, to be paid on that date, provided the money is available therefor. The Trustee shall give notice of the deposit with it of any money and of the fixing of that date, all consistent with the requirements of Section 2.05 hereof for the establishment of, and for giving notice with respect to, a Special Record Date for the payment of overdue interest. The Trustee shall not be required to make payment of principal of a Bond to the Holder thereof, until the Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if it is paid fully.

Section 6.07. Remedies Vested in Trustee. All rights of action (including without limitation, the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto. Any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining any Holders as plaintiffs or defendants. Any recovery of judgment shall be for the benefit of the Holders of the Outstanding Bonds, subject to the provisions of this Indenture.

Section 6.08. Rights and Remedies of Holders. A Holder shall not have any right to institute any suit, action or proceeding for the enforcement of this Indenture, for the execution of any trust hereof, or for the exercise of any other remedy hereunder, unless:

(a) there has occurred and is continuing an Event of Default of which the Trustee has been notified, as provided in Section 5.02(f) hereof, or of which it is deemed to have notice under that paragraph,

(b) the Holders of at least a majority in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and shall have afforded the Trustee reasonable opportunity to proceed to exercise the remedies, rights and powers granted herein or to institute the suit, action or proceeding in its own name, and shall have furnished indemnity to the Trustee as provided in Sections 5.01 and 5.02 hereof, and

(c) the Trustee thereafter shall have failed or refused to exercise the remedies, rights and powers granted herein or to institute the suit, action or proceeding in its own name.

At the option of the Trustee, that notification (or notice), request, opportunity and furnishing of indemnity are conditions precedent in every case, to the institution of any suit, action or proceeding described above.

No one or more Holders of the Bonds shall have any right to affect, disturb or prejudice in any manner whatsoever the security or benefit of this Indenture by its or their action, or to enforce, except in the manner provided herein, any remedy, right or power hereunder. Any suit, action or

proceedings shall be instituted, had and maintained in the manner provided herein for the benefit of the Holders of all Bonds then Outstanding. Nothing in this Indenture shall affect or impair, however, the right of any Holder to enforce the payment of the Bond Service Charges on any Bond owned by that Holder at and after the maturity thereof, at the place, from the sources and in the manner expressed in that Bond.

Section 6.09. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any remedy, right or power under this Indenture in any suit, action or proceedings, and the suit, action or proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, the Issuer, the Trustee and the Holders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as if no suit, action or proceedings had been taken.

Section 6.10. Waivers of Events of Default. Except for those Events of Default described in paragraphs (a) and (b) of Section 6.01, at any time, in its discretion, the Trustee may waive any Event of Default hereunder and its consequences and may rescind and annul any declaration of maturity of principal of or interest on, the Bonds, and the Trustee shall do so upon the written request of the Holders of at least a majority in aggregate principal amount of all Bonds then Outstanding.

There shall not be so waived any Event of Default described in paragraphs (a) or (b) of Section 6.01 hereof or any declaration of acceleration in connection therewith rescinded or annulled, unless at the time of that waiver or rescission and annulment, payments of the amounts provided in Section 6.03 hereof for waiver and rescission and annulment in connection with acceleration of maturity have been made or provision has been made therefor. In the case of the waiver or rescission and annulment, or in case any suit, action or proceedings taken by the Trustee on account of any Event of Default shall have been discontinued, abandoned or determined adversely to it, the Issuer, the Trustee and the Holders shall be restored to their former positions and rights hereunder, respectively. No waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

(End of Article VI)

ARTICLE VII

SUPPLEMENTAL INDENTURES

Section 7.01. Supplemental Indentures Generally. The Issuer and the Trustee may enter into indentures supplemental to this Indenture, as provided in this Article and pursuant to the other provisions therefor in this Indenture.

Section 7.02. Supplemental Indentures Not Requiring Consent of Holders. Without the consent of, or notice to, any of the Holders, the Issuer and the Trustee may enter into indentures supplemental to this Indenture which shall not, in the opinion of the Issuer, be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

- (a) To cure any ambiguity, inconsistency or formal defect or omission in this Indenture;
- (b) To grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority that lawfully may be granted to or conferred upon the Holders or the Trustee;
- (c) To assign additional revenues under this Indenture;
- (d) To accept additional security and instruments and documents of further assurance with respect to the Project;
- (e) To add to the covenants, agreements, obligations and rights of the Issuer under this Indenture, other covenants, agreements and obligations to be observed or rights to be exercised for the protection of the Holders, or to surrender or limit any right, power or authority reserved to or conferred upon the Issuer in this Indenture;
- (f) To evidence any succession to the Issuer and the assumption by its successor of the covenants, agreements and obligations of the Issuer under this Indenture, the Loan Agreement and the Bonds;
- (g) To facilitate (i) the transfer of Bonds issued by the Issuer under this Indenture and held in Book Entry Form from one Depository to another and the succession of Depositories, or (ii) the withdrawal of Bonds issued by the Issuer under this Indenture and delivered to a Depository for use in a Book Entry System and the issuance of replacement Bonds in fully registered form and in the form of physical certificates to others than a Depository;
- (h) To permit the Trustee to comply with any obligations imposed upon it by law;
- (i) To specify further the duties and responsibilities of the Trustee;
- (j) To achieve compliance of this Indenture with any applicable federal securities or tax law; and
- (k) To make amendments to the provisions hereof relating to arbitrage matters under Section 148 of the Code, if, in the opinion of Bond Counsel, those amendments would not

adversely affect the Federal Tax Status of the Bonds, which amendments may, among other things, change the responsibility for making the relevant calculations, provided that in no event shall such amendment delegate to the Trustee, without its written consent, in its sole discretion, the obligation to make or perform the calculations required under Section 148 of the Code.

The provisions of Subsections 7.02(h) and (j) shall not be deemed to constitute a waiver by the Trustee, the Issuer or any Holder of any right which it may have in the absence of those provisions to contest the application of any change in law to this Indenture or the Bonds.

Section 7.03. Supplemental Indentures Requiring Consent of Holders. Exclusive of Supplemental Indentures to which reference is made in Section 7.02 hereof and subject to the terms, provisions and limitations contained in this Section, and not otherwise, with the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, evidenced as provided in this Indenture, and with the consent of the Borrower if required by Section 7.04 hereof, the Issuer and the Trustee may execute and deliver Supplemental Indentures adding any provisions to, changing in any manner or eliminating any of the provisions of this Indenture or any Supplemental Indenture or restricting in any manner the rights of the Holders. Nothing in this Section or Section 7.02 hereof shall permit, however, or be construed as permitting:

(a) without the consent of the Holder of each Bond so affected, (i) an extension of the maturity of the principal of or the interest on any Bond or (ii) a reduction in the principal amount of any Bond or the rate of interest thereon, or

(b) without the consent of the Holders of all Bonds then Outstanding, (i) the creation of a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (ii) a reduction in the aggregate principal amount of the Bonds required for consent to a Supplemental Indenture.

If the Issuer shall request that the Trustee execute and deliver any Supplemental Indenture for any of the purposes of this Section, upon (i) being satisfactorily indemnified with respect to its expenses in connection therewith, and (ii) if required by Section 7.04 hereof, receipt of the Borrower's consent to the proposed execution and delivery of the Supplemental Indenture, the Trustee shall cause notice of the proposed execution and delivery of the Supplemental Indenture to be mailed by first-class mail, postage prepaid, to all Holders of Bonds then Outstanding at their addresses as they appear on the Register at the close of business on the fifteenth day preceding that mailing.

The Trustee shall not be subject to any liability to any Holder by reason of the Trustee's failure to mail, or the failure of any Holder to receive, the notice required by this Section. Any failure of that nature shall not affect the validity of the Supplemental Indenture when there has been consent thereto as provided in this Section. The notice shall set forth briefly the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Designated Office of the Trustee for inspection by all Holders.

If the Trustee shall receive, within a period prescribed by the Borrower, of not less than 60 days, but not exceeding one year, following the mailing of the notice, an instrument or document or instruments or documents, in form to which the Trustee does not reasonably object, purporting

to be executed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (which instrument or document or instruments or documents shall refer to the proposed Supplemental Indenture in the form described in the notice and specifically shall consent to the Supplemental Indenture in substantially that form), the Trustee shall, but shall not otherwise, execute and deliver the Supplemental Indenture in substantially the form to which reference is made in the notice as being on file with the Trustee, without liability or responsibility to any Holder, regardless of whether that Holder shall have consented thereto.

Any consent shall be binding upon the Holder of the Bond giving the consent and, anything herein to the contrary notwithstanding, upon any subsequent Holder of that Bond and of any Bond issued in exchange therefor (regardless of whether the subsequent Holder has notice of the consent to the Supplemental Indenture). A consent may be revoked in writing, however, by the Holder who gave the consent or by a subsequent Holder of the Bond by a revocation of such consent received by the Trustee prior to the execution and delivery by the Trustee of the Supplemental Indenture. At any time after the Holders of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the Issuer a written statement that the Holders of the required percentage of Bonds have filed those consents. That written statement shall be conclusive evidence that the consents have been so filed.

If the Holders of the required percentage in aggregate principal amount of Bonds Outstanding shall have consented to the Supplemental Indenture, as provided in this Section, no Holder shall have any right (a) to object to (i) the execution or delivery of the Supplemental Indenture, (ii) any of the terms and provisions contained therein, or (iii) the operation thereof, (b) to question the propriety of the execution and delivery thereof, or (c) to enjoin or restrain the Trustee or the Issuer from that execution or delivery or from taking any action pursuant to the provisions thereof.

Section 7.04. Consent of Borrower. Anything contained herein to the contrary notwithstanding, a Supplemental Indenture executed and delivered in accordance with this Article VII which affects in any material respect any rights or obligations of the Borrower shall not become effective unless and until the Borrower and Investor Partner shall have consented in writing to the execution and delivery of that Supplemental Indenture. The Trustee shall cause notice of the proposed execution and delivery of any Supplemental Indenture and a copy of the proposed Supplemental Indenture to be mailed to the Borrower and Investor Partner, as provided in Section 12.03 hereof, (a) at least 30 days (unless waived by the Borrower and Investor Partner) before the date of the proposed execution and delivery in the case of a Supplemental Indenture to which reference is made in Section 7.02 hereof, and (b) at least 30 days (unless waived by the Borrower and Investor Partner) before the giving of the notice of the proposed execution and delivery in the case of a Supplemental Indenture for which provision is made in Section 7.03 hereof.

Section 7.05. Responsibilities of Trustee. Notwithstanding anything else contained herein, the Trustee shall not be required to enter into any Supplemental Indenture which contains provisions adverse to the Trustee or affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 7.06. Authorization to Trustee; Effect of Supplement. The Trustee is authorized to join with the Issuer in the execution and delivery of any Supplemental Indenture in accordance

with this Article and to make the further agreements and stipulations which may be contained therein. Thereafter,

(a) That Supplemental Indenture shall form a part of this Indenture;

(b) All terms and conditions contained in that Supplemental Indenture as to any provision authorized to be contained therein shall be deemed to be a part of the terms and conditions of this Indenture for any and all purposes;

(c) This Indenture shall be deemed to be modified and amended in accordance with the Supplemental Indenture; and

(d) The respective rights, duties and obligations under this Indenture of the Issuer, the Borrower, the Trustee and all Holders of Bonds then Outstanding shall be determined, exercised and enforced hereunder in a manner which is subject in all respects to those modifications and amendments made by the Supplemental Indenture.

Express reference to any executed and delivered Supplemental Indenture may be made in the text of any Bonds issued thereafter, if that reference is deemed necessary or desirable by the Trustee or the Issuer. A copy of any Supplemental Indenture for which provision is made in this Article, except a Supplemental Indenture described in clause (g) of Section 7.02 hereof, shall be mailed by the Trustee to all Holders, Borrower, Investor Partner and Rating Agency.

Section 7.07. Opinion of Counsel. The Trustee shall receive, and shall be fully protected in relying upon, the opinion of any counsel approved by it as conclusive evidence that all conditions precedent under this Indenture to enter into any proposed Supplemental Indenture described in Sections 7.02 and 7.03 have been satisfied. That counsel may be counsel for the Issuer or the Borrower.

Before the Issuer and the Trustee shall enter into any Supplemental Indenture, there shall have been delivered to the Trustee a Favorable Opinion of Bond Counsel with respect to such Supplemental Indenture.

Section 7.08. Modification by Unanimous Consent. Notwithstanding anything contained elsewhere in this Indenture, the rights and obligations of the Issuer and of the Holders, and the terms and provisions of the Bonds and this Indenture or any Supplemental Indenture, may be modified or altered in any respect with the consent of (a) the Issuer, (b) the Holders of all of the Bonds then Outstanding, (c) the Borrower and Investor Partner and (d) if such modification or alteration contains provisions adverse to the Trustee in the sole opinion of the Trustee, the Trustee.

(End of Article VII)

ARTICLE VIII

DEFEASANCE

Section 8.01. Release of Indenture. If (a) the Issuer shall pay all of the Outstanding Bonds, or shall cause them to be paid and discharged, or if there otherwise shall be paid to the Holders of the Outstanding Bonds, all Bond Service Charges due or to become due thereon, and (b) provision also shall be made for the payment of all other sums payable hereunder or under the Loan Agreement, the Regulatory Agreement and the Note, then this Indenture shall cease, determine and become null and void (except for those provisions surviving by reason of Section 8.03 hereof in the event the Bonds are deemed paid and discharged pursuant to Section 8.02 hereof), and the covenants, agreements and obligations of the Issuer hereunder shall be released, discharged and satisfied.

Thereupon, and subject to the provisions of Section 8.03 hereof, if applicable,

(a) the Trustee shall release this Indenture (except for those provisions surviving by reason of Section 8.03 hereof in the event the Bonds are deemed paid and discharged pursuant to Section 8.02 hereof), and shall execute and deliver to the Issuer any instruments or documents in writing as shall be requisite to evidence that release and discharge or as reasonably may be requested by the Issuer, and

(b) the Trustee shall assign and deliver to the Issuer any property subject at the time to the lien of this Indenture which then may be in its possession, except amounts in the Bond Fund required (i) to be paid to the Borrower under Section 4.14 hereof, or (ii) to be held by the Trustee under Section 4.13 hereof or otherwise for the payment of Bond Service Charges.

Section 8.02. Payment and Discharge of Bonds. All or any part of the Bonds shall be deemed to have been paid and discharged within the meaning of this Indenture, including without limitation, Section 8.01 hereof, if the Trustee as paying agent shall have received, in trust for and irrevocably committed thereto (i) sufficient money or (ii) noncallable Government Obligations which are certified by an Independent public accounting firm of national reputation to be of such maturities or redemption dates and interest payment dates, and to bear such interest, as will be sufficient, together with any money described in (i) hereof, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which earnings are to be held likewise in trust and so committed, except as provided herein), for the payment of all Bond Service Charges on those Bonds to their maturity.

Any money held by the Trustee in accordance with the provisions of this Section may be invested by the Trustee only in noncallable Government Obligations having maturity dates, or having redemption dates which, at the option of the holder of those obligations, shall be not later than the date or dates at which money will be required for the purposes described above. To the extent that any income or interest earned by, or increment to, the investments held under this Section is determined from time to time by the Borrower to be in excess of the amount required to be held by the Trustee for the purposes of this Section, that income, interest or increment shall be transferred at the time of that determination in the manner provided in Section 4.14 hereof for

transfers of amounts remaining in the Bond Fund upon written direction from an Authorized Borrower Representative, with the written consent of the Issuer.

If any Bonds shall be deemed paid and discharged pursuant to this Section 8.02, then within 15 days after such Bonds are so deemed paid and discharged the Trustee shall cause a written notice to be given to each Holder as shown on the Register on the date on which such Bonds are deemed paid and discharged. Such notice shall state the numbers of the Bonds deemed paid and discharged or state that all Bonds are deemed paid and discharged and set forth a description of any obligations held pursuant to this Section 8.02.

Section 8.03. Survival of Certain Provisions. Notwithstanding the foregoing, any provisions of the Bond Resolution and this Indenture which relate to the maturity of Bonds, interest payments and dates thereof, exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, the holding of money in trust, and repayments to the Borrower from the Bond Fund, the rebate of money to the United States in accordance with Section 4.09 hereof, payment of Issuer's Fees and the rights, immunities and indemnities of the Trustee in connection with all of the foregoing, or which by their terms survive payment and discharge of the Bonds, shall remain in effect and be binding upon the Trustee and the Holders notwithstanding the release and discharge of this Indenture. The provisions of this Article shall survive the release, discharge and satisfaction of this Indenture. The obligations of the Borrower to pay the Trustee its fees and expenses and the Trustee's right to indemnification hereunder shall survive the release, discharge and satisfaction of this Indenture and the resignation or removal of the Trustee.

(End of Article VIII)

ARTICLE IX

GENERAL COVENANTS AND REPRESENTATIONS

Section 9.01. Covenants and Agreements of the Issuer. In addition to any other covenants and agreements of the Issuer contained in this Indenture or the Bond Resolution, the Issuer further covenants and agrees with the Holders and the Trustee as follows:

(a) Payment of Bond Service Charges. The Issuer will cause all Bond Service Charges to be paid solely from the sources provided herein, on the dates, at the places and in the manner provided in this Indenture.

(b) Revenues and Assignment of Revenues. The Issuer will not assign the Revenues or create or authorize to be created any debt, lien or charge thereon, other than the assignment thereof under this Indenture.

(c) Recordings and Filings. At the expense of the Borrower, the Issuer will cause this Indenture, and any related instruments or documents relating to the assignment made by it under this Indenture to secure the Bonds, to be recorded and filed in the manner and in the places which may be required by law in order to preserve and protect fully the security of the Holders and the rights of the Trustee hereunder.

(d) Inspection of Project Books. All books, instruments and documents in the Issuer's possession relating to the Project and the Revenues shall be open to inspection and copying at all times during the Issuer's regular business hours by any accountants or other agents of the Trustee which the Trustee may designate from time to time.

Section 9.02. Issuer's Tax Representations and Covenants. The Issuer represents, covenants and agrees that:

(a) The Issuer shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds) in a manner which, if made or omitted, respectively, would cause the interest on the Bonds to become includable in the gross income, as defined in Section 61 of the Code, of the owners thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Issuer shall have received a written opinion of Bond Counsel to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on the Bonds, the Issuer shall comply with each of the specific covenants in this Section.

(b) The Issuer shall not direct or make any investment of the proceeds of the Bonds or any other funds of the Issuer in a manner which would result in the Bonds becoming "arbitrage bonds" within the meaning of Section 148 of the Code or "hedge bonds" within the meaning of Section 149 of the Code. In the event the Issuer or the Borrower is of the opinion that it is necessary to restrict or limit the Yield on the investment of any money paid to or held by the Trustee hereunder in order to avoid classification of the Bonds as "arbitrage bonds" or "hedge bonds," the Issuer or the Borrower may issue to the Trustee a written instrument to such effect (along with appropriate written instructions), in which event the Trustee will take such action as

is necessary to effect such written instructions so to restrict or limit the Yield on such investment in accordance with such instrument and instructions, irrespective of whether the Trustee shares such opinion. The Trustee may conclusively rely upon any such instructions and shall not be responsible for any loss resulting from investment of any money held hereunder in accordance with such instructions.

(c) Except to the extent permitted by Section 149(b) of the Code and Regulations and rulings thereunder, the Issuer shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(d) The Issuer shall timely file or cause to be timely filed the information required by Section 149(e) of the Code with the Secretary of the Treasury on such form and in such place as such Secretary may prescribe.

(e) Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the Issuer shall not, at any time prior to the earlier of the stated maturity or final payment of the Bonds enter into any transaction that reduces the amount required to be paid to the United States pursuant to Section 4.09 hereof because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(f) The Issuer hereby directs the Borrower to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as it deems necessary or appropriate in connection with the Bonds.

(g) The weighted average maturity of the Bonds does not exceed 120% of the reasonably expected economic life, within the meaning of Section 147(b) of the Code, of the Project.

Section 9.03. Observance and Performance of Issuer Covenants, Agreements, Authority and Actions. The Issuer will observe and perform faithfully at all times all covenants, agreements, authority, actions, undertakings, stipulations and provisions to be observed or performed on its part under the Bond Resolution, the Issuer Documents and the Bonds which are executed, authenticated and delivered under this Indenture, and under all proceedings of its Governing Body pertaining thereto.

Section 9.04. Representations and Warranties of the Issuer. The Issuer hereby represents and warrants as follows:

(a) The Issuer is a Texas nonprofit corporation.

(b) The Issuer has all necessary power and authority to issue the Bonds and to execute and deliver the Issuer Documents, and to perform its duties and discharge its obligations hereunder and thereunder.

(c) The revenues and assets pledged for the repayment of the Bonds are and will be free and clear of any pledge, lien or encumbrance prior to, or equal with, the pledge created by this Indenture, and all action on the part of the Issuer to that end has been duly and validly taken.

(d) The Issuer Documents have been validly authorized, executed and delivered by the Issuer, and assuming due authorization, execution and delivery by the other parties thereto, constitute valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium or other laws affecting creditors' rights generally and the application of equitable principles and principles of sovereign immunity.

Section 9.05. Trustee's Representations and Covenants. The Trustee represents, covenants and agrees that:

(a) The Trustee will invest funds held under this Indenture in accordance with the terms of this Indenture and the written instructions of the Borrower.

(b) For the benefit of the owner of the Bonds, notwithstanding any other provisions of this Indenture or of any other instrument, the Trustee will not make or cause to be made any investment or other use of the moneys in the funds or accounts which would cause the Bonds to be classified as "arbitrage bonds" within the meaning of Sections 103(b) and 148 of the Code or would adversely affect the Federal Tax Status of the Bonds; provided that the Trustee shall be deemed to have complied with such requirements and shall have no liability to the extent it reasonably follows the written directions of the Borrower, the Issuer or the Rebate Analyst and the provisions of this Indenture. This covenant shall extend, throughout the term of the Bonds, to all funds created under this Indenture and all moneys on deposit to the credit of any fund. Pursuant to this covenant, with respect to the investments of the funds and accounts under this Indenture, the Trustee obligates itself to comply throughout the term of the issue of the Bonds with the requirements of Sections 103(b) and 148 of the Code; provided that the Trustee shall be deemed to have complied with such requirements and shall have no liability to the extent it follows the written directions of the Borrower, the Issuer or the Rebate Analyst and the provisions of this Indenture.

(c) Should the Issuer or the Borrower file with the Trustee (it being understood that neither the Issuer nor the Borrower has an obligation to so file) or should the Trustee receive an Opinion of Bond Counsel to the effect that any proposed investment or other use of proceeds of the Bonds would cause the Bonds to become "arbitrage bonds" within the meaning of Sections 103(b) and 148 of the Code, then the Trustee will comply with any written instructions of the Borrower regarding such investment or use so as to prevent the Bonds from becoming "arbitrage bonds." The Trustee will bear no liability to the Issuer, the Borrower or the Owners of the Bonds for investments made in accordance with such instructions.

Section 9.06. Right to Inspect Register. At reasonable times and under reasonable regulations established by the Trustee, the Register may be inspected and copied (at the expense of the person making such copies) by the Borrower, the Issuers, Holders of 25% or more in aggregate principal amount of the Bonds then Outstanding, or a designated representative thereof.

Section 9.07. Rights and Enforcement of the Loan Agreement. The Trustee may enforce, in its name or in the name of the Issuer, all rights of the Issuer for and on behalf of the Holders, except for Reserved Rights, and may enforce all covenants, agreements and obligations of the Borrower under and pursuant to the Loan Agreement, regardless of whether the Issuer is in default in the pursuit or enforcement of those rights, covenants, agreements or obligations. The Issuer, however, will do all things and take all actions on its part necessary to comply with covenants, agreements, obligations, duties and responsibilities on its part to be observed or performed under the Loan Agreement, and will take all actions within its authority to keep the Loan Agreement in effect in accordance with the terms thereof.

Section 9.08. Change in Law. To the extent that published rulings of the Internal Revenue Service or amendments to the Code or the Regulations modify the covenants of the Issuer or the Trustee that are set forth in this Indenture or that are necessary to maintain the Federal Tax Status on the Bonds, the Trustee and the Issuer will comply with such modifications upon the direction of Bond Counsel specifying such modifications.

Section 9.09. Limitations on Liability. Notwithstanding any other provision of this Indenture to the contrary:

ANY OBLIGATION WHICH THE ISSUER MAY INCUR UNDER THIS INDENTURE OR UNDER ANY INSTRUMENT EXECUTED IN CONNECTION HEREWITH WHICH SHALL ENTAIL THE EXPENDITURE OF MONEY SHALL NOT BE A GENERAL OBLIGATION OF THE ISSUER BUT SHALL BE A SPECIAL LIMITED OBLIGATION PAYABLE SOLELY FROM THE TRUST ESTATE. THE BONDS SHALL CONSTITUTE A VALID CLAIM OF THE RESPECTIVE HOLDERS THEREOF AGAINST THE TRUST ESTATE, WHICH IS PLEDGED TO SECURE THE PAYMENT OF THE BOND SERVICE CHARGES AND WHICH SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THIS INDENTURE. THE BONDS SHALL BE LIMITED OBLIGATIONS OF THE ISSUER GIVING RISE TO NO CHARGE AGAINST THE ISSUER'S GENERAL CREDIT AND PAYABLE SOLELY FROM, AND CONSTITUTE CLAIMS OF THE HOLDERS THEREOF AGAINST ONLY, THE TRUST ESTATE. THE BOND SERVICE CHARGES SHALL NOT BE DEEMED TO CONSTITUTE DEBT OF THE ISSUER (EXCEPT TO THE EXTENT OF THE TRUST ESTATE). THE BONDS ARE NOT AND DO NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE OF TEXAS OR ANY POLITICAL SUBDIVISION THEREOF, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH, CREDIT, OR TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE ISSUER HAS NO TAXING POWER.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS AGAINST ANY PAST, PRESENT, OR FUTURE BOARD MEMBER, OFFICER OR EMPLOYEE OF THE ISSUER, OR OF ANY SUCCESSOR TO THE ISSUER, AS SUCH, EITHER DIRECTLY OR THROUGH THE ISSUER OR ANY SUCCESSOR TO THE ISSUER, UNDER ANY RULE OF LAW OR EQUITY, STATUTE, OR CONSTITUTION OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY

SUCH BOARD MEMBERS, OFFICERS OR EMPLOYEES, AS SUCH, IS HEREBY EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND CONSIDERATION FOR THE EXECUTION AND ISSUANCE OF THE BONDS.

Anything in this Indenture to the contrary notwithstanding, it is expressly understood by the parties to this Indenture that (a) the Issuer and the Trustee may rely exclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer by the Trustee or any Holder as to the existence of any fact or state of affairs, (b) the Issuer shall not be under any obligation under this Indenture to perform any record keeping or to provide any legal services, it being understood that such services shall be performed or caused to be performed by the Trustee or by the Holders, and (c) none of the provisions of this Indenture shall require the Issuer or the Trustee to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Indenture, unless it shall first have been adequately indemnified to its satisfaction against any costs, expenses and liability which it may incur as a result of taking such action.

(End of Article IX)

ARTICLE X

AMENDMENTS TO LOAN AGREEMENT, NOTE AND REGULATORY AGREEMENT

Section 10.01. Amendments Not Requiring Consent of Holders. Without the consent of or notice to the Holders, the Issuer, the Borrower, Investor Partner and the Trustee may consent to any amendment, change or modification of the Loan Agreement, the Note or the Regulatory Agreement, as may be required (a) by the provisions of the Note, the Loan Agreement or the Regulatory Agreement, (b) for the purpose of curing any ambiguity, inconsistency or formal defect or omission in the Loan Agreement, the Note or the Regulatory Agreement, (c) in connection with an amendment or to effect any purpose for which there could be an amendment of this Indenture pursuant to Section 7.02 hereof, or (d) in connection with any other change therein which is not to the prejudice of the Trustee or the Holders of the Bonds.

Section 10.02. Amendments Requiring Consent of Holders. Except for the amendments, changes or modifications contemplated in Section 10.01 hereof, neither the Issuer nor the Trustee shall consent to:

(a) any amendment, change or modification of the Loan Agreement or the Note which would change the amount or time as of which Loan Payments and Eligible Funds are required to be paid, without the giving of notice as provided in this Section of the proposed amendment, change or modification and receipt of the written consent thereto of the Holders of all of the then Outstanding Bonds affected by such amendment, change or modification, or

(b) any other amendment, change or modification of the Loan Agreement, the Note or the Regulatory Agreement without the giving of notice as provided in this Section of the proposed amendment, change or modification and receipt of the written consent thereto of the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding affected by such amendment, change or modification.

The consent of the Holders shall be obtained as provided in Section 7.03 hereof with respect to Supplemental Indentures.

If the Issuer or the Borrower shall request at any time the consent of the Trustee to any proposed amendment, change or modification of the Loan Agreement, the Note or the Regulatory Agreement contemplated in subparagraphs (a) or (b) of this Section, upon being indemnified satisfactorily with respect to expenses, the Trustee shall cause notice of the proposed amendment, change or modification to be provided in the manner which is required by Section 7.03 hereof with respect to notice of Supplemental Indentures. The notice shall set forth briefly the nature of the proposed amendment, change or modification and shall state that copies of the instrument or document embodying it are on file at the Designated Office of the Trustee for inspection by all Holders.

Section 10.03. Opinion of Counsel. The Trustee shall receive, and shall be fully protected in relying upon, the opinion of any counsel approved by it as conclusive evidence that all conditions precedent under this Indenture to any proposed amendment, change or modification of

any of the documents described in Sections 10.01 and 10.02 have been satisfied. That counsel may be counsel for the Issuer or the Borrower.

Before the Issuer and the Trustee shall consent to any amendment, change or modification of any of the documents described in Sections 10.01 and 10.02 there shall be delivered to the Trustee a Favorable Opinion of Bond Counsel with respect to such amendment, change or modification.

Section 10.04. Responsibilities of the Trustee. Notwithstanding anything else contained herein, the Trustee shall not be required to enter into any amendment, change, or modification of any of the documents described in Section 10.01 and 10.02 which affects the Trustee's own rights, duties or immunities under this Indenture or any other Financing Document. All fees, costs and expenses (including reasonable attorneys' fees, costs and expenses) incurred in connection with any amendment, modification or supplement shall be payable by the Borrower.

(End of Article X)

ARTICLE XI

MEETINGS OF HOLDERS

Section 11.01. Purposes of Meetings. A meeting of Holders may be called at any time and from time to time pursuant to the provisions of this Article XI, to take any action (a) authorized to be taken by or on behalf of the Holders of any specified aggregate principal amount of the Bonds, (b) under any provision of this Indenture or (c) authorized or permitted by law.

Section 11.02. Call of Meetings. The Trustee may (but shall not be obligated to) call at any time a meeting of Holders pursuant to Section 11.01 to be held at any reasonable time and place the Trustee shall determine. Notice of such meeting, setting forth the time, place and generally the subject thereof, shall be mailed by first-class mail, postage prepaid, not fewer than 15 nor more than 90 days prior to the date of the meeting to the Holders at their addresses as they appear on the Register on the fifteenth day preceding such mailing, which fifteenth day, preceding the mailing, shall be the record date for the meeting.

At any time, the Issuer or the Borrower, or the Holders of at least 25% in aggregate principal amount of the Bonds then Outstanding, shall have requested the Trustee to call a meeting of Holders, by written request setting forth the purpose of the meeting, and the Trustee shall not have mailed the notice of the meeting within 20 days after receipt of the request, then the Issuer, the Borrower and Investor Partner or the Holders of Bonds in the amount above specified may determine the time and the place of the meeting and may call the meeting to take any action authorized in Section 12.01, by mailing notice thereof as provided above.

Any meetings of Holders shall be valid without notice, if the Holders of all Bonds then Outstanding are present in person or by proxy, or if notice is waived before or after the meeting by the Holders of all Bonds Outstanding who were not so present at the meeting, and if the Issuer, the Borrower and the Trustee are either present by duly authorized representatives or have waived notice, before or after the meeting.

Section 11.03. Voting. To be entitled to vote at any meeting of Holders, a Person shall (a) be a Holder of one or more Outstanding Bonds as of the record date for the meeting as determined above, or (b) be a person appointed by an instrument or document in writing as proxy by a Person who is a Holder as of the record date for the meeting, of one or more Outstanding Bonds. Each Holder or proxy shall be entitled to one vote for each \$100,000 principal amount of Bonds held or represented by it.

The vote upon any resolution submitted to any meeting of Holders shall be by written ballots on which shall be subscribed the signatures of the Holders of Bonds or of their representatives by proxy and the identifying number or numbers of the Bonds held or represented by them.

Section 11.04. Meetings. Notwithstanding any other provisions of this Indenture, the Trustee may make any reasonable regulations which it may deem to be advisable for meetings of Holders, with regard to:

- (a) proof of the holding of Bonds and of the appointment of proxies,

- (b) the appointment and duties of inspectors of votes,
- (c) recordation of the proceedings of those meetings,
- (d) the execution, submission and examination of proxies and other evidence of the right to vote, and
- (e) any other matters concerning the conduct, adjournment or reconvening of meetings which it may think fit.

The Trustee shall appoint a temporary chair of the meeting by an instrument or document in writing, unless the meeting shall have been called by the Issuer, the Borrower or by the Holders, as provided in Section 11.01, in which case the Issuer, the Borrower or the Holders calling the meeting, as the case may be, shall appoint a temporary chair in like manner. A permanent chair and a permanent secretary of the meeting shall be elected by vote of the Holders of a majority in principal amount of the Bonds represented at the meeting and entitled to vote.

The only Persons who shall be entitled to be present or to speak at any meeting of Holders shall be the Persons entitled to vote at the meeting and their counsel, any representatives of the Trustee and its counsel, any representatives of the Issuer and its counsel and any representatives of the Borrower and their counsel.

Section 11.05. Miscellaneous. Nothing contained in this Article XI shall be deemed or construed to authorize or permit any hindrance or delay in the exercise of any right or rights conferred upon or reserved to the Trustee or to the Holders under any of the provisions of this Indenture or of the Bonds by reason of any call of a meeting of Holders or any rights conferred expressly or impliedly hereunder to make a call.

(End of Article XI)

ARTICLE XII

MISCELLANEOUS

Section 12.01. Limitation of Rights. With the exception of rights conferred expressly in this Indenture, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any Person other than the parties hereto, the Borrower, the Investor Partner, the Remarketing Agent and the Holders of the Bonds any legal or equitable right, remedy, power or claim under or with respect to this Indenture or any covenants, agreements, conditions and provisions contained herein. This Indenture and all of those covenants, agreements, conditions and provisions are intended to be, and are, for the sole and exclusive benefit of the parties hereto, the Borrower, the Investor Partner, the Remarketing Agent and the Holders of the Bonds, as provided herein.

Section 12.02. Severability. In case any Section or provision of this Indenture, or any covenant, agreement, stipulation, obligation, act or action, or part thereof, made, assumed, entered into or taken under this Indenture, or any application thereof, is held to be illegal or invalid for any reason, or is inoperable at any time, that illegality, invalidity or inoperability shall not affect the remainder thereof or any other section or provision of this Indenture or any other covenant, agreement, stipulation, obligation, act or action, or part thereof, made, assumed, entered into or taken under this Indenture, all of which shall be construed and enforced at the time as if the illegal, invalid or inoperable portion were not contained therein.

Any illegality, invalidity or inoperability shall not affect any legal, valid and operable Section, provision, covenant, agreement, stipulation, obligation, act, action, part or application, all of which shall be deemed to be effective, operative, made, assumed, entered into or taken in the manner and to the full extent permitted by law from time to time.

Section 12.03. Notices. Except as provided in Section 6.02 hereof, it shall be sufficient service or giving of any notice, request, complaint, demand or other instrument or document, if it is duly mailed by first-class mail, postage pre-paid, or is forwarded by overnight courier service that provides written receipt of delivery, delivery charges pre-paid. Notices to the Issuer, the Borrower, the Investor Partner, the Remarketing Agent, the Construction Lender and the Trustee shall be delivered to their respective Notice Address.

Duplicate copies of each notice, request, complaint, demand or other instrument or document given hereunder by the Issuer, the Trustee or the Borrower or the Investor Partner to one or both of the others also shall be given to the others.

The Issuer, the Trustee, the Borrower, the Investor Partner, the Construction Lender, the Remarketing Agent and the Rating Agency may, by notice given hereunder, designate any further or different addresses to which subsequent demands, notices, approvals, consents, requests, opinions or other communications shall be sent or Persons to whose attention the same shall be directed.

In connection with any notice mailed pursuant to the provisions of this Indenture, a certificate of the Trustee, the Issuer, the Borrower, the Investor Partner or the Holders of the Bonds,

whichever or whoever mailed that notice, that the notice was so mailed shall be conclusive evidence of the proper mailing of the notice.

Section 12.04. Suspension of Mail and Courier Service. If because of the suspension of delivery of first-class mail or of delivery by overnight courier services, or for any other reason, the Trustee shall be unable to mail by the required class of mail or forward by overnight courier service any notice required to be given by the provisions of this Indenture, the Trustee shall give such notice in such other manner as in the judgment of the Trustee shall most effectively approximate the required mailing or forwarding thereof, and the giving of that notice in that manner for all purposes of this Indenture shall be deemed to be in compliance with the requirement of Section 12.03. Except as otherwise provided herein, the mailing of any notice shall be deemed complete upon deposit of that notice in the mail and the giving of any notice by any other means of delivery shall be deemed complete upon receipt of the notice by the delivery service.

Section 12.05. Payments Due on Saturdays, Sundays and Holidays. If any Interest Payment Date, the Maturity Date or Mandatory Tender Date for the Bonds is a Saturday, Sunday or a day on which the Trustee is required, or authorized or not prohibited, by law (including without limitation, executive orders) to close and is closed, then payment of interest and principal need not be made by the Trustee on that date, but that payment may be made on the next succeeding Business Day on which the Trustee is open for business with the same force and effect as if that payment were made on the Interest Payment Date, Maturity Date or Mandatory Tender Date or date of maturity, and no interest shall accrue for the period after that date.

Section 12.06. Instruments of Holders. Any writing, including without limitation, any consent, request, direction, approval, objection or other instrument or document, required under this Indenture to be executed by any Holder may be in any number of concurrent writings of similar tenor and may be executed by that Holder in person or by an agent or attorney appointed in writing. Proof of (a) the execution of any writing, including without limitation, any consent, request, direction, approval, objection or other instrument or document, (b) the execution of any writing appointing any agent or attorney, and (c) the ownership of Bonds, shall be sufficient for any of the purposes of this Indenture, if made in the following manner, and if so made, shall be conclusive in favor of the Trustee with regard to any action taken thereunder, namely:

(i) The fact and date of the execution by any Person of any writing may be proved by the certificate of any officer in any jurisdiction, who has power by law to take acknowledgments within that jurisdiction, that the Person signing the writing acknowledged that execution before that officer, or by affidavit of any witness to that execution; and

(ii) The fact of ownership of Bonds shall be proved by the Register maintained by the Trustee.

Nothing contained herein shall be construed to limit the Trustee to the foregoing proof, and the Trustee may accept any other evidence of the matters stated therein which it deems to be sufficient. Any writing, including without limitation, any consent, request, direction, approval, objection or other instrument or document, of the Holder of any Bond shall bind every future

Holder of the same Bond, with respect to anything done or suffered to be done by the Issuer, the Borrower or the Trustee pursuant to that writing.

Section 12.07. Priority of this Indenture. This Indenture shall be superior to any liens which may be placed upon the Revenues or any other funds or accounts created pursuant to this Indenture.

Section 12.08. Extent of Covenants; No Personal Liability. All covenants, stipulations, obligations and agreements of the Issuer contained in this Indenture are and shall be deemed to be covenants, stipulations, obligations and agreements of the Issuer to the full extent authorized by the Act and permitted by the Constitution of the State. No covenant, stipulation, obligation or agreement of the Issuer contained in this Indenture shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Issuer or the Governing Body in other than that person's official capacity. Neither the members of the Governing Body nor any official executing the Bonds, this Indenture, the Loan Agreement or any amendment or supplement hereto or thereto shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance or execution hereof or thereof.

Section 12.09. Binding Effect. This Indenture shall inure to the benefit of and shall be binding upon the Issuer and the Trustee and their respective successors and assigns, subject, however, to the limitations contained herein.

Section 12.10. Counterparts. This Indenture may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

Section 12.11. Governing Law; Jurisdiction. This Indenture and the Bonds shall be deemed to be contracts made under the laws of the State and for all purposes shall be governed by and construed in accordance with the laws of the State. The parties hereby (i) irrevocably submit to the exclusive jurisdiction of any federal or state court sitting in Texas, (ii) waive any objection to laying of venue in any such action or proceeding in such courts, and (iii) waive any objection that such courts are an inconvenient forum or do not have jurisdiction over any party.

Section 12.12. Reserved.

Section 12.13. Waiver of Trial by Jury. Each of the parties hereto (other than the Issuer) hereby waives the right to trial by jury with respect to any litigation directly or indirectly arising out of, under or in connection with this Indenture.

(End of Article XII)

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Trust Indenture to be executed and delivered by duly authorized officers thereof as of the day and year first written above.

**TEXAS STATE AFFORDABLE
HOUSING CORPORATION**

By: _____
David Long, President

UMB Bank, N.A., as Trustee

By: _____
Robert Rodriguez, Vice President

EXHIBIT A
[BOND FORM]

REGISTERED NO. ____

**TEXAS STATE AFFORDABLE HOUSING CORPORATION
MULTIFAMILY HOUSING REVENUE BOND
(THE BLOOM AT LAMAR SQUARE)
SERIES 2026**

INITIAL INTEREST RATE: _____% MATURITY DATE: July 1, 2030 DATED DATE: June _____, 2026 CUSIP _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ MILLION AND NO/100 DOLLARS

INITIAL MANDATORY TENDER DATE: July 1, 2029

The Texas State Affordable Housing Corporation (the “**Issuer**”), a Texas nonprofit corporation for value received, promises (but solely from the sources and in the manner provided for in the hereinafter defined Indenture) to pay to the Registered Owner specified above or registered assigns, the Principal Amount specified above on the Maturity Date specified above (subject to the rights of redemption set forth herein), and to pay from those sources interest on the unpaid principal balance of said Principal Amount calculated at the aforesaid Interest Rate on (a) January 1 and July 1 of each year beginning January 1, 2027, (b) each Redemption Date and (c) each Mandatory Tender Date (the “**Interest Payment Dates**”) until the principal amount is paid or duly provided for. This Bond will bear interest from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from its date.

This Bond shall bear interest from the date of issuance to, but not including, the Initial Mandatory Tender Date specified above at a rate per annum equal to the Initial Interest Rate specified above and thereafter this Bond shall bear interest at the Remarketing Rate for each subsequent Remarketing Period (as defined in the Indenture). Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The principal of this Bond is payable upon presentation and surrender hereof at the designated corporate trust operations office of the trustee, presently UMB Bank, N.A. (the “**Trustee**”). Interest is payable on each Interest Payment Date by check or draft mailed to the Person in whose name this Bond (or one or more predecessor bonds) is registered (the “**Holder**”) at the close of business on the 5th day of the calendar month next preceding the Interest Payment Date (whether or not such date is a Business Day) (the “**Regular Record Date**”) on the registration books for this issue maintained by the Trustee, as registrar, at the address appearing therein. Any interest which is not timely paid or duly provided for shall cease to be payable to the Holder hereof

(or of one or more predecessor bonds) as of the Regular Record Date, and shall be payable to the Holder hereof (or of one or more predecessor bonds) at the close of business on a Special Record Date to be fixed by the Trustee for the payment of that overdue interest. Notice of the Special Record Date shall be mailed to Holders not fewer than ten (10) days prior thereto. The principal of and interest on this Bond are payable in lawful money of the United States of America, without deduction for the services of the paying agent. While the Bonds are held in a book-entry system of the Depository or its nominee, as provided in the Indenture, all payments with respect to principal of, premium, if any, and interest on, the Bonds and all notices with respect to the Bonds shall be made and given in accordance with the policies and procedures of the Depository.

NOTWITHSTANDING ANYTHING HEREIN CONTAINED TO THE CONTRARY, ANY OBLIGATION THAT THE ISSUER MAY INCUR UNDER THE INDENTURE OR UNDER ANY INSTRUMENT EXECUTED IN CONNECTION THEREWITH THAT SHALL ENTAIL THE EXPENDITURE OF MONEY SHALL NOT BE A GENERAL OBLIGATION OF THE ISSUER, BUT SHALL BE A SPECIAL LIMITED OBLIGATION PAYABLE SOLELY FROM THE TRUST ESTATE. THIS BOND SHALL CONSTITUTE A VALID CLAIM OF THE HOLDER HEREOF AGAINST THE TRUST ESTATE, WHICH IS PLEDGED TO SECURE THE PAYMENT OF THE BOND SERVICE CHARGES AND WHICH SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THE INDENTURE. THIS BOND SHALL BE A LIMITED OBLIGATION OF THE ISSUER GIVING RISE TO NO CHARGE AGAINST THE ISSUER'S GENERAL CREDIT AND PAYABLE SOLELY FROM, AND CONSTITUTE CLAIMS OF THE HOLDERS THEREOF AGAINST ONLY, THE TRUST ESTATE. THE BOND SERVICE CHARGES SHALL NOT BE DEEMED TO CONSTITUTE DEBT OF THE ISSUER (EXCEPT TO THE EXTENT OF THE TRUST ESTATE). THIS BOND IS NOT AND DOES NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE OF TEXAS OR ANY POLITICAL SUBDIVISION THEREOF, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH, CREDIT, OR TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE ISSUER HAS NO TAXING POWER. THE STATE OF TEXAS IS NOT OBLIGATED TO PAY THE PRINCIPAL OF OR ANY PREMIUM OR INTEREST ON THIS BOND AND THE FULL FAITH AND CREDIT AND TAXING POWER OF THE STATE OF TEXAS ARE NOT PLEDGED, GIVEN, OR LOANED TO THE PAYMENT OF THIS BOND.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR FOR ANY CLAIM BASED ON THIS BOND, OR OTHERWISE IN RESPECT OF THIS BOND, OR BASED ON OR IN RESPECT OF THE INDENTURE OR ANY SUPPLEMENTAL INDENTURE, AGAINST THE GENERAL CREDIT OF THE ISSUER OR AGAINST ANY PAST, PRESENT OR FUTURE GOVERNING BOARD MEMBER, DIRECTOR, OFFICER, AGENT OR EMPLOYEE OF THE ISSUER, OR OF ANY SUCCESSOR TO THE ISSUER, AS SUCH, EITHER DIRECTLY OR THROUGH THE ISSUER OR ANY SUCCESSOR TO THE ISSUER, UNDER ANY RULE OF LAW OR EQUITY, STATUTE OR CONSTITUTION OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY SUCH GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS OR EMPLOYEES, AS SUCH, IS

HEREBY EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF, AND CONSIDERATION FOR, THE EXECUTION AND ISSUANCE OF THIS BOND.

THIS BOND IS A SPECIAL, LIMITED OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM, AND SECURED ONLY BY, THE TRUST ESTATE (BUT NOT FUNDS RESULTING FROM THE EXERCISE OF THE RESERVED RIGHTS), AND WHICH SHALL BE USED FOR NO OTHER PURPOSE EXCEPT AS EXPRESSLY AUTHORIZED IN THE INDENTURE.

This Bond is one of a duly authorized issue of Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (The Bloom at Lamar Square) Series 2026 (the “**Bonds**”), issuable under the Trust Indenture dated as of June 1, 2026 (the “**Indenture**”), between the Issuer and the Trustee, aggregating in principal amount \$[14,500,000] and used for the purpose of financing a loan (the “**Loan**”) to be made to FC Bloom Housing, LP, a Texas limited partnership (the “**Borrower**”). The Loan will be used by the Borrower to pay a portion of the costs of acquiring, equipping and constructing the Project, as defined in the Indenture, as further provided in a Loan Agreement, dated as of even date with the Indenture (the “**Loan Agreement**”), between the Issuer and the Borrower. The Bonds are special, limited obligations of the Issuer, issued under and secured and entitled equally and ratably to the protection given by the Indenture. The Bonds are issued under and pursuant to the Constitution and the laws of the State, particularly Subchapter Y of Chapter 2306, Texas Government Code, as amended (the “**Act**”) and a bond resolution adopted by the Issuer (the “**Resolution**”).

Capitalized terms not otherwise defined herein shall have the meaning set forth in the Indenture.

The Bonds are subject to redemption and mandatory tender prior to their stated maturity as follows:

(a) Redemption. The Bonds are subject to optional and mandatory redemption in accordance with the provisions of the Indenture. The Bonds shall be redeemed in Authorized Denominations.

(b) Mandatory Tender. The Bonds are subject to mandatory tender in accordance with the provisions of the Indenture.

Reference is made to the Indenture for a more complete description of the Project, the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the Issuer, the Trustee and the Holders of the Bonds, and the terms and conditions upon which the Bonds are issued and secured. Each Holder assents, by its acceptance hereof, to all of the provisions of the Indenture.

The Borrower is required by the Loan Agreement to cause the Construction Lender (each as defined in the Indenture) to deposit on its behalf Eligible Funds (as defined in the Indenture) to the Trustee in the amounts and at the times necessary to pay the principal of, premium, if any and interest on the Bonds (the “**Bond Service Charges**”), provided however that the Borrower shall be entitled to a credit against the required Loan Payments in an amount equal to the available money in the Bond Fund for the payment of Bond Service Charges. In the Indenture, the Issuer

has assigned to the Trustee, to provide for the payment of the Bond Service Charges on the Bonds, the Issuer's right, title and interest in and to the Loan Agreement, except for Reserved Rights as defined in the Indenture. To secure its compliance with certain covenants in the Loan Agreement, the Borrower has executed and delivered the Regulatory Agreement.

Copies of the Indenture, the Loan Agreement and the Regulatory Agreement are on file in the designated corporate trust office of the Trustee.

The Bond Service Charges on the Bonds are payable solely from the Trust Estate, as defined and as provided in the Indenture, and are an obligation of the Issuer only to the extent of the Trust Estate. The Bonds are not secured by an obligation or pledge of any money raised by taxation and do not represent or constitute a debt or pledge of the faith and credit of the Issuer.

The Indenture permits certain amendments or supplements to the Indenture to the extent and in the circumstances set forth therein.

The Holder of each Bond has only those remedies provided in the Indenture.

The Bonds shall not constitute the personal obligation, either jointly or severally, of the members of the Governing Body or of any other officer or official of the Issuer.

This Bond shall not be entitled to any security or benefit under the Indenture or be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed.¹

It is certified and recited that there have been performed and have happened in regular and due form, as required by law, all acts and conditions necessary to be done or performed by the Issuer or to have happened (a) precedent to and in the issuing of the Bonds in order to make them legal, valid and binding special obligations of the Issuer, and (b) precedent to and in the execution and delivery of the Indenture and the Loan Agreement; that payment in full for the Bonds has been received; and that the Bonds do not exceed or violate any constitutional or statutory limitation.

¹ Omit this paragraph in the Initial Bond.

IN WITNESS OF THE ABOVE, the Issuer has caused this Bond to be executed in the name of the Issuer by its authorized officers, as of the date shown above.

TEXAS STATE AFFORDABLE HOUSING CORPORATION

By: _____
[President][Executive Vice President]

ATTEST:

By: _____
Secretary

[Form of Trustee's Certificate of Authentication²]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds issued under the provisions of and described in the within-mentioned Indenture.

Date of Authentication: _____

UMB Bank, N.A., as Trustee

By: _____
Authorized Signatory

² Do not include on the Initial Bond.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and irrevocably constitutes and appoints _____ attorney to transfer that Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agent Medallion Program or in such other guarantee program acceptable to the Registrar.

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatsoever.

Please insert social security number or other tax identification number of transferee

Texas State Affordable Housing Corporation
Multifamily Housing Revenue Bonds
(The Bloom at Lamar Square)
Series 2026

**Bond Document No. 3:
Loan Agreement**

LOAN AGREEMENT

Dated as of June 1, 2026

Between

TEXAS STATE AFFORDABLE HOUSING CORPORATION

And

FC BLOOM HOUSING, LP

[\$14,500,000]

Texas State Affordable Housing Corporation
Multifamily Housing Revenue Bonds
(The Bloom at Lamar Square)
Series 2026

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(This Index is not a part of the Loan Agreement
but rather is for convenience of reference only.)

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LOAN AGREEMENT

THIS LOAN AGREEMENT made and entered into as of June 1, 2026 between the **TEXAS STATE AFFORDABLE HOUSING CORPORATION** (the “**Issuer**”) a Texas nonprofit corporation and **FC BLOOM HOUSING, LP**, a Texas limited partnership (the “**Borrower**”), under the following circumstances summarized in the following recitals (the capitalized terms not defined in the recitals being used therein as defined in Article I hereof):

1. The Issuer is authorized by the provisions of Subchapter Y of Chapter 2306, Texas Government Code, as amended (the “**Act**”), to issue one or more series of its revenue bonds and to loan the proceeds thereof to finance multifamily residential rental housing intended to be occupied by persons and families of low, very low and extremely low income in the State of Texas.

2. The Issuer has determined to issue its Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (The Bloom at Lamar Square) Series 2026 (the “**Bonds**”), and, as more fully set forth in the Indenture, the Issuer has determined to lend the proceeds of the sale of the Bonds in the original principal amount of \$[14,500,000] (the “**Loan**”) to the Borrower to assist in the financing of the Project.

3. To provide and secure amounts to repay the Loan to the Issuer, the Borrower will obtain the Construction Loan from the Construction Lender, Sponsor Loans from the Sponsor and the AHFC Loan from AHFC and will make or cause the Construction Lender, the Sponsor and AHFC to make certain payments to the Trustee under the Indenture for the benefit of the Issuer.

4. In order to assure compliance with Sections 103 and 142 through 150, inclusive, of the Code, the Issuer, the Borrower and the Trustee have entered into a Regulatory Agreement and Declaration of Restrictive Covenants, dated as of the same date hereof, (as amended and supplemented from to time, the “**Regulatory Agreement**”), the Issuer has executed a Certificate as to Tax Exemption dated the Closing Date (the “**Issuer's Certificate As To Tax Exemption**”) and the Borrower has executed a Borrower's Tax Letter of Representation dated the Closing Date (the “**Borrower's Tax Letter of Representation**” and together with the Issuer’s Certificate as to Tax Exemption, the “**Tax Certificates**”), each of which sets forth various certifications, representations, and covenants relating to the tax-exempt status of the Bonds.

5. The parties to this Loan Agreement acknowledge the matters set forth in the Recitals to the Indenture.

NOW THEREFORE, in consideration of the premises and the mutual representations and agreements hereinafter contained, the Issuer and the Borrower agree as follows:

ARTICLE I.

DEFINITIONS

Section 1.1 Use of Defined Terms. In addition to the words and terms defined elsewhere in this Loan Agreement, the words and terms that are used but not defined in this Loan Agreement, including the recitals above, shall have the meanings set forth in the Trust Indenture (the “**Indenture**”), dated as of the date of this Loan Agreement between the Issuer and UMB Bank, N.A., as trustee (the “**Trustee**”).

Section 1.2 Interpretation. Any reference herein to the Issuer, to the Governing Body or to any member or officer of either includes entities or officials succeeding to their respective functions, duties or responsibilities pursuant to or by operation of law or lawfully performing their functions.

Any reference to a section or provision of the Constitution of the State or the Act, or to a section, provision or chapter of the laws of the State or to any statute of the United States of America, includes that section, provision or chapter as amended, modified, revised, supplemented or superseded from time to time; provided, that no amendment, modification, revision, supplement or superseding section, provision or chapter shall be applicable solely by reason of this provision, if it constitutes in any way an impairment of the rights or obligations of the Issuer, the Holders, the Trustee or the Borrower under this Loan Agreement.

Unless the context indicates otherwise, words importing the singular number include the plural number, and vice versa; the terms “hereof,” “hereby,” “herein,” “hereto,” “hereunder” and similar terms refer to this Loan Agreement; and the term “hereafter” means after, and the term “heretofore” means before, the date of delivery of the Bonds. Words of any gender include the correlative words of the other genders, unless the sense indicates otherwise.

Section 1.3 Captions and Headings. The captions and headings in this Loan Agreement are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Articles, Sections, subsections, paragraphs, subparagraphs or clauses hereof.

(End of Article I)

ARTICLE II.

REPRESENTATIONS

Section 2.1 Representations, Warranties and Covenants of the Issuer. The Issuer makes the following representations, warranties and covenants:

(a) The Issuer is a Texas nonprofit corporation. Under the provisions of the Act, the Issuer has the power to enter into the transactions on its part contemplated by this Loan Agreement and the other Issuer Documents and to carry out its obligations hereunder and thereunder. The issuance of the Bonds to provide funding for the Loan is intended to serve the public interest and will further the purposes of the Act including the provision of financing multifamily residential rental housing intended to be occupied by persons and families of low, very low and extremely low income in the State of Texas; to accomplish the foregoing, the Issuer intends to issue the Bonds on the terms set forth in the Indenture and to use the proceeds derived from the sale of the Bonds as specified in the Indenture and this Loan Agreement. By proper action, the Issuer has authorized the execution, delivery and due performance of the Issuer Documents.

(b) Neither the execution and delivery of the Bonds, the Issuer Documents, nor the Issuer's compliance with the terms, conditions or provisions on the part of the Issuer in the Bonds and the Issuer Documents, to the best knowledge of the Issuer, conflicts in any material respect with or results in a material breach of any of the terms, conditions or provisions of the Constitution or any statute of the State, or of any agreement, instrument, judgment, order or decree to which the Issuer is now a party or by which it is bound or constitutes a material default by the Issuer under any of the foregoing.

(c) THE ISSUER MAKES NO WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROJECT OR ANY PORTION THEREOF, INCLUDING WITHOUT LIMITATION, THE HABITABILITY THEREOF; THE MERCHANTABILITY OR FITNESS THEREOF FOR ANY PARTICULAR PURPOSES; THE DESIGN OR CONDITION THEREOF; THE WORKMANSHIP, QUALITY, OR CAPACITY THEREOF; LATENT DEFECTS THEREIN; THE VALUE THEREOF; FUTURE PERFORMANCE OR THE COMPLIANCE THEREOF WITH ANY LEGAL REQUIREMENTS.

(d) THE ISSUER DOES NOT MAKE ANY WARRANTY, EITHER EXPRESS OR IMPLIED, THAT MONEYS, IF ANY, WHICH WILL BE PAID INTO THE PROJECT FUND OR OTHERWISE MADE AVAILABLE TO THE BORROWER WILL BE SUFFICIENT TO COMPLETE THE PROJECT, AND THE ISSUER SHALL NOT BE LIABLE TO THE BORROWER, THE HOLDERS OR ANY OTHER PERSON IF FOR ANY REASON THE PROJECT IS NOT COMPLETED.

(e) No representation is made as to compliance with any state securities or "blue sky" laws.

(f) The Issuer makes no representation as to the financial position or business condition of the Borrower and does not represent or warrant as to any of the statements, materials (financial or otherwise), representations or certifications furnished or to be made and furnished by the

Borrower in connection with the sale of the Bonds, or as to the correctness, completeness or accuracy of such statements.

(g) The Issuer will not knowingly take or permit to be taken any action that would adversely affect the Federal Tax Status of the Bonds.

(h) The Issuer will, at the expense of the Borrower, take such action or actions from time to time, including amendment of this Loan Agreement, as may be necessary, as stated in an Opinion of Bond Counsel acceptable to the Issuer, to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service from time to time pertaining to obligations on which the interest is tax-exempt under Section 103 of the Code, including, but not limited to, the provisions of Section 142(d) of the Code. The Issuer will not take, or permit to be taken on its behalf, any action that would adversely affect the Federal Tax Status of the Bonds, and it will take, at the sole cost and expense of the Borrower, such action as may be necessary to continue such Federal Tax Status.

Section 2.2 Representations and Covenants of the Borrower. The Borrower represents and covenants that:

(a) It is a limited partnership duly formed and in full force and effect under the laws of the State of Texas, is in good standing and duly qualified to transact business in Texas (the “**State**”) and not in violation of any provision of any applicable organizational documents, and is authorized to own and operate the Project in the State.

(b) It has full power and authority to execute, deliver and perform the Borrower Documents and to enter into and carry out the transactions contemplated by those documents. The execution, delivery and performance of the Borrower Documents do not, and will not, to Borrower’s knowledge violate any provision of law applicable to the Borrower and do not, and will not, conflict with or result in a default in any material respect under any agreement or instrument to which the Borrower is a party or by which it is bound. The Borrower Documents have, by proper action, been duly authorized, executed and delivered by the Borrower and all steps necessary have been taken to constitute the Borrower Documents valid and binding obligations of the Borrower, enforceable in accordance with their terms except as may be limited by laws relating to bankruptcy, insolvency, reorganization or moratorium or other similar laws affecting creditors’ rights and general principles of equity.

(c) The Borrower was formed on December 13, 2024. The general partner of the Borrower is FC Lamar Square Phase 1 Housing, LLC, a Texas limited liability company (the “**General Partner**”). The Investor Partner of the Borrower is Bank of America, N.A. and MPC TX The Bloom, LLC. The Borrower does not currently operate or conduct any business except as related to the financing, acquisition, construction and equipping of the Project. The Borrower has no material assets or property other than its anticipated interest in the Project. All partnership interests in the Borrower are validly issued and are fully registered, if required, with the applicable Governmental authority and there are no outstanding options or rights to purchase or acquire those interests, except as contained in the Organizational Documents.

(d) The General Partner (1) is a limited liability company, duly organized under the laws of the State and duly qualified to transact business in the State, and (2) has the requisite legal authority to become and to act as a General Partner of the Borrower.

(e) The provision of financial assistance to be made available to it under this Loan Agreement and the commitments therefor made by the Issuer have induced the Borrower to undertake the transactions contemplated by this Loan Agreement.

(f) It will use and operate the Project in a manner consistent with the Act and in accordance with the Tax Certificates and the Regulatory Agreement for as long as required by the Act and the Code and knows of no reason why the Project will not be so operated. If, in the future, there is a cessation of that operation, it will use its best efforts to resume that operation or accomplish an alternate use by the Borrower or others approved by the Issuer which will be consistent with the Act, the Code, the Tax Certificates and the Regulatory Agreement. The Borrower hereby declares and recites that the Project will be operated by it in furtherance of the public purposes of the Issuer as provided herein.

(g) The Borrower will comply with all requirements of the Act and any and all lawful rules, policies and applicable regulations of the Issuer adopted pursuant to the Act, and will fully cooperate with the Issuer with respect to its compliance and oversight requirements.

(h) The Project will be completed in material accordance with the Plans and Specifications and the requirements regarding the construction and operation of the Project set forth in the Tax Certificates and the Regulatory Agreement. The Project will be operated and maintained in such manner as to materially satisfy all requirements of the Borrower Documents, conform in all material respects with all applicable zoning, planning, building, and environmental laws and other applicable laws and Governmental regulations, including but not limited to the Americans with Disabilities Act of 1990 (to the extent applicable to the Project).

(i) All rights of way for all roads necessary for the full utilization of the Project have been dedicated to public use and accepted by the appropriate Governmental authority.

(j) The Project will be located entirely within the jurisdiction of the Issuer.

(k) The Borrower will make all necessary filings with and has obtained or will obtain all consents, approvals, permits, authorizations and orders of any Governmental or regulatory agency that are required to be obtained by the Borrower as a condition precedent to the issuance of the Bonds, the execution and delivery of the Borrower Documents or the performance by the Borrower of its obligations thereunder, or that were or are required for the acquisition, construction, equipping and/or operation of the Project.

(l) No litigation at law or in equity or proceeding before any Governmental agency involving the Borrower is pending or, to the best of its knowledge, threatened in which any liability of the Borrower is not adequately covered by insurance or in which any judgment or order would have a material adverse effect upon the business or assets of the Borrower or that would affect its existence or authority to do business, the acquisition, construction, equipping or operation of the Project, the validity of any Borrower Documents or the performance of its obligations thereunder,

or that would prohibit, restrain or enjoin the issuance and sale of the Bonds or adversely affect the Federal Tax Status of the Bonds.

(m) The Borrower is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in material default under any instrument under and subject to which any indebtedness has been incurred, and no event has occurred and is continuing beyond any applicable notice and cure period that, under the provisions of any such agreement, with the lapse of time or the giving of notice, or both, would constitute an event of default by the Borrower thereunder.

(n) The Borrower is not in material default under any agreement which would materially adversely affect the transactions contemplated by the Borrower Documents.

(o) The Borrower is not in default under or in violation of, and the execution, delivery and compliance by the Borrower with the terms and conditions of the Borrower Documents do not and will not conflict with or constitute or result in a default by the Borrower in any material respect under or violate, (i) the Organizational Documents, (ii) any agreement or other instrument to which the Borrower is a party or by which it or its assets are bound, or (iii) to the best of its knowledge, any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, Government or Governmental authority having jurisdiction over the Borrower or its property, and no event has occurred and is continuing beyond any applicable notice and cure period which, with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

(p) The Borrower has received and reviewed a copy of the Indenture and approves the terms and conditions thereof and agrees to the terms thereof. The Borrower shall, for the benefit of the Issuer, each Holder and the Trustee, do and perform all acts and things required or contemplated in the Indenture to be done or performed by it.

(q) The representations and warranties of the Borrower contained in the Borrower's Tax Letter of Representations and the Regulatory Agreement are true and correct, and as of the Closing Date, the Borrower is in compliance with all requirements of the Regulatory Agreement and the Borrower's Tax Letter of Representations.

(r) The Borrower has filed or caused to be filed all federal, state and local tax returns that are required to be filed or has obtained appropriate extensions therefor, and has paid or caused to be paid all taxes as shown on said returns or on any assessment received by it, to the extent that such taxes have become due.

(s) The Borrower will have a fee simple ownership of the Project real property and will have fee simple ownership of the Project improvements, and there are no liens or encumbrances against such property other than the Permitted Encumbrances and the Indenture.

(t) The Borrower acknowledges, represents and warrants that it understands the nature and structure of the transactions relating to the financing of the Project; that it is familiar with the provisions of all of the documents and instruments relating to such financing to which it or the Issuer is a party or of which it is a beneficiary; that it understands the risks inherent in such transactions, including, without limitation, the risk of loss of the Project; and that it has not relied

on the Issuer or its counsel for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by this Loan Agreement and the Indenture or otherwise relied on the Issuer or its counsel in any manner.

(u) No information, statement or report furnished in writing to the Issuer or the Trustee by the Borrower in connection with the transactions provided for in the Financing Documents or the closing of the transactions provided for in the Financing Documents contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in such written materials, in light of the circumstances under which they were made, not misleading.

(v) The Borrower intends to cause the residential units in the Project to be rented or available for rental on a basis which satisfies the requirements of the Regulatory Agreement, including all applicable requirements of the Act and the Code. All future leases will comply with all applicable laws and the Regulatory Agreement. The Project will satisfy the requirements of this Loan Agreement, the Regulatory Agreement, the Act, the Tax Certificates and the Code and the Regulations promulgated thereunder with respect to multifamily rental housing.

(w) The proceeds of the Bonds shall be used or deemed used exclusively to pay costs that (i) are Project Costs and (ii) the Project and the land on which it is located will have been financed 50% or more by the proceeds of the Bonds for the purpose of complying with Section 42(h)(4)(b) of the Code; provided, however, the foregoing representation, covenant and warranty is made for the benefit of the Borrower and its partners and neither the Trustee nor the Issuer shall have any obligation to enforce this covenant nor shall they incur any liability to any Person, including without limitation, the Borrower, the partners of the Borrower, any other Affiliate of the Borrower or the Holders of the Bonds for any failure to meet the intent expressed in the foregoing representation, covenant and warranty; and provided further, failure to comply with this representation, covenant and warranty shall not constitute a default or an Event of Default under this Loan Agreement or the Indenture.

(x) The Borrower acknowledges the Indenture and acknowledges and agrees to meet each and every obligation of Borrower thereunder.

(y) Prior to closing, the Borrower shall provide the Trustee with certified tax identification numbers by furnishing appropriate forms W-9 or W-8 and such other forms and documents that the Trustee may request. Each party understands that if such tax reporting documentation is not provided and certified to the Trustee, the Trustee may be required by the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, to withhold a portion of any interest or other income earned on the investment of the assets held under the Indenture.

The Borrower acknowledges that the representations and covenants herein made by the Borrower have been expressly and specifically relied upon by the Issuer in determining to make the Loan to the Borrower and the Loan would not have been made but for such representations and covenants.

(End of Article II)

ARTICLE III.

PLAN OF FINANCING

Section 3.1 Issuance of Bonds; Application of Proceeds. To provide funds to finance the Loan, the Issuer shall simultaneously with the execution and delivery hereof proceed with the issuance and delivery of the Bonds upon receipt by the Trustee of the items listed in Section 2.11 of the Indenture. The Issuer agrees to deposit the proceeds of sale of the Bonds in accordance with the Indenture.

The Bonds will be issued pursuant to the Indenture in the aggregate principal amount, will bear interest, will mature and will be subject to redemption, mandatory tender and remarketing as set forth therein. The Borrower hereby approves the terms and conditions of the Indenture and the Bonds, and the terms and conditions under which the Bonds will be issued, sold and delivered and will comply with those provisions of the Indenture that contemplate action by the Borrower, all as if the Borrower were a party to the Indenture.

Pending disbursement pursuant to the terms of the Indenture and Section 3.6 hereof, the proceeds of the Bonds deposited in the Project Fund, together with any investment earnings thereon, shall constitute a part of the Revenues assigned by the Issuer to the Trustee as security for the payment of Bond Service Charges as provided in the Indenture.

Section 3.2 The Loan. The Issuer agrees, upon the terms and conditions herein, to make the Loan to the Borrower with the proceeds received by the Issuer from the sale of the Bonds by causing such proceeds to be deposited with the Trustee for disposition as provided in the Indenture. The obligation of the Issuer to finance the Loan shall be deemed fully discharged, and the principal amount of the Bonds shall be deemed fully advanced to the Borrower under the Note, upon the deposit of the proceeds of the Bonds with the Trustee. The Loan shall be evidenced by the Note payable to the Trustee.

The Construction Lender, the Sponsor or other subordinate loan lenders or entities may make available certain Eligible Funds to the Trustee, from time to time, as required, for deposit into the Collateral Fund (a "Collateral Payment"), and, upon each such deposit into the Collateral Fund, an equal amount of Bond proceeds will be disbursed from the Project Fund to or at the direction of the Construction Lender to pay the costs set forth in an approved Disbursement Request; notwithstanding any provision to the contrary herein or in the other Financing Documents, upon receipt of a Collateral Payment, the Trustee shall be obligated to either (i) disburse Bond proceeds in like amount, or (ii) return the Eligible Funds to the Construction Lender within one Business day after receipt of the Eligible Funds.

Section 3.3 Acquisition, Construction, Installation, Equipment and Improvement. The Borrower (a) has acquired or is in the process of creating the Lamar Square Phase I Condominium Regime on the Project site and shall construct, improve and equip the Project with all reasonable dispatch and in accordance with the Plans and Specifications and the Tax Certificates, (b) shall pay when due all fees, costs and expenses incurred in connection with that acquisition, construction, installation, equipment and improvement from funds made available therefor in accordance with this Loan Agreement or otherwise, except to the extent being contested in good

faith, and (c) shall ask, demand, sue for, levy, recover and receive all those sums of money, debts and other demands whatsoever which may be due, owing and payable under the terms of any contract, order, receipt, writing and instruction in connection with the acquisition, construction, improvement and equipping of the Project, and shall enforce the provisions of any contract, agreement, obligation, bond or other performance security with respect thereto. It is understood that the Project is that of the Borrower and any contracts made by the Borrower with respect thereto, whether acquisition contracts, construction contracts or otherwise, or any work to be done by the Borrower on the Project are made or done by the Borrower in its own behalf and not as agent or contractor for the Issuer. The Borrower agrees that it will compensate all workers employed in the construction, improvement, and equipping of the Project as required by law.

Section 3.4 Plans and Specifications. The Plans and Specifications have been or shall be filed with the Construction Lender. The Borrower may revise the Plans and Specifications from time to time, provided that no revision shall be made which would change the purpose of the Project to other than purposes permitted by the Act, the Tax Certificates or the Regulatory Agreement. At or prior to the execution and delivery of this Loan Agreement, the Borrower shall provide to the Construction Lender evidence acceptable to the Construction Lender, in its sole discretion, of the availability of all financing contemplated by the plan of financing for the Project including, without limitation (and without regard to whether the immediate availability of such financing is a condition to undertaking the Project), the equity portion of the financing and all other public and private financing and any interim or bridge financing to be provided in anticipation of the closing of any of the foregoing aspects of the financing therefor. Any material changes in the plan of financing shall be communicated promptly to the Construction Lender. Copies of all documents evidencing that financing, and the security therefor, all in form reasonably acceptable to the Construction Lender, shall have been provided to the Issuer.

No material revision of the Plans and Specifications shall be made unless the Borrower has first delivered to the Issuer a narrative description of the proposed revision accompanied by a certificate of the Authorized Borrower Representative certifying the change in costs of the Project resulting from the revision and that the moneys then on deposit in the Project Fund, together with investment earnings thereon, if any, together with other identified available moneys will be sufficient to pay in full the costs of the Project, including the change in costs resulting from such revision and the deferral of developer fee (if applicable).

Section 3.5 Disbursements from the Project Fund. Subject to the provisions below and so long as no Event of Default hereunder has occurred and is continuing beyond any applicable notice and cure period for which the principal amount of the Bonds has been declared to be immediately due and payable pursuant to Section 7.2 hereof and Section 6.03 of the Indenture, and the Bonds have maintained their Federal Tax Status, disbursements from the Project Fund shall be made only to pay any of the following costs:

(a) Costs incurred directly or indirectly for or in connection with the leasing, construction, improvement and equipping of the Project, including costs incurred in respect of the Project for preliminary planning and studies; architectural, legal, engineering, accounting, consulting, supervisory and other services; labor, services and materials; and recording of documents and title work.

(b) Premiums attributable to any surety bonds and insurance required to be taken out and maintained during the construction period with respect to the Project.

(c) Taxes, assessments and other Governmental charges in respect of the Project that may become due and payable during the construction period.

(d) Costs incurred directly or indirectly in seeking to enforce any remedy against any contractor or subcontractor in respect of any actual or claimed default under any contract relating to the Project.

(e) Subject to the limitations set forth in Section 5.4(a)(2)(b) hereof, Costs of Issuance of the Bonds.

(f) Any other costs, expenses, fees and charges properly chargeable to the cost of acquisition, construction, improvement and equipping of the Project.

(g) Payment of interest on the Bonds during the construction period.

(h) Payments to the Rebate Fund.

Any disbursements from the Project Fund for the payment of costs set forth in this Section 3.6 shall be made by the Trustee only upon the receipt by the Trustee of: (a) a Disbursement Request in the form attached hereto as Exhibit B and (b) Eligible Funds in an amount equal to the amount of any such Disbursement Request for deposit in the Collateral Fund as provided in Section 4.2 hereof. The Borrower hereby acknowledges and agrees that it shall submit Disbursement Requests to the Trustee no more frequently than once each calendar month. Each such Disbursement Request shall be consecutively numbered.

The Borrower's right to request disbursements from the Project Fund is limited to the principal amount of the Loan.

After the Completion Date and payment, or provision for payment, in full of the costs of the Project set forth in this Section 3.6 (and all related retainage and punch-list items), the Authorized Borrower Representative promptly shall direct the Trustee to transfer any money remaining in the Project Fund to the Bond Fund, which money shall be used to redeem Bonds in accordance with the Indenture on the earliest date on which such Bonds are subject to optional redemption, as set forth in Section 3.01(a) of the Indenture.

Notwithstanding any provision of this Loan Agreement or any provision of the Indenture to the contrary, the Trustee shall not disburse funds from the Project Fund unless and until the Trustee confirms internally that amounts on deposit in the Collateral Fund plus amounts on deposit in the Project Fund, less the amount of the requested disbursement from the Project Fund, is at least equal to the then-Outstanding principal amount of the Bonds; provided, however, notwithstanding any provision to the contrary herein or in the other Financing Documents, that upon receipt of Eligible Funds from the Construction Lender (and other funding sources referred to in the Indenture), Trustee shall be obligated to either (i) disburse Bond proceeds in like amount, or (ii) return the Eligible Funds to the Construction Lender within one Business day after receipt of the Eligible Funds.

Section 3.6 Deposits to the Collateral Fund. The Borrower will direct the Construction Lender or other subordinate loan lenders or entities to deliver Eligible Funds to the Trustee for deposit into the Collateral Fund in exchange for the Trustee disbursing an equal amount of Bond proceeds from the Project Fund under the Indenture pursuant to and consistent with Sections 3.5 and 4.7 hereof and Sections 4.04 and 4.06 of the Indenture.

Section 3.7 Completion Date. The Borrower shall notify the Issuer and the Trustee of the Completion Date by the delivery of a Completion Certificate signed by the Authorized Borrower Representative substantially in the form of Exhibit C attached hereto. The Completion Certificate shall be delivered as promptly as practicable.

Section 3.8 Borrower Required to Pay Costs in Event Project Fund Insufficient. If money in the Project Fund is not sufficient to pay all costs of the Project, the Borrower will complete the Project in accordance with the Plans and Specifications and shall pay all such additional costs from its own funds. The Borrower shall pay all Costs of Issuance of the Bonds in excess of the amount permitted by the Tax Certificates. The Borrower shall not be entitled to any reimbursement for any such additional costs or payment of Costs of Issuance from the Issuer, the Trustee or any Holder; nor shall it be entitled to any abatement, diminution or postponement of any Loan Payments or other amounts to be paid under this Loan Agreement.

Section 3.9 Investment of Fund Money. At the written request of the Authorized Borrower Representative, any money held as part of the Bond Fund, the Project Fund, the Collateral Fund and the Rebate Fund shall be invested or reinvested by the Trustee in Eligible Investments as provided in the Indenture, subject to the provisions of the Tax Certificates. The Issuer (to the extent within its control) and the Borrower each hereby covenant that it will restrict that investment and reinvestment and the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time of delivery of and payment for the Bonds or subsequent intentional acts, so that the Bonds will not constitute "arbitrage bonds" under Section 148 of the Code. No provision of this Loan Agreement shall be construed to impose upon the Trustee any obligation or responsibility for compliance with arbitrage regulations.

Section 3.10 Remarketing of Bonds. The Borrower is hereby granted the right to (a) request a remarketing of the Bonds in the manner and to the extent set forth in Section 3.07 of the Indenture and (ii) with the written consent of the Remarketing Agent (which consent shall not be unreasonably withheld, conditioned or delayed), designate the length of the Remarketing Period and the related Mandatory Tender Date in the manner and to the extent set forth in Sections 3.05 and 3.07 of the Indenture.

(End of Article III)

ARTICLE IV.

LOAN PAYMENTS; COLLATERAL FUNDS AND ADDITIONAL PAYMENTS

Section 4.1 Loan Repayment; Delivery of Note. In consideration of and in repayment of the Loan, the Borrower shall deliver or cause to be delivered to the Trustee at least one Business days before each Bond Payment Date, Loan Payments equal to the amount necessary to pay Bond Service Charges due on the next Bond Payment Date. All such Loan Payments shall be paid to the Trustee in accordance with the terms of the Note for the account of the Issuer and shall be held and disbursed in accordance with the provisions of the Indenture and this Loan Agreement.

The Borrower shall be entitled to a credit against the Loan Payments required to be made with respect to the Bonds on any date equal to the available money in the Bond Fund for the payment of Bond Service Charges on that date.

To secure the Borrower's performance of its obligations under this Loan Agreement, the Borrower shall execute and deliver, concurrently with the issuance and delivery of the Bonds, the Note and the Regulatory Agreement. The Borrower has, concurrently with or before the execution and delivery of the Bonds, executed and delivered and will cause to be recorded in the official records of Travis County, Texas, the Regulatory Agreement.

The Note shall secure equally and ratably all Outstanding Bonds, except that, so long as no Event of Default has occurred and is continuing beyond any applicable notice and cure period hereunder, payments by the Borrower on the Note or amounts credited toward such payments shall be used by the Trustee to make a like payment of Bond Service Charges and shall constitute Loan Payments.

Upon payment in full, in accordance with the Indenture, of the Bond Service Charges on the Bonds, whether at maturity or otherwise, or upon provision for the payment thereof having been made in accordance with the provisions of the Indenture, (a) the Note shall be deemed fully paid, the obligations of the Borrower thereunder shall be terminated, and the Note shall be surrendered by the Trustee to the Borrower, and shall be canceled by the Borrower, or (b) an appropriate notation shall be endorsed thereon evidencing the date and amount of the principal payment (or prepayment) equal to the Bonds so paid, or with respect to which provision for payment has been made, and that Note shall be surrendered by the Trustee to the Borrower for cancellation if all Bonds shall have been paid (or provision made therefor) and canceled as aforesaid. Unless the Borrower is entitled to a credit under express terms of this Loan Agreement or the Note, all payments on the Note shall be in the full amount required thereunder.

Section 4.2 Eligible Funds. In consideration of and as a condition to the disbursement of Bond proceeds in the Project Fund for Project costs, and to secure the Borrower's obligation to make Loan Payments, the Borrower shall direct the Construction Lender, the Sponsor or other subordinate loan lender(s), pursuant to the terms of the Construction Loan Documents, the Sponsor Loans Documents or other subordinate loan documents, as applicable, to deliver or cause to be delivered to the Trustee at least one Business day before each such disbursement, Eligible Funds

equal to the amount of such disbursement from the Project Fund. All such Eligible Funds shall be paid to the Trustee for the account of the Issuer and shall be held in the Collateral Fund and disbursed in accordance with the provisions of the Indenture. Eligible Funds provided by the Construction Lender (and other funding sources described in the Indenture) will not be used to pay for Project costs. Notwithstanding any provision to the contrary herein or in the other Financing Documents, upon receipt of a Collateral Payment from the Construction Lender (and other funding sources described in the Indenture), Trustee shall be obligated to either (i) disburse Bond proceeds in like amount, or (ii) return the Collateral Payment to the Construction Lender, within one Business day after receipt of the Collateral Payment.

Section 4.3 Bond Fund and Collateral Fund. The Borrower and the Issuer each acknowledge that neither the Borrower nor the Issuer has any interest in the Bond Fund or the Collateral Fund and any money deposited therein shall be in the custody of and held by the Trustee in trust for the benefit of the Holders.

Section 4.4 Additional Payments. The Borrower shall pay as Additional Payments hereunder the following:

- (a) (Reserved)
- (b) To the Trustee, (i) the Ordinary Trustee Fees and Expenses to the extent that the funds available in the Expense Fund for the payment thereof are not sufficient and available therefor and (ii) the Extraordinary Trustee Fees and Expenses.
- (c) To the Issuer, the Issuer's Fees to the extent that the funds available under the Indenture for the payment thereof are not sufficient and available therefor.
- (d) All costs of printing any replacement Bonds required to be issued under the Indenture to the extent such costs are not paid by the Holders.
- (e) To the extent not paid by the Trustee from the Expense Fund, all of the fees and expenses of the Rebate Analyst and any other necessary consultant employed by the Borrower, the Trustee or the Issuer in connection with any of the requirements imposed by Section 4.09 of the Indenture or Section 5.4 hereof to the extent that the funds available under the Indenture for the payment thereof are not sufficient and available therefor. The Borrower shall provide or cause to be provided all information and money (including money necessary to make deposits to the Rebate Fund required by the Indenture, or Section 5.4 hereof and the fees and expenses of the Rebate Analyst to the extent available money in the Bond Fund under the Indenture is inadequate to pay such amounts) to the Trustee and the Rebate Analyst to enable the Trustee and the Rebate Analyst to comply with the Indenture or Section 5.4 hereof.
- (f) To the Dissemination Agent, the Dissemination Agent Fee to the extent the funds available in the Expense Fund are not sufficient and available therefor, as well as any other costs and expenses in order to provide for compliance with the terms of the Continuing Disclosure Agreement.
- (g) To the Remarketing Agent, the Remarketing Agent Fee and any Remarketing Expenses.

In the event the Borrower is in default under any provision of any of the Borrower Documents, the Borrower shall be liable to, and upon demand shall pay to, the Issuer, the Trustee and the Construction Lender all reasonable fees and disbursements of such Persons and their agents (including attorneys' fees and expenses) which are reasonably connected therewith or incidental thereto, except to the extent such fees and disbursements are paid from money available therefor under the Indenture.

To provide for certain of the anticipated Additional Payments, the Borrower agrees to cause to be deposited a portion of the Initial Borrower Deposit into the Expense Fund and the Costs of Issuance Fund as required under the Indenture, and authorizes the Trustee to pay, from money on deposit in the Costs of Issuance Fund, the Expense Fund, the amounts provided to be paid from the Costs of Issuance Fund or the Expense Fund in accordance with Sections 4.05 and 4.08, respectively, of the Indenture. All such amounts shall be paid directly to the parties entitled thereto for their own account as and when such amounts become due and payable.

Upon the payment, prepayment, or incurrence of any such cost, expense, or liability described in this Section by any such party, the Additional Payments in respect thereof shall be payable upon written demand to the Borrower, which demand shall be accompanied by invoices or other appropriate documentation concerning the nature, amount and incurrence of such cost, expense or liability. If the Additional Payments payable under this Section are not paid upon such demand, such Additional Payments shall bear interest from the date of such payment or the incurrence thereof at the Interest Rate for Advances until the amount due shall have been fully paid.

Except as otherwise provided herein, the obligations of the Borrower under this Section shall survive the resignation or removal of the Trustee, the termination of this Loan Agreement, the payment and performance of all of the other obligations of the Borrower hereunder and under the other Borrower Documents and the resignation or removal of the Trustee.

Section 4.5 Place of Payments. The Borrower shall make all Loan Payments directly to the Trustee at its Designated Office. The Borrower shall direct the Construction Lender to provide all Eligible Funds directly to the Trustee at its Designated Office. Additional Payments shall be made by the Borrower directly to the Person to whom or to which they are due.

Section 4.6 Obligations Unconditional. The obligations of the Borrower to make Loan Payments, Additional Payments and any payments required of the Borrower under Sections 4.08 and 4.09 of the Indenture shall be absolute and unconditional, and the Borrower shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set off, recoupment or counterclaim which the Borrower may have or assert against the Issuer, the Trustee or any other Person; provided that the Borrower may contest or dispute the amount of any such obligation arising under Section 4.08 of the Indenture so long as such dispute or contest does not result in an Event of Default under the Indenture.

Section 4.7 Assignment of Agreement and Revenues; Trustee is Third Party Beneficiary. To secure the payment of Bond Service Charges, the Issuer shall assign to the Trustee, by the Indenture, its rights under and interest in this Loan Agreement (except for the

Reserved Rights). The Borrower hereby agrees and consents to those assignments. The Issuer shall not attempt to further assign, transfer or convey its interest in the Revenues or this Loan Agreement or create any pledge or lien of any form or nature with respect to the Revenues, Loan Payments or Eligible Funds hereunder.

The Trustee shall be a third party beneficiary of this Loan Agreement.

(End of Article IV)

ARTICLE V.

ADDITIONAL AGREEMENTS AND COVENANTS

Section 5.1 Right of Inspection. At all reasonable times and upon reasonable notice, the Borrower shall allow any duly authorized representative of the Issuer or the Trustee to visit and inspect the Project, to examine and make copies of and from its books of record and account, and to discuss its affairs, finances, and accounts with its officers, and shall furnish to the Issuer and the Trustee any information reasonably required regarding its business affairs and financial condition within a reasonable time after receipt of written request therefor.

Section 5.2 Reserved.

Section 5.3 Indemnification. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE BORROWER HEREBY COVENANTS AND AGREES AS FOLLOWS: TO PROTECT, INDEMNIFY AND SAVE THE ISSUER, THE TRUSTEE AND THEIR RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES HARMLESS FROM AND AGAINST ALL LIABILITY, LOSSES, DAMAGES, COSTS, EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES), TAXES, CAUSES OF ACTION, SUITS, CLAIMS, DEMANDS AND JUDGMENTS OF ANY NATURE OR FORM, BY OR ON BEHALF OF ANY PERSON ARISING IN ANY MANNER FROM THE TRANSACTION OF WHICH THIS LOAN AGREEMENT IS A PART OR ARISING IN ANY MANNER IN CONNECTION WITH THE PROJECT OR THE FINANCING OF THE PROJECT INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ARISING FROM (i) THE WORK DONE ON THE PROJECT OR THE OPERATION OF THE PROJECT DURING THE TERM OF THIS LOAN AGREEMENT OR (ii) ANY BREACH OR DEFAULT ON THE PART OF THE BORROWER IN THE PERFORMANCE OF ANY OF ITS OBLIGATIONS UNDER THIS LOAN AGREEMENT, OR (iii) THE PROJECT OR ANY PART THEREOF, OR (iv) ANY VIOLATION OF CONTRACT, AGREEMENT OR RESTRICTION RELATING TO THE PROJECT EXCLUDING THE PAYMENT OF THE PRINCIPAL, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, OR (v) ANY LIABILITY, VIOLATION OF LAW, ORDINANCE OR REGULATION AFFECTING THE PROJECT OR ANY PART THEREOF OR THE OWNERSHIP OR OCCUPANCY OR USE THEREOF. UPON NOTICE FROM THE ISSUER, THE TRUSTEE, OR ANY OF THEIR RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS OR EMPLOYEES, THE BORROWER SHALL DEFEND THE ISSUER, THE TRUSTEE OR ANY OF THEIR RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS OR EMPLOYEES IN ANY ACTION OR PROCEEDING BROUGHT IN CONNECTION WITH ANY OF THE ABOVE, AND PROVIDE COMPETENT COUNSEL REASONABLY SATISFACTORY TO SUCH PARTY; PROVIDED, HOWEVER, THAT THE ISSUER SHALL HAVE THE RIGHT TO EMPLOY SEPARATE COUNSEL IN ANY ACTION DESCRIBED IN THE PRECEDING SENTENCE AT THE EXPENSE OF THE BORROWER.

IT IS THE INTENTION OF THE PARTIES HERETO THAT THE ISSUER AND ITS RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES SHALL NOT INCUR PECUNIARY LIABILITY BY REASON OF THE TERMS

OF THIS LOAN AGREEMENT OR BY REASON OF THE UNDERTAKINGS REQUIRED OF THE ISSUER AND ITS RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES HEREUNDER IN CONNECTION WITH THE ISSUANCE OF THE BONDS, INCLUDING BUT NOT LIMITED TO THE EXECUTION AND DELIVERY OF THE INDENTURE, THIS LOAN AGREEMENT, THE REGULATORY AGREEMENT, AND ALL OTHER INSTRUMENTS AND DOCUMENTS REQUIRED TO CLOSE THE TRANSACTION; THE PERFORMANCE OF ANY ACT REQUIRED OF THE ISSUER AND ITS RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES BY THIS LOAN AGREEMENT; OR THE PERFORMANCE OF ANY ACT REQUESTED OF THE ISSUER AND ITS RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES BY THE BORROWER OR IN ANY WAY ARISING FROM THE TRANSACTION OF WHICH THIS LOAN AGREEMENT IS A PART OR ARISING IN ANY MANNER IN CONNECTION WITH THE PROJECT OR THE FINANCING OF THE PROJECT, INCLUDING BUT NOT LIMITED TO THE EXECUTION AND DELIVERY OF THE INDENTURE, THIS LOAN AGREEMENT, THE REGULATORY AGREEMENT AND ALL OTHER INSTRUMENTS AND DOCUMENTS REQUIRED TO CLOSE THE TRANSACTION; NEVERTHELESS, IF THE ISSUER OR ITS RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES SHOULD INCUR ANY SUCH PECUNIARY LIABILITY WITH RESPECT TO EVENTS OCCURRING AFTER THE DATE HEREOF, THEN IN SUCH EVENT THE BORROWER SHALL INDEMNIFY AND HOLD THE ISSUER AND ITS RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES HARMLESS AGAINST ALL CLAIMS BY OR ON BEHALF OF ANY PERSON, ARISING OUT OF THE SAME, AND ALL COSTS AND EXPENSES INCURRED IN CONNECTION WITH ANY SUCH CLAIM OR IN CONNECTION WITH ANY ACTION OR PROCEEDING BROUGHT THEREON, AND UPON TIMELY NOTICE FROM THE ISSUER THE BORROWER SHALL DEFEND THE ISSUER AND ITS RESPECTIVE GOVERNING BOARD MEMBERS, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES IN ANY SUCH ACTION OR PROCEEDING, AND PROVIDE COMPETENT COUNSEL SATISFACTORY TO THE ISSUER AND THE BORROWER SHALL PAY THE ISSUER EXPENSES INCLUDING PAYMENT OF THE COUNSEL USED BY THE ISSUER; PROVIDED, HOWEVER, THAT THE ISSUER SHALL HAVE THE RIGHT TO EMPLOY SEPARATE COUNSEL IN ANY ACTION DESCRIBED IN THE PRECEDING SENTENCE AT THE EXPENSE OF THE BORROWER.

NOTWITHSTANDING ANY PROVISION OF THIS LOAN AGREEMENT TO THE CONTRARY, THE ISSUER SHALL BE INDEMNIFIED BY THE BORROWER WITH RESPECT TO LIABILITIES ARISING FROM THE ISSUER'S OWN NEGLIGENCE OR BREACH OF CONTRACTUAL DUTY, BUT NOT FOR ANY LIABILITIES ARISING FROM THE ISSUER'S OWN BAD FAITH, FRAUD OR WILLFUL MISCONDUCT.

THE BORROWER AGREES TO INDEMNIFY THE TRUSTEE OR ANY PREDECESSOR TRUSTEE FOR AND TO HOLD IT HARMLESS AGAINST ALL LIABILITIES, CLAIMS, COSTS AND EXPENSES EXCEPT FOR SUCH LIABILITIES, CLAIMS, COSTS AND EXPENSES FINALLY ADJUDICATED BY A COURT OF COMPETENT JURISDICTION TO HAVE DIRECTLY RESULTED FROM THE TRUSTEE'S NEGLIGENCE OR WILLFUL MISCONDUCT ON THE PART OF THE TRUSTEE, ON

ACCOUNT OF ANY ACTION TAKEN OR OMITTED TO BE TAKEN BY THE TRUSTEE IN ACCORDANCE WITH THE TERMS OF THE BONDS OR THE FINANCING DOCUMENTS ARISING OUT OF OR IN CONNECTION WITH THE ADMINISTRATION OF THE TRUSTS HEREUNDER OR ANY ACTION TAKEN AT THE REQUEST OF OR WITH THE CONSENT OF THE BORROWER, INCLUDING THE COSTS AND EXPENSES OF THE TRUSTEE IN DEFENDING ITSELF AGAINST ANY SUCH CLAIM, ACTION OR PROCEEDING BROUGHT IN CONNECTION WITH THE EXERCISE OR PERFORMANCE OF ANY OF ITS POWERS OR DUTIES UNDER THE BONDS OR THE FINANCING DOCUMENTS.

In case any action or proceeding is brought against the Issuer or the Trustee, or any of their respective governing board members, officers, commissioners, directors, officials, employees, agents, attorneys, accountants, advisors, consultants or servants, with respect to which indemnity may be sought hereunder, the Borrower, upon written notice thereof from the indemnified party, shall assume the investigation and defense thereof, including the employment of counsel and the payment of all expenses. The indemnified party shall have the right to approve a settlement to which it is a party and to employ separate counsel in any such action or proceedings and to participate in the investigation and defense thereof, and the Borrower shall pay the reasonable fees and expenses of such separate counsel.

Notwithstanding anything else in this Loan Agreement to the contrary, the Borrower shall be responsible for the reasonable fees and actual costs and expenses of counsel to the Issuer and Trustee at all times; provided that the Issuer maintains control of the selection of its counsel at all times.

The provisions of this Section shall survive the discharge of the Indenture, the termination of this Loan Agreement, the repayment of the Bonds and the Loan and the resignation or removal of the Trustee.

Notwithstanding any provisions herein to the contrary, the Borrower shall not indemnify the Trustee for the Trustee's own gross negligence or willful misconduct.

Section 5.4 Tax Matters. The Borrower represents, warrants and covenants that:

(a) It is the intention of the parties hereto that interest on the Bonds shall be and remain excludable from gross income for federal income tax purposes, and, to that end, the covenants and agreements of the Issuer and the Borrower in this Section are for the benefit of the Trustee on behalf of and for each and every holder of the Bonds.

(b) The Borrower covenants and agrees that it will not knowingly use or permit the use of any of the funds provided by the Issuer hereunder or knowingly use or invest or permit the use or investment of any other funds of the Borrower directly or indirectly, or direct the Trustee to invest any funds held by it hereunder or under the Indenture or otherwise, in such manner as would cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code, a "hedge bond" within the meaning of Section 149 of the Code, or "federally guaranteed" within the meaning of Section 149(b) of the Code and applicable regulations promulgated from time to time thereunder. The Borrower covenants and agrees that neither it, nor any "related person" (as defined in Section 147(a)(2) of the Code) will enter into any arrangement, formal or informal, for the

purchase of Bonds. The Borrower covenants and agrees that it will observe and not violate the requirements of Section 148 of the Code and any such applicable regulations which, in the opinion of Bond Counsel, are applicable to the Borrower or to the Bonds.

(c) In the event that at any time the Borrower is in receipt of an opinion of Bond Counsel to the effect that for purposes of this Section or the Indenture it is necessary to further restrict or limit the Yield on the investment of any money held by the Trustee under the Indenture beyond those situations and periods outlined in this Agreement or the Issuer's Certificate as to Tax Exemption dated the Closing Date, the Borrower shall notify the Trustee in writing of the limitations which, in the opinion of Bond Counsel, apply to the investment of such funds and instruct the Trustee to comply with these limitations.

(d) As additional consideration for the purchase of the Bonds by the purchaser thereof and the loan of the money represented thereby, and in order to induce such purchase by measures designed to insure the excludability from gross income of the interest thereon for federal income tax purposes, the Borrower shall deliver to the Trustee, within 25 days after each Computation Date,

(i) a statement, signed by the Rebate Analyst stating the applicable portion of the Rebate Amount as of such Computation Date which must be paid over to the United States of America under Section 148(f) of the Code taking into account all Gross Proceeds of the Bonds, and

(ii) if required, an Internal Revenue Service Form 8038-T completed as of such Computation Date and such other Internal Revenue Service forms or other statements or forms required by the Code, Regulations, or other administrative rule, procedure, announcement, or guidelines.

(e) If the Borrower shall discover or be notified as of any date that any payment made to the United States Treasury pursuant to Section 4.09 of the Indenture shall have failed to satisfy any requirement of the Regulations (whether or not such failure shall be due to any default by the Borrower, the Issuer, or the Trustee), the Borrower shall (i) deliver to the Trustee a brief written explanation of such failure and any basis for concluding that such failure was innocent and (ii) pay to the Trustee (for deposit to the Rebate Fund) and cause the Trustee to pay to the United States Treasury from the Rebate Fund, within 60 days after such discovery or notice, the "correction amount" in respect thereof specified in Regulation Section 1.148-3(h) together with the explanation described in the immediately preceding clause (i) and the other documents required by Section 4.09 of the Indenture to accompany such payment from the Rebate Fund.

(f) The Borrower shall retain as part of the official transcript all of its accounting records relating to the funds held under the Indenture and the Rebate Fund and all calculations made in preparing the statements described in this Section for at least six years after the final payment of the Bonds, whether by reason of maturity or prior redemption.

(g) The Borrower shall not knowingly use or permit the use of any proceeds of Bonds or any funds of the Borrower, directly or indirectly, in any manner, and shall not knowingly take or permit to be taken any other action or actions, which would conflict with the covenants contained herein or in the Regulatory Agreement. The Borrower acknowledges that such

covenants are designed for the purpose of ensuring that the Bonds are treated as an obligation described in Section 103(a) of the Code.

(h) Notwithstanding any provisions of this Section, if the Borrower shall provide to the Trustee and the Issuer an opinion of Bond Counsel that any specified action required under this Section or Sections 4.09 and 9.02 of the Indenture is no longer required or that some further or different action is required to maintain the exclusion from gross income for purposes of federal income taxation of interest on the Bonds, the Trustee, the Issuer and the Borrower may conclusively rely on such opinion in complying with the requirements of this Section and Sections 4.09 and 9.02 of the Indenture and be protected in so doing, and the covenants hereunder shall be deemed to be modified to that extent.

(i) The Issuer covenants and agrees that it has not taken and will not take, or permit to be taken by parties within its control, and the Borrower covenants and agrees that it has not taken or permitted to be taken and will not take or permit to be taken, any action which will cause the interest on the Bonds to become includable in gross income for purposes of federal income taxation pursuant to the provisions of Section 103(a) of the Code, provided that neither the Borrower nor the Issuer shall have violated these covenants if the interest on any of the Bonds issued in accordance with Section 103 of the Code becomes includable in gross income for purposes of federal income taxation to a person solely because such person is a “substantial user” of the Project or a “related person” within the meaning of Section 147(a) of the Code.

(j) The Borrower hereby covenants that the Project and each unit thereof constitute and will constitute a qualified residential rental project, as defined in Section 142(d) of the Code and the regulations thereunder, and that each residential unit in the Project (other than a reasonable number of units for resident manager or other administrative use) will be rented or available for rental on a continual basis to members of the general public for the period required by said Section. The Project consists of four floors in one building or structure containing one or more similarly constructed accommodations containing separate and complete facilities for living, sleeping, eating, cooking and sanitation which are to be used on other than a transient basis and facilities which are functionally related and subordinate to such accommodations. The Borrower and the Issuer each hereby elect to apply the requirements of Section 142(d)(1)(B) to the Project. Commencing on the Closing Date and continuing throughout the remainder of the Qualified Project Period, the Borrower represents, covenants and agrees that no less than 40% of the total number of units of the Project shall be, at all times, rented to and occupied by Low Income Tenants.

(k) The Borrower further agrees that it shall not discriminate on the basis of race, creed, color, sex or national origin in the lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the construction, operation and management of the Project.

(l) The Borrower further covenants that it has not executed and will not execute any other agreement, or any amendment or supplement to any other agreement, with provisions contradictory to, or in opposition to, the provisions hereof and of the Regulatory Agreement and that, in any event, the requirements of this Agreement and the Regulatory Agreement are paramount and controlling as to the rights and obligations set forth herein and supersede any other requirements in conflict herewith and therewith.

(m) The Borrower further covenants that it will not allow any proceeds of the Bonds to be used to provide any airplane, skybox or other private luxury box, health club facility, facility primarily used for gambling or facilities the primary purpose of which is the sale of alcoholic beverages for consumption off premises.

(n) The Borrower covenants and agrees not to allow the amount of Gross Proceeds invested during any Bond Year in Nonpurpose Investments with a Yield in excess of the Yield on the Bonds to exceed the amounts deposited in any other reserves required to be deposited or otherwise set aside by the Borrower to the extent that such amounts exceed 10% of the proceeds of the Bonds; and provided, further, that amounts invested in the Bond Fund or for an initial temporary period until needed for the governmental purpose of the Bonds shall at no time be considered subject to such restriction.

(o) The Borrower covenants and agrees that with regard to the Bond Fund (i) such fund will be depleted at least once a year, except possibly for a carryover amount not to exceed the greater of the previous Bond Year's earnings on the Bond Fund or one-twelfth of the previous Bond Year's debt service requirements on the Bonds; (ii) all amounts deposited to such fund will be spent within 13 months of deposit; and (iii) all amounts received from investment of such fund will be deposited therein and will be expended within twelve months of receipt.

(p) As of the Closing Date, the Borrower is in compliance with all requirements pertaining to the Borrower set forth in the Issuer's Certificate as to Tax Exemption. The Borrower has complied and will comply with all the terms and conditions of the Borrower's Tax Letter of Representation executed by the Borrower, including the terms and conditions of the exhibits thereto, and the representations set forth in the Borrower's Tax Letter of Representation executed by the Borrower pertaining to the Borrower and the Project are true and accurate.

(q) In order to maintain the exclusion from gross income for purposes of federal income taxation of interest on the Bonds and to assure compliance with the Act and certain additional requirements of the Issuer, the Borrower hereby agrees that it shall, concurrently with or before the execution and delivery of the Bonds, execute and deliver the Regulatory Agreement and shall cause such Regulatory Agreement to be recorded immediately. The Borrower shall comply with each and every term of the Regulatory Agreement, and the Borrower hereby acknowledges that a default under the Regulatory Agreement which is not cured within the time permitted therefor will constitute an Event of Default hereunder. The Borrower agrees to cause any amendments to the Regulatory Agreement to be recorded in the appropriate official public records.

(r) The requirements stated in this Section 5.4 will survive the defeasance and discharge of the Bonds for as long as such matters are relevant to the Federal Tax Status of the Bonds.

Section 5.5 Affirmative Covenants.

(a) Maintenance of Project. The Borrower shall maintain and preserve the Project in good working order and condition, ordinary wear and tear excepted, and shall from time to time make all necessary repairs, renewals, replacements, additions and improvements to the Project. All damage to apartment units shall be repaired promptly and apartment units shall be maintained

so as to be available at all times for habitation, subject to necessary repairs, renewals, replacements, additions and improvements.

(b) Keeping of Records and Books of Account. The Borrower shall keep adequate records and books of account in which complete entries will be made reflecting all financial transactions.

(c) Payment of Taxes, Etc. The Borrower shall promptly pay and discharge: all taxes, assessments, fees, and other Governmental charges levied or imposed upon it or upon any of its properties, income or profits, before the same shall become delinquent; all lawful claims of materialmen, mechanics, carriers, warehousemen, landlords and other similar Persons for labor, materials, supplies and rentals, which if unpaid might by law become a lien upon its properties; any indebtedness heretofore or hereafter incurred by it when due, and discharge, perform and observe covenants, provisions and conditions to be discharged, performed and observed by it in connection therewith, or in connection with any agreement or other instrument relating thereto or in connection with any lien existing at any time upon any of its properties; provided, however, that the Borrower shall not be required to pay any of the foregoing if (a) the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings, (b) the Borrower shall have set aside on its books adequate reserves with respect thereto and (c) the title of the Borrower to, and its right to use, its properties is not materially and adversely affected thereby. The Borrower hereby agrees that, in the event it fails to pay or cause to be paid taxes, assessments, fees and other Governmental charges or levies or the premium on any required insurance, the Trustee may make such payment, but is not obligated to do so, and the Trustee shall be reimbursed by the Borrower therefor with interest on the amount so advanced at the Interest Rate for Advances.

(d) Insurance. The Borrower shall at all times maintain or cause to be maintained insurance of such types and in such amounts as may be required by the Mortgage Loan Documents.

(e) Reserved.

(f) Notice of Default. In the event that any Event of Default occurs, the Borrower shall give prompt notice in writing of such happening to the Trustee.

(g) Performance of Contracts, Etc. Except to the extent contested in good faith, the Borrower shall perform according to and shall comply with all of its contractual obligations and all requirements of law if nonperformance thereof would materially and adversely affect the business or credit of the Borrower on an individual basis or would materially impair the ability of the Borrower to perform this Loan Agreement, the Regulatory Agreement or the Note or any other agreement or instrument herein or therein contemplated.

(h) Reserved.

(i) Cooperation in Perfecting Security Interests, Etc. The Borrower shall promptly perform such acts as may be necessary or advisable to perfect and maintain any lien provided for in this Loan Agreement or in any agreement or document contemplated herein or therein, or otherwise to carry out the intent of this Loan Agreement. The Borrower shall promptly execute, deliver, file and perform or cause to be done, executed, delivered, filed and performed all such

documents, instruments, agreements, amendments, things and acts, including, without limitation, financing statements, continuation statements and mortgages as may be necessary or advisable to perfect or maintain a lien on any and all assets or rights owned by the Borrower, or any interest of the Borrower therein. The Trustee shall not be responsible for the filing of any financing statements, amendments thereto or continuation statements.

(j) Environmental Matters. For any environmental hazards disclosed in an environmental report, the Borrower will take and continue to take prompt action to remedy all environmental pollution and contamination, hazardous waste disposal and other environmental cleanup problems located on the Project, if any, whether or not such cleanup problems have resulted from the order or request of a municipal, state, federal, administrative or judicial authority, or otherwise. The foregoing covenant shall not constitute or create a waiver of any rights the Borrower may have to pursue any legal rights or remedies against any third party for any environmental claims.

(k) Non-discrimination. The Borrower will not and will require each contractor, subcontractor and commercial tenant of the Project to covenant that it will not discriminate by reason of race, creed, color, handicap, national origin or sex in the employment of any Person employed by it in connection with the Project or working in or on the Project. The Borrower will require each manager of the Project to covenant that in the leasing of the Project it will not discriminate by reason of race, creed, color, handicap, national origin or sex.

Section 5.6 Negative Covenants. So long as no Event of Default or Default hereunder shall have occurred and be continuing beyond applicable notice and cure periods, the Borrower shall be permitted to incur any indebtedness for any cost of the Project or other obligation or payment due under this Loan Agreement, the Indenture or the Regulatory Agreement.

Section 5.7 Nature of Business. The Borrower will not change the general character of its business as conducted at the date hereof, or engage in any type of business not reasonably related to its business as normally conducted.

Section 5.8 Continuing Disclosure. The Borrower hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Loan Agreement or the Indenture, failure of the Borrower to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default hereunder or under the Indenture or a default with respect to the Bonds or the Mortgage Loan Documents. The Borrower will provide to the Trustee and the Issuer copies of the annual financial statements of the Project and notices of material events provided pursuant to the Continuing Disclosure Agreement.

(End of Article V)

ARTICLE VI.

PREPAYMENT AND TERMINATION

Section 6.1 Optional Prepayment. Provided no Event of Default shall have occurred and be continuing, at any time and from time to time, the Borrower may deliver money to the Trustee in addition to Loan Payments or Additional Payments required to be made as a prepayment, in whole, of the Loan and direct the Trustee to use the money so delivered for the purpose of redeeming Bonds, in accordance with the Indenture. Pending application for those purposes, any money so delivered shall be held by the Trustee in a special account in the Bond Fund and delivery of such money shall not operate to abate or postpone Loan Payments or Additional Payments otherwise becoming due or to alter or suspend any other obligations of the Borrower under this Loan Agreement.

Provided no Event of Default shall have occurred or be continuing, at any time the Bonds are subject to optional redemption in accordance with applicable provisions of the Indenture, the Borrower may in writing direct the Trustee to call Bonds for optional redemption in whole or in part in accordance with the applicable provisions of the Indenture providing for optional redemption at the price stated in the Indenture, from amounts held in the Collateral Fund, the Project Fund and the Bond Fund provided such amounts are sufficient to pay the redemption price of the Bonds in full.

Section 6.2 [Reserved].

Section 6.3 Borrower's Obligation upon Tender of Bonds. If any Tendered Bond is not remarketed on any Mandatory Tender Date and a sufficient amount is not available in the Collateral Fund, the Negative Arbitrage Account of the Bond Fund, and the Project Fund as provided in Section 3.05(e) of the Indenture for the purpose of paying the purchase price of such Bond, the Borrower will cause to be paid to the Trustee by the applicable times provided in the Indenture, an amount equal to the amount by which the principal amount of all Bonds tendered and not remarketed, together with interest accrued to the Mandatory Tender Date, exceeds the amount otherwise available pursuant to Section 3.05(e) of the Indenture.

Section 6.4 Option to Terminate. The Borrower shall have the option to cancel or terminate this Loan Agreement at any time when (a) the Indenture shall have been released in accordance with its provisions, and (b) sufficient money or security acceptable to the Issuer and the Trustee are on deposit with the Trustee or the Issuer, or both, to meet all Loan Payments and Additional Payments due or to become due through the date on which the last of the Bonds is then scheduled to be retired or redeemed, or, with respect to Additional Payments to become due, provisions satisfactory to the Trustee and the Issuer are made for paying such amounts as they come due. Such option shall be exercised by the Authorized Borrower Representative, on behalf of the Borrower, giving the Issuer and the Trustee five days' notice in writing of such cancellation or termination and such cancellation or termination shall become effective at the end of such notice period. The provisions of this Section shall not be deemed to permit a prepayment of the Note other than in accordance with its terms.

(End of Article VI)

ARTICLE VII.

EVENTS OF DEFAULT AND REMEDIES

Section 7.1 Events of Default. Each of the following shall be an Event of Default hereunder, after the expiration of any applicable notice and cure period:

(a) The Borrower shall fail to pay any Loan Payment on or prior to the date on which that Loan Payment is due and payable to the extent amounts on deposit in the Bond Fund, including amounts transferred from the Collateral Fund and the Project Fund, are insufficient to pay the Bond Service Charges due on the next Bond Payment Date;

(b) The Borrower shall fail to observe and perform any other agreement, term or condition contained in this Loan Agreement or any other Financing Document and the continuation of such failure for a period of 30 days after written notice thereof shall have been given to the Borrower and the Investor Partner by the Issuer or the Trustee, or for such longer period as the Issuer and the Trustee may agree to in writing; provided, that if the failure is other than the payment of money and is of such nature that it can be corrected but not within the applicable period, that failure shall not constitute an Event of Default so long as the Borrower institutes curative action within the applicable period and diligently pursues that action to completion, which must be resolved within 180 days after the aforementioned notice;

(c) The Borrower shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as now or hereafter in effect, which is not dismissed within 90 days; (iii) commence a proceeding under any other federal or state bankruptcy, insolvency, reorganization or similar law, or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstayed for ninety days; (iv) make an assignment for the benefit of creditors; or (v) have a receiver or trustee appointed for it or for the whole or any substantial part of its property which appointment is not vacated within a period of 90 days;

(d) Any representation or warranty made by the Borrower herein or any statement in any report, certificate, financial statement or other instrument furnished in connection with this Loan Agreement or with the purchase of the Bonds shall at any time prove to have been false or misleading in any adverse material respect when made or given; and

(e) There shall occur an "Event of Default" (as defined in the Indenture) by the Borrower or an event of default beyond applicable notice and cure periods under the Regulatory Agreement.

Notwithstanding the foregoing, if, by reason of Force Majeure, the Borrower is unable to perform or observe any agreement, term or condition hereof which would give rise to an Event of Default under subsection (b) hereof, the Borrower shall not be deemed in default during the continuance of such inability. However, the Borrower shall promptly give notice to the Trustee and the Issuer of the existence of an event of Force Majeure and shall use commercially reasonable

efforts to remove the effects thereof; provided that the settlement of strikes or other industrial disturbances shall be entirely within its discretion.

The term “**Force Majeure**” shall mean, without limitation, the following:

- (i) acts of God; strikes, lockouts or other industrial disturbances; acts of terrorism or of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornados; storms; droughts; floods; arrests; restraint of Government and people; explosions; breakage, malfunction or accident to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; shortages of labor, materials, supplies or transportation; pandemics or other national, state or local health emergencies; or
- (ii) any cause, circumstance or event not reasonably within the control of the Borrower.

The declaration of an Event of Default under subsection (c) above, and the exercise of remedies upon any such declaration, shall be subject to any applicable limitations of federal bankruptcy law affecting or precluding that declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation or reorganization proceedings.

Section 7.2 Remedies on Default. Whenever an Event of Default shall have happened and be subsisting, beyond any applicable notice or cure period any one or more of the following remedial steps may be taken:

- (a) If acceleration of the principal amount of the Bonds has been declared pursuant to Section 6.03 of the Indenture, the Trustee shall declare all Loan Payments to be due and payable together with any other amounts payable by the Borrower under this Loan Agreement and the Note, whereupon the same shall become immediately due and payable;
- (b) The Trustee may exercise any or all or any combination of the remedies specified in this Loan Agreement or any other Financing Document;
- (c) The Issuer or the Trustee may have access to, inspect, examine and make copies of the books, records, accounts and financial data of the Borrower pertaining to the Project; or
- (d) The Issuer or the Trustee may pursue all remedies now or hereafter existing at law or in equity to collect all amounts then due and thereafter to become due under this Loan Agreement and the Regulatory Agreement and the Note or to enforce the performance and observance of any other obligation or agreement of the Borrower under those instruments, subject however, to any limitations set forth in this Loan Agreement and/or the other Financing Documents.

Notwithstanding the foregoing, neither the Issuer nor the Trustee shall be obligated to take any step which in its opinion will or might cause it to expend time or money or otherwise incur liability unless and until a satisfactory indemnity bond has been furnished to the Issuer or the Trustee at no

cost or expense to the Issuer or the Trustee. Any amounts collected as Loan Payments or applicable to Loan Payments and any other amounts which would be applicable to payment of Bond Service Charges collected pursuant to action taken under this Section shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture or, if the Outstanding Bonds have been paid and discharged in accordance with the provisions of the Indenture, shall be paid as provided in Section 4.14 of the Indenture for transfers of remaining amounts in the Bond Fund.

The provisions of this Section are subject to the further limitation that the rescission by the Trustee of its declaration that all of the Bonds are immediately due and payable also shall constitute an annulment of any corresponding declaration made pursuant to paragraph (a) of this Section and a waiver and rescission of the consequences of that declaration and of the Event of Default with respect to which that declaration has been made, provided that no such waiver or rescission shall extend to or affect any subsequent or other default or impair any right consequent thereon.

Section 7.3 No Remedy Exclusive. No remedy conferred upon or reserved to the Issuer or the Trustee by this Loan Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement, the Regulatory Agreement or the Note, or now or hereafter existing at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair that right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than any notice required by law or for which express provision is made herein.

Section 7.4 Agreement to Pay Attorneys' Fees and Expenses. If an Event of Default should occur and the Issuer or the Trustee should incur expenses, including reasonable attorneys' fees, in connection with the enforcement of this Loan Agreement, the Regulatory Agreement or the Note or the collection of sums due thereunder, the Borrower shall reimburse the Issuer and the Trustee, as applicable, for the expenses so incurred upon demand.

Section 7.5 No Waiver. No failure by the Issuer or the Trustee to insist upon the strict performance by the Borrower of any provision hereof shall constitute a waiver of their right to strict performance and no express waiver shall be deemed to apply to any other existing or subsequent right to remedy the failure by the Borrower to observe or comply with any provision hereof.

Section 7.6 Notice of Default. The Borrower shall notify the Trustee immediately if it becomes aware of the occurrence of any Event of Default hereunder or of any fact, condition or event which, with the giving of notice or passage of time or both, would become an Event of Default.

Section 7.7 Investor Partner's Cure Rights. The Issuer hereby agrees that any cure of any Event of Default hereunder made or tendered by the Investor Partner shall be deemed to be cure made or tendered by the Borrower, and shall be accepted or rejected by the Issuer on the same basis as if made or tendered by the Borrower. Removal and replacement of the General Partner in

accordance with the terms of the Organizational Documents shall serve as a cure of any non-monetary default of Borrower.

(End of Article VII)

ARTICLE VIII.

MISCELLANEOUS

Section 8.1 Term of Agreement. This Loan Agreement shall be and remain in full force and effect from the date of delivery of the Bonds to the Holders until such time as all of the Bonds shall have been fully paid (or provision made for such payment) pursuant to the Indenture and all other sums payable by the Borrower under this Loan Agreement and the Note shall have been paid, except for obligations of the Borrower under Sections 3.8, 4.4, 5.3, and 5.4 hereof, which shall survive any termination of this Loan Agreement.

Section 8.2 Amounts Remaining in Funds. Subject to any applicable escheat laws, any amounts in the Bond Fund remaining unclaimed by the Holders of Bonds for the maximum amount of time permitted under the laws of the State after the due date thereof (whether at stated maturity or otherwise), at the option of the Borrower, shall be deemed to belong to and shall be paid, at the written request of the Borrower, to the Borrower by the Trustee as overpayment of Loan Payments. With respect to that principal of and interest on the Bonds to be paid from money paid to the Borrower pursuant to the preceding sentence, the Holders of the Bonds entitled to such money shall look solely to the Borrower for the payment of such money. Further, any amounts remaining in the Bond Fund, the Project Fund and any other Special Funds or accounts created under this Loan Agreement, the Regulatory Agreement or the Indenture after all of the Outstanding Bonds shall be deemed to have been paid and discharged under the provisions of the Indenture and all other amounts required to be paid under this Loan Agreement, the Note, Regulatory Agreement and the Indenture have been paid, shall, subject to Section 4.14 of the Indenture, be paid to the Borrower to the extent that such moneys are in excess of the amounts necessary to effect the payment and discharge of the Outstanding Bonds.

Section 8.3 Notices. All notices, certificates, requests or other communications hereunder shall be in writing and shall be deemed to be sufficiently given when mailed by registered or certified mail, postage prepaid, or forwarded by overnight courier service, delivery charges prepaid, and addressed to the appropriate Notice Address. A duplicate copy of each notice, certificate, request or other communication given hereunder to the Issuer, the Borrower, the Investor Partner, the Construction Lender or the Trustee shall also be given to the others. The Borrower, the Issuer, the Construction Lender, Investor Partner and the Trustee, by notice given hereunder, may designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 8.4 Extent of Covenants of the Issuer; No Personal Liability. All covenants, obligations and agreements of the Issuer contained in this Loan Agreement and the Indenture shall be effective to the extent authorized and permitted by applicable law. No such covenant, obligation or agreement shall be deemed to be a covenant, obligation or agreement of any present or future member, officer, agent or employee of the Issuer or the Governing Body in other than his official capacity, and neither the members of the Governing Body nor any official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof or by reason of the covenants, obligations or agreements of the Issuer contained in this Loan Agreement or in the Indenture.

Section 8.5 Limited Liability of the Issuer; No Liability of Officers. Notwithstanding anything contained herein to the contrary:

(a) THE ISSUER SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON, THE BONDS SOLELY OUT OF THE TRUST ESTATE. THE BONDS SHALL CONSTITUTE A VALID CLAIM OF THE RESPECTIVE HOLDERS THEREOF AGAINST THE TRUST ESTATE, WHICH IS PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS AND WHICH SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THE INDENTURE. THE BONDS, TOGETHER WITH INTEREST THEREON, SHALL BE LIMITED OBLIGATIONS OF THE ISSUER GIVING RISE TO NO CHARGE AGAINST THE ISSUER'S GENERAL CREDIT AND PAYABLE SOLELY FROM, AND CONSTITUTE CLAIMS OF THE HOLDERS THEREOF AGAINST ONLY, THE TRUST ESTATE. THE BONDS, THE PREMIUM, IF ANY, AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE DEBT OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, AND NONE OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL THE BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE SPECIFICALLY PLEDGED THERETO. NEITHER THE FAITH AND CREDIT NOR TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. THE ISSUER HAS NO TAXING POWER.

(b) All covenants, obligations and agreements of the Issuer contained in this Loan Agreement and the Indenture shall be effective to the extent authorized and permitted by applicable law. No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future governing board member, director, officer, employee or agent of the Issuer in his individual capacity, and neither the governing board members of the Issuer nor any director, officer or employee thereof executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No governing board member, director, officer, employee or agent of the Issuer shall incur any personal liability with respect to any other action taken by him pursuant to the Indenture or the Act, provided such governing board member, director, officer, employee or agent acts in good faith.

(c) No agreements or provisions contained in the Indenture nor any agreement, covenant or undertaking by the Issuer contained in any document executed by the Issuer in connection with the Project, or the issuance, sale and delivery of the Bonds, shall give rise to any pecuniary liability of the Issuer or a charge against its general credit, or shall obligate the Issuer financially in any way except as may be payable from the repayments by the Borrower under this Loan Agreement and the proceeds of the Bonds and other amounts pledged under the Indenture as part of the Trust Estate. No failure of the Issuer to comply with any term, condition, covenant or agreement herein or in any document executed by the Issuer in connection with the issuance and sale of the Bonds shall subject the Issuer to liability for any claim for damages, costs or other financial or pecuniary charge except to the extent that the same can be paid or recovered from the repayments by the Borrower under this Loan Agreement or proceeds of the Bonds and other amounts pledged under the Indenture as part of the Trust Estate. Nothing herein shall preclude a

proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant or agreement herein, provided that no costs, expenses or other monetary relief shall be recoverable from the Issuer except as may be payable from the repayments by the Borrower or the proceeds of the Bonds and other amounts pledged under the Indenture as part of the Trust Estate.

(d) No recourse shall be had for the payment of the principal of or premium or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in the Indenture against any past, present or future governing board member, director, officer, employee or agent of the Issuer, or of any successor public corporation, as such, either directly or through the Issuer or any successor public corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such governing board members, directors, officers, employees or agents, as such, is hereby expressly waived and released as a condition of, and consideration for, the execution of the Indenture and the issuance of such Bonds.

(e) Anything in the Indenture to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that (i) the Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice, or other instrument furnished to the Issuer by the Trustee or the Borrower as to the existence of any fact or state of affairs required hereunder to be noticed by the Issuer; (ii) the Issuer shall not be under any obligation hereunder to perform any record keeping or to provide any legal services; and (iii) none of the provisions of the Indenture shall require the Issuer to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless it shall first have been adequately indemnified to its satisfaction against the cost, expenses, and liability which may be incurred thereby.

(f) No provision, representation, covenant or agreement contained in this Loan Agreement or in the Indenture, the Bonds, or any obligation herein or therein imposed upon the Issuer, or the breach thereof, shall constitute or give rise to or impose upon the Issuer a pecuniary liability (except to the extent of any loan repayments, revenues and receipts derived by the Issuer pursuant to this Loan Agreement and other moneys held pursuant to the Indenture, other than in the Rebate Fund). No provision hereof shall be construed to impose a charge against the general credit of the Issuer, the State or any other political subdivision of the State, the taxing powers of the foregoing, within the meaning of any constitutional provision or statutory limitation, or any personal or pecuniary liability upon any governing board member, director, officer, agent or employee of the Issuer.

Section 8.6 Limited Liability of Borrower. Anything in this Loan Agreement to the contrary notwithstanding, the monetary obligations of the Borrower contained in this Loan Agreement (except for fees, payments and indemnification under Sections 4.4, 5.3 and 7.4 hereof) shall be limited obligations payable solely from the income and assets of the Project and the Eligible Funds and neither the Borrower nor any partner, member, manager, director, official or officer of the Borrower shall have any personal liability for the satisfaction of any obligation of the Borrower or claim against the Borrower, arising out of this Loan Agreement. Notwithstanding anything contained in this Loan Agreement to the contrary, neither the Construction Lender, the Issuer nor the Trustee may assert any claim arising hereunder against the Borrower's interest in

the Project, any reserve or deposit made with the Construction Lender in connection with the Mortgage Loan, or in the rents or other income of the Project for the payment of any charge due hereunder except to the extent available from then currently available cash flow approved for distribution pursuant to the Organizational Documents.

Section 8.7 Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding in accordance with its terms upon the Issuer, the Borrower, the Trustee and their respective permitted successors and assigns provided that this Loan Agreement may not be assigned by the Borrower (except in connection with a sale or transfer of assets pursuant to Section 5.2 hereof) and may not be assigned by the Issuer except to the Trustee pursuant to the Indenture or as otherwise may be necessary to enforce or secure payment of Bond Service Charges. This Loan Agreement may be enforced only by the parties, their assignees and others who may, by law, stand in their respective places.

Section 8.8 Amendments and Supplements. Except as otherwise expressly provided in this Loan Agreement or the Indenture, subsequent to the issuance of the Bonds and prior to all conditions provided for in the Indenture for release of the Indenture having been met, this Loan Agreement, the Regulatory Agreement and the Note may not be effectively amended, changed, modified, altered or terminated except in accordance with the provisions of Article X of the Indenture, as applicable.

Section 8.9 Execution Counterparts. This Loan Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

Section 8.10 Severability. If any provision of this Loan Agreement, or any covenant, obligation or agreement contained herein is determined by a court of competent jurisdiction to be invalid or unenforceable, that determination shall not affect any other provision, covenant, obligation or agreement, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained herein. That invalidity or unenforceability shall not affect any valid and enforceable application thereof, and each such provision, covenant, obligation or agreement shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

Section 8.11 Governing Law. This Loan Agreement shall be deemed to be a contract made under the laws of the State and for all purposes shall be governed by and construed in accordance with the laws of the State.

(End of Article VIII)

IN WITNESS WHEREOF, the Issuer and the Borrower have caused this Loan Agreement to be duly executed in their respective names, all as of the date hereinbefore written.

**TEXAS STATE AFFORDABLE HOUSING
CORPORATION**

By: _____
David Long, President

FC BLOOM HOUSING, LP,
a Texas limited partnership

By: FC Lamar Square Phase 1 Housing, LLC,
a Texas limited liability company,
its general partner

By: Foundation Communities, Inc.,
a Texas nonprofit corporation,
its manager

By: _____
Walter Moreau, Executive Director

EXHIBIT A
FORM OF NOTE

NOTE

This Note has not been registered under the Securities Act of 1933. Its transferability is restricted by the Trust Indenture and the Loan Agreement referred to herein.

[\$14,500,000]

June __, 2026

FC BLOOM HOUSING, LP, a Texas limited partnership (the “**Borrower**”), for value received, promises to pay in installments to the Texas State Affordable Housing Corporation (the “**Issuer**”), the principal amount of

_____ MILLION _____ HUNDRED THOUSAND NO/100 DOLLARS (\$ _____)

and to pay interest on the unpaid balance of such principal sum from and after the date hereof, at the Initial Interest Rate set forth in the Bonds (as defined below) to but not including July 1, 2029 (the “Initial Mandatory Tender Date”) and thereafter at the Remarketing Rate (as defined in the Indenture) until the payment of such principal sum has been made or provided for. The principal amount stated above shall be paid on or before July 1, 2030. Interest shall be calculated on the basis of a 360-day year of 12 equal months. Interest on this Note shall be paid at least one Business day before each January 1 and July 1, commencing January 1, 2027 (the “**Interest Payment Dates**”).

This Note is issued pursuant to that certain Loan Agreement (the “**Loan Agreement**”) dated as of June 1, 2026, between the Issuer and the Borrower pursuant to which the Issuer has made a mortgage loan in the principal amount of this Note to the Borrower (the “**Loan**”), and this Note is entitled to the benefits of the Loan Agreement and subject to the terms, conditions and provisions thereof. The Loan was funded with a portion of the proceeds from the Issuer’s [\$14,500,000] Multifamily Housing Revenue Bonds (The Bloom at Lamar Square) Series 2026 (the “**Bonds**”) issued pursuant to and secured by the Trust Indenture (the “**Indenture**”), dated as of June 1, 2026, between the Issuer and UMB Bank, N.A., as trustee (the “**Trustee**”). Terms used but not defined herein shall have the meanings ascribed to such terms in the Loan Agreement and the Indenture.

Under the Loan Agreement, the Borrower has agreed to repay the Loan by making payments (“**Loan Payments**”) at the times and in the amounts set forth in the Loan Agreement and in this Note for application to the payment of Bond Service Charges on the Bonds as and when due. The Borrower shall be entitled to a credit against the Loan Payments required to be made with respect to the Bonds on any date equal to the available money in the Bond Fund for the payment of Bond Service Charges on that date.

To provide funds to pay the principal of and interest on the Bonds as and when due as specified herein, the Borrower hereby agrees to and shall make Loan Payments at least one Business day before each Interest Payment Date in an amount equal to the Bond Service Charges on the Bonds payable on such Interest Payment Date. In addition, to provide funds to pay

the Bond Service Charges on the Bonds as and when due at any other time, the Borrower hereby agrees to and shall make Loan Payments at least one Business day before the date on which any Bond Service Charges on the Bonds shall be due and payable, whether at maturity, upon redemption, mandatory tender or otherwise, in an amount equal to those Bond Service Charges.

If payment or provision for payment in accordance with the Indenture is made in respect of the Bond Service Charges on the Bonds from money other than Loan Payments, this Note shall be deemed paid to the extent such payments or provision for payment of Bonds has been made. Consistent with the provisions of the immediately preceding sentence, the Borrower shall have credited against its obligation to make Loan Payments any amounts transferred from the Project Fund or the Collateral Fund to the Bond Fund. Subject to the foregoing, all Loan Payments shall be in the full amount required hereunder.

All Loan Payments shall be made to the Trustee at its Designated Office for the account of the Issuer and deposited in the Bond Fund created by the Indenture. Except as otherwise provided in the Indenture, the Loan Payments shall be used by the Trustee to pay the Bond Service Charges on the Bonds as and when due.

The obligation of the Borrower to make the payments required hereunder shall be absolute and unconditional and the Borrower shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set off, recoupment or counterclaim which the Borrower may have or assert against the Issuer, the Trustee or any other Person.

This Note is subject to prepayment, in whole, upon the terms and conditions set forth in Article VI of the Loan Agreement. Any prepayment is subject to satisfaction of any applicable notice, deposit or other requirements set forth in the Loan Agreement or the Indenture.

Whenever an Event of Default under Section 6.01 of the Indenture shall have occurred and, as a result thereof, the principal of and any premium on all Bonds then Outstanding, and interest accrued thereon, shall have been declared to be immediately due and payable pursuant to Section 6.03 of the Indenture, the unpaid principal amount of and any premium and accrued interest on this Note shall also be due and payable in on the date on which the principal of and premium and interest on the Bonds shall have been declared due and payable; provided that the annulment of a declaration of acceleration with respect to the Bonds shall also constitute an annulment of any corresponding declaration with respect to this Note.

The payment obligations of this Note are non-recourse to the Borrower to the extent set forth in Section 8.6 of the Loan Agreement.

[Remainder of page intentionally left blank for signature]

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed in its name as of the date first above written.

FC BLOOM HOUSING, LP,
a Texas limited partnership

By: FC Lamar Square Phase 1 Housing, LLC,
a Texas limited liability company,
its General Partner

By: Foundation Communities, Inc.,
a Texas nonprofit corporation,
its manager

By: _____
Walter Moreau, Executive Director

ENDORSEMENT

Pay to the order of UMB Bank, N.A., without recourse, as Trustee under the Indenture referred to in the within-mentioned Note, as security for the Bonds issued under the Indenture. This endorsement is given without any warranty as to the authority or genuineness of the signature of the maker of the Note.

**TEXAS STATE AFFORDABLE HOUSING
CORPORATION**

By: _____
David Long, President

EXHIBIT B

FORM OF DISBURSEMENT REQUEST

DISBURSEMENT REQUEST

STATEMENT NO. _____ REQUESTING DISBURSEMENT OF FUNDS FROM
PROJECT FUND PURSUANT TO SECTION 3.6 OF THE LOAN AGREEMENT

Pursuant to Section 3.6 of the Loan Agreement (the “**Loan Agreement**”) between the Texas State Affordable Housing Corporation (the “**Issuer**”) and FC Bloom Housing, LP, a Texas limited partnership (the “**Borrower**”), dated as of June 1, 2026, the undersigned Authorized Borrower Representative hereby requests and authorizes UMB Bank, N.A., as Trustee (the “**Trustee**”), as depository of the Project Fund created by the Trust Indenture between the Issuer and the Trustee dated as of June 1, 2026 (the “**Indenture**”), [to pay to _____ Title Insurance Company (the “**Title Company**”) out of the money deposited in the Project Fund the aggregate sum of \$ _____ to pay the costs of the items listed in the Disbursement Schedule attached hereto] [upon receipt of a Collateral Payment and in accordance with the Bond Documents, to transfer to the Construction Lender (or to the Title Company if so directed by the Construction Lender) out of money deposited in the Project Fund the aggregate sum of \$ _____, which is an amount equal to the Eligible Funds, to pay the costs of the items listed in the Disbursement Schedule attached hereto]. All capitalized terms used but not defined herein have the meaning given to such terms in the Indenture, the Loan Agreement or the Regulatory Agreement, as applicable.

In connection with the foregoing request and authorization, the undersigned hereby certifies that:

(a) Each item for which disbursement is requested hereunder is properly payable out of the Project Fund in accordance with the terms and conditions of the Loan Agreement and none of those items has formed the basis for any disbursement heretofore made from said Project Fund.

(b) Each such item is or was necessary in connection with the acquisition, construction, or equipping of the Project, as defined in the Indenture.

(c) After taking into account the proposed disbursement,

(i) no more than 5% of the Net Proceeds of the Bonds will have been used for costs that are not Qualified Project Costs;

(ii) less than 25% of the Net Proceeds of the Bonds will have been used for the cost of acquiring land; and

(iii) not more than 2% of the Net Proceeds of the Bonds will have been used for Costs of Issuance.

(d) All of the funds being disbursed are being used in compliance with all of the tax covenants set forth in the Indenture, the Loan Agreement and the Regulatory Agreement.

(e) There is no current or existing Event of Default pursuant to the terms of the Loan Agreement or event of default pursuant to the terms of the Regulatory Agreement and no event exists which by notice or passage of time or both would constitute an event of default under any of the foregoing documents.

(f) No representation or warranty of the Borrower contained in the Loan Agreement or the Regulatory Agreement is materially incorrect or inaccurate, and there has been no event of default under the terms of any of those documents and no event exists which by notice, passage of time or both would constitute an event of default under any of those documents.

(g) This statement and all exhibits hereto, including the Disbursement Schedule, shall be conclusive evidence of the facts and statements set forth herein and shall constitute full warrant, protection and authority to the Trustee for its actions taken pursuant hereto; provided, however, the Trustee is not responsible for reviewing or receiving such exhibits or any backup.

The **[Title Company's]** **[Payee's]** wiring instructions are:

WIRE TO:

ABA ROUTING NO.:

SWIFT CODE:

ACCOUNT NAME:

ACCOUNT NO.:

CONTACT:

REFERENCE:

With respect to this disbursement, the Borrower (i) certifies it has reviewed any wire instructions set forth herein to confirm such wire instructions are accurate, (ii) agrees to indemnify and hold harmless UMB Bank, N.A., from and against any and all claim, demand, loss, liability, or expense sustained, including but not limited to attorney fees, and expenses resulting directly or indirectly as a result of making the disbursement requested hereunder, and (iii) agrees it will not seek recourse from UMB Bank, N.A., as a result of losses incurred by it for making the disbursement in accordance with its instructions herein

This statement constitutes the approval of the Borrower of each disbursement hereby requested and authorized.

This _____ day of _____, 20__.

FC BLOOM HOUSING, LP,
a Texas limited partnership

By: FC Lamar Square Phase 1 Housing, LLC,
a Texas limited liability company,
its general partner

By: Foundation Communities, Inc.,
a Texas nonprofit corporation,
its manager

By: _____
Walter Moreau, Executive Director

Construction Lender Approval:

BANK OF AMERICA, N.A.

By: _____
Name: _____
Title: _____

DISBURSEMENT SCHEDULE

TO STATEMENT NO. _____ REQUESTING AND AUTHORIZING
DISBURSEMENT OF FUNDS FROM PROJECT FUND PURSUANT TO SECTION 3.6 OF
THE LOAN AGREEMENT.

EXHIBIT C

\$[14,500,000]
Texas State Affordable Housing Corporation
Multifamily Housing Revenue Bonds
(The Bloom at Lamar Square)
Series 2026

COMPLETION CERTIFICATE

Pursuant to Section 3.9 of the Loan Agreement (the “**Loan Agreement**”) between the Texas State Affordable Housing Corporation (the “**Issuer**”) and FC Bloom Housing, LP, a Texas limited partnership (the “**Borrower**”), dated as of June 1, 2026, and relating to the captioned Bonds, the undersigned Authorized Borrower Representative hereby certifies that (with capitalized words and terms used and not defined in this Certificate having the meanings assigned or referenced in the Loan Agreement):

- (a) The Project was substantially completed and available and suitable for use as multifamily housing on _____ (the “**Completion Date**”).
- (b) The acquisition, construction, equipping and improvement of the Project and those other facilities have been accomplished in such a manner as to conform in all material respects with all applicable zoning, planning, building, environmental and other similar governmental regulations.
- (c) The costs of the Project financed with the Loan were \$_____.
- (d) The applicable government having jurisdiction over the Project has issued certificates of occupancy with respect to each building in the Project.
- (e) The proceeds of the Bonds were used in accordance with the Tax Certificates, including the requirement that at least 95% of the proceeds of the Bonds be expended for qualified project costs as described in the Tax Certificates and no more than 2% of the proceeds of the Bonds be expended for Costs of Issuance.
- (f) This Certificate is given without prejudice to any rights against third parties that now exist or subsequently may come into being.

IN WITNESS WHEREOF, the Authorized Borrower Representative has set his or her hand as of the _____ day of _____, 20__.

FC BLOOM HOUSING, LP,
a Texas limited partnership

By: FC Lamar Square Phase 1 Housing, LLC,
a Texas limited liability company,
its general partner

By: Foundation Communities, Inc.,
a Texas nonprofit corporation,
its manager

By: _____
Title:

Texas State Affordable Housing Corporation
Multifamily Housing Revenue Bonds
(The Bloom at Lamar Square)
Series 2026

**Bond Document No. 4:
Bond Purchase Agreement**

BOND PURCHASE AGREEMENT

Dated June ___, 2026

by and among

**STIFEL, NICOLAUS & COMPANY, INCORPORATED,
TEXAS STATE AFFORDABLE HOUSING CORPORATION**

and

FC BLOOM HOUSING, LP

Relating to:

**\$14,500,000
Texas State Affordable Housing Corporation
Multifamily Housing Revenue Bonds
(The Bloom at Lamar Square)
Series 2026**

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BOND PURCHASE AGREEMENT

Stifel, Nicolaus & Company, Incorporated (the “*Underwriter*”), on its own behalf and not as your fiduciary, hereby offers to enter into this Bond Purchase Agreement dated June ___, 2026 (this “*Purchase Contract*”) with the Texas State Affordable Housing Corporation (together with its successors and assigns, the “*Issuer*”) and FC Bloom Housing, LP, a Texas limited partnership (the “*Borrower*”), for the sale by the Issuer and the purchase by the Underwriter of the Bonds defined below which are being issued by the Issuer for the benefit of the Borrower. The Underwriter is an “underwriter” as defined in Section 2(a)(11) of the Securities Act of 1933, as amended (the “*1933 Act*”). This offer is made subject to the written acceptance hereof by the Issuer and the Borrower and delivery of such acceptance (in the form of one or more counterparts hereof) at or prior to 5:00 p.m., Central Time, on the date hereof, and will expire if not so accepted at or prior to such time (or such later time as the Underwriter may agree in writing). Upon such acceptance, this Purchase Contract will be binding upon each of the Issuer, the Borrower and the Underwriter.

Section 1. Definitions and Background.

1.1 Capitalized terms used in this Purchase Contract but not defined herein have the meanings assigned to them in the Trust Indenture by and between the Issuer and UMB Bank, N.A., a national banking association (the “*Trustee*”) dated as of June 1, 2026 (the “*Indenture*”).

1.2 This Purchase Contract is for the sale and delivery of the Issuer’s Multifamily Housing Revenue Bonds (The Bloom at Lamar Square) Series 2026 (the “*Bonds*”) which are being issued by the Issuer to provide financing for the Project. The Bonds will be issued pursuant to (i) that certain resolution of the Issuer adopted April 21, 2026 (the “*Bond Resolution*”), (ii) Subchapter Y of Chapter 2306, Texas Government Code, as amended and supplemented (the “*Act*”), and (iii) the terms of the Indenture. The Bonds will be payable from sources pledged under the Indenture, including the moneys and securities from time to time held by the Trustee in the funds and accounts established under the terms of the Indenture (collectively, the “*Trust Estate*”). In connection with the issuance of the Bonds, the Issuer will execute and deliver this Purchase Contract; the Indenture; the Loan Agreement by and between the Issuer and the Borrower (the “*Loan Agreement*”) dated as of June 1, 2026; the Certificate as to Tax Exemption executed by the Issuer and delivered on the Closing Date (the “*Issuer’s Certificate as to Tax Exemption*”); and the Regulatory Agreement and Declaration of Restrictive Covenants by and among the Issuer, the Borrower and the Trustee (the “*Regulatory Agreement*”) dated as of June 1, 2026 (collectively, the “*Issuer Documents*”); and the Borrower will execute and deliver this Purchase Contract, the Loan Agreement, the Continuing Disclosure Agreement, the Remarketing Agreement, the Borrower’s Tax Letter of Representation executed by Borrower and delivered on the Closing Date (the “*Borrower’s Tax Letter of Representation*,” and together with the Issuer’s Certificate as to Tax Exemption, the “*Tax Certificates*”), and the Regulatory Agreement (collectively, the “*Borrower Documents*”). The Issuer Documents and the Borrower Documents are referred to herein as the “*Financing Documents*.”

Section 2. Purchase and Sale.

2.1 Subject to the terms and conditions set forth in this Purchase Contract, the Underwriter hereby agrees to purchase from the Issuer and the Issuer hereby agrees to sell to the Underwriter, at the Closing (as hereafter defined), \$14,500,000 aggregate principal amount of its Bonds at a price set forth in Exhibit A attached hereto. [The Underwriter also hereby agrees to advance an additional amount equal to \$ _____ as set forth under the Indenture (the “*Underwriter’s Advance*”). The Underwriter will be reimbursed on or before the Closing Date by the Borrower for the Underwriter’s Advance.]

2.2 The Bonds will (i) be issued pursuant to the Indenture and (ii) have the payment-related terms (that is, the dated date, maturity date, interest rate and price) set forth in Exhibit A attached hereto, and will otherwise correspond to the description thereof contained in the hereinafter-defined Official Statement.

2.3 The Issuer, the Borrower and the Underwriter each acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction among the Issuer, the Borrower and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent, municipal advisor, financial advisor, or fiduciary of the Issuer or the Borrower, (iii) the Underwriter has not assumed individually or collectively any advisory or fiduciary responsibility in favor of the Issuer or the Borrower with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has advised or provided other services or is currently advising or providing other services to the Issuer or the Borrower on other matters) and the Underwriter has no contractual obligation to the Issuer or the Borrower with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Contract, and (iv) the Issuer and the Borrower have consulted their own legal, financial, accounting, tax and other advisors to the extent they deem appropriate in connection with the offering of the Bonds. The primary role of the Underwriter is to purchase the Bonds in an arm's-length commercial transaction among the Issuer, the Borrower and the Underwriter, for resale to investors. The Underwriter has financial and other interests that differ from those of the Issuer. Nothing in the foregoing paragraph is intended to limit the Underwriter's obligations of fair dealing under MSRB Rule G-17.

Section 3. Issue Price.

The Underwriter will provide to the Issuer an executed Issue Price Certificate dated the Closing Date (as defined herein) in the form attached as Exhibit E hereto or other form reasonably required by Bond Counsel in order to establish the issue price of the Bonds.

The Underwriter reserves the right to change such prices as it deems necessary in connection with the offering of the Bonds. Concessions from the public offering price may be allowed to selected dealers and special purchasers. The Borrower authorizes the Underwriter to complete the supplement to the Official Statement to insert the reoffering price for the Bonds selected by the Underwriter in its complete discretion.

Section 4. Closing.

Subject to the terms and conditions hereof, the delivery of the Bonds and the payment of the purchase price of the Bonds as set forth in Exhibit A hereof (the "*Closing*") will take place at 10:00 a.m. Central Time on June __, 2026, or at such other time or on such other date mutually agreed upon by the Issuer, the Borrower and the Underwriter, which date shall be referred to herein as the "*Closing Date*."

Section 5. Official Statement; Disclosure Matters.

5.1 The Issuer and the Borrower each hereby (a) confirms its consent to the use by the Underwriter of the Preliminary Official Statement dated June __, 2026, relating to the Bonds (the "*Preliminary Official Statement*") in the marketing of the Bonds and (b) authorizes the Underwriter to prepare, use and distribute (at the expense of the Borrower) the Official Statement dated June __, 2026, relating to the Bonds (the "*Official Statement*") in final form in connection with the offering and sale of the Bonds.

5.2 The Issuer and the Borrower each agrees to the extent required and permitted by applicable law to cooperate (at the sole cost and expense of the Borrower) with the Underwriter so as to enable the Underwriter to comply with the requirements of Rule 15c2-12 (“*Rule 15c2-12*”) under the Securities Exchange Act of 1934, as amended (the “*1934 Act*”), and any other rules of the Securities and Exchange Commission (the “*SEC*”) and the Municipal Securities Rulemaking Board (the “*MSRB*”), in connection with the offer and sale of the Bonds.

5.3 The Issuer and the Borrower hereby make the following representations in subsection (a) and (b) respectively:

(a) The Issuer hereby certifies and agrees that the information in the Preliminary Official Statement under the captions “THE ISSUER” and “ABSENCE OF LITIGATION – The Issuer” has been “deemed final” by the Issuer as of the date of the Preliminary Official Statement, except for final information as to the offering prices, interest rates, selling compensation, amount of proceeds, delivery dates, other terms depending on such factors, and other information permitted to be omitted under part (b)(1) of Rule 15c2-12.

(b) The Borrower hereby certifies and agrees that the Preliminary Official Statement has been “deemed final” by the Borrower as of its date, except for final information as to the offering prices, interest rates, selling compensation, amount of proceeds, delivery dates, other terms depending on such factors, and other information permitted to be omitted under part (b)(1) of Rule 15c2-12.

5.4 The Issuer and the Borrower hereby make the following representations in subsection (a) and (b), respectively:

(a) The Issuer hereby represents that the information in the Preliminary Official Statement and the Official Statement under the captions “THE ISSUER” and “ABSENCE OF LITIGATION – The Issuer” is true and correct and 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 contained therein, in light of the circumstances under which they were made, not misleading.

(b) The Borrower hereby represents that the information in the Preliminary Official Statement and the Official Statement is true and correct and 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 contained therein, in light of the circumstances under which they were made, not misleading.

5.5 The Issuer and the Borrower will, at the expense of the Borrower, supply to the Underwriter the Official Statement, in such quantity as may be requested by the Underwriter no later than the earlier of (i) seven (7) business days after the date of this Purchase Contract or (ii) one (1) business day prior to the Closing Date, in order to permit the Underwriter to comply with Rule 15c2-12, and the applicable rules of the MSRB, with respect to distribution of the Official Statement. The Borrower shall provide to the Underwriter the Official Statement, including any amendments thereto, in word-searchable PDF format as described in the MSRB’s Rule G-32 no later than one (1) business day prior to the Closing Date to enable the Underwriter to comply with MSRB Rule G-32.

5.6 During the period commencing on the date of this Purchase Contract and ending on the earlier of (a) 90 days from the End of the Underwriting Period or (b) the time when the Official Statement is available to any person from the MSRB, but in no case less than 25 days following the End of the Underwriting Period (the “*Update Period*”), if any event shall occur which would cause the Official Statement to contain any untrue statement of a material fact or to omit to state any material fact necessary

to make the statements contained therein, in light of the circumstances under which they were made, not misleading, and in the judgment of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer (to the extent of the provisions referred to in Section 5.4(a) hereof) and the Borrower will, at the expense of the Borrower, prepare or cooperate in the preparation of such supplement or amendment to the Official Statement in a form approved by the Underwriter and furnish or cooperate in the furnishing to the Underwriter (at the sole expense of the Borrower) a reasonable number of copies of an amendment of, or a supplement to the Official Statement so that, as supplemented or amended, it will not 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. If the Official Statement is so supplemented or amended prior to the Closing, the approval by the Underwriter of a supplement or amendment to the Official Statement shall not preclude the Underwriter from thereafter terminating this Purchase Contract in accordance with the provisions of Section 12(c) hereof. The “*End of the Underwriting Period*” means the later of the delivery of the Bonds by the Issuer to the Underwriter or when the Underwriter no longer retains (directly or as a syndicate member) an unsold balance of the Bonds for sale to the public; provided, that the “*End of the Underwriting Period*” shall be deemed to be the Closing Date, unless the Underwriter otherwise notifies the Issuer and the Borrower in writing prior to such date that there is an unsold balance of the Bonds, in which case the End of the Underwriting Period shall be deemed to be extended for 30 days. The deemed End of the Underwriting Period may be extended for two additional periods of 30 days each upon receipt of an additional written notification from the Underwriter containing the same information as required in the initial written notice.

5.7 If, during the Update Period, the Issuer becomes aware of any event relating to the information concerning the Issuer under the captions “THE ISSUER” and “ABSENCE OF LITIGATION – The Issuer” of the Official Statement which would cause such portions of the Official Statement to contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, the Issuer will promptly notify the Underwriter of such event.

5.8 The Issuer shall promptly advise the Underwriter, during the Update Period, of any action, suit, proceeding, inquiry or investigation against the Issuer, of which the Issuer has actual knowledge, seeking to prohibit, restrain or otherwise affect the use of the Preliminary Official Statement or the Official Statement in connection with the offering, sale or distribution of the Bonds.

5.9 If, during the Update Period, the Borrower becomes aware of any event which would cause the Preliminary Official Statement or the Official Statement to contain any untrue statement of a material fact or to omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, the Borrower will promptly notify the Underwriter and the Issuer of such event.

5.10 The Borrower shall promptly advise the Underwriter, during the Update Period, of any action, suit, proceeding, inquiry or investigation against the Borrower, of which it receives written or actual notice, seeking to prohibit, restrain or otherwise affect the use of the Preliminary Official Statement or the Official Statement in connection with the offering, sale or distribution of the Bonds.

5.11 The Borrower represents and warrants to the Underwriter and the Issuer that neither the Borrower nor any affiliates thereof are in default under any undertakings with respect to continuing disclosure requirements designed to comply with Rule 15c2-12 in connection with any issue of municipal securities.

Section 6. Representations of the Issuer.

6.1 In addition to the representations contained in Section 5 herein, the Issuer hereby makes the following representations to the Underwriter:

(a) The Issuer is a nonprofit corporation of the State of Texas (the “State”), and has full power and authority under the Act to adopt the Bond Resolution and to enter into and to perform its obligations under the Issuer Documents; and when executed and delivered by the respective parties thereto, the Issuer Documents will constitute the legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitation on legal remedies against units of government of the State;

(b) By official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has approved and authorized the distribution of the Preliminary Official Statement and the Official Statement and authorized and approved the execution and delivery of the Issuer Documents and the consummation by the Issuer of the transactions contemplated thereby;

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending, or threatened against the Issuer seeking to restrain or enjoin the sale or issuance of the Bonds, or in any way contesting or affecting any proceedings of the Issuer taken concerning the sale thereof, the pledge or application of any moneys or security provided for the payment of the Bonds, in any way contesting the validity or enforceability of the Issuer Documents or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or the existence or powers of the Issuer relating to the sale of the Bonds;

(d) The execution and delivery by the Issuer of the Issuer Documents and compliance with the provisions on the Issuer’s part contained therein will neither (i) conflict with or constitute a material breach of or default under any law, administrative regulation, judgment or decree to which the Issuer is subject, (ii) conflict with any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or is otherwise subject, nor (iii) result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Issuer under the terms of any such law, administrative regulation, judgment, decree, loan agreement, financing agreement, indenture, bond, security, note, resolution, agreement or other instrument, except as provided by the Issuer Documents;

(e) Except as may be required under Blue Sky or other securities laws of any state and for filings to be made with the Internal Revenue Service on Form 8038, to the Issuer’s knowledge, there is no consent, approval, authorization or other order of, or filing with, or certification by, any state court, or state or federal governmental agency, or public body of any state required for the execution and delivery of the Issuer Documents or the consummation by the Issuer of the transactions on its part contemplated herein or therein, which has not been duly obtained or made on or prior to the date hereof or will not have been obtained on or prior to the Closing Date;

(f) Upon delivery of the Bonds, the Issuer will have good right, full power and lawful authority to pledge and assign the Trust Estate described in the Indenture to the Trustee as provided in the Indenture and the Bond Resolution;

(g) The Issuer has complied in all material respects with the Bond Resolution and the Issuer Documents; and

(h) The Bonds, when delivered in accordance with the Indenture and paid for by the Underwriter on the Closing Date as provided herein, will be validly issued and outstanding special, limited obligations of the Issuer entitled to all the benefits and security of the Indenture.

6.2 The execution and delivery of this Purchase Contract by the Issuer shall constitute a representation by the Issuer to the Underwriter that the representations and agreements contained in this Section are true as of the date hereof; provided, however, that as to information furnished by the Borrower pursuant to this Purchase Contract, the Issuer is relying solely on such information in making the Issuer's representations and agreements, and as to all matters of law the Issuer is relying on the advice of Bond Counsel; and provided further, that no member, officer, agent or employee of the Issuer shall be individually liable for the breach of any representation, or agreement contained herein.

6.3 It is understood that the representations and covenants of the Issuer contained in this Section 6 and elsewhere in this Purchase Contract shall not create any general obligation or liability of the Issuer, and that any obligation or liability of the Issuer hereunder or under the Issuer Documents is payable solely out of the Trust Estate established under the Indenture. It is further understood and agreed that the Issuer makes no representations, except as set forth in paragraph 5.4(a) above, as to the Official Statement, or as to (i) the financial condition, results of operation, business or prospects of the Borrower or the Project, (ii) any statements (financial or otherwise), representations, documents or certification provided or to be provided by the Borrower in connection with the offer or sale of the Bonds, or (iii) the correctness, completeness or accuracy of such statements, representations, documents or certifications.

Section 7. Representations and Warranties of the Borrower.

7.1 In addition to the representations and warranties made in Section 5 herein, the Borrower hereby makes the following representations and warranties to the Underwriter and the Issuer, all of which will continue in effect subsequent to the purchase of the Bonds:

(a) The Borrower is a limited partnership duly organized and existing under and pursuant to the laws of the State and is qualified to own the Project and conduct its business in the State.

(b) The Borrower has, and as of the Closing Date will have, full legal right, power and authority to (i) execute and deliver the Borrower Documents, (ii) assist in the preparation, distribution and use of the Preliminary Official Statement and the Official Statement, and (iii) otherwise consummate the transactions contemplated by the Borrower Documents.

(c) The Borrower has duly authorized the (i) execution and delivery of the Borrower Documents, (ii) performance by the Borrower of the obligations contained in the Borrower Documents, (iii) preparation of the Preliminary Official Statement and the Official Statement, and (iv) consummation by the Borrower of all of the transactions contemplated by the Borrower Documents.

(d) The Borrower Documents are, and, when executed and delivered by the Borrower and the other parties thereto, will be, the legal, valid and binding obligations of the Borrower, enforceable in accordance with their respective terms, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

(e) All consents, approvals, orders or authorizations of, notices to, or filings, registrations or declarations with any governmental authority, board, agency, commission or body having jurisdiction which are required on behalf of the Borrower for the execution and delivery by the Borrower of the Borrower Documents or the consummation by the Borrower of the transactions contemplated hereby or thereby, have been obtained or will be obtained prior to Closing.

(f) The execution and delivery by the Borrower of the Borrower Documents and the consummation by the Borrower of the transactions contemplated hereby and thereby are not prohibited by, do not violate any provision of, and will not result in the breach of or default under (i) the organizational documents of the Borrower, (ii) any applicable law, rule, regulation, judgment, decree, order or other requirement to which the Borrower is subject, or (iii) any contract, indenture, agreement, mortgage, lease, note, commitment or other obligation or instrument to which the Borrower is a party or by which the Borrower or its properties are bound.

(g) There is no legal action, suit, proceeding, investigation or inquiry at law or in equity, before or by any court, agency, arbitrator, public board or body or other entity or person, pending or, to the best knowledge of the Borrower, threatened against or affecting the Borrower or any partner or member of the Borrower, in their respective capacities as such, nor, to the knowledge of the Borrower, any basis therefor, (i) which would restrain or enjoin the issuance or delivery of the Bonds, the use of the Preliminary Official Statement or the Official Statement in the marketing of the Bonds or the collection of revenues pledged under or pursuant to the Borrower Documents or (ii) which would in any way contest or affect the organization or existence of the Borrower or the entitlement of any officer of the Borrower to its position or (iii) which would contest or have a material and adverse effect upon (A) the due performance by the Borrower of the transactions contemplated by the Preliminary Official Statement, the Official Statement or the Borrower Documents, (B) the validity or enforceability of the Bonds, the Borrower Documents or any other agreement or instrument to which the Borrower is a party and that is used or contemplated for use in the consummation of the transactions contemplated hereby and thereby, (C) the exclusion from gross income for federal income tax purposes of the interest on the Bonds or (D) the financial condition or operations of the Borrower, (iv) which contests in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or (v) which questions the power or authority of the Borrower to carry out the transactions on its part contemplated by the Preliminary Official Statement, the Official Statement and the Borrower Documents, or the power of the Borrower to own or operate the Project. The Borrower is not subject to any judgment, decree or order entered in any lawsuit or proceeding brought against it that would have such an effect.

(h) On the Closing Date, the Borrower shall not have granted any interests in or rights or options to sell the Bonds to any other party.

(i) All permits (including building permits), licenses and authorizations necessary for the ownership and operation of its Project in the manner contemplated by the Preliminary Official Statement, the Official Statement and each of the Borrower Documents have been obtained or will be obtained, and said ownership and operation are not in conflict with any zoning or similar ordinance applicable to the Project. The Project conforms to all material environmental regulations.

(j) None of the Borrower, any guarantor of the Borrower or any “related person” to the Borrower within the meaning of Section 147 of the Code has acquired or shall acquire, pursuant to any arrangement, formal or informal, any Bonds.

(k) The Borrower has not taken or omitted to take on or prior to the date hereof any action that would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

(l) On the Closing Date, each of the representations and warranties of the Borrower contained in the Borrower Documents and all other documents executed by the Borrower in connection with the Bonds shall be true, correct and complete in all material respects.

(m) As of the Closing Date, the Borrower will not be in material default under any document, instrument or commitment to which the Borrower is a party or to which any of its property is subject which default would or could reasonably be expected to adversely affect the ability of the Borrower to carry out its obligations under the Borrower Documents. As of the Closing Date, the Borrower will be in compliance with all of its obligations under the Regulatory Agreement.

(n) The Borrower is in compliance with all of its prior continuing disclosure undertakings entered into pursuant to Rule 15c2-12, if any.

7.2 Each of the representations and warranties set forth in this Section 7 will survive the Closing.

7.3 Any certificate signed by any officer of the Borrower and delivered to the Underwriter in connection with the delivery of the Bonds will be deemed to be a representation and warranty by the Borrower to the Underwriter as to the statements made therein.

Section 8. Covenants of the Issuer.

The Issuer hereby makes the following covenants with the Underwriter:

(a) Prior to the Closing, the Issuer will not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without providing reasonable notice of such proposed supplement or amendment to the Underwriter. Neither the receipt by the Underwriter of notice of a proposed supplement or amendment nor the consent by the Underwriter to such supplement or amendment shall abrogate the Underwriter's rights under Section 12(c) hereof.

(b) Prior to the Closing, the Issuer will not amend, terminate or rescind, and will not agree to any amendment, termination or rescission of the Issuer Documents without the prior written consent of the Underwriter.

(c) Prior to the Closing, except as provided in the Issuer Documents, the Issuer will not create, assume or guarantee any indebtedness payable from, or pledge or otherwise encumber, the revenues, assets, properties, funds or interests which will be pledged pursuant to the Indenture, including, without limitation, the Bonds or the Issuer Documents.

(d) The Issuer will not take any action which will in any way cause the proceeds of the Bonds to be applied in a manner other than as provided in the Indenture and described in the Official Statement or which would cause the interest on the Bonds to be includable in the gross income of the holders thereof for federal income tax purposes.

(e) Prior to the Closing, the Issuer will obtain all governmental consents, approvals, orders or authorizations of any governmental authority or agency that would constitute a condition precedent to the performance by it of its obligations under the Issuer Documents and the Bonds.

(f) The Issuer will reasonably cooperate with the Underwriter upon request, without cost to the Issuer, in the qualification of the Bonds for offering and sale and the determination of their eligibility for investment under the laws of such jurisdictions as the Underwriter may designate; provided that the foregoing shall not require the Issuer to expend its own funds, execute a general or special consent to service of process or to qualify as a foreign corporation in connection with such qualification in any foreign jurisdiction.

(g) The Issuer will not adopt any amendment of or supplement to the Official Statement to which, after having been furnished a copy, the Underwriter shall reasonably object in writing and if any event relating to or affecting the Issuer or the Borrower shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement so that it does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, the Issuer shall cause to be forthwith prepared and furnished (at the sole expense of the Borrower) to the Underwriter a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriter) that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

Section 9. Covenants of the Borrower.

The Borrower hereby makes the following covenants with the Underwriter and the Issuer:

(a) The Borrower will not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without providing reasonable notice of such proposed supplement or amendment to the Underwriter and the Issuer. It is understood pursuant to Section 12(c) that, in the event there arises an event or condition which, in the reasonable judgment of the Underwriter, requires the Official Statement to be amended or supplemented or has a material and adverse effect upon the marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds, the Underwriter shall have the right, pursuant to Section 12(c) hereof, to terminate this Purchase Contract without liability. Neither the receipt by the Underwriter of notice of a proposed supplement or amendment nor the consent by the Underwriter to such supplement or amendment shall abrogate the Underwriter's rights under Section 12(c) hereof.

(b) The Borrower will not adopt any amendment of or supplement to the Official Statement to which, after having been furnished a copy, the Underwriter shall reasonably object in writing and if any event relating to or affecting the Issuer or the Borrower shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to the Underwriter, the Borrower shall cause to be forthwith prepared and furnished (at the sole expense of the Borrower) to the Underwriter a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Issuer and the Underwriter) that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material

fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(c) Prior to the Closing, the Borrower will not amend, terminate or rescind, and will not agree to any amendment, termination or rescission of the Borrower Documents without the prior written consent of the Underwriter.

(d) Prior to the Closing, the Borrower will not create, assume or guarantee any indebtedness payable from, or pledge or otherwise encumber, the revenues, assets, properties, funds or interests which will be pledged pursuant to the Indenture, including, without limitation, the Bonds, the Financing Documents or any indebtedness allowed under the loan from the Construction Lender.

(e) The Borrower will cooperate with the Issuer to cause the Bonds to be delivered to the address and at the time specified by the Underwriter in conjunction with the Closing.

(f) The Borrower will not take or omit to take any action which will in any way cause the proceeds of the Bonds, or other moneys on deposit in any fund or account in connection with the Bonds, to be applied in a manner other than as provided in the Indenture and described in the Preliminary Official Statement or the Official Statement and will not take or omit to take any action which would cause the interest on the Bonds to be includable in the gross income of the holders thereof for federal income tax purposes.

(g) The Borrower will cooperate with the Underwriter in the qualification of the Bonds for offering and sale and the determination of their eligibility for investment under the laws of such jurisdictions as the Underwriter may designate.

(h) The Borrower agrees to cause the necessary amount to be paid to the Trustee and/or the escrow agent on the Closing Date to pay costs of issuance.

(i) The Borrower agrees to provide the Underwriter, at the Borrower's expense, a reasonable number of additional copies of the Financing Documents as the Underwriter shall request.

Section 10. Conditions of Closing.

10.1 The obligations of the Underwriter to consummate at the Closing the transactions contemplated hereby are subject to receipt by the Underwriter of the items described in Section 10.2 hereof and to the satisfaction of the following conditions:

(a) The Underwriter will not have discovered any material error, misstatement or omission in the representations and warranties made in this Purchase Contract, which representations and warranties will be deemed to have been made again at and as of the time of the Closing and will then be true in all material respects.

(b) The Issuer and the Borrower will have performed and complied with all agreements and conditions required by this Purchase Contract to be performed or complied with by such respective parties at or prior to Closing.

(c) The Bonds, the Financing Documents and the Official Statement shall each have been executed and delivered by each of the parties thereto, shall be in full force and effect on and

as of the Closing Date and shall not have been amended, modified or supplemented prior to the Closing except as may have been agreed to in writing by the Underwriter and no event of default shall exist under any such documents.

(d) The Underwriter will have received orders for all of the Bonds (or such amount of the Bonds as is acceptable to the Underwriter) and (a) such orders have not been withdrawn at the time of the Closing and (b) the market price or marketability, at the initial offering price set forth in the Official Statement, of the Bonds shall not have been adversely affected, in the reasonable judgment of the Underwriter.

(e) The Borrower shall have entered into the Continuing Disclosure Agreement containing covenants meeting the requirements of Rule 15c2-12 under the 1934 Act.

(f) The Issuer shall have received the executed Issue Price Certificate of the Underwriter, substantially in the form attached to this Purchase Contract as Exhibit E.

10.2 In addition to the conditions set forth in Section 10.1, the obligations of the Underwriter to consummate at the Closing the transactions contemplated hereby are subject to receipt by the Underwriter of the following items:

(a) An approving opinion of Bond Counsel, dated the Closing Date, relating to the validity of the Bonds and the tax-exempt status of the Bonds, substantially in the form attached to the Official Statement as Appendix E, and a letter of such counsel, addressed to the Underwriter and the Issuer, to the effect that such opinion may be relied upon, together with a supplemental opinion of Bond Counsel, satisfactory in form and substance to the Underwriter and the Issuer, dated the Closing Date, substantially in the form attached hereto as Exhibit B.

(b) An opinion of counsel to the Borrower, dated the Closing Date, satisfactory in form and substance to the Underwriter, the Trustee, Bond Counsel and the Issuer and in substantially the form attached hereto as Exhibit C.

(c) An opinion of Tiber Hudson LLC, counsel to the Underwriter, dated the Closing Date, satisfactory in form and substance to the Underwriter.

(d) A certificate of the Issuer, dated the Closing Date and signed by an authorized official or officer of the Issuer, to the effect that (i) each of the Issuer's representations contained herein and in all other Issuer Documents, which representations will be deemed to have been made again at and as of the time of Closing, are true and correct in all material respects; (ii) the Issuer has performed and complied with all agreements and conditions required by this Purchase Contract to be performed or complied with by it at or prior to the Closing; and (iii) the information contained in the Preliminary Official Statement and the Official Statement under the captions "THE ISSUER" and "ABSENCE OF LITIGATION – The Issuer" is true and correct in all material respects and does 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.

(e) Evidence that a public hearing has been duly held and the issuance of the Bonds has been duly approved as required by the Code.

(f) A certificate of the Issuer, dated the Closing Date and signed by an authorized officer of the Issuer, in form and substance satisfactory to the Issuer, the Underwriter and Bond

Counsel, respecting certain tax matters as may be reasonably required by Bond Counsel to enable it to give its opinion.

(g) A certificate of the Borrower, dated the Closing Date and signed by its authorized representative, to the effect that:

(i) each of the Borrower's representations and warranties contained herein and in all Borrower Documents, which representations and warranties will be deemed to have been made again at and as of the time of Closing, are true and correct in all material respects;

(ii) the Borrower has performed and complied with all agreements and conditions required by this Purchase Contract to be performed or complied with by it at or prior to the Closing;

(iii) since the date of the Official Statement and except as set forth therein, there has not been any material adverse change in the Borrower's operations, financial or otherwise;

(iv) the information contained in the Preliminary Official Statement and the Official Statement is true and correct and 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 contained therein, in light of the circumstances under which they were made, not misleading;

(v) 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 Borrower, threatened against or affecting the Borrower or any of its affiliates, nor, to the best knowledge of the Borrower, is there any basis therefor, wherein an unfavorable decision, ruling or finding would, in any way, adversely affect the transactions contemplated by the Loan Agreement or the operation and management of the Project, or that might result in any material adverse change in the business, operations, properties, assets, liabilities or condition (financial or other) of the Borrower or that affects the information in the Preliminary Official Statement and the Official Statement; and

(vi) such other matters as the Underwriter may reasonably request.

(h) A certificate of the Borrower dated the Closing Date and signed by its authorized representative, in form and substance satisfactory to the Underwriter and Bond Counsel, respecting certain tax matters as may be reasonably required by Bond Counsel to enable it to give its opinion.

(i) A certificate of the Trustee, dated the Closing Date and signed by an authorized officer of the Trustee, in form and substance reasonably satisfactory to the Underwriter.

(j) The Borrower's 15c2-12 Certificate, substantially in the form attached hereto as Exhibit D, duly executed by the Borrower.

(k) Certified copies of the organizational documents of the Borrower and copies of the resolutions or actions of its partners (if applicable) authorizing the execution and delivery of the Borrower Documents.

(l) The Financing Documents (or certified copies thereof) duly executed and delivered by the respective parties thereto, with such amendments, modifications or supplements as may have been agreed to by the Issuer, Bond Counsel and the Underwriter.

(m) Written evidence satisfactory to the Underwriter that Moody's Investors Service, Inc. (the "Rating Agency") has issued a rating of "[Aa1][Aa1/VMIG 1]" for the Bonds and such rating shall be in effect on the Closing Date.

(n) Such additional legal opinions, certificates, instruments and other documents as the Underwriter, the Issuer or Bond Counsel may reasonably deem necessary to evidence the truth and accuracy as of the Closing Date of the respective representations and warranties of the Issuer and the Borrower herein contained and of the Official Statement, and to evidence compliance by the Issuer and the Borrower with this Purchase Contract and all applicable legal requirements, and the due performance and satisfaction by the Issuer and the Borrower at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer and the Borrower.

10.3 If any of the conditions set forth in Section 10.1 or 10.2 hereof have not been met on the Closing Date, the Underwriter may, at its sole option, terminate this Purchase Contract or proceed to Closing upon waiving any rights under this Purchase Contract with respect to any such condition. If this Purchase Contract is terminated pursuant to this Section 10, no party hereto will have any rights or obligations to any other party hereto under this Purchase Contract, except as provided in Section 13 hereof.

Section 11. Actions and Events at the Closing.

The following events will take place at the Closing:

(a) The Issuer will cause the Trustee to deliver the Bonds to the Underwriter. The Bonds so delivered will be in the form required by the Indenture, duly authenticated by the Trustee, and will be fully registered in the name of Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York.

(b) The Issuer and the Borrower, as applicable, will deliver or cause to be delivered to the Underwriter at the offices of Bond Counsel, or at such other place or places as the Issuer, the Borrower and the Underwriter may mutually agree upon, the materials described in Section 10.1 and Section 10.2 hereof.

(c) The Underwriter will deliver to the Trustee, for the account of the Issuer, a wire, payable in immediately available funds, in an amount equal to the purchase price of the Bonds as set forth in Exhibit A hereto.

Section 12. Termination of Agreement.

The Underwriter may terminate this Purchase Contract, without liability therefor, by notifying the Issuer and the Borrower at any time prior to the Closing, if:

(a) Legislation is enacted or introduced in the Congress or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to either house of the Congress of the United States by a committee of such house to which such legislation has been referred for consideration, or a decision is rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an

order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice or official statement is issued or made: (i) by or on behalf of the President, the Treasury Department of the United States or the Internal Revenue Service with the purpose or effect, directly or indirectly, of imposing federal income taxation upon such interest as would be received by the owners of the Bonds, or (ii) by or on behalf of the SEC, or any other governmental entity having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds or any arrangements underlying the Bonds, are not exempt from registration under the 1933 Act, or that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939, as amended;

(b) The declaration of a general banking moratorium by federal, New York or State authorities, or general suspension of trading in securities on the New York Stock Exchange any other national securities exchange, or the establishment by the New York Stock Exchange, by the SEC, by any federal or state agency or by the decision of any court, of any limitation on prices for such trading, or any outbreak or escalation of hostilities or occurrence of any other national or international calamity or crisis, or escalation of such calamity or crisis, the effect of which on the financial markets of the United States shall be such as to make it impracticable for the Underwriter to proceed with the purchase and offering of the Bonds;

(c) Any event or condition which, in the reasonable judgment of the Underwriter, (i) renders untrue any statement of a material fact in the Official Statement, and the Issuer and the Borrower do not agree to supplement or amend the Official Statement to correct the deficiency, or (ii) causes the Official Statement to omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, and the Issuer and the Borrower do not agree to supplement or amend the Official Statement to correct the deficiency, or (iii) has a material adverse effect upon the marketability of the Bonds, or (iv) would materially and adversely affect the ability of the Underwriter to enforce contracts for the sale of the Bonds;

(d) The imposition by the New York Stock Exchange or other national securities exchange, or any governmental entity, of any restrictions not now in force with respect to any of the Bonds or obligations of the general character of the Bonds or securities generally, or the increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of the Underwriter;

(e) An order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the SEC, or any other governmental entity having jurisdiction of the subject matter, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds or the issuance, offering or sale of the Bonds or any arrangements underlying the Bonds, as contemplated hereby or by the Preliminary Official Statement or the Official Statement, is or would be in violation of the federal securities laws as then in effect;

(f) The rating on the Bonds shall have been downgraded or withdrawn by the Rating Agency; or

(g) A material disruption in commercial banking, securities settlement, payment, or clearance services shall have occurred.

Section 13. Fees and Expenses.

13.1 The Borrower shall pay to the Underwriter a fee in the amount of \$ _____ plus \$ _____ for certain fees and expenses (the “Underwriter’s Fee”), payable in immediately available funds on the Closing Date from which the Underwriter will pay certain expenses. The Underwriter’s Fee shall not include the fee of the Underwriter’s counsel. 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 Borrower has agreed to pay the Underwriter’s Fee set forth in this Section 13.1, and inclusive in the expense component of the Underwriter’s Fee are actual expenses incurred or paid for by the Underwriter on behalf of the Borrower in connection with the marketing, issuance, and delivery of the Bonds, including, but not limited to, advertising expenses, the costs of any preliminary and final blue sky memoranda, CUSIP fees, and transportation, lodging, and meals for the Borrower’s employees and representatives, if any.

13.2 The Borrower shall pay the costs of issuance of the Bonds, including all expenses incident to the performance of the Underwriter’s and the Issuer’s obligations hereunder, including, but not limited to, (i) the cost of the preparation, printing or other reproduction of this Purchase Contract, the Preliminary Official Statement and the Official Statement, as either may be supplemented or amended, the Indenture and the other Financing Documents in reasonable quantities for distribution; (ii) the cost of engraving, reproducing and signing the definitive Bonds; (iii) the reasonable fees and disbursements of all applicable legal counsel, including Bond Counsel, counsel to the Issuer, counsel to the Trustee, and counsel to the Underwriter; (iv) the initial fees and costs of paying the Trustee and all paying agents, transfer agents and registrars; (v) the fees and expenses of the Issuer; (vi) CUSIP fees; (vii) the cost of qualifying the Bonds for sale in various states chosen by the Underwriter and the cost of preparing or printing any Preliminary Blue Sky Survey to be used in connection with such sale; (viii) the fees and expenses of the experts retained by the Borrower with respect to the acquisition, construction and financing of the Project; (ix) the fees of the Rating Agency in connection with the rating of the Bonds; (x) normal travel costs, including reasonable transportation and lodging; (xi) ordinary and reasonable meals hosted by the Underwriter that are directly related to the offering contemplated by this Purchase Contract; (xii) all other applicable fees of professionals hired in conjunction with the issuance of the Bonds; and [(xiii) reimbursement to the Underwriter for the Underwriter’s Advance]. Notwithstanding anything to the contrary, in the event the transaction contemplated hereby does not close, the Borrower shall pay all fees and expenses incurred in connection with the transaction.

13.3 In the event that the Issuer, the Borrower or the Underwriter shall have paid obligations of the other as set forth in this Section, appropriate adjustments will promptly be made.

13.4 In addition to the provisions set forth in Section 14 hereto, the Borrower shall indemnify the Issuer and the Underwriter with respect to the foregoing costs and expenses in the event that the purchase provided for herein is not consummated.

Section 14. Indemnification.

14.1 The Borrower will indemnify and hold harmless the Issuer and the Underwriter, and each of their officers, directors, employees, agents, officials, members, commissioners, board members and each person who “controls” (as such term is used in Section 15 of the 1933 Act and Section 20 of the 1934 Act) the Issuer and the Underwriter (each referred to individually as an “*Indemnified Party*” and collectively as the “*Indemnified Parties*”) against any losses, claims, expenses (including, without limitation, to the extent permitted by law, reasonable attorneys’ fees and expenses actually incurred), damages or liabilities, 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*”), joint or several, to which the

Indemnified Parties may be threatened or become subject, caused by or directly or indirectly arising from or in any way relating to (i) the Bonds, the Project, the loan of the proceeds of the Bonds, this Purchase Contract or any document related to the Bonds, the Project or the loan of the proceeds of the Bonds or any transaction or agreement, written or oral, pertaining to the foregoing, (ii) any untrue statement or alleged untrue statement of any material fact contained in the Preliminary Official Statement or the Official Statement, or any supplement or amendment thereto, or (iii) any omission or alleged omission to state in the Preliminary Official Statement or the Official Statement a material fact necessary to be stated therein in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading. This indemnification provision shall not be construed as a limitation on any other liability which the Borrower may otherwise have to any indemnified person, provided that in no event shall the Borrower be obligated for double indemnification, in that the Borrower shall not be required to indemnify an Indemnified Party more than once with respect to a specific indemnification obligation arising as the result of a specific event. Notwithstanding the foregoing, the Borrower shall not be required to indemnify any Indemnified Party for the gross negligence or willful misconduct of such Indemnified Party.

14.2 The indemnity agreements in paragraph 14.1 of this Section 14 shall be in addition to any liability which the Borrower may otherwise have hereunder or under the other Borrower Documents, and shall extend on the same terms and conditions to each member, principal, official, officer, commissioner, board member, attorney or employee of the Borrower and to each person, if any, who “controls” (as such term is used in Section 15 of the 1933 Act and Section 20 of the 1934 Act) the Borrower.

14.3 Promptly after receipt by an Indemnified Party under paragraph 14.1 of this Section of notice of the commencement of any action against such Indemnified Party in respect of which indemnity or reimbursement may be sought against the Borrower under any such paragraph, such Indemnified Party will notify the Borrower in writing of the commencement thereof; provided that any delay or failure to give such notification shall be of no effect except to the extent that the Borrower is prejudiced thereby.

14.4 In case any action, claim or proceeding, as to which the Borrower is to provide indemnification hereunder, shall be brought against the Indemnified Party and the Indemnified Party notifies the Borrower of the commencement thereof, the Borrower may, or if so requested by the Indemnified Party shall, participate therein or assume the defense thereof, with counsel reasonably satisfactory to the Indemnified Party; provided that, except as provided below, the Borrower shall not be liable for the expenses of more than one separate counsel representing the Indemnified Parties in the action, claim or proceeding.

14.5 If the Borrower shall not have employed counsel to have charge of the defense of the action, claim or proceeding, or if any Indemnified Party shall have concluded reasonably that there may be a defense available to it or to any other Indemnified Party which is different from or in addition to those available to the Borrower or to any other Indemnified Party (hereinafter referred to as a “separate defense”), (i) the Borrower shall not have the right to direct the defense of the action, claim or proceeding on behalf of the Indemnified Party, and (ii) reasonable legal and other expenses incurred by the Indemnified Party (including without limitation, to the extent permitted by law, reasonable attorney’s fees and expenses actually incurred) shall be borne by the Borrower; provided, that the Borrower shall not be liable for the expenses of more than one additional separate counsel for each Indemnified Party with respect to such separate defenses. For the purpose of this paragraph, an Indemnified Party shall be deemed to have concluded reasonably that a separate defense is available to it or any other Indemnified Party if (a) such Indemnified Party shall have requested an unqualified written opinion from Independent Counsel to the effect that a separate defense exists, and such Independent Counsel shall have delivered such opinion to the Indemnified Party within ten (10) days after such request or (b) the Borrower agrees that a separate defense is so available. For purposes of this paragraph, Independent Counsel shall mean any attorney, or firm or association of attorneys, duly admitted to practice law before the supreme court of any state and not a full-

time employee of any Indemnified Party. Nothing contained in this paragraph 14.5 will preclude any Indemnified Party, at its own expense, from retaining additional counsel to represent such party in any action with respect to which indemnity may be sought from the Borrower hereunder.

14.6 The Borrower agrees to reimburse any Indemnified Party for any reasonable expense (including reasonable fees and expenses of counsel) incurred as a result of producing documents, presenting testimony or evidence, or preparing to present testimony or evidence (based upon time expended by an Indemnified Party at its then current time charges), in connection with any court or administrative proceeding (including any investigation which may be preliminary thereto) arising out of or relating to any public distribution of the Bonds. The Borrower will not be required to reimburse any Indemnified Party if such court or administrative hearing arises out of the gross negligence of, willful misconduct or breach of, this Purchase Contract by an Indemnified Party.

14.7 In order to provide for just and equitable contribution in circumstances in which the indemnity provided for in paragraph 14.1 or 14.2 of this Section 14 is for any reason held to be unavailable, the Borrower and the Indemnified Party shall contribute proportionately to the aggregate Liabilities to which the Borrower 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 bears to the aggregate offering price of the Bonds, with the Borrower 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; and provided, further, that the foregoing limitation on an Indemnified Party's liability or responsibility shall not be applicable if the indemnity provided for in paragraph 14.1 or 14.2 is unavailable or inapplicable due to the gross negligence or willful misconduct of any Indemnified Party. No person guilty of fraudulent misrepresentation (within Section 10(b) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such misrepresentation.

14.8 The Indemnified Parties, other than the Underwriter and the Issuer, shall be considered to be third-party beneficiaries of this Purchase Contract for purposes of this Section 14. The provisions of this Section 14 will be in addition to all liability which the Borrower may otherwise have and shall survive any termination and cancellation of this Purchase Contract, the offering and sale of the Bonds and the payment or provisions for payment of the Bonds.

14.9 Notwithstanding anything to the contrary in this Purchase Contract, the Issuer may employ its own counsel (whether one or more separate counsel) in any manner it deems appropriate and the Borrower shall indemnify the Issuer for fees and expenses of such counsel.

Section 15. Limitation of Liability.

Notwithstanding any provision herein to the contrary, any member, officer, director, partner, agent, commissioner, board members or employee of the Issuer, the Underwriter or the Borrower, including any person executing this Purchase Contract, shall not bear any liability as a result of any failure of the Issuer, the Underwriter or the Borrower to perform the obligations of each, respectively, set forth in this Purchase Contract.

Section 16. Miscellaneous.

16.1 All notices, demands and formal actions hereunder will be in writing and mailed, telecopied or delivered to the following address or such other address as either of the parties shall specify:

If to the Underwriter: Stifel, Nicolaus & Company, Incorporated
639 Loyola Avenue, Suite 200
New Orleans, LA 70113
Attention: John Sabatier

If to the Issuer: Texas State Affordable Housing Corporation
6701 Shirley Avenue
Austin, TX 78752
Attention: President

If to the Borrower: FC Bloom Housing, LP
c/o Foundation Communities, Inc.
3000 S IH 35, Suite 300
Austin, TX 78704
Attention: Walter Moreau

16.2 This Purchase Contract will inure to the benefit of and be binding upon the parties hereto and their successors and assigns and, except as provided in Section 14 hereof will not confer any rights upon any other person. The terms “successor” and “assigns” will not include any purchaser of any of the Bonds from the Underwriter merely because of such purchase.

16.3 This Purchase Contract may not be assigned by any of the parties hereto prior to the Closing.

16.4 If any provision of this Purchase Contract is held or deemed to be or is, in fact, inoperative, invalid or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provision of any constitution, statute, rule of public policy, or any other reason, such circumstances will not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance or of rendering any other provision or provisions of this Purchase Contract invalid, inoperative or unenforceable to any extent whatever.

16.5 This Purchase Contract will be construed in accordance with and governed by the internal laws of the State, without regard to conflict of law principles of the State.

16.6 This Purchase Contract may be executed in several counterparts (including counterparts exchanged by email in PDF format), each of which will be regarded as an original and all of which will constitute one and the same document.

Section 17. Survival of Certain Representations and Obligations.

The respective agreements, covenants, representations, warranties and other statements of the Issuer and the Borrower and each of their respective officers set forth in or made pursuant to this Purchase Contract shall survive delivery of and payment for the Bonds and shall remain in full force and effect, regardless of any investigation, or statements as to the results thereof, made by or on behalf of the Underwriter.

Section 18. Prohibition on Boycotts.

By entering into this Purchase Contract, the Underwriter certifies that it and its parent company, wholly or majority-owned subsidiaries, and other affiliates, if any, are not currently engaged in, or for the duration of this Purchase Contract will not engage in, a boycott of goods or services from the State of Israel; companies doing business in or with the State of Israel or authorized by, licensed by, or organized under the laws of the State of Israel; or persons or entities doing business in the State of Israel. The Underwriter understands that “boycott” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations, but does not include an action made for ordinary business purposes.

[Signature pages to follow]

If the foregoing is in accordance with your understanding, please sign and return to us two counterparts hereof and, upon the acceptance hereof by the Issuer and the Borrower, this Purchase Contract and such acceptance shall constitute the binding agreement among us as to the matters set forth above.

Very truly yours,

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**

By: _____

John Sabatier
Managing Director

[Signatures continue on following page]

[Issuer's signature page to Purchase Contract]

**TEXAS STATE AFFORDABLE HOUSING
CORPORATION**

By: _____
David Long
President

[Signatures continue on following page]

[Borrower's signature page to Purchase Contract]

FC BLOOM HOUSING, LP,
a Texas limited partnership

By: FC Lamar Square Phase I, LLC,
a Texas limited liability company,
its General Partner

By: Foundation Communities, Inc.,
a Texas nonprofit corporation,
its Sole Member

By: _____
Walter Moreau
Executive Director

EXHIBIT A

TERMS OF BONDS

**Multifamily Housing Revenue Bonds
(The Bloom at Lamar Square)
Series 2026**

<u>Dated Date</u>	<u>Initial Mandatory Tender Date</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>
June ___, 2026	July 1, 2029	July 1, 2030	\$14,500,000	___%	100%

EXHIBIT B

PROPOSED FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

June __, 2026

Stifel, Nicolaus & Company, Incorporated
New Orleans, Louisiana

\$14,500,000
Texas State Affordable Housing Corporation
Multifamily Housing Revenue Bonds
(The Bloom at Lamar Square)
Series 2026

Ladies and Gentlemen:

This opinion is being rendered to you pursuant to the Bond Purchase Agreement (the “Bond Purchase Agreement”), dated June __, 2026, among the Texas State Affordable Housing Corporation (the “Issuer”), the Underwriter named therein (the “Underwriter”) and FC Bloom Housing, LP, a Texas limited partnership (the “Borrower”), relating to the sale by the Issuer of the above-captioned bonds (the “Bonds”) which are being issued pursuant to a Trust Indenture (the “Indenture”), dated as of June 1, 2026, by and between the Issuer and UMB Bank, N.A., as trustee.

We have acted as Bond Counsel in connection with the issuance and sale of the Bonds, and in that capacity we have participated in various conferences with representatives of and counsel for the Underwriter, representatives of and counsel for the Borrower, and representatives of and counsel for the Issuer relating to the preparation of the Official Statement, dated June __, 2026 (the “Official Statement”). In addition, we have participated in the preparation of the Indenture. We have also examined the documents and other items referred to in our opinion of even date herewith relating to the Bonds.

Based on and subject to the foregoing, and in reliance thereon, we are of the opinion that:

1. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.
2. The statements contained in the Official Statement (except as to any statistical and financial data included in the Official Statement and except for the information relating to The Depository Trust Company, its Participants and its book-entry only system, as to which we do not express an opinion) under the captions “THE BONDS,” “TAX MATTERS,” “APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE,” “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT” and “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT,” insofar as such statements contained under such captions purport to summarize certain provisions of the Bonds, the Indenture, the Loan Agreement, the Regulatory Agreement, and certain aspects of our firm’s opinion relating to the federal tax implications of certain aspects of the Bonds present an accurate summary of such matters.
3. The Bond Purchase Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due execution and delivery by the other parties thereto, constitutes a valid, legal and binding special obligation of the Issuer enforceable in accordance with its terms, except as the enforceability

thereof may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights or contractual obligations generally and no opinion is being rendered as to the availability of any particular remedy thereunder.

4. The Underwriter may rely upon the opinion that we have provided to the Issuer, dated the date hereof, with respect to the Bonds.

This letter is furnished by us solely for your benefit and may not be relied upon by any other persons. This letter is not to be used, circulated, quoted, or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to be relied upon by the holders of the Bonds.

Very truly yours,

EXHIBIT C

FORM OF OPINION OF COUNSEL TO THE BORROWER

June __, 2026

Stifel, Nicolaus & Company, Incorporated
New Orleans, Louisiana

Norton Rose Fulbright US LLP
Dallas, Texas

Texas State Affordable Housing Corporation
Austin, Texas

UMB Bank, N.A.
Austin, Texas

\$14,500,000
Texas State Affordable Housing Corporation
Multifamily Housing Revenue Bonds
(The Bloom at Lamar Square)
Series 2026

Ladies and Gentlemen:

We have acted as counsel to FC Bloom Housing, LP, a Texas limited partnership (the “Borrower”), in connection with the issuance of the above-captioned bonds (the “Bonds”) by the Texas State Affordable Housing Corporation (the “Issuer”).

Capitalized terms used but not defined herein have the meanings assigned to them in the Trust Indenture dated as of June 1, 2026, between the Issuer and UMB Bank, N.A., as trustee (the “Trustee”), or the hereinafter-defined Bond Purchase Agreement.

In our capacity as such counsel, in rendering the opinions set forth below, we have examined, among other things, originals or copies, certified or otherwise identified to our satisfaction, of the following documents: (i) the Preliminary Official Statement, dated June __, 2026, of the Issuer relating to the Bonds (the “Preliminary Official Statement”); (ii) the Official Statement, dated June __, 2026, of the Issuer relating to the Bonds (the “Official Statement”); (iii) the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of June 1, 2026, by and among the Issuer, the Trustee and the Borrower; (iv) the Loan Agreement, dated as of June 1, 2026, between the Issuer and the Borrower; (v) the Bond Purchase Agreement, dated June __, 2026, among the Issuer, the Underwriter named therein and the Borrower (the “Bond Purchase Agreement”); (vi) the Continuing Disclosure Agreement, dated as of June 1, 2026, between the Borrower and the Dissemination Agent named therein; (vii) the Remarketing Agreement, dated as of June 1, 2026, between the Borrower and the Remarketing Agent named therein; (viii) the Note, dated the Closing Date, executed by the Borrower; (ix) the Borrower’s Tax Letter of Representation executed by Borrower and delivered on the Closing Date; and (x) such other documents, certificates and instruments as we have deemed necessary for the purposes of reaching the opinion expressed herein. We have also relied as to matters of fact upon a certificate of the Borrower and examined certain other certificates and documents.

In such examination, we have assumed the genuineness of all signatures (other than those relating to the Borrower), the authenticity of all documents submitted to us as originals, and the conformity to the original document of all documents submitted to us as photostatic or certified copies. We have assumed due authorization, execution and delivery of all documents referenced herein by the parties thereto other than the Borrower and that each of such parties has full power, authority and legal right to execute and deliver each such instrument.

Based upon and subject to the foregoing, we are of the opinion that, as of the date hereof:

(i) The Borrower (a) is a limited partnership validly existing under the laws of the State of Texas (the “State”), (b) is in good standing and duly qualified to transact business in the State, and (c) has full power and authority to execute and deliver the documents listed above numbered (iii) through (ix) (the “Financing Documents”) and the Official Statement and to perform its obligations under each respective agreement.

(ii) The Financing Documents and the Official Statement have each been duly authorized, executed and delivered by the Borrower and the Financing Documents constitute legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, except as the enforcement thereof may be limited by (a) applicable bankruptcy, insolvency, moratorium, reorganization and similar laws (including fraudulent conveyance laws) affecting the enforcement of creditors’ rights and remedies generally in effect from time to time, and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(iii) The execution and delivery of the Financing Documents and the performance by the Borrower of the terms of the respective agreements do not conflict with or violate any other document, instrument, decree, indenture or agreement by which the Borrower is bound.

(iv) No approval, authorization or other action by, or filing with, the State or any agency thereof, is required in connection with the execution and delivery by the Borrower of the Bond Purchase Agreement.

(v) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before any court or public body pending or, to the best of our knowledge, threatened, to challenge the right, power or authority of the Borrower to acquire, own and operate the Project or to perform its obligations under the Bond Purchase Agreement or the other Financing Documents.

(vi) The information in the Preliminary Official Statement and the Official Statement does not contain an untrue statement of fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading as of the date hereof.

We express no opinion as to any matter whatsoever, relating to the accuracy or completeness of any financial accounting or projection information furnished to any party, the accuracy or completeness of any representation made by our clients, the financial status of our clients, the ability of our clients to meet their obligations under any of the above-referenced agreements or any other related document.

Very truly yours,

EXHIBIT D

FORM OF BORROWER'S RULE 15c2-12 CERTIFICATE

\$14,500,000

**Texas State Affordable Housing Corporation
Multifamily Housing Revenue Bonds
(The Bloom at Lamar Square)
Series 2026**

The undersigned hereby certifies and represents to Stifel, Nicolaus & Company, Incorporated (the "Underwriter") that the undersigned is authorized to execute and deliver this certificate on behalf of FC Bloom Housing, LP, 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 securities (the "Bonds").

(b) In connection with the issuance and sale of the Bonds, there has been prepared a Preliminary Official Statement, dated June __, 2026, relating to the Bonds (the "Preliminary Official Statement") setting forth information concerning the Bonds and the Borrower.

(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 and the identity of the Underwriter(s), 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 section of the Preliminary Official Statement entitled "CONTINUING DISCLOSURE" describes the agreement the Borrower expects to make for the benefit of the Bondholders in the Continuing Disclosure Agreement dated as of June 1, 2026, executed by the Borrower and UMB Bank, N.A., as dissemination agent, by which the Borrower will undertake to provide continuing disclosure in accordance with the Rule.

Dated: June __, 2026

[Signature page to follow]

[Signature page to Rule 15c2-12 Certificate]

IN WITNESS WHEREOF, I have hereunto set my hand as of the date set forth above.

FC BLOOM HOUSING, LP,
a Texas limited partnership

By: FC Lamar Square Phase I, LLC,
a Texas limited liability company,
its General Partner

By: Foundation Communities, Inc.,
a Texas nonprofit corporation,
its Sole Member

By: _____
Walter Moreau
Executive Director

EXHIBIT E

FORM OF ISSUE PRICE CERTIFICATE

\$14,500,000

**Texas State Affordable Housing Corporation
Multifamily Housing Revenue Bonds
(The Bloom at Lamar Square)
Series 2026**

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), on behalf of itself, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. Sale of the Bonds. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Exhibit A attached to the Bond Purchase Agreement dated June ___, 2026, among the Underwriter, FC Bloom Housing, LP, a Texas limited partnership (the “Borrower”), and the Texas State Affordable Housing Corporation (the “Issuer”).

2. Defined Terms.

(a) “*Issuer*” means the Texas State Affordable Housing Corporation, a nonprofit corporation of the State of Texas.

(b) “*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than the Underwriter or a related party to the Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) “*Underwriter*” means (i) Stifel, Nicolaus & Company, Incorporated, (ii) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (iii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (ii) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer and the Borrower with respect to certain of the representations set forth in the Tax Certificates and with respect to compliance with the federal income tax rules affecting the Bonds, and by Norton Rose Fulbright US LLP, Dallas, Texas, Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038,

and other federal income tax advice that it may give to the Issuer and the Borrower from time to time relating to the Bonds.

Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

Dated: June __, 2026

[Underwriter's signature page to Issue Price Certificate]

Dated as of the date hereof.

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**

By: _____
John Sabatier
Managing Director

[Underwriter's signature page to Issue Price Certificate]

Dated as of the date hereof.

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**

By: _____

Z. Jason Barnett
Managing Director

Texas State Affordable Housing Corporation
Multifamily Housing Revenue Bonds
(The Bloom at Lamar Square)
Series 2026

**Bond Document No. 5:
Asset Oversight, Compliance and Security Agreement**

**RECORDING REQUESTED BY AND
WHEN RECORDED, RETURN TO:**

**Norton Rose Fulbright US LLP
2200 Ross Avenue Suite 3600
Dallas, Texas, 75201
Attention: Paul A. Braden**

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU
MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS
INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS:
YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

ASSET OVERSIGHT, COMPLIANCE AND SECURITY AGREEMENT

between

TEXAS STATE AFFORDABLE HOUSING CORPORATION

and

FC BLOOM HOUSING, LP

relating to

[\$14,500,000]

**Texas State Affordable Housing Corporation
Multifamily Housing Revenue Bonds
(The Bloom at Lamar Square)
Series 2026**

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THIS ASSET OVERSIGHT, COMPLIANCE AND SECURITY AGREEMENT (as amended, modified, or supplemented from time to time, this “Agreement”) is dated as of June 1, 2026 (the “Effective Date”) by and between **FC BLOOM HOUSING, LP**, a Texas limited partnership (the “Borrower”) and **TEXAS STATE AFFORDABLE HOUSING CORPORATION**, a Texas non-profit corporation (together with its successors and assigns, the “Corporation”).

Section 1. **The Property and the Bonds.** The Borrower plans to acquire, construct and equip a multifamily apartment housing facility containing 58 units located in Austin, Texas, Travis County, Texas all as more particularly described in Appendix A attached hereto (the “Property”) in connection with the issuance and sale of the Corporation’s Multifamily Housing Revenue Bonds (The Bloom at Lamar Square) Series 2026 in the original aggregate principal amount of [\$14,500,000] (the “Series 2026 Bonds”) (the “Bonds”), issued pursuant to a Trust Indenture by and between the Corporation and UMB Bank, N.A., as trustee (the “Bond Trustee”) dated as of June 1, 2026 (the “Indenture”). All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture, the Loan Agreement by and between the Corporation and the Borrower dated as of June 1, 2026 (the “Loan Agreement”) or the Regulatory Agreement and Declaration of Restrictive Covenants dated as of June 1, 2026 (the “Regulatory Agreement”) by and among the Corporation, the Bond Trustee and the Borrower.

Section 2. **Borrower’s Responsibility; Asset Oversight Activities.**

(a) The Borrower acknowledges responsibility for ensuring that the Property is operated in a manner consistent with and in compliance with the Regulatory Agreement, the Indenture, the Loan Agreement, this Agreement and all applicable legal requirements.

(b) The Borrower shall be responsible for providing to the Corporation financial, operating, and such other information related to the Property as the Corporation may request. The Borrower shall cause Foundation Communities, Inc., together with any successor manager of the Property hired by the Borrower (the “Manager”), to cooperate with the Corporation with respect to providing information concerning the multifamily housing facilities comprising the Property as the Corporation may request from time to time.

(c) Each year, at least thirty (30) days prior to the end of Borrower’s fiscal year, Borrower shall submit to the Corporation the annual budget for the Property prepared by the Manager (the “Proposed Budget”). The Corporation shall review the Proposed Budget, may make (in its discretion) recommendations to the Borrower regarding the Proposed Budget (such recommendation to be based upon the Corporation’s opinion as to whether income, expense and capital items are realistic concerning the Property).

(d) As soon as it is available, but in any event not later than one hundred twenty (120) days after the end of each fiscal year of the Borrower, the Borrower shall submit to the Corporation its audited balance sheet as of the end of such year, and the related audited statement of income, audited statement of retained earnings and changes in capital from such year, audited statement of cash flows for such year, and an audited statement of all contingent liabilities of the Borrower which are not reflected in such financial statements or referred to in the notes thereto, each setting forth in comparative form the figures for the previous fiscal year. All such statements shall be in

reasonable detail, prepared in accordance with generally accepted accounting principles, and shall be accompanied by an unqualified auditor's report prepared by independent certified public accountants which states that after conducting an examination necessary to provide such report, such firm has obtained no knowledge of any Default or Event of Default under the Loan Agreement, the Regulatory Agreement or this Agreement, or, if such accountants shall have obtained knowledge of any such then-existing Default or Event of Default they shall disclose in such statement any such Default or Event of Default.

(e) As soon as it is available, but in any event not later than thirty (30) days after the end of each quarter, the Borrower shall submit to the Corporation copies of its unaudited balance sheet at the end of such month, and the related unaudited statement of income, statement of retained earnings and changes in capital, and statement of cash flows for the portion of each Borrower's fiscal year then elapsed, all in reasonable detail and prepared in accordance with generally accepted accounting principles, together with a certification by the principal financial or accounting officer, member or trustee of the Borrower that no Event of Default under the Loan Agreement, the Regulatory Agreement or this Agreement has occurred and is continuing and the information contained in such financial statements fairly presents the financial position of the Borrower on the date thereof (subject to year-end adjustments) and that, in making the examination necessary to said certification, such Person has obtained no knowledge of any facts to the contrary.

(f) The Corporation shall assess the site, personnel and procedures of the Manager on an annual basis to obtain information concerning the marketing plans, the compliance procedures relating to the Bonds and the operation of the multifamily housing facility comprising the Property.

Section 3. **Compliance for Qualified Project Period.** The Corporation and the Borrower hereby recognize and declare their understanding and intent that the Property is to be owned, managed and operated as a "housing development", as such term is defined in Section 2306.004(13), as amended, of the Texas Government Code, and in compliance with applicable restrictions and limitations as provided in said Chapter 2306 of the Texas Government Code and the Corporation's applicable Multifamily Tax Exempt Bond Policy and Request for Proposals for the creation or preservation of multifamily residential rental projects in Texas, until the expiration of the Qualified Project Period, as defined in the Regulatory Agreement, or for so long as any portion of the Bonds remains outstanding and unpaid, whichever is later. To that end, the Borrower hereby represents, covenants and agrees to meet all requirements of the Regulatory Agreement and the following requirements:

(i) To comply with the Set-Aside Requirements:

(A) **Set-Aside Requirement.** As set forth in the Regulatory Agreement, during the Qualified Project Period, on a continuous basis, at least forty percent (40%) of the units, initially 24 units, in the Property (excluding units occupied or reserved for a resident manager or security or maintenance personnel that are functionally related and subordinate to the Project Facility and are reasonably required for such Property) (the "Set-Aside") shall be occupied or held vacant and available for occupancy at all times by Low Income Tenants earning no more than sixty percent (60%) of the applicable area median income. For the purposes of this subparagraph (i), a vacant unit that was most recently occupied by a Low Income

Tenant is treated as rented and occupied by a Low Income Tenant until reoccupied, at which time the character of such unit shall be re-determined.

(B) Additional Income and Rent Requirements: At least ten percent (10%) of the units in the Property will be restricted to occupancy by persons or families earning no more than thirty percent (30%) of the area median income.

(C) General Rent Restriction Requirement. The Corporation places restrictions on the rents charged on the units leased pursuant to paragraph (A) above. The maximum rent that may be charged for any such unit may not exceed 30% of the applicable median gross income for the county in which the Property is located, as prescribed by HUD, under Section 8 of the United States Housing Act of 1937, as amended (the "Housing Act of 1937"), adjusted for family size, assuming 1½ persons per bedroom and without taking into account any allowance for utilities. Rents may also not exceed 30% of the applicable median gross income for the county in which the Property is located, as calculated using the prescribed method provided by the Corporation (which is currently consistent with the method prescribed by HUD). Notwithstanding anything herein to the contrary, utilization of the Housing Act of 1937 as a framework for rent restrictions and determining median gross income does not by itself make the Corporation subject to HUD's Final Rule on VAWA as defined in this Agreement.

(D) General Occupancy Requirement. The Borrower hereby represents, covenants and agrees that, for the duration of the Qualified Project Period, any and all increases in rents in excess of the greater of (a) 5% or (b) the Consumer Price Index as published by the Bureau of Labor Statistics of the United States Department of Labor, for any of the Low Income Units (as defined in the Regulatory Agreement) in the Property are subject to the prior written approval of the Corporation, which approval shall not be unreasonably withheld. To the extent the Corporation's written approval is required for a rent increase, any written approval of the Corporation shall be given within ten (10) Business Days of the Corporation's receipt of request therefor from the Borrower. If such approval is not received within such time, the Corporation shall be deemed to have consented to the increase in rents.

(ii) To obtain an Income Certification (as defined in the Regulatory Agreement and as attached to the Regulatory Agreement as Exhibit D) from each resident in the Property in accordance with the provisions of the Regulatory Agreement and to maintain a file of all such resident Income Certifications, together with all supporting documentation for a period of not less than three years following the later of the date on which no Bond remains outstanding or the end of the Qualified Project Period;

(iii) To obtain from each resident in the Property, for any lease executed after the Effective Date of this Agreement, pertaining to the unit occupied by such resident, a written certification, acknowledgment and acceptance in such form provided by the Corporation from time to time that (i) such lease is subordinate to the Loan Agreement and the Regulatory Agreement, (ii) all statements made in the Income Certification submitted

by such resident are accurate, (iii) the family income and eligibility requirements of the Loan Agreement and the Regulatory Agreement are substantial and material obligations of tenancy in the Property, (iv) such resident will comply promptly with all requests for information with respect to such requirements from the Borrower and the Corporation, and (v) failure to provide accurate information in the Income Certification or refusal to comply with a request for information with respect thereto will constitute a violation of a substantial obligation of the tenancy of such resident in the Property;

(iv) Except as prepared and submitted as part of the monthly Unit Status Report (as referred under paragraph (v) below), commencing in the year 2028, to cause to be prepared and submitted to the Corporation (or any duly authorized representative of the Corporation) upon written notice provided by the Corporation on the first day of the Qualified Project Period, or within such extended time as is permitted under Internal Revenue Service Revenue Procedure 2004-39, and thereafter by the tenth (10th) calendar day after the end of each calendar quarter, or other schedule as determined by the Corporation with written notice to the Borrower, a Continuing Program Compliance Certificate in the form attached as Exhibit C to the Regulatory Agreement or at the request of the Corporation in such other form provided by the Corporation to Borrower from time to time to meet tax-exempt bond requirements;

(v) Commencing in January 2028, to cause to be prepared and submitted to the Corporation (or any duly authorized representative of the Corporation) by electronic submission on or before the tenth (10th) day of each calendar month, the “Unit Status Report,” the “Resident Services Report” and any other reasonably required report required by the Corporation available on the Corporation’s website;

(vi) To the extent legally permissible and upon reasonable advance written notice, to permit any duly authorized representative of the Corporation or the Bond Trustee to inspect the books and records of the Borrower pertaining to the Property or the incomes of residents of the Property, including but not limited to resident files, during business hours and to make copies therefrom if so desired and file such reports as are necessary to meet the Corporation’s requirements;

(vii) To obtain an Income Certification, together with all supporting documentation, for each Set-Aside Unit annually no earlier than 120 days prior to the anniversary date and no later than the anniversary date of the initial occupancy. Example: If the household moved in on December 1, 2026, the annual Income Certification must be completed between August 3 (120 days prior to December 1) and December 1 every year thereafter;

(viii) To comply with the following rehabilitation and construction standards

(A) All rehabilitation and replacement or make-ready activities must adhere to the construction, energy efficiency, accessibility and site development standards set by the applicable Corporation’s Multifamily Tax Exempt Bond Policy and Request for Proposals. Specifically, any rehabilitation or construction activities detailed in the Borrower’s application and supporting documents must

include the use of Energy Star rated appliances (e.g. refrigerators, dishwashers, lighting, ceiling fans) and mechanical systems (e.g. water heaters, HVAC systems, ventilation, etc.) being replaced, rehabilitated or installed by the Borrower; and

(B) All rehabilitation and/or construction activities must adhere to the Federal Fair Housing Accessibility Standards, Title II & III of the Americans with Disabilities Act, Section 504 Accessibility Standards, and Section 2306.514 of the Texas Government Code. The Borrower must submit an affidavit or affidavits certifying its adherence to the requirements of Section 504 (Accessibility Standards) and Section 2306.514 of the Texas Government Code prior to the commencement of any rehabilitation or construction activities; and

(ix) To comply with HUD's Final Rule on VAWA as follows: to the extent that Borrower is receiving or will receive any assistance for tenant-based or project-based rental assistance programs under the Housing Act of 1937 or is considered providing any other "covered housing program" within the meaning of HUD's final rule implementing the Violence Against Women Reauthorization Act of 2013 ("HUD's Final Rule on VAWA"), Borrower represents, warrants and covenants until the end of the Qualified Project Period that Borrower is and will continuously be in compliance with the requirements of HUD's Final Rule on VAWA.

Section 4. **Resident Services Requirement.** The Borrower shall comply with all applicable requirements of the Act, including submitting (via the electronic filing system available on the Corporation's website) the Fair Housing Sponsor Report (in the form available on the Corporation's website) on or before March 31, 2028 and annually thereafter during the term of this Agreement. The Borrower shall provide a sustained resident service program that provides at least four (4) resident services each month. The resident services shall be free of charge and available to residents. The Borrower must ensure a dedicated budget for services, free transportation to services if off-site, and preferably on-site staff to direct services. The four (4) services may be taken from the Corporation's Resident Services Program Guidelines as may be updated from time to time and made available on the Corporation's website (e.g., <https://www.tsahc.org/property-managers/property-manager-downloads>). A current version of such Guidelines is set forth as Appendix B hereto. The Borrower shall also submit a resident services program plan (the "Program Plan") that explains the services to be provided on an annual basis for the Property and which is subject to review and approval by the Corporation. The Borrower shall submit an updated Program Plan on or before December 1st of each year, commencing December 1, 2028. The Program Plan may be amended throughout the year upon written request of the Borrower and the written approval by the Corporation. A line-item budget must accompany the Program Plan and the Borrower shall maintain a dedicated budget for such resident services. To the extent feasible, the budget should include salaries for on-site staff to provide or coordinate resident services, and if services are provided off-site, transportation costs (which transportation costs may not be charged to the residents).

Section 5. **Replacement Reserve Fund.** The Borrower shall conduct a third-party physical needs assessment (the "Physical Needs Assessment") in accordance with the terms hereof and applicable law. At a minimum, the Borrower shall contract with a third party to conduct the Physical Needs Assessment at least once during each five year period beginning with the 11th year

after the Closing Date and once every five years thereafter. The Borrower shall submit to the Corporation, within fifteen (15) Business Days of receipt thereof, copies of the most recent Physical Needs Assessment report, any response by the Borrower to the Physical Needs Assessment, and, information on any necessary adjustments to amounts held in any replacement reserve fund established to fund capital repairs or maintenance items on the Property (the "Replacement Reserve Fund") based on the Physical Needs Assessment.

The Borrower shall maintain the Property and make repairs as specified in the Physical Needs Assessments and shall otherwise comply with Section 2306.186(e), (f) and (g) of the Texas Government Code (the Corporation shall be considered the "department" under such statute) and this Agreement. The Borrower hereby grants the Corporation, upon at least ten (10) business days prior written notice to the Borrower, any and all rights to enter upon the related Property and such right of access thereto as necessary to comply with Section 2306.186(e), (f) and (g) of the Texas Government Code, this Agreement, the Corporation's Multi-Family 501(c)(3) and Private Activity Bond Program Compliance Policy (as approved in February 2013, and as subsequently amended from time to time by the Corporation) (the "Corporation's Compliance Policy") and this Agreement.

If the Corporation determines in its reasonable discretion, that (i) the Property is in violation of Section 2306.186(e), (f) or (g) of the Texas Government Code; or (ii) the Borrower has not completed the repairs/replacements pursuant to the applicable Physical Needs Assessment, the Corporation shall provide written notice to the Borrower of such violation with a list and description of each violation and the action needed to effect a remediation of the violation. The Borrower shall cooperate with the Corporation to resolve such violations in a diligent manner and shall involve the Investor Limited Partner to the extent required by the Borrower's limited partnership agreement executed in connection with the Project (the "Borrower Partnership Agreement"). If such violations are not corrected by or on behalf of the Borrower after sixty (60) days of the receipt of the violation notice by the Borrower from the Corporation, the Corporation shall, upon providing prior written notice of its action to the Borrower, have the right to withdraw (subject to the provisions governing the Replacement Reserve Fund set forth in the Borrower Partnership Agreement) an amount or amounts from the Replacement Reserve Fund equal to the reasonable cost to correct the violations and use such funds to make the repairs/replacements to correct such violations; provided, however, the Investor Limited Partner, at its option, may provide sufficient funds to the Corporation to timely complete the repairs/replacements required by the applicable Physical Needs Assessment under this Section in lieu of a draw on the Replacement Reserve Fund, and such funds shall be accepted and rejected on the same basis as if made or tendered by the Borrower. The Corporation may begin the process of withdrawing funds from the Replacement Reserve Fund ninety (90) days after the initial corrective action period ends.

Notwithstanding anything else to the contrary contained in this Section 5, the Corporation shall not be obligated to enter upon the Property nor shall the Corporation be obligated to take action or make repairs for the purpose of enforcing this Section 5.

Section 6. **Management Agreement.** The Borrower agrees to the following, and each of these provisions shall be reflected in the Management Agreement or in a separate written consent executed by the then current Manager:

(a) The Corporation has approved the initial Manager which shall act as manager for the Property, and the Corporation has approved the initial Management Agreement. The Corporation shall have the authority to approve all subsequent managers prior to their installment and the Borrower shall notify the Corporation in writing at least thirty (30) days prior to the installment of a new manager; provided, however, that pending the Corporation's consent to any replacement manager, the Investor Limited Partner may install an affiliate of the Investor Limited Partner as an interim manager on a temporary basis to the extent permitted by the Management Agreement and/or the Borrower Partnership Agreement. The Investor Limited Partner shall provide prior notice of the appointment of any such interim manager to the Corporation. The Corporation shall have the authority to approve all subsequent management agreements, which approval shall not be unreasonably withheld, conditioned or delayed. If the Corporation has not responded within twenty (20) days of receipt by certified mail of a proposed new manager and any proposed new management agreement, the proposed manager and the proposed management agreement shall be deemed approved by the Corporation.

(b) The Corporation shall have the authority (subject to the provisions of the Indenture and the Loan Agreement related to the Manager and the Management Agreement) to remove any manager and appoint a new manager or managers (including itself) if:

(i) the Property is not maintained in a manner which complies with Section 2306.186 of the Texas Government Code, as required by Section 2306.269 of the Texas Government Code and is not corrected within ninety (90) days after written notice to the Borrower;

(ii) an Event of Default has occurred and is continuing beyond all applicable notice and cure periods under this Agreement with respect to the Property;

(iii) the Borrower does not follow the reasonable recommendations of the Corporation, or its agent, in accordance with this Agreement, the Regulatory Agreement, the Indenture or the Loan Agreement, or any other agreement related to the Corporation's Compliance Policy; or

(iv) the Borrower does not correct the findings noted within an Asset Oversight Observation Report and/or Compliance Observation Report within the timeframes set forth in the Corporation's Compliance Policy.

Section 7. **Annual Compliance Audit; Site Visit.**

(a) The Corporation, or a third party compliance monitoring agent selected and retained by the Corporation (the "Independent Consultant"), will conduct an annual audit to verify compliance with one or more of the agreements entered into in accordance with the Corporation's Compliance Policy, including the Regulatory Agreement and the Loan Agreement, and any other agreement relating to the Corporation's Compliance Policy. The Borrower shall agree to provide any documentation or information reasonably requested in writing either by the Corporation or the Independent Consultant related to such audit that is reasonably available to the Borrower. The costs related to any annual audit (excluding the costs incurred by the Borrower in providing information to the Corporation or the Independent Consultant) will be paid from the fees and other

amounts payable to the Corporation or the Independent Consultant under the related agreements. The Corporation shall provide to the Borrower the Corporation's preferred resident file organization standard to be used for each related property.

(b) After the Closing Date, the Corporation or the Independent Consultant shall make an annual site visit to the Property, with reasonable prior written notice to the Borrower, and prepare an observation report in connection therewith; provided however, such site visits may be temporarily suspended by the Corporation if, in the opinion of the Corporation, a material calamity, crisis, epidemic, pandemic or other disaster poses a threat to the health or well-being of those conducting the site visit. The Borrower shall fully cooperate with the Corporation and with any Independent Consultant retained by the Corporation to perform all or any part of the site visit.

Section 8. **Corporation Report; Borrower's Compliance.** The Corporation shall prepare and deliver to the Borrower during each calendar year a report or such other form as may be required or promulgated by the Corporation. Each report by the Corporation shall be delivered to the Borrower within ninety (90) days after the annual site visit to the Property. It is understood that if the date of the site visit to the Property takes place within the last ninety (90) days of a calendar year, the applicable report may be delivered to the Borrower in the next calendar year (but still within the 90-day timeframe). The Borrower shall, within thirty (30) days (or within one (1) business day in the case of a health or safety violation, unless the Corporation approves a longer period) after the date each report is received by the Borrower, cure any and all deficiencies or problems and provide sufficient evidence to the Corporation that the Borrower has corrected all deficiencies; provided, however, that in the event the Borrower cannot reasonably cure all noted deficiencies within the applicable cure period, the Borrower may (except in the case of a health or safety violation, unless the Corporation approves an additional cure period for such violation) have an additional reasonable period of time to cure the deficiencies if, in the Corporation's judgment, the Borrower has commenced such cure prior to the expiration of the applicable period and the Borrower diligently prosecutes such cure.

Notwithstanding anything herein to the contrary, the Corporation hereby agrees that any timely cure of any default made under this Section tendered by the Investor Limited Partner or the Guarantor shall be deemed to be a cure by the Borrower, and shall be accepted and rejected on the same basis as if made or tendered by the Borrower and the Investor Limited Partner and/or the Guarantor shall be granted the same cure period, if any, granted to the Borrower; provided, however, that the Investor Limited Partner and Guarantor shall not have any obligation or duty to take any action to cure any default or to cause any default to be cured.

Section 9. **Fees.**

(a) For services to be performed under this Agreement, the Borrower agrees to pay to the Corporation an annual asset oversight and compliance monitoring fee (the "Issuer Compliance Fee") in an amount equal to the greater of (i) \$45.00 per unit, or (ii) \$2,500 for each property included in the Project to be remitted to the Issuer through the Bond Trustee. Commencing with the fees payable in March 2028, the Issuer Compliance Fee shall increase by 2% per annum, with a maximum increase of 20% or ten annual increases.

(b) The Borrower shall pay the Issuer Compliance Fee in accordance with the terms of the Loan Agreement and the Indenture, as follows: the full amount of the Issuer Compliance Fee will be paid on or before the 10th day of March of each year for the then current calendar year (for example, the 2028 Issuer Compliance Fee will be paid in full on or before March 10, 2028). The Issuer Compliance Fee for calendar year 2027 will be paid on the Closing Date in an amount equal to \$2,610.

(c) The Corporation will pay the fees of any Independent Consultant hired by the Corporation from the Issuer Compliance Fee. The Borrower shall not be a party to any contract between the Corporation and an Independent Consultant.

(d) “CPI Adjustment” means an increase in the Issuer Compliance Fee from the prior year’s fee to account for the most recently published annual percentage increase in the CPI. “CPI” means the Consumer Price Index - All Urban Consumers, U.S. City Average, All Items (1982-84 = 100), as published by the Bureau of Labor Statistics of the United States Department of Labor. All such CPI Adjustments and amounts owing for fees under this Section 9 shall be evidenced by an invoice from the Corporation delivered to the Borrower and the Bond Trustee setting forth such amounts prior to payment being required by the Bond Trustee or the Borrower. If the publication of the CPI is discontinued or published less frequently, then the Corporation shall determine a substitute index published by a governmental body or nationally recognized financial institution that reasonably reflects and monitors consumer prices. In addition to the CPI Adjustments, the Corporation may in its discretion adjust the Issuer Compliance Fee, subject to the prior written approval of the Borrower. The Borrower shall respond to any request herein within thirty (30) business days of the Borrower’s receipt of a written request from the Corporation. If the Borrower fails to respond within such time period, the Borrower shall be deemed to have consented to the proposed adjustment to the Issuer Compliance Fee.

Section 10. **Term.** This Agreement and each provision hereof shall become effective as of the Effective Date, shall remain in full force and effect for the periods provided herein and, except as otherwise provided in this Section 10, shall terminate in its entirety at the end of the Qualified Project Period; provided, however, that the Borrower will be required to execute the Corporation’s Borrower Certificate for End of Qualified Project Period upon such termination (in the form then available on the Corporation’s website).

Notwithstanding anything herein to the contrary, the requirements set forth herein shall terminate, without the requirement of any consent by the Corporation, and be of no further force and effect in the event of involuntary noncompliance with the provisions of this Agreement caused by fire, seizure, requisition, change in a federal or State law or an action of a federal agency after the Closing Date which prevents the Borrower from enforcing the provisions hereof, or foreclosure or transfer of title by deed in lieu of foreclosure or other similar involuntary transfer, condemnation or a similar event, but only if, within a reasonable period thereafter, the Bonds are retired in full. The provisions of the preceding sentence shall cease to apply and the requirements referred to therein shall be reinstated if, at any time during the Qualified Project Period, after the termination of such requirements as a result of involuntary noncompliance due to foreclosure, transfer of title by deed in lieu of foreclosure or similar event, any of the Borrower or any Related Person (as defined in the Indenture) obtains an ownership interest in the Property for federal income tax purposes and for the purposes of State law.

Notwithstanding any other provision of this Agreement, this Agreement may be terminated upon written agreement by the Corporation and the Borrower.

Upon the termination of the terms of this Agreement, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof; provided, however, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Agreement in accordance with its terms. All costs, including fees and expenses of the Corporation incurred in connection with the termination of this Agreement shall be paid by the Borrower and its successors in interest.

Section 11. **Covenants To Run With the Land.** The Borrower hereby subjects the Property to the covenants, reservations and restrictions set forth in this Agreement. The Corporation and the Borrower hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Borrower's successors in title to the Property; provided, however, that upon the termination of this Agreement said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof prior to the termination of this Agreement shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

No breach of any of the provisions of this Agreement shall impair, defeat or render invalid the lien of any mortgage, deed of trust or like encumbrance made in good faith and for value encumbering any of the Property or any portion thereof.

Section 12. **Burden and Benefit.** The Corporation and the Borrower hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the land in that the Borrower's legal interest in the Property is rendered less valuable thereby. The Corporation and the Borrower hereby further declare their understanding and intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Property by Low Income Tenants and by furthering the public purposes for which the Bonds were issued.

Section 13. **Uniformity; Common Plan.** The covenants, reservations and restrictions hereof shall apply uniformly to the Property in order to establish and carry out a common plan for the use, development and improvement of the Property.

Section 14. **Default; Enforcement by the Corporation.** If the Borrower defaults in the performance or observance of any covenant, agreement or obligation of the Borrower set forth in this Agreement, and if such default remains uncured by the Borrower for a period of sixty (60) days after written notice thereof shall have been given by the Corporation to the Borrower, then the Corporation shall declare an "Event of Default" to have occurred hereunder; provided, however, that, if the default stated in the notice is of such a nature that it cannot be corrected within sixty (60) days, such default shall not constitute an Event of Default hereunder and shall not be declared an Event of Default so long as (i) the Borrower institutes corrective action within said sixty (60) days and diligently pursue such action until the default is corrected and (ii) in the

reasonable discretion of the Corporation, the Borrower has the ability to cure said default within an additional sixty (60) days. Notwithstanding anything herein to the contrary, with respect to any conflict regarding enforcement provisions between this Agreement and the Regulatory Agreement for requirements found in both documents, the Regulatory Agreement shall control. On a contemporaneous basis with the written notice provided to the Borrower under this Section 14, the Corporation shall provide a copy of such notice to the Investor Limited Partner and the Majority Owner; provided, however, that providing such notice to such parties shall not constitute a condition precedent to any action that the Corporation is otherwise authorized to take pursuant to the terms of this Agreement or applicable law and the failure to provide such notice is not a default or violation of the terms of this Agreement by the Corporation.

Following the declaration of an Event of Default as set forth above, the Corporation, subject to being indemnified to its satisfaction with respect to the costs and expenses of any proceeding may, at its option, take any one or more of the following steps:

(a) by mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require the Borrower to perform its obligations and covenants hereunder or enjoin any acts or things which may be unlawful or in violation of the rights of the Corporation hereunder;

(b) have access to and inspect, examine and make copies of all of the books and records of the Borrower pertaining to the Property during regular business hours following reasonable written notice;

(c) pursuant to Section 5, and subject to the terms of the Borrower Partnership Agreement, withdraw funds from the Replacement Reserve Fund to make repairs/replacements to the Property;

(d) pursuant to Section 6, remove any Manager or Managers and replace such Manager or Managers with a Manager or Managers reasonably acceptable to the Borrower;

(e) pursuant to Section 15, the ex parte appointment of a receiver;

(f) pursuant to Section 16, assess reasonable penalties for non-compliance; and

(g) take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Borrower hereunder;

The Borrower hereby agrees that specific enforcement of the Borrower's agreements contained herein may be the only means by which the Corporation may obtain the benefits of such agreements, and the Borrower therefore agrees to the imposition of the remedy of specific performance against it in the case of any Event of Default by the Borrower hereunder.

All rights and remedies herein given or granted are cumulative, nonexclusive and in addition to any and all rights and remedies that the parties may have or may be given by reason of any law, statute, ordinance, document or otherwise. Notwithstanding the availability of the remedy of specific performance provided for in this Section 14, promptly upon determining that a violation of this Agreement has occurred, the Corporation shall to the extent that it has actual knowledge thereof, by notice in writing, inform the Borrower that a violation of this Agreement has occurred

(provided that the failure to provide such notice shall not adversely affect the Corporation's rights under this Agreement).

Notwithstanding anything to the contrary herein, the Corporation hereby agrees that any timely cure of any default made under this Section tendered by the Investor Limited Partner shall be deemed to be a cure by the Borrower, and shall be accepted and rejected on the same basis as if made or tendered by the Borrower and the Investor Limited Partner shall be granted the same cure period, if any, granted to the Borrower; provided, however, that the Investor Limited Partner shall not have any obligation or duty to take any action to cure any default or to cause any default to be cured.

Section 15. **Appointment of Receiver; Corporation in Possession.** As provided in Section 2306.125(b) of the Texas Government Code, if and only if all of the following shall have occurred; (i) a "Material Event of Default", defined below, has occurred and is continuing, and (ii) the Corporation has already pursued its remedies under Section 14(c) and 14(d) above and such Material Event of Default still remains, then as a matter of strict right and without notice to the Borrower, without the showing of any insolvency, fraud or mismanagement on the part of the Borrower and without the necessity of filing any judicial or other proceeding other than for the appointment of a receiver, the Corporation shall be entitled to the ex parte appointment of a receiver to take possession of, protect, control, manage and operate the Property in order to remedy the Material Event of Default with respect to such Property but for only so long as the Material Event of Default is continuing and remains uncured. The Borrower hereby irrevocably agrees, consents to, waives any notice of or defense to the appointment of a receiver for the Property owned thereby. The Borrower further agrees that, following the Extraordinary Additional Cure Period defined below, the equitable appointment of a receiver hereunder is the only remedy available for the Corporation to ensure compliance with the terms of this Agreement and the safety and well-being of the residents of the Property owned by the Borrower who has committed a Material Event of Default. Any receiver appointed pursuant to this Agreement shall have all usual powers and duties in such matters as ordered by a court, including, without limitation, the power to take possession of, enter upon, hold, develop, rent, lease, manage, maintain, operate and otherwise use and operate the Property upon such terms and conditions as the receiver may deem to be prudent and reasonable under the circumstances in order to remedy the Material Event of Default with respect to such Property.

During an Extraordinary Additional Cure Period, the Corporation agrees to cooperate fully with the Borrower and any Affiliates of the Borrower to rectify the Event(s) of Default in a diligent manner.

"Material Event of Default" means an Event of Default that materially adversely affects the health, welfare and/or safety of the tenants of the Property that is continuing after the Extraordinary Additional Cure Period has passed.

"Extraordinary Additional Cure Period" means a period of an additional ninety (90) days from the cure periods provided in Section 14 that begins on the date that the Borrower, Investor Limited Partner and the Majority Owner receives written notice from the Corporation that it intends to appoint a receiver as an enforcement remedy for a Material Event(s) of Default under this Agreement. If corrective action is instituted to cure such Material Event(s) of Default within

this 90-day period, the Corporation agrees this Extraordinary Additional Cure Period shall last so long as, in the reasonable discretion of the Corporation, the Borrower or the Investor Limited Partner and/or the Majority Owner is diligently pursuing a remedy for such Material Event(s) of Default; provided, however in no event shall the Extraordinary Additional Cure Period last for more than one (1) year from the date the Borrower receives notice as described above unless (a) such corrective action has been instituted by or at the direction of the Corporation, or (b) Investor Limited Partner and/or the Majority Owner is diligently pursuing remedies for an Event of Default under the Permanent Deed of Trust and the Documents secured by the Property, then such Extraordinary Additional Cure Period shall continue so long as such corrective action is diligently pursued. The Investor Limited Partner and/or the Majority Owner shall have the right, but not the obligation, to cure a default under this Agreement during the Extraordinary Additional Cure Period.

Section 16. **Assessment of Penalties by Corporation.**

Upon an Event of Default that continues after all cure periods provided in Section 14 (or if appropriate, Section 15), the Corporation may assess reasonable penalties for such non-compliance against the defaulting Borrower. All penalties assessed herein will be for the compliance action and amounts per time period as provided in Appendix C attached hereto (the “Penalties”); provided that these amounts and time periods may be adjusted by the Corporation from time to time in its sole, but reasonable, discretion. All Penalties assessed shall be paid by the Borrower within thirty (30) days of receipt of a written complaint and assessment of penalties provided by the Corporation to the Borrower. If any Penalties remain unpaid for a period of sixty (60) days after receipt by the Borrower of any written complaint and assessment of Penalties, additional Penalties may be assessed by the Corporation as provided in Appendix C attached hereto.

Upon the receipt of the written complaint and assessment of Penalties by the Borrower from the Corporation, the Borrower shall have ten (10) days to request an appearance before the Board of Directors of the Corporation (the “Board”) to contest the assessment of such Penalties by the Corporation by written notice to the Corporation within such ten (10) day period. If the Corporation receives the request for an appearance within such ten (10) day period, all Penalties shall be suspended until the appearance date before the Board. The Corporation shall set such appearance date for the next scheduled public meeting of the Board for which legal and adequate notice can be given. If the Board finds the assessment of Penalties was unwarranted or in violation of this Agreement, the Corporation will cancel the complaint and assessment of Penalties in dispute and no amounts shall be owed thereunder by the Borrower; provided, however, this shall not prevent the Corporation from assessing the same or similar Penalties against the Borrower for similar future Events of Default under this Agreement. If the Board determines the assessment of Penalties was valid and in accordance with this Agreement, the Borrower shall pay all assessed Penalties (without additional Penalties) within thirty (30) days of such determination.

Section 17. **Lien.**

(a) The payments due hereunder (including, but not limited to, the Issuer Compliance Fee, the Penalties and other amounts owed hereunder) shall be a charge on the Property and shall be a continuing lien (“Assessment Lien”) upon the Property, and shall be the continuing obligation of the Borrower.

(b) In order to secure the payment of the sums due hereunder, the Borrower hereby grants the Assessment Lien for the benefit of the Corporation. Subject to the provisions of Section 17(f) hereof, the Assessment Lien may be foreclosed upon by non-judicial foreclosure pursuant to the provisions of Section 51.002 of the Texas Property Code (or any successor statute). Subject to Section 17(f) hereof, Borrower hereby grants a power of sale to the Corporation to sell the Property upon a default in the payment of any amounts owed hereunder, where such default in payment is not cured within ten (10) days after written notice of such default is given to the Borrower and the Bond Trustee. Alternatively, the Corporation may pursue its remedies as set out in Sections 14, 15, and 16 hereof, and independent of any such remedies but subject to Paragraph 17(f) hereof, may foreclose the Assessment Lien by judicial proceedings. Any exercise of remedies or the power of sale hereunder shall be as to the Property as to which any default then applies.

(c) The President, Executive Vice President or any Vice President of the Corporation or his or her designee is hereby appointed as a trustee to exercise the Corporation's power of sale (subject to Section 17(f) hereof). Such trustee will not incur any personal liability hereunder.

(d) Although no further action is required to create or perfect the Assessment Lien, the Corporation may, as further evidence of the Assessment Lien, give notice of the Assessment Lien by executing and recording a document setting forth the amount of the delinquent sums due at the time such document is executed (a copy of any such document shall be provided to the Bond Trustee and the Borrower) and the fact that a lien exists to secure the payment hereof. Failure of the Corporation to execute and record any such document will not, to any extent, affect the validity, enforceability or priority of the Assessment Lien. The Corporation hereby agrees to provide the Bond Trustee with copies of any and all notices given to Borrower under this Agreement. The Corporation shall, at the request of the Bond Trustee, deliver to the Bond Trustee an accounting of all amounts owed by the Borrower to the Corporation hereunder, on which accounting the Bond Trustee may conclusively rely for all purposes of this Agreement.

(e) At any foreclosure proceeding of the Assessment Lien, any person or entity, including, but not limited to the Corporation, shall have the right to bid for the Property at the foreclosure sale and to acquire ownership of the same. From the proceeds of the foreclosure sale, (1) all expenses incurred by the Corporation in connection with the default, including attorneys' fees and trustee's fees will be paid first; (2) second, the Corporation will be paid an amount equal to the amount in default; and (3) third, the remaining balance, if any, shall be paid to the Borrower.

(f) Notwithstanding anything herein to the contrary, the Assessment Lien shall be and remain subordinate to the liens of the Deed of Trust and any deed of trust related to the Bonds or the Property that are recorded or assigned on or about the date this Agreement is recorded and the Corporation agrees that (i) during the compliance period related to the federal low income housing tax credits provided for the Property or (ii) so long as any principal, premium, if any, and interest on the Bonds remains unpaid, the Corporation will not exercise its rights to foreclosure of the Assessment Lien by power of sale, judicial proceedings or conveyance in lieu of foreclosure as to the Property. For the avoidance of doubt, the Corporation agrees that upon a foreclosure, or deed in lieu of foreclosure, under any Deed of Trust, any Assessment Lien then existing as to the Property (and the sums due pursuant to such Assessment Lien) will be extinguished and no longer of any force or effect; provided, however, if any foreclosure, or any proceeding for deed in lieu of

foreclosure, is commenced by or on behalf of an Affiliate (as defined in the Indenture) of the Borrower, the Assessment Lien shall not be extinguished thereby and shall remain as a subordinate lien against the Property.

Section 18. **Consideration.** The Corporation has issued the Bonds to provide funds to finance the Property, all for the purpose, among others, of inducing the Borrower to acquire, construct and equip the Property. In consideration of the issuance of the Bonds by the Corporation, the Borrower has entered into this Agreement and has agreed to restrict the uses to which this Property can be put on the terms and conditions set forth herein.

Section 19. **Recording and Filing.** The Borrower shall cause this Agreement, and all amendments and supplements hereto and thereto, to be recorded and filed in the real property records of the Texas County in which the Property is located and in such other places as the Corporation may reasonably request. A file-stamped copy of this Agreement and all amendments and supplements thereto shall be delivered to the Corporation. The Borrower shall pay all fees and charges incurred in connection with any such recording. This Agreement is subject to and subordinate to all matters of record as of the date hereof and to the Deed of Trust.

Section 20. **Reimbursement of Expenses.** Notwithstanding any prepayment of the Bonds and notwithstanding a discharge of the Indenture, throughout the terms of this Agreement, during the occurrence of any Event of Default, the Borrower shall continue to pay to the Corporation all fees and reimbursement for all expenses (including reasonable attorney fees) actually incurred thereby required to be paid to the Corporation by the Borrower pursuant to this Agreement, including all costs related to the enforcement hereof.

Section 21. **Notices.** No notice or other communication shall be deemed given unless sent in any of the manners, and to the persons, specified in this Section 21. All notices and other communications hereunder shall be in writing and shall be deemed given (a) upon receipt if delivered personally (unless subject to clause (b)) or if mail by registered or certified mail, (b) at noon on the date after dispatch if sent by overnight courier or (c) upon the completion of transmission (which is confirmed by telephone or by a statement generated by the transmitting machine) if transmitted by telecopy or other means of facsimile which provides immediate or near immediate transmission to compatible equipment in the possession of the recipient, in any case to the parties at the following addresses or telecopy numbers (or at such other address or telecopy number for a party specified by like notice):

If to the Corporation:

Texas State Affordable Housing Corporation
Attention: President
6701 Shirley Avenue
Austin, Texas 78752
Fax: (512) 477-3557
Telephone: (512) 477-3568
E-mail: dlong@tsahc.org

With a copy to:

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201
Attention: Paul A. Braden
Facsimile: (214) 855-8200
Telephone: (214) 855-8189
Email: paul.braden@nortonrosefulbright.com

If to the Borrower:

FC Bloom Housing, LP
c/o Foundation Communities, Inc.
3000 S IH 35, Suite 300
Austin, Texas 78704
Attention: Walter Moreau
E-mail: walter.moreau@foundcom.org

With a copy to:

Duane Morris LLP
Terrace 7, 2801 Via Fortuna, Suite 200
Austin, Texas 78746
Attention: Scott Marks
E-mail: SAMarks@duanemorris.com

And:

Rigby Slack Lawrence Berger + Comerford, PLLC
3500 Jefferson St., Suite 330
Austin, TX 78731
Attention: Cathleen Slack
E-mail: cslack@rigbyslack.com

And with a copy to:

City of Austin Law Department
P.O. Box 1088
Austin, TX 78767-1088

If to the Investor Limited Partner:

Bank of America, N.A.
901 Main Street, 66th Floor
Dallas, TX 75202

Attention: Valerie Williams
E-mail: valerie.a.williams@bofa.com

With a copy to:

Buchalter, a Professional Corporation
1000 Wilshire Blvd., Suite 1500
Los Angeles, CA 90017
Attention: Michael Williamson

To the Majority Owner:

At the address set forth on the Register
maintained by the Bond Trustee

Section 22. **Applicable Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Texas.

Section 23. **Successors and Assigns.** This Agreement shall be binding upon the parties hereto and their respective agents, designees, representatives, heirs, administrators, executors, successors and assigns. This Agreement, and the rights of the Corporation hereunder, may be assigned by the Corporation upon written notice to the Borrower. The Corporation will not be required to obtain an opinion of nationally recognized bond counsel in connection with an assignment. Neither this Agreement nor the rights or obligations of the Borrower may be assigned by the Borrower without the Corporation's prior written consent.

Section 24. **Severability of Provisions.** Each provision of this Agreement shall be considered severable and if for any reason any provision which is not essential to the effectuation of the basic purposes of this Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement which are valid.

Section 25. **Amendment.** This Agreement may be amended only by written agreement of all parties hereto.

Section 26. **Indemnification of the Corporation.** THE BORROWER HEREBY AGREES TO PROTECT, INDEMNIFY AND SAVE THE CORPORATION (AS PRINCIPAL UNDER THIS AGREEMENT, AND AS ISSUER), ANY INDEPENDENT CONSULTANT, AND THEIR RESPECTIVE BOARD MEMBERS, OFFICERS, AGENTS AND EMPLOYEES (THE "INDEMNIFIED PARTIES") HARMLESS FROM AND AGAINST ALL LIABILITY, LOSSES, DAMAGES, COSTS, EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES), TAXES, CAUSES OF ACTION, SUITS, CLAIMS, DEMANDS AND JUDGMENTS OF ANY NATURE OR FORM (COLLECTIVELY, "CLAIMS"), BY OR ON BEHALF OF ANY PERSON ARISING IN ANY MANNER FROM CORPORATION'S EXERCISE OF ITS RIGHTS HEREUNDER AND/OR THE CORPORATION'S AND/OR ANY INDEMNIFIED PARTY'S PERFORMANCE OF ITS DUTIES HEREUNDER OR ARISING IN ANY MANNER IN CONNECTION WITH ANY PROPERTY OR THE FINANCING OF ANY PROPERTY;

PROVIDED, HOWEVER, THE BORROWER SHALL NOT BE LIABLE FOR OR OBLIGATED TO HOLD THE INDEMNIFIED PARTIES HARMLESS AGAINST, ANY CLAIM OR INJURY OR DEATH WHICH RESULTS FROM THE WILLFUL MISCONDUCT, BAD FAITH OR FRAUD OF THE CORPORATION OR OTHER INDEMNIFIED PARTY. UPON WRITTEN NOTICE FROM ANY INDEMNIFIED PARTY, THE BORROWER SHALL DEFEND THE INDEMNIFIED PARTY IN ANY ACTION OR PROCEEDING BROUGHT IN CONNECTION WITH ANY OF THE ABOVE EXCEPT WHEN RESULTING FROM WILLFUL MISCONDUCT, BAD FAITH OR FRAUD AS HEREINABOVE DESCRIBED, AND SHALL PROVIDE COMPETENT COUNSEL REASONABLY SATISFACTORY TO THE INDEMNIFIED PARTY; PROVIDED, HOWEVER, THAT ANY INDEMNIFIED PARTY MAY ELECT, IN THE EVENT OF A CONFLICT OF INTEREST AMONG THE INDEMNIFIED PARTIES WHICH IN THE REASONABLE JUDGMENT OF THE CORPORATION'S COUNSEL WILL INTERFERE WITH THE EFFECTIVE DEFENSE OF ANY ACTION, TO RETAIN ITS OWN COUNSEL AND PROSECUTE THE DEFENSE OF ANY ACTION, IN WHICH EVENT BORROWER SHALL PAY ALL REASONABLE ATTORNEYS FEES AND REASONABLE EXPENSES OF SUCH DEFENSE, AND IN NO EVENT SHALL SUCH DEFENSE BY AN INDEMNIFIED PARTY REDUCE, LIMIT, OR IMPAIR BORROWER'S INDEMNIFICATION OF SUCH INDEMNIFIED PARTY HEREUNDER.

Section 27. **Joinder by Other Parties.** By executing this Agreement, FC Lamar Square Phase 1 Housing, LLC, a limited liability company, which is the general partner of the Borrower agrees that is jointly and severally liable for the obligations of the Borrower under this Agreement, including the prompt and timely payment of the Issuer Compliance Fee in accordance with the terms hereof.

Section 28. **Headings.** All headings and subheadings used in this Agreement are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement.

Section 29. **Counterparts.** This Agreement may be executed in one or more counterparts and each of such counterparts shall be deemed to be an original for all purposes, and all of such counterparts shall together constitute one and the same document.

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IN WITNESS WHEREOF, the parties hereto have affixed or caused to be affixed their respective signatures effective as of the day first written above.

Corporation:

TEXAS STATE AFFORDABLE HOUSING CORPORATION

By: _____

Name: David Long

Title: President

STATE OF TEXAS §

§

COUNTY OF TRAVIS §

On this the _____ day of _____, 2026, before me, the undersigned Notary Public, personally appeared David Long, who acknowledged to be the President of the Texas State Affordable Housing Corporation and that he, as such officer, being duly authorized to do so, executed the foregoing Asset Oversight, Compliance and Security Agreement for the purposes therein contained by signing his name as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public in and for the State of Texas

(Notary Seal)

Borrower:

FC BLOOM HOUSING, LP,
a Texas limited partnership

By: FC Lamar Square Phase 1 Housing, LLC,
a Texas limited liability company,
its General Partner

By: Foundation Communities, Inc.,
a Texas nonprofit corporation,
its manager

By: _____
Walter Moreau, Executive Director

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

On this the ____ day of _____, 2026, before me, the undersigned Notary Public, personally appeared Walter Moreau, who acknowledged to be the Executive Director of Foundation Communities, Inc., the manager of FC Lamar Square Phase I Housing , LLC, the general partner of FC Bloom Housing, LP, and that he, as such officer, being duly authorized to do so, executed the foregoing Asset Oversight, Compliance and Security Agreement for the purposes therein contained by signing his name in such capacity.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public in and for the State of Texas

(Notary Seal)

APPENDIX A

PROPERTY DESCRIPTION

<u>Property Name</u>	<u>Borrower Name</u>	<u>Address(es)</u>	<u>City</u>	<u>Number of Units</u>
The Bloom at Lamar Square	FC Bloom Housing, LP	1326 or 1328 Lamar Square Drive, Austin, Texas 78704	Austin	58

LEGAL DESCRIPTION

[CONDO LEGAL TO BE ADDED]

APPENDIX B

GUIDELINES FOR RESIDENT SERVICES

It is the Texas State Affordable Housing Corporation's goal to support developers in the creation of high quality Resident Service Programs. TSAHC has created basic guidelines and a reporting system to help with this process.

In order to fulfill the Resident Service requirement, at least six resident service activities per quarter must be provided. If the applicant received additional points under the Resident Service scoring criteria, at least four resident service activities per month must be provided. Developers must ensure services are provided onsite or provide free transportation to/from services if offered off site. Below is a non-exhaustive list of resident services owners can choose from as they prepare their Resident Service Program Plan (due annually to TSAHC). Activities that are provided daily, such as after school programs and educational/scholastic tutoring can be counted as two services for the month. Please make sure that services offered promote safe and healthy living, encourage economic self-sufficiency and/or promote homeownership opportunities.

- **Career Services**
 1. Computer Literacy Class
 2. GED Classes
 3. Job Skills/Training
 4. Resume/ Job Search Workshop
 5. Job Fair
 6. College Preparation Class
 7. Military Recruiting

- **Children's Services**
 1. After School Care (2 Services When Provided Daily)
 2. Swimming Lessons
 3. Free On-site Daycare (2 Services When Provided Daily)
 4. Free On-site Tutoring Sessions (2 Services When Provided Daily)
 5. Performing Arts Classes
 6. Holiday Safety Classes
 7. On-Site library
 8. Free Lunch Program (2 Services When Provided Daily)

- **Community Awareness**
 1. Crime Watch Meeting
 2. Self Defense Course
 3. Child Id/Fingerprinting Program
 4. Fire Safety Class
 5. Hurricane Safety Class
 6. Domestic Violence Awareness Workshop
 7. Drug Awareness Workshop
 8. Host Support Groups Such as AA, Anger Management, etc.
 9. Community Gardens
 10. Community Service Activities (i.e. Habitat for Humanity)
 11. Green Living/Environmental Workshop

- **Financial Skills**
 1. Household Budgeting Workshop
 2. Financial Planning/Credit Counseling Workshop
 3. Asset Building Workshop
 4. Tax Preparation Courses
 5. Student Financial Aid Workshop
 6. Personal Insurance Workshop (Medical, Renters, Life, Disability, Car)

- **Medical and Health Services**
 1. Basic First Aid and CPR Class
 2. Caring for the Disabled Class
 3. Health and Screening Services
 4. HIV/AIDS Classes
 5. Vaccinations/ Flu Shots Services
 6. Fitness and Exercise Classes
 7. Diabetes/ Heart Disease Courses
 8. Babysitting Safety Courses
 9. Health and Nutritional Courses
 10. Low Cost Healthy Cooking Courses
 11. Cancer Awareness Workshop/Cancer Screening Services
 12. Free Dental Services

- **Personal Development**
 1. Counseling Services
 2. English as a Second Language Courses
 3. Home Ownership Counseling
 4. Parenting Classes
 5. Anger Management Courses
 6. Family Counseling
 7. Cleaning Supply Safety Class/Housekeeping Education
 8. Book Club
 9. Computer Lab (for educational and job training classes, printing, applying for jobs, etc.)
 10. Free Notary Services

- **Free Transportation Services**
 1. Grocery Store
 2. Library
 3. Medical Visits
 4. Cultural Community Events
 5. Free/Discounted Public Transportation Tickets

Activities that will not be counted towards the resident services requirement include, but are not limited to, children's movie time, patio decorating contests, gambling trips, resident parties, Easter Egg Hunts or other such activities. Properties are welcome to offer these activities, but they will not count towards fulfilling the Resident Services obligation.

APPENDIX C

SCHEDULE OF PENALTIES

(Penalty Amounts and Time Periods Subject to Change by the Corporation)

<u>Compliance Action</u>	<u>Required Action to Regain Compliance</u>	<u>Potential Penalty for Continued Non-compliance and Time Periods</u>
Units leased to households that are not eligible because their income is in excess of the allowable limit; occupied by non-eligible full time students; or noncompliance with senior age restrictions.	Change unit designation to market if the household is not qualified within 30 days of initial notification.	Compliance penalty of \$500 for failure to change unit designation; Compliance penalty of \$500 for repeated violation.
Failure to meet set-aside requirement as stated in the compliance and/or regulatory agreements.	Only qualified households are eligible for move in. No market households should be moved in until the set aside requirement is met.	Compliance penalty of \$500 for each market household moved in during the time the set aside requirement is not being met.
Rents charged exceed allowable limits or improperly calculated utility allowance.	Borrower/manager demonstrates reduction in rent and/or recalculation of utility allowance and refund difference to tenants.	Compliance penalty of the amount of uncorrected overcharge.
Failure to submit reports timely and or failure to execute and record program documents.	The Borrower must provide corrective action within 30 days after receiving a notice of failure to submit reports/documents.	Compliance penalty of \$250 for every 30 days of non-response.
Failure to follow fair housing or federal laws providing access by the general public or failure to comply with Section 8 minimum income to rent standard.	Borrower must enter into a corrective action agreement and amend leasing requirements if appropriate.	Report for possible fair housing violation. Compliance penalty of \$250 per violation.
Failure to maintain adequate documentation or certification for compliance.	Borrower to certify accordingly and provide documentation within 30 days of initial notification.	Compliance penalty of \$100 per 15 day period of failure to provide documentation after corrective action period.
Low income units used on transient basis, unless otherwise approved by the Corporation.	Borrower should execute at least six month lease and provide evidence of such lease. If Borrower is unable to extend lease terms, the unit must take market designation. If the unit is being held vacant and was previously occupied by a qualified household on a transient basis, the unit designation must be changed to Market.	Compliance penalty of up to \$100 per 15 days for failure to provide documented lease.
The property has physical condition violations.	Appropriate repairs must be completed and evidence must be provided. (Health and Safety violations must be completed within	Compliance penalty of \$500 per violation that has not been remedied after the corrective action period has ended.

<u>Compliance Action</u>	<u>Required Action to Regain Compliance</u>	<u>Potential Penalty for Continued Non-compliance and Time Periods</u>
Failure to provide the minimum number of agreed to resident services.	24 hrs, and all other violations must be completed within 30 days.) If the minimum number of resident services is not provided in any quarter the deficit of that quarter must be made up in the following quarter.	Compliance penalty of \$500 per listed service not provided per quarter.
Failure to pay compliance review fees or compliance penalties timely.	Fees due and payable must be submitted 30 days after initial notice.	Begin collection proceedings. Add State maximum interest rate and additional penalty of up to \$250 per 30 day period of nonpayment.
Failure to meet minimum rehabilitation standards.	If discovered during development, the Borrower would be required to make necessary corrections per the specifications in the related Borrower Loan Agreement. If discovered after building, establish an account to fund necessary modifications.	Compliance penalty up to \$500 per 30 day period of non-compliance.
Failure to remove manager or replacement of manager.	Remove manager or replace manager pursuant to Section 6.	Compliance penalty of \$500 per 30 day period of non-compliance.
Failure to correct Findings under the Asset Oversight Observation Report and/or Compliance Observation Report.	Complete corrective actions required in the Asset Oversight Observation Report and/or Compliance Observation Report.	Compliance penalty of \$500 per 30 day period of non-compliance.
Determination of material non-compliance for more than the sum of all cure periods provided in the related compliance agreement.	After notice of violation, corrective action plan developed with bond issuer.	Institution of appointment of receivership and possession by bond issuer proceedings with all costs payable by Borrower.
Failure to notify and gain approval from the Corporation of change in ownership or General Partner	Discuss change of ownership or General Partner with the Corporation to ensure the Corporation is in agreement.	Penalty of \$1,000 per violation.
Any cause for the Issuer to perform a second physical inspection of the property in any calendar year.	Borrower to allow access to all files and notify residents of possible inspections.	Penalty of the greater of \$15 per door or \$1,000.

Texas State Affordable Housing Corporation
Multifamily Housing Revenue Bonds
(The Bloom at Lamar Square)
Series 2026

**Bond Document No. 6:
Regulatory Agreement and Declaration of Restrictive Covenants**

**REGULATORY AGREEMENT
AND DECLARATION OF RESTRICTIVE COVENANTS**

By and Among

TEXAS STATE AFFORDABLE HOUSING CORPORATION,
as Issuer,

UMB BANK, N.A.,
as Trustee,

and

FC BLOOM HOUSING, LP,
as Borrower

Dated as of June 1, 2026

Relating to

[\$14,500,000]
Texas State Affordable Housing Corporation
Multifamily Housing Revenue Bonds
(The Bloom at Lamar Square)
Series 2026

After Recording, Please return to:

Robert D. Dransfield
Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201

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REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

THIS REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS (this “Agreement” or this “Regulatory Agreement”) is made and entered into as of June 1, 2026, by and among Texas State Affordable Housing Corporation (the “Issuer”), a public nonprofit corporation organized and existing under the laws of the State of Texas (the “State”), UMB Bank, N.A., a national banking association, as trustee (the “Trustee”) under the hereinafter-defined Indenture, and FC Bloom Housing, LP, a Texas limited partnership (together with its successors and assigns, the “Borrower”).

WITNESSETH:

RECITALS

WHEREAS, pursuant to Subchapter Y of Chapter 2306, Texas Government Code, as amended (the “Act”), the Issuer is authorized to issue qualified residential rental project bonds and to use the proceeds thereof to provide monies to aid in financing the acquisition, construction and equipping of residential rental projects intended to be occupied by persons and families of low, very low and extremely low income; and

WHEREAS, the Borrower has requested the assistance of the Issuer in financing the acquisition, construction and equipping of a multifamily residential rental housing project described in **Exhibit B** hereto and located on the real property described in **Exhibit A** hereto (collectively, the “Project”), and, as a condition to such financial assistance, the Borrower has agreed to enter into this Regulatory Agreement, setting forth certain restrictions with respect to the Project; and

WHEREAS, the Issuer has determined to assist in the financing of the Project by issuing Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (The Bloom at Lamar Square) Series 2026 (the “Bonds”), in the principal amount of \$[14,500,000], and to make a loan to the Borrower of such principal amount (the “Loan”), upon the terms and conditions set forth in the Bond Loan Agreement (as hereinafter defined); and

WHEREAS, in order for interest on the Bonds to be excluded from gross income of the owners thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations and rulings with respect to the Code, and in order to comply with the Act, the use and operation of the Project must be restricted in certain respects; and

WHEREAS, the Issuer, the Trustee and the Borrower have determined to enter into this Regulatory Agreement in order to set forth certain terms and conditions relating to the acquisition, construction, equipping and operation of the Project and in order to ensure that the Project will be constructed, used and operated in accordance with the Code and the Act;

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Issuer, the Trustee and the Borrower hereby agree as follows:

Section 1. Definitions and Interpretation. In addition to terms defined above, the following terms shall have the respective meanings assigned to them in this Section 1 unless the context in which they are used clearly requires otherwise. All capitalized and undefined terms used herein shall have the meanings assigned to them in the Indenture.

“Adjusted Income” means the adjusted income of a person (together with the adjusted income of all persons who intend to reside with such person in one residential unit) calculated pursuant to Section 142(d) of the Code.

“Affiliated Party” means a member of the Borrower, a person whose relationship with the Borrower would result in a disallowance of losses under Section 267 or 707(b) of the Code or a person who, together with the Borrower, is a member of the same controlled group of corporations (as defined in Section 1563(a) of the Code, except that “more than 50 percent” shall be substituted for “at least 80 percent” each place it appears therein).

“Agreement” or “Regulatory Agreement” means this Regulatory Agreement and Declaration of Restrictive Covenants, as it may be amended from time to time.

“Area” means the Austin-Round Rock, TX MSA area used by the U.S. Department of Housing and Urban Development (“HUD”) to reflect median family incomes applicable to the Project.

“Authorized Borrower Representative” means any person who at the time and from time to time may be designated as such, by written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person and signed on behalf of the Borrower by the manager of the Borrower, which certificate may designate an alternate or alternates.

“Bond Counsel” means Norton Rose Fulbright US LLP or any other firm of nationally recognized bond counsel, duly admitted to practice law before the highest court of any state and designated by the Issuer as its Bond Counsel for the Bonds.

“Bond Loan Agreement” means the Loan Agreement of even date herewith, by and between the Issuer and the Borrower, as it may be amended from time to time.

“Bondholder” or “Holder” or “Owner” means, when used with respect to the Bonds, the owner of a Bond then outstanding under the Indenture as shown on the registration books maintained by the Trustee pursuant to the Indenture.

“Bonds” means the Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (The Bloom at Lamar Square) Series 2026.

“Borrower” means FC Bloom Housing, LP, a Texas limited partnership, and its successors and assigns.

“Borrower Certificate” means the Borrower’s Tax Letter of Representation, dated as of the Closing Date, delivered to the Issuer by the Borrower.

“Closing Date” or “Bond Closing Date” means the date upon which the Bonds are issued and delivered in exchange for the proceeds representing the purchase price of the Bonds paid by the original purchasers thereof.

“Code” means the United States Internal Revenue Code of 1986, as amended.

“Condominium Declaration” means the Declaration of Condominium Regime for Lamar Square Phase I Condominium Regime, a condominium in Travis County, Texas filed by the Borrower as Declarant.

“Continuing Program Compliance Certificate” means the Continuing Program Compliance Certificate and accompanying Occupancy Summary to be filed by the Borrower with the Trustee at the times specified in Section 4(e) and (f) of this Regulatory Agreement, such report to be in substantially the form attached hereto as **Exhibit C** or such other form as may be prescribed in accordance with this Agreement and the Bond Loan Agreement.

“Costs of Issuance” means costs of issuing the Bonds as set forth in the Indenture.

“Determination of Taxability” means (1) the failure of the Borrower to consent, within 45 days after request from the Issuer, to any amendment to the Indenture, the Bond Loan Agreement or this Agreement which, in the written opinion of Bond Counsel, is necessary to preserve the Tax-Exempt status of interest on the Bonds or (2) either (i) a final judgment or order of a court of competent jurisdiction or a final order, ruling, regulation or decision of the United States Department of the Treasury or the Internal Revenue Service which is binding and unappealable, or (ii) legislation enacted by the United States Congress which, in each case in the opinion of Bond Counsel, will adversely affect the Tax-Exempt status of the interest on the Bonds (other than interest on any Bond for any period during which such Bond is held by a “substantial user” of any facility financed with the proceeds of the Bonds or a “related person,” as such terms are used in Section 147(a) of the Code). With respect to clause (2)(i) above, a judgment or order of a court shall be considered final only if no appeal or action for judicial review has been filed and the time for filing such appeal or action has expired.

“Housing Act” means the United States Housing Act of 1937, as amended, or its successor.

“Income Certification” means a Verification of Income in the form attached hereto as **Exhibit D** or in such other form as may from time to time be approved by the Issuer in accordance with the terms of this Regulatory Agreement.

“Indenture” means the Trust Indenture of even date herewith, between the Issuer and the Trustee, relating to the issuance of the Bonds, and any indenture supplemental thereto.

“Inducement Date” means December 17, 2024.

“Loan” means the loan made by the Issuer to the Borrower pursuant to the Bond Loan Agreement for the purpose of financing the acquisition, construction and equipping of the Project.

“Low Income Tenant” means a tenant whose Adjusted Income is 60% or less of median gross income, as determined under Section 142(d)(2)(B) of the Code, for the Area, with adjustments for family size. If all the occupants of a unit in the Project are students (as defined under Section 151(c) of the Code), no one of whom is entitled to file a joint return under Section 6013 of the Code, such occupants shall not qualify as Low Income Tenants unless an exception under Section 42(i)(3)(D) of the Code applies. The determination of a tenant’s status as a Low Income Tenant shall be made by the Borrower upon initial occupancy of a unit in the

Project by such Low Income Tenant, subject to Rev. Proc. 2004-39, and annually thereafter, on the basis of an Income Certification executed by the tenant.

“Low Income Units” means the units in the Project required to be rented to, or held available for occupancy by, Low Income Tenants pursuant to Section 4(a) hereof.

“Mortgage Loan Documents” means the mortgage, mortgage note and all other documents required in connection with the Loan.

“Project” means the Project Facilities and the Project Site.

“Project Costs” means, to the extent authorized by the Act, any and all costs incurred by the Borrower with respect to the acquisition, construction and equipping, as the case may be, of the Project, whether paid or incurred prior to or after the date of this Regulatory Agreement, including, without limitation, costs for site preparation, the planning of housing and improvements, the acquisition of land (provided that less than 25% of the net proceeds of the Bonds will be used for the acquisition of land), the construction of housing and related facilities, and all other work in connection therewith, and all costs of financing, including, without limitation, the cost of consultant, accounting and legal services, other expenses necessary or incident to determining the feasibility of the Project, contractors and Borrower’s overhead and supervisor’s fees and costs directly allocable to the Project, administrative and other expenses necessary or incident to the Project and the financing thereof.

“Project Facilities” means the multifamily housing structures and related buildings and other improvements on the Project Site to be constructed and equipped by the Borrower, and all fixtures and other property owned by the Borrower and located on, or used in connection with, such buildings, structures and other improvements constituting the Project as more fully set forth in **Exhibit B** hereto.

“Project Site” means the parcel or parcels of real property described in **Exhibit A**, which is attached hereto and by this reference incorporated herein, and all rights and appurtenances thereunto appertaining and upon which a condominium unit will be constructed that will contain the Project Facilities.

“Qualified Project Costs” means the Project Costs incurred after the Inducement Date (or which are qualifying preliminary expenditures) which are chargeable to a capital account with respect to the Project for federal income tax and financial accounting purposes, or would be so chargeable either with a proper election by the Borrower or but for the proper election by the Borrower to deduct those amounts; provided, however, that, if any portion of the Project is being constructed by the Borrower or an Affiliated Party (whether as a general contractor or a subcontractor), “Qualified Project Costs” shall include only (a) the actual out-of-pocket costs incurred by the Borrower or such Affiliated Party in constructing the Project (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Borrower or such Affiliated Party (but excluding any profit component) and (c) any overhead expenses incurred by the Borrower or such Affiliated Party which are directly attributable to the work performed on the Project and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the construction of the Project or payments received by such Affiliated Party due to early completion of the Project (or any portion thereof). Qualified Project Costs do not include Costs of Issuance.

“Qualified Project Period” means, with respect to the Project, the period beginning on the later of the date on which at least 10% of the units in the Project are occupied or the Closing Date and ending on the latest of (a) the date which is fifteen years after the date that at least 50% of the units in the Project are first occupied, (b) the first date on which no Tax-Exempt private activity bond (as that phrase is used in Section 142(d)(2) of the Code) issued with respect to the Project is outstanding or (c) the date on which any assistance provided with respect to the Project under Section 8 of the Housing Act terminates.

“Regulations” means the Income Tax Regulations promulgated or proposed by the Department of the Treasury pursuant to the Code from time to time.

“Tax-Exempt” means, with respect to interest on any obligations of a state or local government, including the Bonds, that such interest is excluded from gross income of the owners thereof for federal income tax purposes; provided, however, that such interest may constitute an item of tax preference or otherwise be includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax, under the Code.

“TDHCA LURAs” has the meaning given as set forth in the Indenture.

“Trustee” means UMB Bank, N.A., a national banking association, or any successor Trustee serving as such under the Indenture.

Unless the context clearly requires otherwise, as used in this Regulatory Agreement, words of the masculine, feminine or neuter gender shall be construed to include each other gender, and words of the singular number shall be construed to include the plural number, and vice versa. This Regulatory Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The defined terms used in the preamble and recitals of this Regulatory Agreement have been included for convenience of reference only, and the meaning, construction and interpretation of all defined terms shall be determined by reference to this Section 1, notwithstanding any contrary definition in the preamble or recitals hereof. The titles and headings of the sections of this Regulatory Agreement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Regulatory Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

Section 2. Acquisition, Construction and Equipping of the Project. The Borrower hereby represents as of the date hereof, covenants and agrees as follows:

(a) Within six months from the date hereof, the Borrower will have incurred binding obligations or commitments to third parties for the Project in the amount of at least 5% of the net sales proceeds of the Bonds.

(b) After entering into said contracts, completion of the Project and the allocation of net sales proceeds of the Bonds to expenditures will proceed with due diligence.

(c) The Borrower expects that all of the net sales proceeds of the Bonds will be spent within three years from the date hereof, and that all investment proceeds of the Bonds will be spent within one year from the date of receipt.

(d) The Borrower reasonably expects to complete the acquisition, construction and development of the Project and to expend the full amount of the Loan prior to the date which is three years after the Closing Date.

(e) Less than 25% of the net proceeds of the Bonds will be used (directly or indirectly) for the acquisition of land or an interest therein. None of the proceeds of the Bonds will be used, directly or indirectly, for the acquisition of land or an interest therein, to be used for farming purposes.

(f) The statements made in the various certificates delivered by the Borrower to the Issuer or the Trustee are true and correct in all material respects.

(g) The Borrower will submit, or cause to be submitted, to the Trustee, on or before the date of each disbursement on the Loan, a certificate certifying that the full amount of such disbursement will be applied to reimburse the Borrower for the payment of Project Costs and that, after taking into account the proposed disbursement, the aggregate of such disbursements will have been applied to reimburse the Borrower for the payment of Qualified Project Costs in an amount equal to 95% or more of the aggregate disbursements from proceeds of the Bonds.

(h) The Borrower (and any Affiliated Party) will not knowingly take or knowingly omit to take, as is applicable, any action if such action or omission would in any way cause the proceeds from the sale of the Bonds to be applied in a manner contrary to the requirements of the Indenture, the Bond Loan Agreement or this Regulatory Agreement. The Borrower acknowledges that such requirements have been designed for the purpose of ensuring compliance with the provisions of the Act or the Code.

(i) All of the amounts received by the Issuer from the proceeds of the Bonds and earnings from the investment of such proceeds will be used to pay Project Costs; at least 95% of such amounts will be used to pay or reimburse the Borrower for payment of Qualified Project Costs as certified by the Borrower on requisitions in the form required by the Bond Loan Agreement; and no more than 2% of such proceeds shall be used to pay issuance costs of the Bonds, within the meaning of Section 147(g) of the Code.

Section 3. Residential Rental Property. The Borrower hereby acknowledges and agrees that the Project is to be owned, managed and operated as a “qualified residential rental project” (within the meaning of Section 142(d) of the Code) for a term equal to the Qualified Project Period. To that end, and for the term of this Regulatory Agreement, the Borrower hereby represents, covenants, warrants and agrees as follows:

(a) The Project will be acquired, constructed and equipped for the purpose of providing multifamily residential rental property, and the Borrower will own the Project Site and the Project Facilities, and will manage and operate the Project as a project to provide multifamily residential rental property comprising a building or structure or several interrelated buildings or structures, together with any functionally related and subordinate facilities, and no other facilities, in accordance with Section 142(d) of the Code, Section 1.103-8(b) of the Regulations, the Act, and in accordance with such requirements as may be imposed thereby on the Project from time to time.

(b) All of the dwelling units in the Project will be similarly constructed units, and each dwelling unit in the Project will contain complete separate and distinct facilities for living,

sleeping, eating, cooking and sanitation for a single person or a family, including a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink.

(c) None of the dwelling units in the Project will at any time be utilized on a transient basis or leased or rented for a period of less than six months or will ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home or trailer court or park.

(d) No part of the Project will at any time be owned by a cooperative housing corporation, nor shall the Borrower take any steps in connection with a conversion to such ownership or uses. The Borrower shall not take any steps in connection with a conversion of the Project to condominium ownership during the Qualified Project Period.

(e) During the Qualified Project Period all of the dwelling units in the Project will be available for rental on a continuous basis to members of the general public, and the Borrower will not give preference to any particular class or group in renting the dwelling units in the Project, other than to persons with special needs as defined in the TDHCA LURAs, except to the extent that dwelling units are required to be leased or rented to Low Income Tenants and except as otherwise permitted in accordance with Internal Revenue Code Section 42(g)(9) and Rev. Proc. 2019-17.

(f) The Project Site contains condominium units that are located in or around the same building, and all of the Project Facilities comprise a single geographically and functionally integrated project for residential rental property, as evidenced by the ownership, management, accounting and operation of the Project.

(g) No dwelling unit in the Project shall be occupied by the Borrower; provided, however, that, if the Project contains five or more dwelling units, this subsection shall not be construed to prohibit occupancy of not more than one dwelling unit in the Project by one or more resident managers or maintenance personnel, any of whom may be the Borrower.

(h) Low income tenants will have equal access to and enjoyment of all General Common Elements (as defined in the Condominium Declaration) of the Project.

Section 4. Low Income Tenants; Records and Reports. Pursuant to the requirements of the Code, the Issuer and the Borrower hereby represent, warrant and covenant as follows:

(a) At all times during the Qualified Project Period, no less than 40% of the total number of units of the Project shall at all times be rented to and occupied by Low Income Tenants. For the purposes of this paragraph (a), a vacant unit which was most recently occupied by a Low Income Tenant is treated as rented and occupied by a Low Income Tenant until reoccupied, other than for a temporary period of not more than 31 days, at which time the character of such unit shall be redetermined. The Authorized Borrower Representative will certify to the Trustee in writing the date on which 10% of the units in the Project are first occupied and the first date that at least 50% of the units are first occupied

(b) No tenant qualifying as a Low Income Tenant shall be denied continued occupancy of a unit in the Project because, after admission, such tenant's Adjusted Income increases to exceed the qualifying limit for Low Income Tenants; provided, however, that, should a Low Income Tenant's Adjusted Income, as of the most recent determination thereof, exceed

140% of the then applicable income limit for a Low Income Tenant of the same family size and such Low Income Tenant constitutes a portion of the 40% requirement of paragraph (a) of this Section 4, the next available unit in such Project of comparable or smaller size must be rented to (or held vacant and available for immediate occupancy by) a Low Income Tenant and such new Low Income Tenant will then constitute a portion of the 40% requirement of paragraph (a) of this Section 4; and provided, further, that, until such next available unit is rented to a tenant who is a Low Income Tenant, the former Low Income Tenant who has ceased to qualify as such shall be deemed to continue to be a Low Income Tenant for purposes of the 40% requirement of paragraph (a) of this Section 4.

(c) After the date of this Agreement, the Borrower will obtain, complete and maintain on file Income Certifications from each Low Income Tenant, including (i) an Income Certification dated immediately prior to the initial occupancy of such Low Income Tenant in the Project that occupied the unit after the date of this Agreement and within twelve (12) months of the date of this Agreement for those Low Income Tenants that were occupying units in the Project on the date of this Agreement, and (ii) thereafter, annual Income Certifications which must be obtained on the anniversary of such Low Income Tenant's occupancy of the unit, and in no event less than once in every 12-month period following each Low Income Tenant's occupancy of a unit in the Project. The Borrower will obtain such additional information as may be required in the future in the opinion of Bond Counsel, by Section 142(d) of the Code, as the same may be amended from time to time, or in such other form and manner as may be required by applicable rules, rulings, policies, procedures, Regulations or other official statements now or hereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service with respect to obligations which are Tax-Exempt under Section 142(d) of the Code. A copy of the most recent Income Certification for Low Income Tenants commencing or continuing occupation of a Low Income Unit (and not previously filed) shall be attached to the Continuing Program Compliance Certificate which is to be filed with the Trustee as provided in paragraph (e) of this Section 4. The Borrower shall make a diligent and good-faith effort to determine that the income information provided by an applicant in an Income Certification is accurate by taking one or more of the following steps, as a part of the verification process: (1) obtain pay stubs for the most recent six-week period; (2) obtain income tax returns for the most recent two tax years; (3) conduct a consumer credit search; (4) obtain an income verification from the applicant's current employer; (5) obtain an income verification from the Social Security Administration; or (6) if the applicant is unemployed, does not have income tax returns or is otherwise unable to provide other forms of verification as required above, obtain another form of independent verification as would, in the Borrower's reasonable commercial judgment, be satisfactory and will comply with the terms of this Regulatory Agreement. The preceding sentence shall not apply to the extent the Borrower has received a written waiver from the Issuer with respect to the requirements stated in the preceding sentence for Income Certifications obtained subsequent to the initial Income Certification.

(d) The Borrower will maintain complete and accurate records pertaining to the Low Income Units and will permit, at all reasonable times and upon reasonable notice during normal business hours, any duly authorized representative of the Issuer, the Trustee, the Department of the Treasury or the Internal Revenue Service to enter upon the Project Site to examine and inspect the Project and to inspect the books and records of the Borrower pertaining to the Project, including those records pertaining to the occupancy of the Low Income Units.

(e) Beginning with the first calendar quarter after the first unit in the Project is occupied, the Borrower will prepare and submit to the Issuer and the Trustee quarterly until the

end of the Qualified Project Period, a Continuing Program Compliance Certificate in substantially the form attached hereto as **Exhibit C** executed by the Borrower.

(f) On or before each March 31 during the Qualified Project Period, the Borrower will submit a completed Internal Revenue Service Form 8703 (or such other annual certification required by Section 142 of the Code) to the Secretary of the Treasury, with a copy to the Trustee and the Issuer.

(g) Each lease or rental agreement pertaining to a Low Income Unit shall contain a provision to the effect that the Borrower has relied on the Income Certification and supporting information supplied by the Low Income Tenant in determining qualification for occupancy of the Low Income Unit and that any material misstatement in such certification (whether or not intentional) may be cause for immediate termination of such lease or rental agreement. Each such lease or rental agreement shall also provide (and shall so disclose to the tenant) that the tenant's income is subject to annual certification in accordance with Section 4(c) hereof.

(h) If any assistance is provided under Section 8 of the Housing Act, the Borrower will notify the Trustee of the date of the termination thereof.

Section 5. Tax-Exempt Status of the Bonds. The Borrower and the Issuer make the following representations, warranties and agreements for the benefit of the holders of the Bonds from time to time:

(a) The Borrower and the Issuer will not knowingly take or permit, or knowingly omit to take or cause to be taken, as is appropriate, by parties within their or its control any action that would adversely affect the Tax-Exempt nature of the interest on the Bonds, and, if either should become aware that it has taken or permitted, or omitted to take or caused to be taken, any such action, it will take all lawful actions necessary to rescind or correct such actions or omissions promptly upon obtaining knowledge thereof.

(b) The Borrower and the Issuer will take such action or actions as may be necessary, in the written opinion of Bond Counsel filed with the Issuer and the Trustee to comply fully with all applicable rules, rulings, policies, procedures, Regulations or other official statements promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service pertaining to obligations the interest on which is Tax-Exempt under Section 142(d) of the Code.

(c) The Borrower and the Issuer will file of record such documents and take such other steps as are necessary, in the written opinion of Bond Counsel filed with the Issuer and the Trustee (upon the request of Bond Counsel), in order to provide that the requirements and restrictions of this Regulatory Agreement will be binding upon the owner of the Project, including, but not limited to, the execution and recordation of this Regulatory Agreement in the real property records of Travis County, Texas.

(d) The Borrower will not enter into any agreements which, in the opinion of Bond Counsel, would result in the payment of principal of or interest on the Bonds being "federally guaranteed" within the meaning of Section 149(b) of the Code.

(e) The Borrower hereby reaffirms the covenants and agreements made by it in Section 5.4 of the Bond Loan Agreement, and such covenants and agreements are hereby incorporated herein as covenants of the Borrower by this reference.

(f) The Borrower hereby covenants to include the requirements and restrictions contained in this Regulatory Agreement in any documents transferring any interest in the Project to another person to the end that such transferee has notice of, and is bound by, such restrictions, and to obtain the agreement from any such transferee to abide by all requirements and restrictions of this Regulatory Agreement.

Section 6. Modification of Covenants. The Borrower, the Trustee and the Issuer hereby agree as follows:

(a) To the extent any amendments to the Act, the Regulations or the Code shall, in the written opinion of Bond Counsel filed with the Issuer and the Trustee who shall deliver a copy thereof to the Borrower, impose requirements upon the ownership or operation of the Project more restrictive than those imposed by this Regulatory Agreement and if such requirements are applicable to the Project and compliance therewith is necessary to maintain the validity of, or the tax-exempt status of interest on the Bonds, this Regulatory Agreement shall be deemed to be automatically amended to impose such additional or more restrictive requirements. The parties hereto hereby agree to execute such amendment hereto as shall be necessary to document such automatic amendment hereof.

(b) To the extent that the Act, the Regulations or the Code, or any amendments thereto, shall, in the written opinion of Bond Counsel filed with the Issuer, the Trustee and the Borrower, impose requirements upon the ownership or operation of the Project less restrictive than imposed by this Regulatory Agreement, this Regulatory Agreement may be amended or modified to provide such less restrictive requirements but only by written amendment signed by the Issuer, the Trustee and the Borrower and approved by the written opinion of Bond Counsel to the effect that such amendment is permitted by the Act and will not affect the Tax-Exempt status of interest on the Bonds.

(c) The Borrower, the Issuer and, if applicable, the Trustee shall execute, deliver and, if applicable, file of record any and all documents and instruments reasonably necessary to effectuate the intent of this Section 6, and each of the Borrower and the Issuer hereby appoints the Trustee as its true and lawful attorney-in-fact to execute, deliver and, if applicable, file of record on behalf of the Borrower or the Issuer, as is applicable, any such document or instrument (in such form as may be approved in writing by Bond Counsel) if either the Borrower or the Issuer defaults in the performance of its obligations under this subsection (c); provided, however, that, unless directed in writing by the Issuer, the Trustee shall take no action under this subsection (c) without first notifying in writing the Borrower or the Issuer, or both of them, as is applicable, and without first providing the Borrower or the Issuer, or both, as is applicable, an opportunity to comply with the requirements of this Section 6. Nothing in this Section 6(c) shall be construed to allow the Trustee to execute an amendment to this Regulatory Agreement on behalf of the Issuer.

Section 7. Consideration. The Issuer has issued the Bonds to provide funds to make the Loan to finance the Project, all for the purpose, among others, of inducing the Borrower to acquire, construct and operate the Project in accordance with this Agreement. In consideration of the issuance of the Bonds by the Issuer, the Borrower has entered into this Regulatory

Agreement and has agreed to restrict the uses to which this Project can be put on the terms and conditions set forth herein.

Section 8. Reliance. The Issuer, the Trustee and the Borrower hereby recognize and agree that the representations and covenants set forth herein may be relied upon by all persons interested in the legality and validity of the Bonds, and in the exclusion from gross income for purposes of federal income taxation of the interest on the Bonds. In performing their duties and obligations hereunder, the Issuer and the Trustee may rely upon statements and certificates of the Low Income Tenants and upon audits of the books and records of the Borrower pertaining to the Project. In addition, the Issuer and the Trustee may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Issuer or the Trustee hereunder in good faith and in conformity with such opinion. In determining whether any default by the Borrower exists under this Regulatory Agreement, the Trustee shall not be required to conduct any investigation into or review of the operations or records of the Borrower and may rely on any written report, notice or certificate delivered to the Trustee by any person retained to review the Borrower's compliance with this Regulatory Agreement or by the Borrower or the Issuer with respect to the occurrence or absence of a default unless it knows that the report, notice or certificate is erroneous.

Section 9. Project in City of Austin, Travis County, Texas. The Borrower hereby represents that the Project is located entirely within the City of Austin, Travis County, Texas.

Section 10. Sale or Transfer of the Project. The Borrower hereby covenants and agrees not to voluntarily sell, transfer or otherwise dispose of the Project, or any portion thereof (other than for individual tenant use as contemplated hereunder), without obtaining the prior written consent of the Issuer which consent shall not be unreasonably withheld by the Issuer and shall be given by the Issuer if (a) the Borrower shall not be in default hereunder; (b) the purchaser or assignee shall covenant to operate the Project in such a manner as to comply with the provisions of this Regulatory Agreement; (c) the Issuer have received (i) reasonable evidence satisfactory to the Issuer that the Borrower's purchaser or transferee has assumed in writing and in full the Borrower's duties and obligations under this Regulatory Agreement and paid to the Issuer any transfer fee owed to the Issuer in connection therewith, if any, (ii) an opinion of counsel to the transferee that the transferee has duly assumed the obligations of the Borrower under this Regulatory Agreement and that such obligations and this Regulatory Agreement are binding on the transferee, (iii) an opinion of Bond Counsel that such transfer shall not adversely affect the Tax-Exempt nature of the interest on the Bonds, provided, however, that any fee and expenses of Bond Counsel in connection with rendering such opinion shall be paid by the Borrower or the transferee and (iv) a Continuing Program Compliance Certificate current as of a date no more than 45 days prior to delivery thereof; (d) the Borrower or transferee shall pay all costs of the transfer of title, including, but not limited to, the cost of meeting the conditions specified in this Section 10; and (e) such other conditions are met as the Issuer and the Trustee may reasonably impose to ensure compliance by the Project with the requirements of this Agreement, which may include the assumption of the Borrower's obligations under the Bond Loan Agreement. It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section 10 shall be null, void and without effect, shall cause a reversion of title to the Borrower and shall be ineffective to relieve the Borrower of its obligations under this Regulatory Agreement. Nothing contained in this Section 10 shall affect any provision of any other document or instrument between the Borrower or any other party which requires the Borrower to obtain the consent of such other party as a precondition to sale, transfer or other disposition of the Project. Upon any sale or other transfer which complies with this Agreement, the Borrower shall be fully released from its obligations hereunder to the extent such obligations

have been assumed by the transferee of the Project. Any transfer of the Project to any entity, whether or not affiliated with the Borrower, shall be subject to the provisions of this Section 10. Notwithstanding anything herein to the contrary, this Section 10 shall not apply to a foreclosure or deed in lieu of foreclosure.

The Borrower shall not change or cause to be changed the General Partner of the Borrower (or cause the Borrower to have more than one General Partner) without the prior written consent of (i) the Issuer, which consent will not be unreasonably withheld, conditioned or delayed and (ii) the Investor Partner. Notwithstanding the foregoing, the General Partner of the Borrower may be removed and replaced in accordance with the terms of the Agreement and the Partnership Agreement.

Section 11. Term. This Regulatory Agreement and all and each of the provisions hereof shall become effective upon its execution and delivery, shall remain in full force and effect for the periods provided herein and, except as otherwise provided in this Section 11, shall terminate in its entirety at the end of the Qualified Project Period, it being expressly agreed and understood that the provisions hereof are intended to survive the retirement of the Bonds, discharge of the Loan, termination of the Bond Loan Agreement and defeasance or termination of the Indenture; provided, however, upon retirement of the Bonds, discharge of the Loan, termination of the Bond Loan Agreement and defeasance or termination of the Indenture, any and all obligations and duties of the Trustee hereunder shall cease and any reference to "Trustee" hereunder shall be replaced with "Issuer".

The terms of this Regulatory Agreement to the contrary notwithstanding, the requirements set forth herein shall terminate and be of no further force and effect in the event of involuntary noncompliance with the provisions of this Regulatory Agreement caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in a federal law or an action of a federal agency after the Closing Date which prevents the Issuer or the Trustee from enforcing the provisions hereof, or condemnation or a similar event, but only if, within a reasonable period thereafter, either the Bonds are retired or amounts received as a consequence of such event are used to provide a project which meets the requirements of the Code set forth in Sections 2 through 5 of this Regulatory Agreement. In the event that the requirements set forth herein are terminated in the manner set forth in the immediately preceding sentence and, at any subsequent time during the Qualified Project Period, the Borrower or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for tax purposes, such requirements shall be reinstated. The Borrower hereby agrees that, following any foreclosure, transfer of title by deed in lieu of foreclosure or similar event, neither the Borrower nor any related person as described above will obtain an ownership interest in the Project for tax purposes. The Issuer shall not be required to consent to termination of this Regulatory Agreement for any reason other than those specified above.

This Regulatory Agreement may be terminated upon agreement of the Issuer, the Trustee (at the direction of the Issuer), and the Borrower upon receipt of an opinion of Bond Counsel to the effect that such termination will not adversely affect the exclusion from gross income of interest on the Bonds for any reason other than those set forth above.

Upon the termination of the terms of this Regulatory Agreement, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof; provided, however, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Agreement in accordance with its terms. All costs, including fees and expenses of the Issuer and the Trustee, incurred in connection with the

termination of this Regulatory Agreement shall be paid by the Borrower and its successors in interest.

Section 12. Covenants To Run With the Land. The Borrower hereby subjects the Project (including the Project Site) to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The Issuer, the Trustee and the Borrower hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Borrower's successors in title to the Project; provided, however, that on the termination of this Agreement said covenants, reservations and restrictions shall expire, as provided in this Agreement. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

No breach of any of the provisions of this Regulatory Agreement shall impair, defeat or render invalid the lien of any mortgage, deed of trust or like encumbrance made in good faith and for value encumbering the Project or any portion thereof.

Section 13. Burden and Benefit. The Issuer, the Trustee and the Borrower hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the land in that the Borrower's legal interest in the Project is rendered less valuable thereby. The Issuer, the Trustee and the Borrower hereby further declare their understanding and intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Project by Low Income Tenants, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Bonds were issued.

Section 14. Uniformity; Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project in order to establish and carry out a common plan for the use, development and improvement of the Project Site.

Section 15. Default; Enforcement. If the Borrower defaults in the performance or observance of any covenant, agreement or obligation of the Borrower set forth in this Regulatory Agreement, and if such default remains uncured for a period of 60 days after written notice thereof shall have been given by the Issuer or the Trustee to the Borrower, then the Trustee, acting on its own behalf or on behalf of the Issuer and after being indemnified as provided in the Indenture, shall declare an "Event of Default" to have occurred hereunder; provided, however, that, if the default stated in the notice is of such a nature that it cannot be corrected within 60 days, such default shall not constitute an Event of Default hereunder so long as (i) the Borrower institutes corrective action within said 60 days and diligently pursues such action until the default is corrected and (ii) in the opinion of Bond Counsel, the failure to cure said default within 60 days will not adversely affect the Tax-Exempt status of interest on the Bonds.

Following the declaration of an Event of Default hereunder, the Trustee, subject to being indemnified to its satisfaction with respect to the costs and expenses of any proceeding, or the Issuer may, at its option, take any one or more of the following steps:

(i) by mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require the Borrower to perform its obligations and covenants hereunder or enjoin any acts or things which may be unlawful or in violation of the rights of the Issuer or the Trustee hereunder;

(ii) have access to and inspect, examine and make copies of all of the books and records of the Borrower pertaining to the Project; and

(iii) take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Borrower hereunder.

The Borrower hereby agrees that specific enforcement of the Borrower's agreements contained herein is the only means by which the Issuer may obtain the benefits of such agreements made by the Borrower herein, and the Borrower therefore agrees to the imposition of the remedy of specific performance against it in the case of any default by the Borrower hereunder.

The Issuer and the Trustee hereby agree that any cure of any default hereunder made or tendered by the Investor Partner or Subordinate Lender or any of their designees shall be deemed to be cured by the Borrower, and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

Section 16. The Trustee. The Trustee shall act only as specifically provided herein and in the Indenture. Subject to being indemnified to its satisfaction with respect to the reasonable cost and expenses of any proceeding or other action, the Trustee shall act as the agent of and on behalf of the Issuer when requested in writing by the Issuer to do so upon being indemnified or otherwise secured to its satisfaction against the costs, expenses and liabilities that might be incurred by it in compliance with such request, and any act required to be performed by the Issuer as herein provided shall be deemed taken if such act is performed by the Trustee. The Trustee is entering into this Regulatory Agreement solely in its capacity as Trustee under the Indenture and not in its individual capacity, and the duties, powers, rights and obligations of the Trustee in acting (or omitting to act) hereunder shall be subject to the provisions of the Indenture, including, without limitation, the provisions of Article IX thereof, which are incorporated by reference herein. The incorporated provisions of the Indenture are intended to survive the retirement of the Bonds, discharge of the Loan, termination of the Bond Loan Agreement and defeasance or termination of the Indenture.

Neither the Trustee nor any of its officers, directors or employees shall be liable for any action taken or omitted to be taken by it or them hereunder or in connection herewith except for its or their own gross negligence, fraud or willful misconduct as finally adjudicated by a court of competent jurisdiction. No provision of this Regulatory Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any liability in the performance of its duties hereunder, in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that the payment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Trustee shall examine all documents prepared by the Borrower and furnished to the Trustee to confirm whether such documents conform on their face to the requirements of this Regulatory Agreement. The Trustee shall notify the Issuer and Borrower in writing if the Trustee does not receive any document from the Borrower at the time required under this Regulatory Agreement or if such document does not conform on its face to the requirements of this Regulatory Agreement. The Trustee may conclusively rely on and shall be protected in acting or omitting to act in good faith upon the certificates and other writings, which conform on their face to the requirements of this Regulatory Agreement, as the Trustee may receive in connection with the administration of its obligations hereunder and has no duty or obligation to make an independent investigation with respect thereto.

Section 17. Recording and Filing. The Borrower shall cause this Regulatory Agreement, and all amendments and supplements hereto and thereto, to be recorded and filed in the real property records of Travis County, Texas. The Borrower shall pay all fees and charges incurred in connection with any such recording. This Agreement is subject to and subordinate to all matters of record as of the date hereof.

Section 18. Payment of Fees. Notwithstanding any prepayment of the Loan and notwithstanding a discharge of the Indenture, throughout the term of this Regulatory Agreement, the Borrower shall continue to pay to the Issuer and the Trustee reimbursement for all expenses provided to be paid to the Issuer and the Trustee by the Borrower pursuant to the Bond Loan Agreement and reasonable compensation for any services rendered by them hereunder and reimbursement for all expenses reasonably incurred by them in connection therewith.

Section 19. Governing Law. This Regulatory Agreement shall be governed by the laws of the State. The Trustee's rights, duties, powers and obligations hereunder are governed in their entirety by the terms and provisions of this Agreement and the Indenture.

Section 20. Amendments. Subject to the provisions of Section 6 hereof, this Regulatory Agreement shall be amended only by a written instrument executed by the parties hereto, or their successors in title, and duly recorded in the real property records of Travis County, Texas, and only upon receipt by the Issuer and the Trustee of an opinion from Bond Counsel that such amendment will not adversely affect the Tax-Exempt status of interest on the Bonds and is not contrary to the provisions of the Act.

Section 21. Notices. Any notice required to be given hereunder shall be made in writing and shall be given by hand, overnight delivery service, email or facsimile transmission, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto:

THE ISSUER:

Texas State Affordable Housing Corporation
6701 Shirley Avenue
Austin, Texas 78752
Attention: David Long
Facsimile: (512) 477-3553
E-mail: dlong@tsahc.org

WITH A COPY TO:

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201
Attention: Paul A. Braden
Facsimile: (214) 855-8200
Email: paul.braden@nortonrosefulbright.com

and

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201
Attention: Robert D. Dransfield
Facsimile: (214) 855-8200
E-mail: robert.dransfield@nortonrosefulbright.com

TRUSTEE:

UMB Bank, N.A.
6034 West Courtyard Drive, Suite 225
Austin, Texas 78730
Attention: Rob Rodriguez
E-mail: robert.rodriguez@umb.com

BORROWER:

FC Bloom Housing, LP
c/o Foundation Communities, Inc.
3000 S IH 35, Suite 300
Austin, Texas 78704
Attention: Walter Moreau
E-mail: walter.moreau@foundcom.org

WITH A COPY TO:

Duane Morris LLP
2801 Via Fortuna, Terrace 7, Suite 200
Austin, TX 78746
Attention: Scott Marks
E-mail: SAMarks@duanemorris.com

AND:

Rigby Slack Lawrence Pepper + Comerford PLLC
3500 Jefferson St., Suite 330
Austin, TX 78731
Attention: Cathleen Slack
E-mail: cslack@rigbyslack.com

TO THE INVESTOR PARTNER (Bank of America):

Bank of America, N.A.
Banc of America CDC Special Holding Company, Inc.
100 Federal Street, 4th Floor
Boston, MA 02110
MA5-100-04-11
Attention: Asset Management

WITH A COPY TO:

Buchalter LLP
1000 Wilshire Blvd., Suite 1500
Los Angeles, CA 90017
Attention: Michael Williamson
Email: mwilliamson@buchalter.com
Ref: Bloom at Lamar Square - Equity (B0965-0872)

TO THE INVESTOR PARTNER (Monarch):

MPC TX The Bloom, LLC
3414 Peachtree Road, Suite 825
Atlanta, Georgia 30326
Attention: Robin Delmer
E-mail: rdelmer@monarchprivate.com

WITH A COPY TO:

Barnes & Thornburg LLP
3340 Peachtree Road, Suite 2900
Atlanta, Georgia 30326
Attention: Sean Honeywill
E-mail: shoneywill@btlaw.com

TO THE LENDER:

Bank of America, N.A.
4500 Amon Carter Blvd., 2nd Floor
Fort Worth, TX 76155
TX2-979-02-22
Attention: Construction Servicing (Real Estate) Loan
Administration Manager

WITH A COPY TO:

Buchalter LLP
1000 Wilshire Blvd., Suite 1500
Los Angeles, CA 90017
Attention: Michael Williamson
Email: mwilliamson@buchalter.com
Ref: Bloom at Lamar Square - Debt (B0965-0871)

Notice shall be deemed given three business days after the date of mailing. Any Notice required to be given hereunder to the Borrower shall also be given to the Investor Partner and Subordinate Lender.

Section 22. Limitation on Liability. Notwithstanding the foregoing or any other provision or obligation to the contrary contained in this Regulatory Agreement, (i) the liability of the Borrower under this Regulatory Agreement to any person or entity, including, but not limited to, the Trustee or the Issuer and their successors and assigns, is limited to the Borrower's interest in the Project, the Trust Estate and the amounts held in the funds and accounts created under the Indenture, or any rights of the Borrower under any guarantees relating to the Project, and such persons and entities shall look exclusively thereto, or to such other security as may from time to time be given for the payment of obligations arising out of this Regulatory Agreement or any other agreement securing the obligations of the Borrower under this Regulatory Agreement; and (ii) from and after the date of this Regulatory Agreement, no deficiency or other personal judgment, nor any order or decree of specific performance (other than pertaining to this Regulatory Agreement, any agreement pertaining to the Project or any other agreement securing the Borrower's obligations under this Regulatory Agreement), shall be rendered against the Borrower, the assets of the Borrower (other than the Borrower's interest in the Project, this Regulatory Agreement, amounts held in the funds and accounts created under the Indenture, any rights of the Borrower under the Indenture or any other documents relating to the Bonds or any rights of the Borrower under any guarantees relating to the Project), its partners, members, successors, transferees or assigns and each of its respective officers, directors, employees, partners, agents, heirs and personal representatives, as the case may be, in any action or proceeding arising out of this Regulatory Agreement and the Indenture or any agreement securing the obligations of the Borrower under this Regulatory Agreement, or any judgment, order or decree rendered pursuant to any such action or proceeding, except to the extent provided in the Bond Loan Agreement.

Section 23. Severability. If any provision of this Regulatory Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

Section 24. Multiple Counterparts. This Regulatory Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Issuer, the Trustee and the Borrower have executed this Regulatory Agreement by duly authorized representatives, all as of the date first above written.

TEXAS STATE AFFORDABLE HOUSING CORPORATION

David Long, President

ACKNOWLEDGMENT

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

On this the _____ day of _____, 2026, before me, the undersigned Notary Public, personally appeared David Long, who acknowledged to be the President of the Texas State Affordable Housing Corporation and that he, as such officer, being duly authorized to do so, executed the foregoing Regulatory Agreement for the purposes therein contained by signing his name as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public of the State of Texas

(Notary Seal)

[Issuer signature page to Regulatory Agreement – The Bloom at Lamar Square
- signatures continue on next page]

UMB BANK, N.A.
as Trustee

Robert Rodriguez, Vice President

ACKNOWLEDGMENT

THE STATE OF TEXAS

§
§
§

COUNTY OF _____

On this the _____ day of _____, 2026, before me, the undersigned Notary Public, personally appeared Robert Rodriguez, who acknowledged to be a Vice President of UMB Bank, N.A. and that he, as such officer, being duly authorized to do so, executed the foregoing Regulatory Agreement for the purposes therein contained by signing his name as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public of the State of Texas

(Notary Seal)

[Trustee signature page to Regulatory Agreement –The Bloom at Lamar Square
– signatures continue on next page]

FC BLOOM HOUSING, LP,
a Texas limited partnership

By: FC Lamar Square Phase 1 Housing, LLC,
a Texas limited liability company,
its general partner

By: Foundation Communities, Inc.,
a Texas nonprofit corporation,
its manager

By: _____
Walter Moreau, Executive Director

ACKNOWLEDGMENT

THE STATE OF TEXAS

§

COUNTY OF _____

§

§

On this the ____ day of _____, 2026, before me, the undersigned Notary Public, personally appeared Walter Moreau, who acknowledged to be the Executive Director of Foundation Communities, Inc., the manager of FC Lamar Square Phase 1 Housing, LLC, the general partner of FC Bloom Housing, LP, and that he, as such person, being duly authorized to do so, executed the foregoing Regulatory Agreement for the purposes therein contained by signing his name in such capacity.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public of the State of Texas

(Notary Seal)

[Borrower signature page to Regulatory Agreement – The Bloom at Lamar Square]

EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT B

PROJECT

A multifamily rental residential development to be known as The Bloom at Lamar Square consisting of 58 units to be located on floors 4-7 of a condominium building at or about 1326 or 1328 Lamar Square Drive, Austin, Texas 78704 in Travis County.

EXHIBIT C

CONTINUING PROGRAM COMPLIANCE CERTIFICATE FOR THE BLOOM AT LAMAR SQUARE

TO: UMB Bank, N.A.
6034 West Courtyard Drive, Suite 225
Austin, Texas 78730
Attention: Corporate Trust Department

Texas State Affordable Housing Corporation
6701 Shirley Avenue
Austin, Texas 78752
Attention: President

Re: Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds
(The Bloom at Lamar Square) Series 2026 (the "Bonds")

FC Bloom Housing, LP, a Texas limited partnership (the "Borrower") hereby represents and warrants that:

1. A review of the activities of the Borrower during the period of _____ through _____ and of the Borrower's performance under the Bond Loan Agreement has been made under the supervision of the undersigned.
2. The Borrower owns the project described in Exhibit B to the Regulatory Agreement (as hereinafter defined), located in the State of Texas (the "Project").
3. The Project was financed, in substantial part, with proceeds of the Bonds.
4. The undersigned and the Borrower have read and are thoroughly familiar with the provisions of (1) the Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), dated as of June 1, 2026, among the Borrower, Texas State Affordable Housing Corporation (the "Issuer") and UMB Bank, N.A. (the "Trustee"); and (2) the Loan Agreement, dated as of June 1, 2026, among the Trustee, the Issuer and the Borrower (the "Bond Loan Agreement"). The Regulatory Agreement was executed, delivered, and recorded against the Project in connection with the issuance of the Bonds. Hereinafter, unless otherwise expressly provided herein or unless the context requires otherwise, the capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Regulatory Agreement.
5. The Project's Qualified Project Period commenced on _____, 202__ and will end on the latest of (a) the date which is fifteen years after the date that at least 50% of the units of the Project are first occupied, (b) the first date on which no tax-exempt private activity bond (as that phrase is used in Section 142(d)(2) of the Code) issued with respect to the Project is outstanding or (c) the date on which any assistance was provided with respect to the Project under Section 8 of the Housing Act terminates.
6. Commencing on the Closing Date and continuing throughout the remainder of the Qualified Project Period no less than 40% of the total number of completed units of the Project (104 units upon completion) shall at all times be rented to and occupied by Low Income Tenants.
7. As of the date of this certificate, the following percentages of completed residential units in the Project (i) are occupied by Low Income Tenants or (ii) are currently

vacant and being held available for such occupancy and have been so held continuously since the date a Low Income Tenant vacated such unit, as indicated:

Occupied by Low Income Tenants: _____ percent

Held vacant for occupancy continuously since _____ percent
last occupied by Low Income Tenant:

8. At no time since the date of filing of the last Continuing Program Compliance Certificate has less than 40% of the units in the Project been occupied by or, if vacant, been last occupied by Low Income Tenants.
9. To the best knowledge of the undersigned, after due inquiry, all Units were rented or available for rental on a continuous basis during the immediately preceding year to members of the general public, and the Borrower is not now and has not been in default under the terms of the above-referenced Regulatory Agreement and, to the best knowledge of the undersigned, no Determination of Taxability has occurred with respect to the Bonds.
10. (If the Borrower is in default under the terms of the Regulatory Agreement or the Borrower has actual knowledge of a Determination of Taxability with respect to the Bonds, such knowledge should be detailed here:

11. The Borrower has not transferred any interest in the Project since the date of submission of the Continuing Program Compliance Certificate last submitted to the Trustee and the Issuer with respect to the Project. (If the Borrower has transferred any interest in the Project, such transfer should be detailed here:

Attached is a separate sheet (the "Occupancy Summary") for the Project listing, among other items, the percentage of units which are occupied by Low Income Tenants and which became Low Income Units since the filing of the last Continuing Program Compliance Certificate. The information contained thereon is, to the best knowledge of the Borrower (based upon information supplied by tenants of the Project), true and accurate.

FC BLOOM HOUSING, LP,
a Texas limited partnership

By: FC Lamar Square Phase 1 Housing, LLC,
a Texas nonprofit corporation,
its general partner

By: Foundation Communities, Inc.,
a Texas nonprofit corporation,
its manager

By: _____
Name:
Title:

Texas State Affordable Housing Corporation
Multifamily Housing Revenue Bonds
(The Bloom at Lamar Square)
Series 2026

**Bond Document No. 7:
Preliminary Official Statement**

PRELIMINARY OFFICIAL STATEMENT JUNE __, 2026

New Issue – Book-Entry Only

**RATING: Moody’s “Aa1”
(See “RATING” herein)**

In the opinion of Norton Rose Fulbright US LLP, Bond Counsel, subject to the matters described in “TAX MATTERS” and assuming continuing compliance subsequent to the issuance of the Bonds with the provisions of the Loan Agreement, the Regulatory Agreement and the Indenture, interest on the Bonds will be excludable from the gross income of the owners thereof for federal income tax purposes under existing law and will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals, except for interest on any Bonds during any period while it is held by a person who is a “substantial user” of any of the facilities financed with the proceeds of the Bonds or by a “related person,” as such terms are defined in Section 147(a) of the Internal Revenue Code of 1986, as amended. See “TAX MATTERS” herein.

\$14,500,000*

**TEXAS STATE AFFORDABLE HOUSING CORPORATION
MULTIFAMILY HOUSING REVENUE BONDS
(THE BLOOM AT LAMAR SQUARE)
SERIES 2026**

Dated: June __, 2026

Interest Accrual Date: Date of Delivery

Initial Interest Rate: ___%

Initial Offering Price: 100%

Optional Redemption Date: January 1, 2029*

Initial Mandatory Tender Date: July 1, 2029*

Maturity Date: July 1, 2030*

CUSIP: _____

The above-captioned bonds (the “Bonds”) are issuable only as fully registered bonds without coupons in the denomination of \$5,000 principal amount or any integral multiple of \$1,000 in excess thereof. Interest on the Bonds will be payable on each January 1 and July 1, commencing January 1, 2027*, until stated maturity or prior mandatory redemption. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. Bonds will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, Brooklyn, New York. Principal of and interest on the Bonds is payable by UMB Bank, N.A., a national banking association, as trustee (the “Trustee”), to Cede & Co., which is to remit such payments to the Direct Participants (as defined herein) for subsequent disbursement to the purchasers of the Bonds. See “BOOK-ENTRY ONLY SYSTEM” herein.

The Bonds are being issued by Texas State Affordable Housing Corporation (the “Issuer”), pursuant to a Trust Indenture (the “Indenture”), dated as of June 1, 2026, between the Issuer and the Trustee, to provide financing to FC Bloom Housing, LP, a Texas limited partnership (the “Borrower”), for the acquisition, construction and equipping of a 58-unit multifamily housing facility to be known as The Bloom at Lamar Square located in Austin, Travis County, Texas. Under the terms of the Indenture, an amount equal to the principal amount of the Bonds is to be deposited in the Project Fund established under the Indenture and invested pursuant to the Indenture.

At all times the Bonds will be secured by the Trust Estate including but not limited to Eligible Funds sufficient, with interest earnings thereon (without the need for reinvestment), to pay all of the interest on the Bonds when due and to pay the principal of the Bonds on the earlier of any Mandatory Tender Date or any Redemption Date, as further described herein. Eligible Funds will be invested in Eligible Investments under the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.

The Bonds are subject to redemption prior to maturity as set forth herein. See “THE BONDS – Optional Redemption” herein.

The Bonds are subject to mandatory tender for purchase on the Initial Mandatory Tender Date, subject to satisfaction of the applicable terms and conditions of remarketing set forth in the Indenture, or mandatory redemption, if the conditions to remarketing the Bonds are not met on or before the Initial Mandatory Tender Date. All Bondholders must tender their Bonds for purchase on the Initial Mandatory Tender Date. The Bonds may be remarketed and a new interest rate for the Bonds may be determined on the Initial Mandatory Tender Date in accordance with the terms of the Indenture, or the Bonds may be redeemed and cancelled on the Initial Mandatory Tender Date. If the Bonds are remarketed on the Initial Mandatory Tender Date, the terms of the Bonds after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Bonds on and after the Initial Mandatory Tender Date cannot rely on this Official Statement, but rather must rely upon any disclosure documents prepared in connection with such remarketing. See “THE BONDS – Mandatory Redemption” herein.

THE BONDS ARE ISSUED UNDER THE PROVISIONS OF SUBCHAPTER Y OF CHAPTER 2306, TEXAS GOVERNMENT CODE, AS AMENDED. THE STATE OF TEXAS (THE “STATE”) IS NOT OBLIGATED TO PAY THE PRINCIPAL OF OR ANY PREMIUM OR INTEREST ON THE BONDS AND THE FULL FAITH AND CREDIT AND THE TAXING POWER OF THE STATE ARE NOT PLEDGED, GIVEN, OR LOANED TO THE PAYMENT THEREOF. THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER PAYABLE, AS TO PRINCIPAL, PREMIUM, IF ANY, AND INTEREST SOLELY FROM THE TRUST ESTATE. THE BONDS SHALL CONSTITUTE A VALID CLAIM OF THE RESPECTIVE OWNERS THEREOF AGAINST THE TRUST ESTATE, WHICH IS PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS, AND WHICH SHALL BE USED FOR NO OTHER PURPOSE EXCEPT AS EXPRESSLY AUTHORIZED IN THE INDENTURE. THE BONDS SHALL NOT BE A DEBT OR INDEBTEDNESS OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (INCLUDING THE ISSUER), AND NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL THE BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER PLEDGED UNDER THE INDENTURE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE ISSUER FROM THE SOURCES IDENTIFIED IN THE INDENTURE) SHALL BE LIABLE FOR PAYMENT OF THE BONDS NOR IN ANY EVENT SHALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS BE PAYABLE OUT OF ANY FUNDS OR ASSETS OTHER THAN THOSE PLEDGED TO THAT PURPOSE BY THE ISSUER IN THE INDENTURE. THE ISSUER HAS NO TAXING POWER.

* Preliminary; subject to change.

The Bonds are offered when, as and if issued and received by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), subject to the approving opinion of the Attorney General of the State of Texas and the legal opinion of Norton Rose Fulbright US LLP, Dallas, Texas, Bond Counsel. CFX Incorporated, New York, New York, will act as financial advisor to the Issuer in connection with the issuance of the Bonds. Certain legal matters will be passed upon for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C., and for the Borrower by its counsels, Rigby Slack Lawrence Pepper + Comerford PLLC, Austin, Texas, and Duane Morris LLP, Austin, Texas. It is expected that the Bonds will be available for delivery through the facilities of The Depository Trust Company on or about June __, 2026.

STIFEL

Dated: June __, 2026

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended (the “Rule”), this document constitutes an “official statement” of the Issuer with respect to the Bonds that has been “deemed final” by the Issuer as of its date except for the omission of no more than the information permitted by the Rule.

No broker, dealer, salesman or other person has been authorized by the Issuer or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The Issuer has not and does not assume any responsibility as to the accuracy or completeness of the information in this Official Statement, other than the information concerning the Issuer under the caption “THE ISSUER” and “ABSENCE OF LITIGATION — The Issuer.” The other information set forth herein has been obtained from sources believed to be reliable, but is not guaranteed as to accuracy and is not to be construed as a representation of such by the Underwriter or the Issuer. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the information or opinions set forth herein since the date hereof. The Issuer has not confirmed, and assumes no responsibility for, the accuracy, completeness, sufficiency or fairness of any statements in this Official Statement or any amendments thereof or supplements thereto, or in any reports, financial information, offering or disclosure documents or other information relating to the Borrower, the Project, or the history, businesses, properties, organization, management, financial condition, market area or any other matter relating to the Borrower or contained otherwise in this Official Statement.

Information herein has been obtained from the Issuer (only as to the Sections labeled “THE ISSUER” and “ABSENCE OF LITIGATION – The Issuer” as it pertains to the Issuer) and the Borrower and other sources believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this final Official Statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

The Issuer has not confirmed, and assumes no responsibility for, the accuracy, completeness, sufficiency or fairness of any statements in the Official Statements or any amendments thereof or supplements thereto, other than in the Sections labeled “THE ISSUER” and “ABSENCE OF LITIGATION – The Issuer” as it pertains to the Issuer, or in any reports, financial information, offering or disclosure documents or other information relating to the Underwriter, the Project, the Borrower, or the history, businesses, properties, organization, management, financial condition, market area or any other matter relating to the Borrower or contained otherwise in the Official Statement.

The Trustee in each of its capacities, including, but not limited to, as trustee, has not reviewed, provided or undertaken to determine the accuracy of, any of the information contained in this Official Statement and makes no representation or warranty, express or implied, as to any matters contained in this Official Statement, including, but not limited to, (i) the accuracy or completeness of such information, (ii) the validity of the Bonds, or (iii) the tax-exempt status of the Bonds.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

No registration statement relating to the Bonds has been filed with the United States Securities and Exchange Commission or with any state securities agency. Upon issuance, the Bonds will not be registered by the Issuer under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities

exchange. Neither the U.S. Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have approved or disapproved the Bonds or passed upon the accuracy or adequacy of this Official Statement or, other than the Issuer (to the extent described herein) approved the Bonds for sale.

THIS OFFICIAL STATEMENT CONTAINS “FORWARD-LOOKING” STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES AND EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM THE FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD LOOKING STATEMENTS.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT TEND TO STABILIZE OR MAINTAIN THE MARKET PRICE FOR THE BONDS ABOVE THE LEVELS THAT WOULD OTHERWISE PREVAIL. SUCH ACTIVITIES, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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\$14,500,000*
TEXAS STATE AFFORDABLE HOUSING CORPORATION
MULTIFAMILY HOUSING REVENUE BONDS
(THE BLOOM AT LAMAR SQUARE)
SERIES 2026

INTRODUCTION

This Official Statement, including the Appendices, has been prepared in connection with the issuance of the above-captioned Bonds (the “Bonds”) by the Texas State Affordable Housing Corporation (the “Issuer”), a Texas nonprofit corporation. See “THE ISSUER” herein. The Issuer has authorized the issuance of the Bonds by a resolution relating to the issuance of the Bonds adopted by the Governing Body of the Issuer on April 21, 2026 (the “Bond Resolution”) and the Bonds are issued pursuant to a Trust Indenture dated as of June 1, 2026 (the “Indenture”), by and between the Issuer and UMB Bank, N.A., a national banking association, as trustee (the “Trustee”). Certain capitalized terms that are used in this Official Statement and not otherwise defined shall have the definitions ascribed to them in “APPENDIX A — DEFINITIONS OF CERTAIN TERMS” hereto.

The Bonds will be issued pursuant to the provisions of Subchapter Y of Chapter 2306, Texas Government Code, as amended and supplemented (the “Act”), for the purpose of providing funds to make a loan (the “Loan”) to FC Bloom Housing, LP, a Texas limited partnership (the “Borrower”), for the acquisition, construction and equipping of a 58-unit multifamily rental housing facility to be known as The Bloom at Lamar Square located in Austin, Travis County, Texas (the “Project”). See “THE PROJECT AND THE BORROWER” herein. The terms of the financing are to be as set forth in the Loan Agreement, dated as of June 1, 2026, between the Issuer and the Borrower (the “Loan Agreement”). The obligation of the Borrower to repay the Loan pursuant to the Loan Agreement will be evidenced by a promissory note (the “Note”).

Under the terms of the Indenture, on the date of delivery an amount equal to the proceeds of the Bonds is to be deposited in the Project Fund established under the Indenture, and invested in Eligible Investments. See “APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Investment of Special Funds and Rebate Fund” hereto.

The principal of and interest on the Bonds (the “Bond Service Charges”) are payable from the security pledged under the Indenture, including the payments on the investment of funds under the Indenture. Under the Indenture, the Trustee is to invest amounts held under the Indenture in Eligible Investments.

At all times the Bonds will be secured by the Trust Estate, including but not limited to, Eligible Funds sufficient, with interest earnings thereon (without the need for reinvestment), to pay all of the interest on the Bonds when due and to pay the principal of the Bonds on the earlier of any Mandatory Tender Date or any Redemption Date, as further described herein. Eligible Funds will be invested in Eligible Investments under the Indenture, as further described in “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.

Upon the deposit of Eligible Funds in the Collateral Fund, and subject to the other provisions set forth in the Indenture, a like amount of funds will be disbursed by the Trustee from the Project Fund to or at the direction of either Foundation Communities, Inc., a Texas nonprofit corporation (the “Sponsor”), to fund advances of the CMF Funds Sponsor Loan, the FC Sponsor Loan, the FHLB Dallas Sponsor Loan, the FHLB NY Sponsor Loan and the THHS Funds Sponsor Loan, or Bank of America, N.A., a national banking association (the “Construction Lender”), to fund advances of the Construction Loan to pay the costs of the Project. See “ELIGIBLE FUNDS AND DISBURSEMENT OF BOND PROCEEDS” herein.

The Borrower’s operation of the Project will be subject to the terms of a Regulatory Agreement and Declaration of Restrictive Covenants, dated as of June 1, 2026 (the “Regulatory Agreement”), by and among the Borrower, the Trustee and the Issuer, which contains covenants required to maintain the exclusion of interest on the

* Preliminary; subject to change.

Bonds from gross income for federal income tax purposes. The Regulatory Agreement will require that for the Qualified Project Period (as defined therein), at least 40% of the dwelling units in the Project (except for dwelling units reserved for a resident manager, security personnel and maintenance personnel) are reserved for tenants whose combined annual income does not exceed 60% of the median gross income for the area in which the Project is located, adjusted for family size. See “THE PROJECT AND THE BORROWER — Project Regulation” herein.

The Bonds will bear interest on the outstanding principal amount thereof at the Initial Interest Rate set forth on the cover page hereof (the “Initial Interest Rate”) from their date of delivery to but not including July 1, 2029* (the “Initial Mandatory Tender Date”), payable on each January 1 and July 1, commencing January 1, 2027* (each an “Interest Payment Date”) until stated maturity or prior mandatory redemption.

The Bonds are subject to mandatory tender for purchase or mandatory redemption on the Initial Mandatory Tender Date. In the event the conditions to remarketing set forth in the Indenture are not met, or if any portion of the Bonds cannot be remarketed, all of the Bonds will be subject to mandatory redemption on the Initial Mandatory Tender Date. All Bondholders must tender their Bonds for purchase on the Initial Mandatory Tender Date. A new interest rate for the Bonds may be determined on the Initial Mandatory Tender Date in accordance with the terms of the Indenture. If the Bonds are remarketed on the Initial Mandatory Tender Date, the terms of the Bonds after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Bonds on and after the Initial Mandatory Tender Date cannot rely on this Official Statement, but rather must rely upon any disclosure documents prepared in connection with such remarketing.

Brief descriptions of the Issuer, the Bonds, the security for the Bonds, the Borrower, the Project, the Indenture, the Regulatory Agreement, and the Loan Agreement are included in this Official Statement. All references herein to the Indenture, the Loan Agreement, the Regulatory Agreement and other documents and agreements are qualified in their entirety by reference to such documents and agreements, copies of which are available for inspection at the offices of the Trustee.

ELIGIBLE FUNDS AND DISBURSEMENT OF BOND PROCEEDS

Simultaneously with the issuance of the Bonds, the Borrower will obtain Eligible Funds (as defined herein) which are expected to be deposited into the Collateral Fund in an amount equal to all or a portion of such disbursement as security for the Bonds in exchange for a like amount of Bond proceeds from the Project Fund, which is to be disbursed by the Trustee for purposes of paying the costs of the Project, all in accordance with the Loan Agreement and the Indenture. The maximum aggregate amount of funds to be delivered to the Trustee for deposit into the Collateral Fund will be \$14,500,000*.

Bond Service Charges will be payable as they become due, in the following order: (i) from money on deposit in the Bond Fund (excluding the Negative Arbitrage Account of the Bond Fund), (ii) from the money on deposit in the Negative Arbitrage Account of the Bond Fund (but only to pay the interest portion of any Bond Service Charges), (iii) from money on deposit in the Collateral Fund and transferred as necessary to the Bond Fund and (iv) thereafter, from money on deposit in the Project Fund and transferred as necessary to the Bond Fund.

Notwithstanding any provision of the Loan Agreement or the Indenture to the contrary, the Trustee will not disburse funds from the Project Fund, other than to pay Bond Service Charges on the Bonds, unless and until (i) an amount equal to or greater than the requested disbursement amount has been deposited in the Collateral Fund in accordance with the provisions of the Indenture and (ii) the Trustee has determined that the sum of the amount then held in the Collateral Fund and the amount then on deposit in the Project Fund, less the anticipated amount of the disbursement from the Project Fund, is at least equal to the then outstanding principal amount of the Bonds. Upon receipt of Eligible Funds, subject to the foregoing provisions, the Trustee may disburse Bond proceeds to or at the direction of the respective Lender for use by the Borrower to pay costs of the Project, in accordance with the terms of the Loan Agreement.

* Preliminary; subject to change.

The amounts on deposit in the Project Fund, the Bond Fund and the Collateral Fund (together, the “Special Funds”) will be invested on the date of delivery of the Bonds in Eligible Investments. See “APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Investment of Special Funds and Rebate Fund.” An amount equal to the aggregate interest payments on the Bonds from the date of delivery of the Bonds to, but not including the Initial Mandatory Tender Date is required, pursuant to the Indenture, to be deposited on the date of delivery of the Bonds to the Negative Arbitrage Account of the Bond Fund by or on behalf of the Borrower.

THE ISSUER

The following information has been provided by the Issuer for use herein. While the information is believed to be reliable, none of the Trustee, the Borrower, the Underwriter, nor any of their respective counsel, members, officers or employees makes any representations as to the accuracy or sufficiency of such information.

The Issuer is a non-profit corporation of the State of Texas, created pursuant to Subchapter Y of Chapter 2306, Texas Government Code, as amended (the “Act”). The Issuer is authorized to issue bonds and to loan the proceeds thereof to finance the cost of a “development” (as defined in the Act).

The Issuer has sold and delivered obligations other than the Bonds, which other obligations are and will be secured by instruments separate and apart from the Indenture and the Bonds. The holders of such obligations of the Issuer have no claim on the security for the Bonds, and the owners of the Bonds will have no claim on the security for such other obligations issued by the Issuer.

The Issuer has not reviewed this Official Statement and is not responsible for any information contained herein, except for the information in this section and under the caption “ABSENCE OF LITIGATION – The Issuer” as such information applies to the Issuer.

THE BONDS

The Bonds are available in book-entry only form. See “BOOK-ENTRY ONLY SYSTEM” herein. So long as Cede & Co., as nominee of The Depository Trust Company, is the registered owner of the Bonds, references herein to the Bondholders or holders or registered owner or owners of the Bonds mean Cede & Co. and not the beneficial owners of the Bonds.

General

The Bonds are issuable in the denomination of \$5,000 principal amount or any integral multiple of \$1,000 in excess thereof. The Bonds will initially bear interest at the Initial Interest Rate from the date of delivery and will mature on July 1, 2030* (the “Maturity Date”), subject to mandatory tender for purchase or mandatory redemption on the Initial Mandatory Tender Date and redemption on any Redemption Date. Interest will be payable on each Interest Payment Date to the Person whose name the Bond is registered at the close of business on the Regular Record Date in accordance with the provisions of the Indenture. Interest will be calculated and be due on the basis of a 360-day year consisting of twelve 30-day months. Principal of and interest on the Bonds will be payable by the Trustee to Cede & Co. as nominee of DTC. See “BOOK-ENTRY ONLY SYSTEM” herein.

Special Obligations

THE BONDS ARE ISSUED UNDER THE PROVISIONS OF SUBCHAPTER Y OF CHAPTER 2306, TEXAS GOVERNMENT CODE, AS AMENDED. THE STATE OF TEXAS (THE “STATE”) IS NOT OBLIGATED TO PAY THE PRINCIPAL OF OR ANY PREMIUM OR INTEREST ON THE BONDS AND THE FULL FAITH AND CREDIT AND THE TAXING POWER OF THE STATE ARE NOT PLEDGED, GIVEN, OR LOANED TO THE PAYMENT THEREOF. THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER PAYABLE, AS TO PRINCIPAL, PREMIUM, IF ANY, AND INTEREST SOLELY FROM THE TRUST ESTATE. THE BONDS SHALL CONSTITUTE A VALID CLAIM OF THE RESPECTIVE OWNERS THEREOF

* Preliminary; subject to change.

AGAINST THE TRUST ESTATE, WHICH IS PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS, AND WHICH SHALL BE USED FOR NO OTHER PURPOSE EXCEPT AS EXPRESSLY AUTHORIZED IN THE INDENTURE. THE BONDS SHALL NOT BE A DEBT OR INDEBTEDNESS OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (INCLUDING THE ISSUER), AND NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL THE BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER PLEDGED UNDER THE INDENTURE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE ISSUER FROM THE SOURCES IDENTIFIED IN THE INDENTURE) SHALL BE LIABLE FOR PAYMENT OF THE BONDS NOR IN ANY EVENT SHALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS BE PAYABLE OUT OF ANY FUNDS OR ASSETS OTHER THAN THOSE PLEDGED TO THAT PURPOSE BY THE ISSUER IN THE INDENTURE. THE ISSUER HAS NO TAXING POWER.

Optional Redemption

The Bonds are subject to optional redemption in whole or in part by the Issuer at the written direction of the Borrower, which written direction shall be received by the Trustee at least thirty (30) days prior to the required notice mailing date as stated in the Indenture, on any Business Day on or after the later to occur of (i) the date the Project is placed in service and satisfies the 50% test pursuant to Section 42(h)(4)(B) of the Code, as certified in writing by the Borrower to the Trustee, or (ii) the Optional Redemption Date at a redemption price equal to 100% of the principal amount of such Bonds to be redeemed plus accrued interest to the applicable Redemption Date. Bonds subject to redemption in accordance with this paragraph shall be redeemed from (i) amounts on deposit in the Collateral Fund, (ii) amounts on deposit in the Negative Arbitrage Account of the Bond Fund, (iii) amounts on deposit in the Project Fund, and (iv) any other Eligible Funds available or made available for such purpose at the direction of the Borrower. The Trustee shall conduct a selection of the Bonds for partial redemption in a random by lot selection process.

Mandatory Redemption

The Bonds shall be redeemed in whole or in part at a redemption price of 100% of the principal amount of such Bonds, plus accrued interest to the Redemption Date, on any Mandatory Tender Date upon the occurrence of any of the following events: (i) the Borrower has previously elected not to cause the remarketing of the Bonds, (ii) the conditions to remarketing set forth in the Indenture have not been met by the dates and times set forth in the Indenture, or (iii) the proceeds of a remarketing on deposit in the Remarketing Proceeds Account at 11:00 a.m. Local Time on the Mandatory Tender Date are insufficient to pay the purchase price of the Outstanding Bonds on such Mandatory Tender Date. Bonds subject to redemption in accordance with this paragraph shall be redeemed from (i) amounts on deposit in the Collateral Fund, (ii) amounts on deposit in the Negative Arbitrage Account of the Bond Fund, if any, (iii) amounts on deposit in the Project Fund, and (iv) any other Eligible Funds available or made available for such purpose at the direction of the Borrower.

Purchase in Lieu of Redemption

At the election of the Borrower upon a redemption in whole of the Bonds, by written notice to the Trustee and the Remarketing Agent given not less than five (5) Business Days in advance of such redemption date, the Bonds will be deemed tendered for purchase in lieu of the redemption on such date and the call for redemption shall be cancelled. The purchase price of Bonds so purchased in lieu of redemption shall be the principal amount thereof together with all accrued and unpaid interest to the date of redemption and any prepayment fee, if due, and shall be payable on the date of redemption thereof from Eligible Fund. Bonds so purchased in lieu of redemption shall remain Outstanding and shall be registered to or upon the direction of the Borrower.

Notice of Redemption

If the Borrower intends to effect an optional redemption of the Bonds, then, at least five (5) days prior to the latest date by which the Trustee must give notice of an optional redemption as set forth in this paragraph, the Borrower shall deliver to the Trustee written notice of such redemption. Unless waived by any Holder of Bonds to be redeemed,

official notice of redemption shall be given by the Trustee on behalf of the Issuer by sending a copy of an official redemption notice by Electronic Means or by first class mail, postage prepaid, to the Holder of each Bond to be redeemed, at the address of such Holder shown on the Register at the opening of business on the fifth day prior to such mailing, (i) with respect to a mandatory redemption of the Bonds, not less than twenty (20) days nor more than thirty (30) days prior to the date fixed for redemption, and (ii) with respect to an optional redemption of the Bonds, not less than ten (10) days prior to the date fixed for redemption. A second notice of redemption shall be given, as soon as practicable, by Electronic Means or by first class mail to the Holder of each Bond which has been so called for redemption (in whole or in part) but has not been presented and surrendered to the Trustee within sixty (60) days following the date fixed for redemption of that Bond.

Mandatory Tender

Purchase of Bonds on Mandatory Tender Dates. All Outstanding Bonds shall be subject to Mandatory Tender by the Holders for purchase in whole and not in part on each Mandatory Tender Date. The purchase price for each such Bond shall be payable in lawful money of the United States of America by wire, check or draft, shall equal 100% of the principal amount to be purchased and accrued interest, if any, to the Mandatory Tender Date, and shall be paid in full on the applicable Mandatory Tender Date.

Holding of Tendered Bonds. While tendered Bonds are in the custody of the Trustee pending purchase pursuant to the Indenture, the tendering Holders thereof shall be deemed the owners thereof for all purposes, and interest accruing on tendered Bonds through the day preceding the applicable Mandatory Tender Date is to be paid as if such Bonds had not been tendered for purchase.

Effect of Prior Redemption. Notwithstanding anything therein to the contrary, any Bond tendered under the Indenture will not be purchased if such Bond matures or is redeemed on or prior to the applicable Mandatory Tender Date.

Purchase of Tendered Bonds. The Trustee shall utilize amounts representing proceeds of remarketed Bonds on deposit in the Remarketing Proceeds Account to pay the principal amount, plus accrued interest, of Bonds tendered for purchase not later than 11:30 a.m. Local Time on the Mandatory Tender Date.

Cancellation of Remarketing. In the event the Bonds must be redeemed as a result of the occurrence of any of the events listed in the Indenture, the remarketing shall be cancelled and all Bonds Outstanding on the Mandatory Tender Date shall be redeemed in accordance with the Indenture.

Undelivered Bonds. Bonds shall be deemed to have been tendered for purposes of the Indenture whether or not the Holders shall have delivered such Undelivered Bonds to the Trustee, and subject to the right of the Holders of such Undelivered Bonds to receive the purchase price of such Bonds on the Mandatory Tender Date, such Undelivered Bonds shall be null and void. If such Undelivered Bonds are to be remarketed, the Trustee shall authenticate and deliver new Bonds in replacement thereof pursuant to the remarketing of such Undelivered Bonds.

No Additional Parity Bonds

The Indenture does not permit the Issuer to issue additional indebtedness prior to or on a parity with the Bonds.

BOOK-ENTRY ONLY SYSTEM

The following information on the Book-Entry System applicable to all Bonds has been supplied by DTC and neither the Issuer, the Borrower nor the Underwriter make any representation, warranties or guarantees with respect to its accuracy or completeness.

The Depository Trust Company (“DTC”), Brooklyn, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-

registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or its agent.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings' rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede &

Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividends ("debt charges payments") on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions or dividends ("debt charges") to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information above in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer and the Underwriter take no responsibility for the accuracy thereof. The Issuer has no role in the purchases, transfers or sales of book entry interests. The rights of Beneficial Owners to transfer or pledge their interests, and the manner of transferring or pledging those interests, may be subject to applicable state law. Beneficial Owners may want to discuss with their legal advisers the manner of transferring or pledging their book-entry interests. The Issuer has no responsibility or liability for any aspects of the records or notices relating to, or payments made on account of, beneficial ownership, or for maintaining, supervising or reviewing any records relating to that ownership. The Issuer cannot and does not give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute to the Beneficial Owners payments of debt charges on the Bonds made to DTC as the registered owner, or any redemption, if any, or other notices, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve or act in a manner described in this Official Statement.

Direct Participants and Indirect Participants may impose service charges on Beneficial Owners in certain cases. Purchasers of book-entry interests should discuss that possibility with their brokers.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

At all times the Bonds will be secured by the Trust Estate, including but not limited to, Eligible Funds sufficient, with interest earnings thereon (without the need for reinvestment), to pay all of the interest on the Bonds when due and to pay the principal of the Bonds on the earlier of any Mandatory Tender Date or any Redemption Date, as further described herein. Eligible Funds will be invested in Eligible Investments under the Indenture.

The Bonds will be secured under the Indenture by all right, title and interest of the Issuer in and to (i) the Revenues, including, without limitation, all Loan Payments, Eligible Funds and other amounts receivable by the Trustee in respect of repayment of the Loan, (ii) the Special Funds, including all accounts therein and all money and securities deposited therein and (except for the Rebate Amount, as defined in the Indenture) required to be rebated to the United States of America under the Code in connection with the Bonds, as described in the Indenture) the investment earnings thereon and the proceeds derived therefrom, (iii) the proceeds derived from the sale of the Bonds (subject to the provisions of the Bond Resolution), (iv) the Loan Agreement, including all amendments, extensions and renewals of the terms thereof, if any, (v) the Note, including all amendments, extensions and renewals of the terms thereof, if any, and (vi) and any and all other real or personal property of every name and nature from time to time

hereafter by delivery or by writing of any kind pledged, assigned or transferred, as and for additional security under the Indenture by the Issuer or by anyone on its behalf, or with its written consent, to the Trustee, which is authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture, except for the Reserved Rights (the foregoing collectively referred to as the “Trust Estate”).

Amounts deposited in the Special Funds and the Rebate Fund are to be invested in Eligible Investments. See “APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Investment of Special Funds and Rebate Fund” hereto.

THE BONDS ARE ISSUED UNDER THE PROVISIONS OF SUBCHAPTER Y OF CHAPTER 2306, TEXAS GOVERNMENT CODE, AS AMENDED. THE STATE OF TEXAS (THE “STATE”) IS NOT OBLIGATED TO PAY THE PRINCIPAL OF OR ANY PREMIUM OR INTEREST ON THE BONDS AND THE FULL FAITH AND CREDIT AND THE TAXING POWER OF THE STATE ARE NOT PLEDGED, GIVEN, OR LOANED TO THE PAYMENT THEREOF. THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER PAYABLE, AS TO PRINCIPAL, PREMIUM AND INTEREST SOLELY FROM THE TRUST ESTATE. THE BONDS SHALL CONSTITUTE A VALID CLAIM OF THE RESPECTIVE OWNERS THEREOF AGAINST THE TRUST ESTATE, WHICH IS PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS, AND WHICH SHALL BE USED FOR NO OTHER PURPOSE EXCEPT AS EXPRESSLY AUTHORIZED IN THE INDENTURE. THE BONDS SHALL NOT BE A DEBT OR INDEBTEDNESS OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (INCLUDING THE ISSUER), AND NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL THE BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER PLEDGED UNDER THE INDENTURE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE ISSUER FROM THE SOURCES IDENTIFIED IN THE INDENTURE) SHALL BE LIABLE FOR PAYMENT OF THE BONDS NOR IN ANY EVENT SHALL PRINCIPAL OF, PREMIUM ON AND INTEREST ON THE BONDS BE PAYABLE OUT OF ANY FUNDS OR ASSETS OTHER THAN THOSE PLEDGED TO THAT PURPOSE BY THE ISSUER IN THE INDENTURE. THE ISSUER HAS NO TAXING POWER.

THE PROJECT AND THE BORROWER

The information under this heading has been provided solely by the Borrower and has not been independently verified by the Issuer, the Underwriter or any of their respective counsel, members, officers or employees, or Bond Counsel. No representation whatsoever as to the accuracy, adequacy or completeness of such information is made by the Issuer, the Underwriter or any of their respective counsel, members, officers or employees or Bond Counsel.

The Project

The Project, known as The Bloom at Lamar Square, is located in Austin, Texas, and consists of a condominium unit on an approximately 0.579-acre site. The Project includes 58 apartment units in one or more condominium units (the “FC Condominium”) with residential units on floors four through seven of one building located at 1326 and 1328 Lamar Square. The FC Condominium will include certain general common elements and limited common elements. General and limited common elements will include: a community room, balconies, on-site service space, and a laundry room. Unit amenities include: energy and water efficient fixtures and appliances, ceiling fans, and washer/dryer hook-ups in one- and two-bedroom apartments. There are two parking spaces for resident use only. Additional parking is available at adjacent properties.

It is anticipated that construction will commence promptly upon the issuance of the Bonds and funding of the initial installment of the Tax Credit Equity and will be completed in approximately 24 months.

The unit mix and approximate square footage for the units of the Project will be as follows:

Unit Type	Average Square Feet	Number of Units
Studio/1 Bath	485	11
1 Bedroom/1 Bath	690	31
2 Bedroom/2 Bath	1,060	<u>16</u>
TOTAL		58

The Borrower

FC Bloom Housing, LP, a Texas limited partnership (the “Borrower”), is a single-asset entity formed for the specific purpose of acquiring, owning, and operating the Project. The general partner of the Borrower is FC Lamar Square Phase I Housing, LLC, a Texas limited liability company (the “General Partner”), which will own a [0.01]% ownership interest in the Borrower. Bank of America, N.A., a national banking association, and MPC TX Crossroads Apartments, LLC or other affiliated entity of Monarch Private Capital, LLC (collectively, the “Investor Partner”), will own a [98.99]% interest in the Borrower. [Banc of America CDC Special Holding Company, Inc., a North Carolina corporation (the “Special Limited Partner”) will own a [0%] interest in the Borrower, and Monarch Private Capital, LLC (the State Tax Investor Limited Partner) will own a 1% interest in the Borrower.]

Investor Partner

Contemporaneously with the issuance of the Bonds, the Investor Partner expects to acquire a [98.99]% ownership interest in the Borrower. In connection with such acquisition, the equity funding arrangements for the funding of the federal low-income housing tax credit equity (the “Tax Credit Equity”) are expected to be in the total amount set forth under “THE PROJECT AND THE BORROWER” herein paid in stages during and after construction of the Project. These funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the estimates set forth herein and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

Limited Assets and Obligation of Borrower, General Partner, Investor Partner

The Borrower and the General Partner have no substantial assets other than the Project and do not intend to acquire any other substantial assets or to engage in any substantial business activities other than those related to the ownership of the Project. However, the General Partner, the Investor Partner, and their affiliates are engaged in and will continue to engage in the acquisition, development, ownership and management of similar types of housing projects. They may be financially interested in, as officers, partners or otherwise, and devote substantial times to, business and activities that may be inconsistent or competitive with the interests of the Project.

The obligations and liabilities of the Borrower, except for certain fees, payments, and indemnification obligations under the Loan Agreement and the Note are of a non-recourse nature and are limited to the Project and moneys derived from the operation of the Project. Neither the Borrower nor its partners have any personal liability for payments on the Note to be applied to pay the principal of and interest on the Bonds. Furthermore, no representation is made that the Borrower has substantial funds available for the Project. Accordingly, neither the Borrower’s financial statements nor those of its partners are included in this Official Statement.

The Developer

The developer of the Project is Foundation Communities, Inc. (the “Developer”), located in Texas. The Developer was started in 1990 and has 35 years of experience in affordable housing development. The Developer owns and operates 32 communities in the State of Texas.

The Property Manager

The Borrower will enter into a management agreement with Foundation Communities, Inc. (the “Property Manager”) to manage the day-to-day operations of the Project. The Property Manager is the same entity as the Developer. The Property Manager has been involved in the management of affordable housing since 1990. The Property Manager currently manages more than 4,000 apartment units in Texas.

The General Contractor and Prime Subcontractor

The general contractor for the Project is Foundation Communities, Inc. (the “General Contractor”). The prime subcontractor for the Project will be Bailey Elliott Construction, Inc., dba BEC Austin (the “Prime Subcontractor”) under a subcontract with Foundation Communities, Inc. The General Contractor is an affiliate of the Developer. The Prime Subcontractor is not an affiliate of the Developer. Based in Austin, Texas, the Prime Subcontractor was formed in 1994. Since inception, the General Contractor has built or rehabilitated more than 10,000 apartments.

The Architect

The architect for the Project is Forge Craft Architecture + Design (the “Architect”). The Architect is not an affiliate of the Developer. The Architect has been a licensed architect for 12 years and has been the principal architect for approximately 22 multifamily developments with an excess of 2,000 apartment units throughout Texas and Kentucky.

Plan of Financing

The costs of the Project and the sources of funds to pay those costs are estimated by the Borrower as follows:

Sources of Funds*	
Bond Proceeds	\$14,500,000
Federal Tax Credit Equity	8,498,017
State Tax Credit Equity	5,185,749
AHFC Loan	5,500,000
FC Sponsor Loan	4,500,000
CMF Funds Sponsor Loan	2,000,000
FHLB NY Sponsor Loan	2,000,000
FHLB Dallas Sponsor Loan	1,450,000
THHS Funds Sponsor Loan	2,000,000
Deferred Developer Fee	<u>1,565,745</u>
Total	<u>\$45,633,766</u>

Uses of Funds*	
Acquisition Costs	\$2,708,950
Construction Costs	17,876,814
Architect/Engineer/Third Party	1,233,582
Soft Costs	943,207
Financing Costs	1,264,072
Operating Reserve	308,850
Developer Fee	3,131,491
Payment of Bond Principal	14,500,000
Pay Down of FC Sponsor Loan	4,500,000
Pay Down of CMF Funds Sponsor Loan	<u>732,545</u>
Total	<u>\$47,199,511</u>

All costs of issuing the Bonds, including the Underwriter's fee, will be paid by the Borrower.

The Construction Loan. The Project will also utilize a first lien loan in the principal amount of \$9,000,000* (the "Construction Loan") from the Construction Lender. The obligation to repay the Construction Loan will be set forth in a promissory note (the "Construction Note") from the Borrower to the Construction Lender and will be repayable on the terms and conditions set forth therein. The Construction Note will be secured by a deed of trust recorded on the FC Condominium. The Construction Note will have a term of approximately 30* months, with a six-month extension option, and will bear interest at a rate of 30-day SOFR plus 2.50%* per annum, with no payments of principal during the term, and with all unpaid principal and interest due at maturity. The Construction Loan proceeds may be used as cash collateral for the Bonds.

The Low Income Housing Tax Credit Equity. Contemporaneously with the issuance of the Bonds, the Investor Partner expects to acquire a [98.99]% ownership interest in the Borrower. In connection with such acquisition, the funding of the Tax Credit Equity will total approximately \$8,498,017*, with approximately \$[176,982]* expected to be funded in connection with the issuance of the Bonds. The funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the projections set forth above and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

The AHFC Loan. The Project will also utilize a subordinate cash flow loan in the principal amount of \$5,500,000* (the "AHFC Loan"). The obligation to repay the AHFC Loan will be set forth in a promissory note (the "AHFC Note") from the Borrower to the Austin Housing Finance Corporation (the "AHFC Lender"), and the AHFC

* Preliminary; subject to change.

Loan will be repayable out of cash flow on the terms and conditions set forth therein. The AHFC Note will be secured by a subordinate deed of trust recorded on the FC Condominium, and this deed of trust will be subordinate to the Construction Loan. The AHFC Note will have a term of 40 years and will bear interest at a rate of 1% per annum, with annual principal and interest not otherwise paid, due at maturity.

The HHSC Loan. The Project will also utilize a subordinate cash flow loan in the principal amount of \$2,000,000* (the “HHSC Loan”). The obligation to repay the HHSC Loan will be set forth in a promissory note (the “HHSC Note”) from the Borrower to Foundation Communities, Inc., as maker of the HHSC Loan, and the HHSC Loan will be repayable out of cash flow on the terms and conditions set forth therein. The HHSC Note will be secured by a subordinate deed of trust on the FC Condominium, which will be subordinate to the Construction Loan. The HHSC Note will have a term of 40 years and will bear interest at a rate of 1% per annum, with annual principal and interest not otherwise paid, due at maturity. The HHSC Loan may be used as cash collateral for the Bonds.

The FC Sponsor Loan. The Project will also utilize a subordinate cash flow loan in the principal amount of \$4,500,000* (the “FC Sponsor Loan”). The obligation to repay the FC Sponsor Loan will be set forth in a promissory note (the “FC Sponsor Note”) from the Borrower to Foundation Communities, Inc., as maker of the FC Sponsor Loan, and the FC Sponsor Loan will be repayable out of cash flow on the terms and conditions set forth therein. The FC Sponsor Note will be secured by a subordinate deed of trust on the FC Condominium, which will be subordinate to the Construction Loan. The FC Sponsor Note will have a term of 40 years and will bear interest at a rate of 1% per annum, with annual principal and interest not otherwise paid, due at maturity. The FC Sponsor Loan may be used as cash collateral for the Bonds.

The CMF Funds Sponsor Loan. The Project will also utilize a subordinate cash flow loan in the principal amount of \$2,000,000* (the “CMF Funds Sponsor Loan”). The obligation to repay the CMF Funds Sponsor Loan will be set forth in a promissory note (the “CMF Note”) from the Borrower to Foundation Communities, Inc., as maker of the CMF Funds Sponsor Loan, and the CMF Funds Sponsor Loan will be repayable out of cash flow on the terms and conditions set forth therein. The CMF Note will be secured by a subordinate deed of trust on the FC Condominium, and this deed of trust will be subordinate to the Construction Loan. The CMF Note will have a term of 40 years and will bear interest at a rate of 1% per annum, with annual principal and interest not otherwise paid, due at maturity. The CMF Funds Sponsor Loan may be used as cash collateral for the Bonds.

The FHLB NY Sponsor Loan. The Project will also utilize a subordinate cash flow loan in the principal amount of \$2,000,000* (the “FHLB NY Sponsor Loan”). The obligation to repay the FHLB NY Sponsor Loan will be set forth in a promissory note (the “FHLB NY Note”) from the Borrower to Foundation Communities, Inc., as maker of the FHLB NY Sponsor Loan, and the FHLB NY Sponsor Loan will be repayable out of cash flow on the terms and conditions set forth therein. The FHLB NY Note will be secured by a subordinate deed of trust on the FC Condominium, and this deed of trust will be subordinate to the Construction Loan. The FHLB NY Note will have a term of 40 years and will bear interest at a rate of 1% per annum, with annual principal and interest not otherwise paid, due at maturity.

The FHLB Dallas Sponsor Loan. The Project will also utilize a subordinate cash flow loan in the principal amount of \$1,450,000* (the “FHLB Dallas Sponsor Loan”). The obligation to repay the FHLB Dallas Sponsor Loan will be set forth in a promissory note (the “FHLB Dallas Note”) from the Borrower to Foundation Communities, Inc., as maker of the FHLB Dallas Sponsor Loan, and the FHLB Dallas Sponsor Loan will be repayable out of cash flow on the terms and conditions set forth therein. The FHLB Dallas Note will be secured by a subordinate deed of trust on the FC Condominium, and this deed of trust will be subordinate to the Construction Loan. The FHLB Dallas Note will have a term of 40 years and will bear interest at a rate of 1% per annum, with annual principal and interest not otherwise paid, due at maturity.

The THHS Funds Sponsor Loan. The Project will also utilize a subordinate cash flow loan in the principal amount of \$2,000,000* (the “THHS Funds Sponsor Loan”). The obligation to repay the THHS Funds Sponsor Loan will be set forth in a promissory note (the “THHS Sponsor Note”) from the Borrower to Foundation Community, Inc. as maker of the THHS Funds Sponsor Loan, and the THHS Funds Sponsor Loan will be repayable out of cash flow on the terms and conditions set forth therein. The THHS Sponsor Note will be secured by a subordinate deed of trust on the FC Condominium, and the deed of trust will be subordinate to the Construction Loan. The THHS Sponsor

Note will have a term of 40 years and will bear interest at a rate of [1% per annum], with annual principal and interest not otherwise paid due at maturity.

Deferred Developer Fee. The Project will also utilize a deferred developer fee in the amount of \$ 1,565,745* as a source of funding. The deferred developer fee will be repaid through surplus cash flow received from the operation of the Project.

The sources and uses of funds to be applied under the Indenture are projected to be approximately as follows:

Sources of Funds*:	
Bond Proceeds	<u>\$14,500,000</u>
Total	<u>\$14,500,000</u>
Uses of Funds*:	
Project Fund	<u>\$14,500,000</u>
Total	<u>\$14,500,000</u>

Project Regulation

The Borrower intends to operate the Project as a qualified residential rental project in accordance with the provisions of Section 142(d) of the Code. Concurrently with the issuance of the Bonds, the Borrower, the Trustee and the Issuer will enter into a Regulatory Agreement and Declaration of Restrictive Covenants, dated as of June 1, 2026 (the “Regulatory Agreement”). Under the Regulatory Agreement, the Borrower will agree that, at all times during the Qualified Project Period (as defined in the Regulatory Agreement), the Borrower will rent at least 40% of the units in the Project to persons whose adjusted family income (determined in accordance with the provisions of the Code) is no more than 60% of the area median income (adjusted for family size) (“AMI”). See “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT” herein.

In addition to the rental restrictions imposed upon the Project by the Regulatory Agreement, the Project will be further encumbered by a tax credit restrictive covenant, to be executed by the Borrower in connection with the federal low-income housing tax credits anticipated to be granted for the Project and in compliance with the requirements of Section 42 of the Code, as well as an Austin Housing Finance Corporation restrictive covenant, Federal Home Loan Bank Affordable Housing Program restrictive covenants, a Texas Department of Housing and Community Affairs Villa Elaina restrictive covenant, and a Texas Department of Housing and Community Affairs Cornerstone restrictive covenant. Villa Elaina and Cornerstone are nearby affordable housing properties, and their restrictive covenants will be transferred to the Project so that Villa Elaina and Cornerstone can be demolished. Section 42 of the Code will restrict the income levels of 100% of the residential units in the Project (the “Tax Credit Units”). Within the Project, for a relocation period for Villa Elaina and Cornerstone residents (i) 15 of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 30% of the AMI adjusted for family size, (ii) 28 of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 50% of the AMI adjusted for family size, and (iii) 15 of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 60% of the AMI adjusted for family size, and the rents which may be charged for occupancy of such units will be restricted to not more than 30% of the related AMI, adjusted for family size. After the Villa Elaina and Cornerstone relocation period, (i) 15 of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 30% of the AMI adjusted for family size, (ii) 38 of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 50% of the AMI adjusted for family size, and (iii) 5 of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 60% of the AMI adjusted for family size, and the rents which may be charged for occupancy of such units will be restricted to not more than 30% of the related AMI, adjusted for family size.

* Preliminary; subject to change.

CERTAIN BONDHOLDERS' RISKS

The purchase of the Bonds will involve a number of risks. The following is a summary, which does not purport to be comprehensive or definitive, of some of such risk factors.

General

Payment of the Bond Service Charges and the Borrower's obligations with respect to the Bond Service Charges, will be primarily secured by and payable from Bond proceeds held in the Project Fund and money deposited into the Collateral Fund and the Bond Fund, including the Negative Arbitrage Account held in the Bond Fund. Although the Borrower will execute the Note to evidence its obligation to repay the Loan, it is not expected that any revenues from the Project or other amounts, except money in the Special Funds, will be available to satisfy that obligation. The Indenture requires the Trustee to verify, before any disbursement of funds from the Project Fund, that the sum of the funds on deposit in the Project Fund and the Collateral Fund is at least equal to the then outstanding principal amount of the Bonds. Funds on deposit in the Special Funds will be sufficient to pay the debt service on the Bonds.

Limited Security; Investment of Funds

The Bonds are special limited obligations of the Issuer payable solely from the Trust Estate, which includes certain funds pledged to and held by the Trustee pursuant to the Indenture.

The Bonds are offered solely on the basis of the amounts held under the Indenture and are not offered on the basis of the credit of the Borrower, the feasibility of the Project or any other security. As a consequence, limited information about the Project and no information about the financial condition or results of operations of the Borrower is included in this Official Statement. The Bonds are offered only to investors who, in making their investment decision, rely solely on the amounts held under the Indenture and not on the credit of the Borrower, the feasibility of the Project or any other security.

The principal of and interest on the Bonds are payable from and secured by certain revenues and funds pledged thereto under the Indenture. On the date of delivery of the Bonds, an amount equal to the principal amount of the Bonds is to be deposited in the Project Fund, and an amount equal to the aggregate interest payments on the Bonds from the date of delivery through the Maturity Date is to be deposited in the Negative Arbitrage Account. Such amounts are to be invested in Eligible Investments pursuant to the Indenture.

The Trustee is required to invest amounts held in the Special Funds in Eligible Investments, as defined in the Indenture. See "APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Investment of Special Funds and Rebate Fund." Debt Service on the Bonds has been scheduled assuming that the amounts held in the Special Funds earn no interest prior to the Maturity Date. Failure to receive a return of the amounts so invested could affect the ability to pay the principal of and interest on the Bonds.

Early Redemption of the Bonds

Any person who purchases a Bond should consider the fact that the Bonds are subject to redemption prior to maturity, upon the occurrence of certain events. See "THE BONDS — Mandatory Redemption" herein.

Taxability

The Bonds would not be subject to redemption, and the rate of interest on the Bonds would not be subject to adjustment, if the interest on the Bonds were to become includable in gross income for purposes of federal income taxation. Such event could occur if the Borrower (or any subsequent owner of the Project) does not comply with the provisions of the Regulatory Agreement and the Loan Agreement that are designed, if complied with, to satisfy the continuing compliance requirements of the Code in order for the interest on the Bonds to be excludable from gross income for purposes of federal income tax.

Enforceability of Remedies

The remedies available to the Trustee and the owners of the Bonds upon an event of default under the Loan Agreement or the Indenture are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing law and judicial decisions, the remedies provided for under the Loan Agreement or the Indenture may not be readily available, and the Borrower will have no personal liability for the satisfaction of any obligation of the Borrower under such agreements or of any claim against the Borrower arising out of such agreements or the Indenture.

If a default in the payment of the Loan occurs and is continuing, the Issuer has agreed with the Borrower and the Lender not to commence foreclosure proceedings with respect to the Project or exercise any other rights or remedies it may have under the Note or the Loan Agreement, including, but not limited to, accelerating the Loan, without the Lender's prior written consent.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Bonds and the documents described above is subject to limitations imposed by such things as the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or a court of equity), including judicial limitations on rights to specific performance and bankruptcy, insolvency, reorganization, moratorium or other similar laws heretofore or hereafter in effect affecting creditors' rights, to the extent constitutionally applicable.

Secondary Markets and Prices

The Underwriter will not be obligated to repurchase any of the Bonds, and no representation is made concerning the existence of any secondary market for the Bonds. No assurance can be given that any secondary market will develop following the completion of the offering of the Bonds contemplated by this Official Statement, and no assurance can be given that the Bonds can be resold at their initial offering prices for any period of time.

Issuer Limited Liability

The Bonds will not be insured or guaranteed by any governmental entity or by the Issuer or any member or program participant of the foregoing. The holders of the Bonds will have no recourse to the Issuer in the event of an event of default on the Bonds.

Eligible Investments

Proceeds of the Bonds deposited into the Project Fund and Eligible Funds received by the Trustee for deposit into the Collateral Fund are required to be invested in Eligible Investments. See "APPENDIX A — DEFINITIONS OF CERTAIN TERMS" hereto for the definition of Eligible Investments. There can be no assurance that there will not be a loss resulting from any investment held for the credit of the Project Fund or the Collateral Fund, and any failure to receive a return of the amounts so invested could affect the ability to pay the principal of and interest on the Bonds.

Rating Based on Eligible Investments

The rating on the Bonds is based on the amounts in the Project Fund and the Collateral Fund being invested in Eligible Investments. If one or more of such investments fail to meet the rating standards for Eligible Investments after their acquisition and prior to maturity, such a change may result in a downgrade or withdrawal of the rating on the Bonds.

Future Legislation; IRS Examination

The Project, its operation and the treatment of interest on the Bonds are subject to various laws, rules and regulations adopted by the local, State and federal governments and their agencies. There can be no assurance that relevant local, State or federal laws, rules and regulations may not be amended or modified or interpreted in the future

in a manner that could adversely affect the Bonds, the trust estate created under the Indenture, the Project, or the financial condition of or ability of the Borrower to comply with its obligations under the various transaction documents.

In recent years, the Internal Revenue Service (“IRS”) has increased the frequency and scope of its examination and other enforcement activity regarding tax-exempt bonds. Currently, the primary penalty available to the IRS under the Code is a determination that interest on bonds is subject to federal income taxation. Such event could occur for a variety of reasons, including, without limitation, failure to comply with certain requirements imposed by the Code relating to investment restrictions, periodic payments of arbitrage profits to the United States of America, the timely and proper use of Bond proceeds and the facilities financed therewith and certain other matters. See “TAX MATTERS” herein. No assurance can be given that the IRS will not examine the Issuer, the Borrower, the Project or the Bonds. If the Bonds are examined, it may have an adverse impact on their price and marketability.

Potential Impact of Pandemics or Public Health Crises

The spread of the strain of a virus and resulting disease could alter the behavior of businesses and people in a manner that could have negative effects on global, state and local economies. There can be no assurances that the spread of a pandemic would not materially impact both local and national economies and, accordingly, have a materially adverse impact on the Project’s operating and financial viability. The effects of a pandemic could include, among other things, an increase in the time necessary to complete the construction and/or rehabilitation of the Project, suspension or delay of site inspections and other on-site meetings, interruption in the engagement of material participants in the Project, increase in the time necessary to conduct lease-up at the Project, and increased delinquencies and/or vacancies, all of which could impact the Borrower’s ability to make payments on the loans and result in a default and acceleration thereof.

Summary

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement, including the Appendices hereto.

TAX MATTERS

The delivery of the Bonds is subject to the opinion of Norton Rose Fulbright US LLP (“Bond Counsel”), to the effect that interest on the Bonds, assuming continuing compliance subsequent to the issuance of the Bonds with the provisions of the Indenture, the Regulatory Agreement and the Loan Agreement, including those certain provisions described below, and except with respect to any Bond for any period of time during which such Bond is held by a “substantial user” of any of the facilities financed with the proceeds of the Bonds or by a “related person,” as such terms are defined in Section 147(a) of the Code, is excludable from the gross income, as defined in Section 61 of the Code, of the owners thereof for federal income tax purposes, pursuant to Section 103 of the Code and existing regulations, published rulings, and court decisions, and will not be included in computing the alternative minimum taxable income of owners of the Bonds who are individuals. For tax years beginning after December 31, 2024, interest on the Bonds may affect the corporate alternative minimum tax for certain large corporations. The statutes, regulations, rulings and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinion, Bond Counsel has relied upon representations and certifications of the Issuer and the Borrower made in certificates of even date with the issuance of the Bonds pertaining to the use, expenditure and investment of the proceeds of the Bonds and has assumed continuing compliance with the provisions of the Indenture, the Regulatory Agreement and the Loan Agreement subsequent to the issuance of the Bonds. The Indenture, the Regulatory Agreement and the Loan Agreement contain covenants by the Issuer and the Borrower with respect to, among other matters, the Borrower’s expected capital expenditures, the use of the proceeds of the Bonds, continued compliance by the Borrower with rental requirements to persons of low and moderate income, the manner in which the proceeds of the Bonds are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage profits from the investment of the proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants could cause interest on the Bonds to be includable in the gross income of the recipient thereof from the date of issuance of the Bonds.

Section 142 of the Code provides that the interest on certain obligations 95% or more of the net proceeds of which are to be used to provide a “qualified residential rental project” is excludable from the gross income of the owners thereof for federal income tax purposes if at all times during the “qualified project period” 40% or more of the residential units in such project are occupied by individuals whose income is 60% or less of the “area median gross income” determined in accordance with Section 142(d)(2)(A) of the Code. The term “qualified project period” is defined in Section 142(d)(2)(A) of the Code as the period beginning on the first day on which 10% of the units in such project are occupied and ending on the latest of (a) the date which is fifteen years after the date on which at least 50% of the residential units in the project are occupied; (b) the first date on which no tax exempt private activity bond issued with respect to such project is outstanding; or (c) the date on which any assistance provided with respect to such project under Section 8 of the Housing Act terminates.

Section 142(d)(3) of the Code requires that a determination of whether the income of a resident of a unit in a project exceeds the applicable income limit be made at least annually on the basis of the current income of the resident. If the income of a resident did not exceed the applicable income limit when the resident first occupied the Project unit (or as of any prior determination made in accordance with Section 142(d)(3) of the Code), the income of such resident shall continue to be treated as not exceeding the applicable income limit until such time as (a) such resident’s income exceeds 140% of the applicable income limit as of the most recent determination, and (b) before the next determination, any residential unit of comparable or smaller size in such Project is occupied by a new resident whose income exceeds the applicable income limit.

The requirements set forth in the Code relating to the rental of Project units to persons of low or moderate income are included in the Regulatory Agreement. Failure to satisfy these requirements on a continuous basis or the failure to satisfy any of the other requirements of Section 142(d) of the Code could cause the interest on the Bonds to be included in the gross income of the owners thereof from the date of their original issuance, irrespective of the date such noncompliance actually occurred.

Except as described above, Bond Counsel expresses no other opinion with respect to any other federal, state or local tax consequences under present law or proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business as the United States “S” corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, corporations subject to the alternative minimum tax on adjusted financial statement income, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry (or who have paid or incurred certain expenses allocable to) tax exempt obligations. Prospective purchasers of the Bonds should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Bond Counsel’s opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the Issuer described above. No ruling has been sought from the Internal Revenue Service (the “IRS”) with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel’s opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax exempt obligations. If an audit of the Bonds is commenced, under current procedures the IRS is likely to treat the Issuer as the “taxpayer,” and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the Issuer may have different or conflicting interests from the owners of the Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. It is uncertain whether this legislation will be enacted and, if so, whether it will be enacted in its current form. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

The discussion of tax matters in this Official Statement applies only in the case of purchasers of the Bonds at their original issuance and at the respective prices indicated on the cover, and applies only for the period ending on the Maturity Date. It does not address any other tax consequences, such as, among others, the consequence of the existence of any market discount to subsequent purchasers of the Bonds.

The initial public offering price of certain Bonds (the “Discount Bonds”) may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount allocable to the holding period of such Discount Bond by the initial purchaser will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above. Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial public offering price of certain Bonds (the “Premium Bonds”) may be greater than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser’s yield to maturity.

Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

Contemporaneously with the issuance of the Bonds, the opinion of Bond Counsel will be delivered substantially in the form attached hereto as Appendix E.

UNDERWRITING

Pursuant and subject to the terms and conditions set forth in the Bond Purchase Agreement (the “Bond Purchase Agreement”), among Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), the Issuer and the Borrower, the Underwriter has agreed to purchase the Bonds at the price set forth on the cover hereof. For its services relating to the transaction, the Underwriter will receive a fee of \$_____ plus \$_____, payable in immediately available funds on the Closing Date, from which the Underwriter shall pay certain fees and expenses relating to the issuance of the Bonds[, plus an additional amount of \$_____ (the “Underwriter’s Advance) for initial deposits established under the Indenture]. The Underwriter’s fee shall not include the fee of its counsel. [The Borrower will reimburse the Underwriter for the Underwriter’s Advance on or before the Closing Date.]

The Underwriter’s obligations are subject to certain conditions precedent, and the Underwriter will purchase all the Bonds, if any are purchased. Pursuant to the Bond Purchase Agreement, the Borrower has agreed to indemnify the Underwriter and the Issuer against certain civil liabilities, including liabilities under federal securities laws. It is intended that the Bonds will be offered to the public initially at the offering prices set forth on the cover page of this Official Statement and that such offering prices subsequently may change without any requirement of prior notice. The Underwriter may offer the Bonds to other dealers at prices lower than those offered to the public.

The Underwriter does not guarantee a secondary market for the Bonds and is not obligated to make any such market in the Bonds. No assurance can be made that such a market will develop or continue. Consequently, investors may not be able to resell Bonds should they need or wish to do so for emergency or other purposes.

The Underwriter and its affiliates comprise a full-service financial institution engaged in activities which may include securities sales and trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the Issuer and/or the Borrower and to persons and entities with relationships with the Issuer and/or the Borrower, for which they received or will receive customary fees and expenses. The Underwriter is not acting as financial advisor to the Issuer or the Borrower in connection with the offer and sale of the Bonds.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Issuer and/or the Borrower (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Issuer and/or the Borrower.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer.

In addition to serving as Underwriter, Stifel, Nicolaus & Company, Incorporated has been designated to serve as Remarketing Agent and will receive a fee for its remarketing services in connection with the remarketing, if any, of the Bonds on the Initial Mandatory Tender Date; conflicts of interest could arise.

RATING

Moody’s Investors Service, Inc. (the “Rating Agency”) has assigned to the Bonds the rating set forth on the cover page hereof. The rating reflects only the views of the rating agency, and an explanation of the significance of such rating may be obtained from it. No assurance can be given that the rating will be maintained for any given period of time or that the rating may not be revised downward, suspended or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward change in, suspension or withdrawal of the rating may have an adverse effect on the market price of the Bonds. The Underwriter and the Issuer have undertaken no responsibility after issuance of the Bonds to assure the maintenance of the rating or to oppose any such revision,

suspension or withdrawal. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

CERTAIN LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Bonds will be subject to the approving opinion of the Attorney General of the State of Texas and the legal opinion of Norton Rose Fulbright US LLP, Dallas, Texas, Bond Counsel, substantially in the form as Appendix E hereto. In rendering its legal opinion, Bond Counsel will rely on certifications and representations of fact to be contained in the transcript of proceedings which Bond Counsel will not have independently verified. Certain legal matters will be passed upon for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C., and for the Borrower by its counsels, Rigby Slack Lawrence Pepper + Comerford PLLC, Austin, Texas, and Duane Morris LLP, Austin, Texas. Compensation for certain of such counsel is contingent upon the issuance of the Bonds.

FINANCIAL ADVISOR

CFX Incorporated, New York, New York (the “Financial Advisor”) is employed by the Issuer as an independent financial advisor in connection with the issuance of the Bonds. The Financial Advisor’s fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial Advisor has not been engaged by the Issuer to compile, create or interpret any information in this Official Statement relating to the Issuer, including (without limitation) any of the Issuer’s financial and operating data, whether historical or projected. Any information contained in this Official Statement concerning the Issuer, any of its affiliates or contractors and any outside parties has not been independently verified by the Financial Advisor, and inclusion of such information is not and should not be construed as a representation by the Financial Advisor as to its accuracy or completeness or otherwise. The Financial Advisor is not a public accounting firm and has not been engaged by the Issuer to review or audit any information in this Official Statement in accordance with accounting standards.

The Financial Advisor does not assume any responsibility for the covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

RELATIONSHIP AMONG THE PARTIES

In connection with the issuance of the Bonds, the Issuer, the Borrower and the Underwriter are being represented by the attorneys or law firms identified above under the heading “CERTAIN LEGAL MATTERS.” In other transactions not related to the Bonds, each of these attorneys or law firms may have acted as bond counsel or represented the Issuer, the Borrower or the Underwriter or their affiliates, in capacities different from those described herein, and there will be no limitations imposed as a result of the issuance of the Bonds on the ability of any of these firms or attorneys to act as bond counsel or represent any of these parties in any future transactions. Potential purchasers of the Bonds should not assume that the Issuer, the Borrower and the Underwriter or their respective counsel or Bond Counsel have not previously engaged in, or will not after the issuance of the Bonds engage in, other transactions with each other or with any affiliates of any of them, and no assurance can be given that there are or will be no past or future relationships or transactions between or among any of these parties or these attorneys or law firms.

ABSENCE OF LITIGATION

The Issuer

It is a condition to the Underwriter’s acceptance of the Bonds on the date of delivery that the Issuer deliver a certificate to the effect that there is no litigation pending or, to the actual knowledge of the Issuer, threatened, against the Issuer that in any way questions or affects the validity of the Bonds or any proceedings or transactions relating to their issuance.

The Borrower

It is a condition to the Underwriter's acceptance of the Bonds on the date of delivery that the Borrower deliver a certificate to the effect that there are no legal proceedings pending or, to the Borrower's knowledge threatened, to restrain or enjoin the issuance, sale or delivery of the Bonds or the payment, collection or application of the proceeds thereof or of the revenues and other money and securities pledged or to be pledged under the Indenture or in any way contesting or affecting any authority for or the validity of the Bonds or the Indenture.

CONTINUING DISCLOSURE

The Borrower has undertaken responsibility for any continuing disclosure to Bondholders as described below, and the Issuer will have no liability to the Holders of the Bonds or any other person with respect to such disclosures.

The Borrower will enter into a Continuing Disclosure Agreement dated as of June 1, 2026 (the "Continuing Disclosure Agreement") with UMB Bank, N.A., as the Dissemination Agent, obligating the Borrower to send, or cause to be sent, certain financial information with respect to the Project to certain information repositories annually and to provide notice, or cause notice to be provided, to the Municipal Securities Rulemaking Board, if any, of certain enumerated events for the benefit of the Beneficial Owners and Holders of any of the Bonds, in order to allow the Underwriter to meet the requirements of Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). See "APPENDIX F — FORM OF CONTINUING DISCLOSURE AGREEMENT" hereto.

Because the Borrower is a new entity established to acquire and operate the Project, it has not previously entered into any undertakings similar to the Continuing Disclosure Agreement. A failure by the Borrower to comply with the provisions of the Continuing Disclosure Agreement will not constitute a default under the Loan Agreement (although Holders will have any available remedy at law or in equity for obtaining necessary disclosures). Nevertheless, such a failure to comply is required to be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds.

MISCELLANEOUS

The foregoing summaries and explanations do not purport to be comprehensive and are expressly made subject to the exact provisions of documents referred to herein. Copies of the Indenture and the Loan Agreement may be obtained from the Trustee or, during the initial marketing of the Bonds, the Underwriter. Any statements in this Official Statement involving matters of opinion or forecast, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement among the Issuer, the Borrower, or the Underwriter and the purchasers or Holders of any Bonds.

[Signature page to follow]

The execution and delivery of this Official Statement and the incorporation of the appendices hereto have been duly authorized by the undersigned.

FC BLOOM HOUSING, LP,
a Texas limited partnership

By: FC Lamar Square Phase I, LLC,
a Texas limited liability company,
its General Partner

By: Foundation Communities, Inc.,
a Texas nonprofit corporation,
its Sole Member

By: _____
Walter Moreau
Executive Director

APPENDIX A
DEFINITIONS OF CERTAIN TERMS

“*Act*” means the Subchapter Y of Chapter 2306, Texas Government Code, as amended and supplemented.

“*Act of Bankruptcy*” means written notice to the Trustee that the Borrower has become insolvent or has failed to pay its debts generally as such debts become due or has admitted in writing its inability to pay any of its indebtedness or has consented to or has petitioned or applied to any court or other legal authority for the appointment of a receiver, liquidator, trustee or similar official for itself or for all or any substantial part of its properties or assets or that any such trustee, receiver, liquidator or similar official has been appointed or that a petition in bankruptcy, insolvency, reorganization or liquidation proceedings (or similar proceedings) has been instituted by or against the Borrower; provided that, if in the case of an involuntary proceeding, such proceeding is not dismissed within 90 days after commencement thereof.

“*Additional Payments*” means the amounts required to be paid by the Borrower pursuant to the Loan Agreement.

“*Adjusted Gross Income*” means, with respect to a person, the adjusted gross income of such person as set forth on the appropriate line of Internal Revenue Service Form 1040, Internal Revenue Service Form 1040A or Internal Revenue Service Form 1040EZ, as evidenced by a copy of such form or by a sworn statement of such person.

“*Administrative Expenses*” means the Ordinary Trustee Fees and Expenses, the Dissemination Agent Fee and the Issuer’s Fees.

“*Affiliate*” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “control” when used with respect to any specified Person means the power to direct the policies of such Person, directly or indirectly, whether through the power to appoint and remove its directors, the ownership of voting securities, by contract, or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“*AHFC*” means the Austin Housing Finance Corporation, a Texas public, nonprofit corporation organized and operated under Chapter 394 of the Texas Local Government Code, in its capacity as maker of the AHFC Loan.

“*AHFC Loan*” means an existing loan to the Borrower from AHFC in the principal amount of \$5,500,000*.

“*AHFC Loan Documents*” means the loan agreement and other agreements, notes, deeds of trust, regulatory agreements, land use restriction agreement, any other agreements, instruments and documents relating to, evidencing, or securing the AHFC Loan.

“*AHFC Loan Mortgages*” means the deeds of trust securing the AHFC Loan.

“*Authorized Borrower Representative*” means any person who, at any time and from time to time, is designated as the Borrower’s authorized representative by written certificate furnished to the Issuer and the Trustee signed on behalf of the Borrower by or on behalf of any authorized general partner of the Borrower if the Borrower is a general or limited partnership, by any authorized managing member of the Borrower if the Borrower is a limited liability company, or by any authorized officer of the Borrower if the Borrower is a corporation, which certificate may designate an alternate or alternates. The Trustee may conclusively presume that a person designated in a written certificate filed with it as an Authorized Borrower Representative is an Authorized Borrower Representative until such time as the Borrower files with it (with a copy to the Issuer) a written certificate revoking such person’s authority to act in such capacity. The initial Authorized Borrower Representative is the Executive Director of the sole member of the General Partner.

* Preliminary; subject to change.

“Authorized Denomination” means \$5,000, or any integral multiple of \$1,000 in excess thereof.

“Bankruptcy Code” means Title 11 of the United States Code entitled “Bankruptcy,” as in effect now and in the future, or any successor statute.

“Beneficial Owner” means with respect to the Bonds, the Person owning the Beneficial Ownership Interest therein, as evidenced to the satisfaction of the Trustee.

“Beneficial Ownership Interest” means the right to receive payments and notices with respect to the Bonds held in a Book-Entry System.

“Bond Counsel” means any counsel nationally recognized as having an expertise in connection with the exclusion of interest on obligations of states and local governmental units from the gross income of the holders thereof for federal income tax purposes, and initially shall mean Norton Rose Fulbright US LLP, as bond counsel.

“Bond Documents” means, collectively, the Indenture, the Loan Agreement, the Regulatory Agreement, the Tax Certificates, and the Note.

“Bond Fund” means the Bond Fund created in the Indenture.

“Bond Payment Date” means each Interest Payment Date and any other date Bond Service Charges on the Bonds are due, including any Redemption Date or any Mandatory Tender Date.

“Bond Purchase Agreement” means the Purchase Contract, dated June ___, 2026, among the Underwriter, the Issuer and the Borrower.

“Bond Resolution” means the certain resolution relating to the issuance and sale of the Bonds, adopted by the Governing Body on April 21, 2026.

“Bond Service Charges” means, for any period or payable at any time, the principal of, premium, if any, and interest on the Bonds for that period or payable at that time whether due at maturity or upon redemption, Mandatory Tender or acceleration.

“Bondholder” or “holder” or “owner” means, when used with respect to the Bonds, the owner of a Bond then Outstanding under the Indenture as shown on the Bond Register maintained by the Trustee pursuant to the Indenture.

“Bonds” means the Issuer’s Multifamily Housing Revenue Bonds (The Bloom at Lamar Square) Series 2026 authorized in the Bond Resolution and the Indenture in an aggregate principal amount not to exceed \$14,500,000*.

“Book-Entry Form” or **“Book-Entry System”** means, with respect to the Bonds, a form or system, as applicable, under which (a) physical Bond certificates in fully registered form are issued only to a Depository or its nominee, with the physical Bond certificates “immobilized” in the custody of the Depository and (b) the ownership of book-entry interests in Bonds and Bond Service Charges thereon may be transferred only through a book-entry made by others than the Issuer or the Trustee. The records maintained by others than the Issuer or the Trustee constitute the written record that identifies the owners, and records the transfer, of book-entry interests in those Bonds and Bond Service Charges thereon.

“Borrower” means FC Bloom Housing, LP, a Texas limited partnership.

“Borrower Documents” means the Financing Documents to which the Borrower is a party and the documents to which the Borrower is a party relating to and securing the Subordinate Loans.

* Preliminary; subject to change.

“Borrower’s Tax Letter of Representation” means the Borrower’s Tax Letter of Representation executed by Borrower and delivered on the Closing Date.

“Business Day” means a day that is not a Saturday or a Sunday, or a day on which (a) banking institutions in the City of New York or in the city in which the Designated Office of the Trustee or the Remarketing Agent is located are authorized or obligated by law or executive order to be closed, or (b) the New York Stock Exchange is closed, and on which the United States government makes payments of principal and interest on its Treasury obligations.

“Cash Flow Projection” means a cash flow projection prepared by an Independent firm of certified public accountants, a financial advisory firm, a law firm or other Independent third party qualified and experienced in the preparation of cash flow projections for structured finance transactions similar to the Bonds, designated by the Borrower and acceptable to the Rating Agency, establishing the sufficiency of (a) the amount on deposit in the Special Funds, (b) projected investment income to accrue on amounts on deposit in the Special Funds during the applicable period and (c) any additional Eligible Funds delivered to the Trustee by or on behalf of the Borrower to pay Bond Service Charges and Administrative Expenses, in each instance, when due and payable, including, but not limited to, any cash flow projection prepared in connection with (i) the initial issuance and delivery of the Bonds, (ii) a proposed remarketing of the Bonds, as provided in the Indenture, (iii) the release of Eligible Funds from the Negative Arbitrage Account of the Bond Fund, as provided in the Indenture, (iv) the purchase, sale or exchange of Eligible Investments as provided in the Indenture, and (v) the optional redemption of the Bonds as provided in the Indenture, including in the event that the Trustee intends to sell or otherwise dispose of Eligible Investments prior to maturity at a price below par.

“Closing Date” means the date of delivery of the Bonds in exchange for the purchase price thereof.

“CMF Funds Sponsor Loan” means the unsecured loan to be made from the Sponsor to Borrower in the amount of \$2,000,000*, with the proceeds of an award of capital magnet funds by the United States Department of Treasury.

“Code” means the Internal Revenue Code of 1986, as amended and in force and effect on the date hereof.

“Collateral Payment” has the meaning set forth in the Loan Agreement.

“Collateral Fund” means the Collateral Fund created in the Indenture.

“Completion Certificate” means the certificate attached as an exhibit to the Loan Agreement.

“Completion Date” means the date the Project is substantially completed and available and suitable for use as multifamily housing, as set forth in the Completion Certificate.

“Construction Lender” means Bank of America, N.A., in its capacity as construction lender under the Construction Loan.

“Construction Loan” means a taxable construction loan from the Construction Lender to the Borrower.

“Construction Loan Documents” means all agreements, documents and instruments evidencing, securing and relating to the Construction Loan.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement dated as of June 1, 2026, between the Borrower and the Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

* Preliminary; subject to change.

“Controlling Holders” means in the case of consent or direction to be given hereunder, the Holders of the majority in aggregate principal amount of the Outstanding Bonds.

“Costs of Issuance” means costs to the extent incurred in connection with, and allocable to, the issuance of the Bonds within the meaning of Section 147(g) of the Code. For example, Costs of Issuance include the following costs, but only to the extent incurred in connection with, and allocable to, the borrowing: underwriters’ spread; counsel fees; financial advisory fees; fees paid to an organization to evaluate the credit quality of an issue; trustee fees; paying agent fees; bond registrar, certification and authentication fees; accounting fees; printing costs for bonds and offering documents; public approval process costs; engineering and feasibility study costs; guarantee fees, other than qualified guarantees; and similar costs incurred in connection with the borrowing.

“Costs of Issuance Fund” means the Costs of Issuance Fund created in the Indenture.

“Depository” means, with respect to the Bonds, DTC, until a successor Depository shall have become such pursuant to the applicable provisions of the Indenture, and thereafter, Depository shall mean the successor Depository. Any Depository shall be a securities depository that is a clearing agency under a federal law operating and maintaining, with its participants or otherwise, a Book-Entry System to record ownership of book-entry interests in Bonds or Bond Service Charges thereon, and to effect transfers of book-entry interests in Bonds.

“Designated Office” means, with respect to the Trustee or the Remarketing Agent, the office of the Trustee or the Remarketing Agent at the respective Notice Address set forth in the Indenture or, solely for purposes of presentation for transfer, payment or exchange of the Bonds, the designated corporate trust operations or agency office of the Trustee in Kansas City, Missouri, or at such other address as may be specified in writing by the Trustee or the Remarketing Agent, as applicable, as provided in the Indenture.

“Disbursement Request” means a request for disbursement of Bond proceeds in the form attached as an exhibit to the Loan Agreement.

“Dissemination Agent” means the Trustee, or any successor, as Dissemination Agent under the Continuing Disclosure Agreement.

“Dissemination Agent Fee” means the annual fee in the amount of \$1,000 payable to the Dissemination Agent as compensation for its services and expenses in performing its obligations under the Continuing Disclosure Agreement.

“DTC” means The Depository Trust Company (a limited purpose trust company), Brooklyn, New York, and its successors or assigns.

“Eligible Funds” means, as of any date of determination, any of:

(a) the proceeds of the Bonds (including any additional amount paid by the Underwriter to the Trustee as the purchase price of the Bonds);

(b) money received by the Trustee representing proceeds of the Construction Loan and the Subordinate Loans, except for the AHFC Loan;

(c) remarketing proceeds of the Bonds (including any additional amount paid by the Remarketing Agent to the Trustee as the remarketing price of the Bonds) received from the Remarketing Agent or any purchaser of Bonds (other than funds provided by the Borrower, the Issuer or any Affiliate of either the Borrower or the Issuer);

(d) any other amounts, including the proceeds of refunding bonds, for which the Trustee has received an Opinion of Counsel (which opinion may assume that no Holder or Beneficial Owner of Bonds is an “insider” within the meaning of the Bankruptcy Code) to the effect that (A) the use of such amounts to make payments on the Bonds would not violate Section 362(a) of the Bankruptcy Code or that relief from

the automatic stay provisions of such Section 362(a) would be available from the bankruptcy court and (B) payments of such amounts to Holders would not be avoidable as preferential payments under Section 547 or 550 of the Bankruptcy Code should the Issuer or the Borrower become a debtor in proceedings commenced under the Bankruptcy Code;

(e) the proceeds of draws by the Trustee on any letter of credit provided to the Trustee for the benefit of the Borrower;

(f) any payments made by the Borrower and held by the Trustee for a continuous period of 123 days, provided that no Act of Bankruptcy has occurred during such period; and

(g) investment income derived from the investment of the money described in (a) through (f) above.

“Eligible Investments” means, subject to the provisions of the Indenture, any of the following investments, to the extent authorized under State law, which mature (or are redeemable at the option of the Trustee without penalty) at such time or times as to enable timely disbursements to be made from the fund in which such investment is held or allocated in accordance with the terms of the Indenture:

(a) Government Obligations; and

(b) Shares or units in any money market mutual fund rated “Aaa-mf” by Moody’s (or the equivalent Highest Rating Category given by the Rating Agency for that general category of security) including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund and receives reasonable compensation therefor that are registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of direct obligations of the government of the United States of America.

“Event of Default” means any of the events described as an Event of Default in the Indenture or the Loan Agreement.

“Expense Fund” means the Expense Fund created in the Indenture.

“Extension Payment” means the amount due, if any, in connection with the change or extension of the Mandatory Tender Date pursuant to the Indenture, which shall be determined by a Cash Flow Projection.

“Extraordinary Services” and **“Extraordinary Expenses”** mean all services rendered and all reasonable expenses incurred by the Trustee under the Indenture or the other Financing Documents, other than Ordinary Services and Ordinary Expenses. Extraordinary Services and Extraordinary Expenses shall specifically include but are not limited to services rendered or expenses incurred by the Trustee in connection with, or in contemplation of, an Event of Default.

“Favorable Opinion of Bond Counsel” means, with respect to any action, or omission of an action, the taking or omission of which requires such an opinion, an unqualified written opinion of Bond Counsel to the effect that such action or omission does not adversely affect the Federal Tax Status of the Bonds under existing law (subject to the inclusion of any customary exceptions acceptable to the recipient thereof).

“FC Sponsor Loan” means the loan to the Borrower from the Sponsor derived from fundraising and foundation sources in an amount not to exceed \$4,500,000*.

* Preliminary; subject to change.

“FC Sponsor Loan Documents” means all loan and other agreements, notes, deeds of trust, regulations, agreements, land uses restriction agreements, any other agreements, instruments and documents relating to, evidencing, or securing the FC Sponsor Loan.

“FC Sponsor Loan Mortgage” means the deed of trust securing the Sponsor Loan.

“Federal Tax Status” means, as to the Bonds, the status of the interest on the Bonds as excludable from gross income for federal income tax purposes (except on any Bond during any period during which it is held by a “substantial user” of the Project or “related person” to such a substantial user within the meaning of Section 147(a) of the Code).

“FHLB Dallas Sponsor Loan” means the loan to the Borrower from the Sponsor derived from funds from [the Federal Home Loan Bank of Dallas] [and FHLB NY] in the [aggregate] maximum principal amount of \$1,450,000*.

“FHLB NY Sponsor Loan” means the loan to the Borrower from the Sponsor derived from funds from the Federal Home Loan Bank of New York in the maximum principal amount of \$2,000,000*.

“Financing Documents” means the Indenture, the Bonds, the Loan Agreement, the Note, the Regulatory Agreement, the Bond Purchase Agreement, the Remarketing Agreement, the Continuing Disclosure Agreement and any other instrument or document executed in connection with the Bonds, together with all modifications, extensions, renewals and replacements thereof.

“Force Majeure” means any of the causes, circumstances or events described as constituting Force Majeure in the Loan Agreement.

“General Partner” means FC Lamar Square Phase I, LLC, a Texas limited liability company, and its permitted successors and assigns.

“Governing Body” means the members of the board of directors of the Issuer.

“Government” shall mean the government of the United States of America, any political subdivision of the United States of America (including, without limitation, any state, territory, federal district, municipality or possession) and any department, agency or instrumentality thereof; and “Governmental” shall mean of, by, or pertaining to any Government.

“Government Obligations” means noncallable, non-redeemable (i) direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged, and (ii) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the full and timely payment of the principal of, premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (i) or (ii) issued or held in Book-Entry Form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par at the option of anyone other than the holder thereof.

“Highest Rating Category” means, with respect to an Eligible Investment, that the Eligible Investment is rated by a Rating Agency in the highest rating given by that Rating Agency for that Rating Category, provided that such rating shall include but not be below “Aa1” or “Aa1/VMIG 1” if rated by Moody’s or “A-1+” or “AA+” if rated by S&P.

“Holder” or **“Holder of a Bond”** means the Person in whose name a Bond is registered on the Register.

* Preliminary; subject to change.

“**Indenture**” means the Trust Indenture, dated as of June 1, 2026, between the Issuer and the Trustee, as amended or supplemented from time to time.

“**Independent**” when used with respect to a specified Person means such Person has no specific financial interest direct or indirect in the Borrower or any Affiliate of any Borrower and in the case of an individual is not a director, trustee, officer, partner or employee of the Borrower or any Affiliate of any Borrower and in the case of an entity, does not have a member, director, trustee, partner, member, officer or employee who is a director, trustee, officer or employee of the partner of the Borrower or any Affiliate of the Borrower.

“**Initial Bond**” means the initial Bond registered by the Comptroller and subsequently canceled and replaced by a definitive Bond pursuant to the Indenture.

“**Initial Borrower Deposit**” means funds in the amount set forth in the Indenture to be contributed by or on behalf of the Borrower on the Closing Date, which is to be deposited as provided in the Indenture.

“**Initial Interest Rate**” means ____%.

“**Initial Mandatory Tender Date**” means July 1, 2029*.

“**Interest Payment Date**” means (a) each January 1 and July 1 of each year beginning January 1, 2027*, (b) each Mandatory Tender Date and (c) each Redemption Date. In the case of a payment of defaulted interest, “Interest Payment Date” also means the date of such payment established pursuant to the Indenture.

“**Interest Rate**” means the Initial Interest Rate to but not including the Initial Mandatory Tender Date, and thereafter the applicable Remarketing Rate.

“**Investor Partner**” means, collectively, Bank of America, N.A., and its lawful successors and assigns, and MPC TX Crossroads Apartments, LLC or other affiliated entity of Monarch Private Capital, LLC.

“**Issuer**” means Texas State Affordable Housing Corporation, a Texas nonprofit corporation, and its successors and assigns.

“**Issuer Administrative Fee**” means, until the end of the Qualified Project Period, or the final maturity of the Bonds, whichever is later, an annual fee paid by the Borrower, with such Issuer Administrative Fee being remitted through the Trustee to the Issuer as designated by the Issuer, equal to 0.10% of the aggregate principal amount of the Bonds outstanding, with a minimum annual fee of \$5,000. The first annual payment of the Issuer Administrative Fee must be paid on the Closing Date. All future annual payments will be due on or before July 10th starting in 2027.

“**Issuer’s Certificate As To Tax Exemption**” means the Certificate as to Tax Exemption executed by the Issuer and delivered on the Closing Date.

“**Issuer’s Fees**” means collectively, the Issuer Administration Fee, the Issuer Closing Fee and the Issuer Compliance Fee.

“**Issuer Closing Fee**” means the one-time fee in the amount equal to 0.15% (15 basis points) of the principal amount of the Bonds on the Closing Date, with a minimum of \$20,000. The Issuer Closing Fee is due to the Issuer on the Closing Date.

“**Issuer Compliance Fee**” means the fee payable for monitoring services provided by the Issuer for the term of the Qualified Project Period, being an annual fee in an amount equal to the greater of \$45 per unit or \$2,500 for each property included in the Project to be paid, remitted through the Trustee to the Issuer as designated by the Issuer, in advance at the beginning of each calendar year, on or before July 10th. The first year’s fee shall be paid on the

* Preliminary; subject to change.

Closing Date. The second year's fee will begin in calendar year 2027. Beginning with the third annual payment, the Issuer Compliance Fee shall increase by 2% per annum, with a maximum increase of 20% or ten annual increases.

“Loan” means the loan by the Issuer to the Borrower of the proceeds received from the sale of the Bonds.

“Loan Agreement” means the Loan Agreement, dated as of June 1, 2026, between the Issuer and the Borrower, and assigned by the Issuer, except for Reserved Rights, to the Trustee, as amended or supplemented from time to time.

“Loan Payments” means the amounts required to be paid by the Borrower in repayment of the Loan pursuant to the provisions of the Loan Agreement and the Note.

“Local Time” means Central time (daylight or standard, as applicable) in Dallas, Texas.

“Mandatory Tender” means a tender of Bonds required by the Indenture.

“Mandatory Tender Date” means (a) the Initial Mandatory Tender Date and (b) if the Bonds Outstanding on the Initial Mandatory Tender Date or on any subsequent Mandatory Tender Date are remarketed pursuant to the Indenture for a Remarketing Period that does not extend to the final maturity of the Bonds, the day after the last day of the Remarketing Period.

“Maturity Date” means July 1, 2030*.

“Moody’s” means Moody’s Investors Service, Inc., a Delaware corporation, and its successors and assigns, or if it shall for any reason no longer perform the functions of a securities rating agency, then any other nationally recognized rating agency designated by the Borrower and acceptable to the Trustee and the Remarketing Agent.

“National Housing Act” means the National Housing Act of 1937, as amended, and the applicable regulations thereunder.

“Negative Arbitrage Account” means the Negative Arbitrage Account of the Bond Fund created in the Indenture.

“Note” means the promissory note of the Borrower, dated as of the Closing Date in connection with the Bonds, in the form attached as an exhibit to the Loan Agreement and in the aggregate principal amount of \$14,500,000*, evidencing the obligation of the Borrower to make Loan Payments.

“Opinion of Bond Counsel” means an opinion of Bond Counsel.

“Opinion of Counsel” means an opinion from an attorney or firm of attorneys, acceptable to the Issuer, with experience in the matters to be covered in the opinion.

“Optional Redemption Date” means January 1, 2029*.

“Ordinary Services” and **“Ordinary Expenses”** mean those services normally rendered, and those expenses normally incurred, by a trustee under instruments similar to the Indenture.

“Ordinary Trustee Fees and Expenses” means amounts due to the Trustee for the Ordinary Services and the Ordinary Expenses of the Trustee incurred in connection with its duties under the Indenture, an acceptance fee equal to \$2,500 payable on the Closing Date and an annual fee payable on the Closing Date and thereafter on the anniversary of the Closing Date until the Redemption Date of the Bonds, initially in an amount equal to \$4,500; provided that, the amount of Ordinary Trustee Fees and Expenses payable under the Indenture is limited to money withdrawn from the Expense Fund and the Borrower will be responsible to pay the remaining amount of the Ordinary Trustee Fees and

* Preliminary; subject to change.

Expenses pursuant to the Loan Agreement. In addition, all amounts due to the Trustee for Extraordinary Services and all Extraordinary Expenses of the Trustee will be paid as provided in the Indenture or directly by the Borrower pursuant to the Loan Agreement.

“**Outstanding Bonds**,” “**Bonds Outstanding**” or “**Outstanding**” as applied to Bonds mean, as of the applicable date, all Bonds which have been authenticated and delivered, or which are being delivered by the Trustee under the Indenture, except:

- (a) Bonds cancelled upon surrender, exchange or transfer, or cancelled because of payment on or prior to that date;
- (b) Bonds, or the portion thereof, for the payment or for cancellation of which sufficient money has been deposited and credited with the Trustee on or prior to that date for that purpose (whether upon or prior to the maturity of those Bonds);
- (c) Bonds, or the portion thereof, which are deemed to have been paid and discharged or caused to have been paid and discharged pursuant to the provisions of the Indenture; and
- (d) Bonds in lieu of which others have been authenticated under the Indenture.

“**Person**” or words importing persons mean firms, associations, partnerships (including without limitation, general and limited partnerships), joint ventures, societies, estates, trusts, corporations, limited liability companies, public or governmental bodies, other legal entities and natural persons.

“**Project**” means the 58-unit residential rental housing development to be known as The Bloom at Lamar Square to be constructed as part of a condominium, to be located at or about 1326 or 1328 Lamar Square Drive, Austin, Travis County, TX 78704.

“**Project Fund**” means the Project Fund created in the Indenture.

“**Project Site**” means the parcels of real property leased by the Borrower and described in an exhibit to the Loan Agreement, and all rights and appurtenances appertaining thereunto.

“**Qualified Project Period**” shall have the meaning ascribed to such term in the Regulatory Agreement.

“**Rating Agency**” means Moody’s, S&P or any other nationally recognized securities rating agency rating the Bonds, or such rating agency’s successors or assigns, and initially means Moody’s so long as Moody’s is rating the Bonds.

“**Rebate Amount**” has the meaning set forth in the Indenture.

“**Rebate Analyst**” means a certified public accountant, financial analyst or attorney, or any firm of the foregoing, or a financial institution (which may include the Trustee) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code and selected by the Borrower at the expense of the Borrower to calculate the Rebate Amount or, in the event that the Borrower fails to so select a Rebate Analyst and the Borrower fails to pay such fee one month prior to any date on which calculations are required to be made, any qualified person retained by the Trustee at the expense of the Borrower to calculate the Rebate Amount. The initial Rebate Analyst will be Tiber Hudson LLC.

“**Rebate Fund**” means the Rebate Fund created in the Indenture.

“**Redemption Date**” means any date under the Indenture on which Bonds are to be redeemed including (a) the Maturity Date, (b) the date of acceleration of the Bonds or (c) pursuant to the Indenture.

“Register” means the books kept and maintained by the Trustee for registration and transfer of Bonds pursuant to the Indenture.

“Regular Record Date” means, with respect to any Bond, the close of business on the fifth day of the calendar month next preceding each Interest Payment Date, whether or not such date is a Business Day.

“Regulations” means any proposed, temporary, or final Income Tax Regulations issued pursuant to sections 103 and 141 through 150 of the Code. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

“Regulatory Agreement” means the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of June 1, 2026, by and among the Issuer, the Trustee and the Borrower, as amended or supplemented from time to time.

“Remarketing Agent” means initially Stifel, Nicolaus & Company, Incorporated, and thereafter any successor Remarketing Agent (which meets the requirements of the Indenture) that may be appointed by the Authorized Borrower Representative.

“Remarketing Agreement” means the Remarketing Agreement dated as of June 1, 2026, between the Borrower and the Remarketing Agent, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

“Remarketing Date” means the Initial Remarketing Date and, if the Bonds Outstanding on such date or on any subsequent Remarketing Date are remarketed pursuant to the Indenture for a Remarketing Period that does not extend to the final maturity of the Bonds, the day after the last day of the Remarketing Period.

“Remarketing Period” means the period beginning on a Remarketing Date and ending on the last day of the term for which Bonds are remarketed pursuant to the Indenture or the final Maturity Date of the Bonds, as applicable.

“Remarketing Proceeds Account” means the Remarketing Proceeds Account of the Bond Fund created in the Indenture.

“Remarketing Rate” means the interest rate or rates established pursuant to the Indenture and borne by the Bonds then Outstanding from and including Remarketing Date to, but not including, the next succeeding Remarketing Date or the final Maturity Date of the Bonds, as applicable.

“Reserved Rights” of the Issuer means (a) all of the Issuer’s right, title and interest in and to all reimbursement, costs, expenses and indemnification; (b) the right of the Issuer to amounts payable to it pursuant to the Loan Agreement, including the Issuer’s Fee; (c) all rights of the Issuer to receive any Rebate Amount; (d) all rights of the Issuer to receive notices, reports or other information, and to make determinations and grant approvals or consent under the Indenture and the other Financing Documents; (e) all rights of the Issuer of access to the Project and documents related thereto and to specifically enforce the representations, warranties, covenants and agreements of the Borrower set forth in the Borrower’s Tax Letter of Representation and in the Regulatory Agreement; (f) any and all rights, remedies and limitations of liability of the Issuer set forth in the Indenture, the Loan Agreement, the Issuer’s Certificate as to Tax Exemption, the Regulatory Agreement or the Note, as applicable, regarding (1) the negotiability, registration and transfer of the Bonds, (2) the loss or destruction of the Bonds, (3) the limited liability of the Issuer as provided in the Act, the Indenture, the Loan Agreement, the Regulatory Agreement or the Note, (4) the maintenance of insurance by the Borrower, (5) no liability of the Issuer to third parties, and (6) no warranties of suitability or merchantability by the Issuer; (g) all rights of the Issuer in connection with any amendment to, or modification, of the Indenture, the Loan Agreement, the Tax Certificates, the Regulatory Agreement, and the Note, and (h) any and all limitations of the Issuer’s liability and the Issuer’s disclaimers of warranties set forth in the Indenture, the Regulatory Agreement or the Loan Agreement, and the Issuer’s right to inspect and audit the books, records and permits of the Borrower and the Project.

“**Revenues**” means (a) the Loan Payments, (b) all other money received or to be received by the Trustee in respect of repayment of the Loan, including without limitation, all money and investments in the Bond Fund, (c) any money and investments in the Special Funds, and (d) all income and profit from the investment of the foregoing money. The term “Revenues” does not include any money or investments in the Rebate Fund.

“**S&P**” means S&P Global Ratings, and its successors and assigns, or if it shall for any reason no longer perform the functions of a securities rating agency, then any other nationally recognized rating agency designated by the Borrower and acceptable to the Remarketing Agent.

“**Special Funds**” means, collectively, the Bond Fund, the Project Fund and the Collateral Fund, and any accounts therein, all as created in the Indenture.

“**Special Record Date**” means, with respect to any Bond, the date established by the Trustee in connection with the payment of overdue interest or principal on that Bond.

“**Sponsor**” means Foundation Communities, Inc., a Texas nonprofit corporation.

“**Sponsor Loans**” means, collectively, the (1) CMF Funds Sponsor Loan, (2) FC Sponsor Loan, (3) FHLB Dallas Sponsor Loan, (4) FHLB NY Sponsor Loan and (5) THHS Funds Sponsor Loan.

“**State**” means the State of Texas.

“**Subordinate Loans**” means, collectively, the AHFC Loan and the Sponsor Loans.

“**Supplemental Indenture**” means any indenture supplemental to the Indenture entered into between the Issuer and the Trustee in accordance with the Indenture.

“**Tax Certificates**” means jointly, the Borrower's Tax Letter of Representation and the Issuer's Certificate as to Tax Exemption.

“**Tax Credit LURA**” means the extended low-income housing commitment (as such term is defined in Section 42(h)(6)(B) of the Code that will be recorded against the Leasehold Estate.

“**TDHCA**” means the Texas Department of Housing and Community Affairs.

“**TDHCA Cornerstone LURA**” means that certain Land Use Restriction Agreement dated and effective February 24, 2005 by and between Mary Lee Community and TDHCA relating to the Cornerstone Apartments, which will be transferred to a portion of the condominium project which will contain the Project.

“**TDHCA Villa Elaina LURA**” means that certain Land Use Restriction Agreement dated and effective February 26, 2004 by and between Mary Lee Foundation and TDHCA relating to the Villa Elaina Apartments, as amended by that certain First Amendment to Land Use Restriction Agreement dated February 29, 2012, which will be transferred to a portion of the condominium project which will contain the Project.

“**TDHCA LURAs**” means, jointly, the TDHCA Cornerstone LURA and the TDHCA Villa Elaina LURA.

“**THHS Funds Sponsor Loan**” means the unsecured loan to be made from the Sponsor to Borrower in the amount of \$2,000,000*, with the proceeds of a grant awarded by the Texas Health and Human Services Commission.

“**THHS Funds Sponsor Loan Documents**” means all loan and other agreements, notes deeds of trust, regulations, agreements, land uses restriction agreements, any other agreements, instruments and documents relating to, evidencing, or securing the THHS Funds Sponsor Loan.

* Preliminary; subject to change.

“Trust Estate” means the property rights, money, securities and other amounts pledged and assigned to the Trustee under the Indenture pursuant to the Granting Clauses of the Indenture.

“Trustee” means UMB Bank, N.A., a national banking association, until a successor Trustee shall have become such pursuant to the applicable provisions of the Indenture, and thereafter, “Trustee” shall mean the successor Trustee.

“Underwriter” means Stifel, Nicolaus & Company, Incorporated.

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a brief summary of certain provisions of the Indenture. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Indenture, copies of which are on file with the Issuer and the Trustee.

Creation of Funds

The following funds are to be established and maintained by the Trustee under the Indenture:

- (a) the Bond Fund, and therein the Negative Arbitrage Account and the Remarketing Proceeds Account (but only at such times as money is to be deposited or held in such Accounts as provided in the Indenture);
- (b) the Project Fund;
- (c) the Costs of Issuance Fund;
- (d) the Collateral Fund;
- (e) the Rebate Fund; and
- (f) the Expense Fund.

Each fund and account therein shall be maintained by the Trustee as a separate and distinct trust fund or account to be held, managed, invested, disbursed and administered as provided in the Indenture. All money deposited in the funds and accounts created under the Indenture shall be used solely for the purposes set forth in the Indenture and the Tax Certificates. The Trustee shall keep and maintain adequate records pertaining to each fund and account, and all disbursements therefrom, in accordance with its general practices and procedures in effect from time to time. The Trustee in its sole discretion may also terminate funds and accounts that are no longer needed.

The Trustee shall, at the written direction of an Authorized Borrower Representative and may, in its sole discretion, establish such additional accounts within any fund, and subaccounts within any of the accounts, as the Issuer or the Trustee may deem necessary or useful for the purpose of identifying more precisely the sources of payments into and disbursements from that fund and its accounts, or for the purpose of complying with the requirements of the Code, but the establishment of any such account or subaccount shall not alter or modify any of the requirements of the Indenture with respect to a deposit or use of money in the Special Funds or the Rebate Fund, or result in commingling of funds not permitted under the Indenture.

The Trustee shall cause to be kept and maintained adequate records pertaining to the investment of all proceeds of the Bonds sufficient to permit the Borrower, on behalf of the Issuer, to determine the Rebate Amount, if any, with respect to the Bonds required to be paid to the United States of America pursuant to Section 148 of the Code. The Trustee shall have no responsibility to make such determination.

Bond Fund

On the Closing Date, there shall be deposited in the Negative Arbitrage Account of the Bond Fund the amount set forth in the Indenture, which is an amount equal to the amount of interest payments on the Bonds from the Closing Date to the Initial Mandatory Tender Date. The portion of any Extension Payment received by the Trustee in connection with a remarketing in accordance with the Indenture designated for the payment of Bond Service Charges shall also be deposited in the Negative Arbitrage Account.

So long as there are any Outstanding Bonds, to the extent the Borrower has not received a credit against Loan Payments, all Loan Payments under the Loan Agreement shall be paid on or before each Bond Payment Date directly to the Trustee, and deposited in the Bond Fund, in at least the amount necessary to pay the Bond Service Charges due on the Bonds on such Bond Payment Date.

The Bond Fund (and the account therein for which provision is made in the Indenture) and the money and Eligible Investments therein shall be used solely and exclusively for the payment of Bond Service Charges as they become due.

Bond Service Charges will be payable as they become due, in the following order: (i) from money on deposit in the Bond Fund (excluding the Negative Arbitrage Account of the Bond Fund), (ii) from the money on deposit in the Negative Arbitrage Account of the Bond Fund (but only to pay the interest portion of any Bond Service Charges), (iii) from money on deposit in the Collateral Fund and transferred as necessary to the Bond Fund and (iv) thereafter, from money on deposit in the Project Fund and transferred as necessary to the Bond Fund.

Upon receipt of a Cash Flow Projection provided on behalf of the Borrower, the Trustee is authorized by the Indenture to release from the Negative Arbitrage Account the amount set forth in the Cash Flow Projection to or at the written direction of the Borrower.

Project Fund

In connection with each Disbursement Request, once that Disbursement Request has been approved by the, Construction Lender will make an advance of the Construction Loan by depositing the amount requested in that Disbursement Request (to the extent approved by the Construction Lender) in Eligible Funds into the Collateral Fund as provided in the Indenture, and subject to the provisions of this heading, the Trustee shall disburse a corresponding amount of the Bond proceeds on deposit in the Project Fund in accordance with the Loan Agreement for use by the Borrower to pay costs of the Project. The Trustee shall disburse the applicable bond proceeds from the Project Fund on the same Business Day that it receives the Eligible Funds in connection with a Disbursement Request approved by the Construction Lender, if the Trustee receives such funds and the associated executed Disbursement Request prior to 12:30 p.m. Local Time on such Business Day, otherwise the disbursement shall be made as soon as practicable on the next succeeding Business Day. No Disbursement Request will be effectively submitted to Trustee for purposes of this section unless and until it has first been approved by Construction Lender (even if the deposit of Eligible Funds is not from the Construction Loan but another source).

Notwithstanding any provision of the Loan Agreement or any other provision of the Indenture to the contrary, the Trustee shall not disburse money from the Project Fund, other than to pay Bond Service Charges on the Bonds, unless and until Eligible Funds in an amount equal to or greater than the requested disbursement amount have been deposited in the Collateral Fund. Prior to making any disbursement (except to pay Bond Service Charges), the Trustee shall determine that the aggregate amount that will be held in (a) the Collateral Fund and (b) the Project Fund, after the anticipated disbursement, is at least equal to the then-Outstanding principal amount of the Bonds; provided, however, notwithstanding any provision to the contrary in the Indenture or in the other Financing Documents, that upon receipt of Eligible Funds from the entity making such deposit into the Collateral Fund, the Trustee shall be obligated to either (i) disburse Bond proceeds in like amount, or (ii) return the Eligible Funds to the entity making such deposit into the Collateral Fund within one Business Day after receipt of the Eligible Funds.

To the extent money is not otherwise available to the Trustee, including money on deposit in the Bond Fund or the Collateral Fund, the Trustee shall transfer from the Project Fund to the Bond Fund sufficient money to pay Bond Service Charges, if any, on each Bond Payment Date without further written direction.

On any Redemption Date, the Trustee shall transfer any amounts then on deposit in the Project Fund into the Bond Fund to pay Bond Service Charges on the Bonds. The Trustee shall have no liability for any losses incurred in connection with Eligible Investments.

Upon the occurrence and continuance of an Event of Default under the Indenture because of which the principal amount of the Bonds has been declared to be due and immediately payable pursuant to the Indenture, any money remaining in the Project Fund shall be promptly transferred by the Trustee to the Bond Fund.

Any money in the Project Fund remaining after the Completion Date and payment, or provision for payment, in full of the costs of the Project set forth in the Loan Agreement (but in any event paying required retainage), at the direction of the Authorized Borrower Representative, promptly shall be paid into the Bond Fund and used to redeem Bonds on the earliest date on which such Bonds are subject to optional redemption, as set forth in the Indenture.

Collateral Fund

The Trustee shall deposit in the Collateral Fund all Eligible Funds received pursuant to the Loan Agreement and any other Eligible Funds received by the Trustee for deposit into the Collateral Fund (as and when provided in the Indenture). The Loan Agreement requires the Borrower to cause the Construction Lender to transfer Eligible Funds to be funded with respect to a particular Disbursement Request as and when provided for in the Construction Loan Documents to the Trustee for deposit into the Collateral Fund in a principal amount equal to, and as a prerequisite to the disbursement of, an equal amount of Bond Proceeds on deposit in the Project Fund to be disbursed by the Trustee to pay, as and when provided for in the Indenture, costs of the Project described in the Loan Agreement. If the Trustee is not prepared to disburse Bond proceeds from the Project Fund as described in the Indenture because no associated Disbursement Request has been provided in accordance with the Indenture, such deposit shall not be made to the Collateral Fund, and such Eligible Funds shall be returned to the party providing them.

The Eligible Funds deposited into the Collateral Fund shall be promptly invested in their entirety by the Trustee, solely and exclusively, in Eligible Investments, by reallocating such Eligible Investments from the Project Fund to the Collateral Fund pursuant to the Indenture. Upon reallocation, such Eligible Funds shall be deemed deposited in the Collateral Fund, and the Trustee shall transfer funds in the amount of such Eligible Funds to the Project Fund for disbursement pursuant to the Indenture. Each deposit into the Collateral Fund shall constitute an irrevocable deposit solely for the benefit of the Holders, subject to the provisions of the Indenture.

The Trustee shall transfer money in the Collateral Fund to the Bond Fund on each Bond Payment Date, in an amount necessary to pay Bond Service Charges due on such Bond Payment Date (to the extent money is not otherwise available to the Trustee, including money on deposit in the Remarketing Proceeds Account or the Bond Fund).

Amounts on deposit in the Collateral Fund in excess of the amount required to pay Bond Service Charges after payment in full of the Bonds may be transferred to the Project Fund and used to pay costs of the Project as provided in the Loan Agreement.

The Bonds shall not be, and shall not be deemed to be, paid or prepaid by reason of any deposit into the Collateral Fund unless and until the amount on deposit in the Collateral Fund is transferred to the Bond Fund and applied to the payment of the principal of any of the Bonds or the principal component of the redemption price of any of the Bonds or the tender price of any of the Bonds, all as provided in the Indenture.

Notwithstanding anything therein to the contrary, amounts disbursed from the Collateral Fund for a Redemption on the Bonds will be used to make corresponding payments on the Loan and on the Bonds (the balance of the Loan and the Bonds shall always be the same).

Rebate Fund

The Rebate Fund shall be for the sole benefit of the United States of America and shall not be subject to the claim of any other Person, including without limitation, the Issuer. The Rebate Fund shall be held and applied only as provided in the Indenture. The Trustee shall maintain the Rebate Fund, for the benefit of all persons who are or have at any time been Bondholders, at all times prior to the final payment to the United States of America of the amounts described in the Indenture which fund shall not be part of the trust estate established thereunder. The money deposited to the Rebate Fund, together with all investments thereof and investment income therefrom, shall be held in trust separately and apart from the other funds held under the Indenture and applied solely as provided in the Indenture,

unless in the opinion of Bond Counsel failure to make such application will not adversely affect any exclusion from gross income of interest on the Bonds under the Code.

Investment of Special Funds and Rebate Fund

Except as otherwise set forth in this heading, moneys in the Special Funds and the Rebate Fund shall be invested and reinvested by the Trustee in Eligible Investments at the written direction of the Authorized Borrower Representative. Written direction may include electronic direction. At no time shall the Authorized Borrower Representative direct that any funds constituting Gross Proceeds of the Bonds be used in any manner as would constitute failure of compliance with Section 148 of the Code.

Investments of moneys in the Special Funds shall mature or be redeemable without penalty at the times and in the amounts necessary to provide moneys to pay Bond Service Charges on the Bonds. Any of those investments may be purchased from or sold to the Trustee, the Registrar, an authenticating agent or a paying agent, or any bank, trust company or savings and loan association affiliated with any of the foregoing. The Trustee shall sell or redeem investments credited to the Special Funds to produce sufficient moneys applicable under the Indenture to and at the times required for the purposes of paying Bond Service Charges when due as aforesaid, and shall do so without necessity for any order on behalf of the Issuer and without restriction by reason of any order.

If the Trustee is required to sell or otherwise dispose of any Eligible Investments prior to maturity, the Borrower shall, at the Borrower's expense, deliver to the Trustee (i) a Cash Flow Projection and (ii) Eligible Funds in the amount set forth in such Cash Flow Projection, if any.

An investment made from moneys credited to the Special Funds shall constitute part of that respective Fund. All investment earnings from amounts on deposit in the Special Funds shall be credited to the Bond Fund. All gains resulting from the sale of, or income from, any investment made from moneys credited to the Special Funds shall be credited to and become part of the Special Fund from which the investment was made. In the absence of written directions of the Authorized Borrower Representative as provided above, the Trustee shall be required to invest such funds in the _____, CUSIP _____, as standing instructions. At the written direction of the Authorized Borrower Representative, the Trustee may invest funds in its own proprietary money market funds or deposit products. Following the Closing Date, at the written direction of the Borrower, the Trustee is permitted to purchase, sell or exchange Eligible Investments with a Cash Flow Projection at the direction of the Borrower. Notwithstanding anything in the Indenture to the contrary, (i) earnings received by the Trustee with respect to Eligible Investments purchased for the purpose of paying Bond Service Charges shall be held uninvested and (ii) Bond proceeds and the initial deposit to the Negative Arbitrage Account pursuant to the Indenture shall be held uninvested until the Trustee has purchased, sold or exchanged Eligible Investments pursuant to written direction of the Borrower pursuant to this section. All investment earnings, gains resulting from the sale of, or income from, any investment made from amounts on deposit in the Rebate Fund shall be retained therein. The Trustee shall not be liable for losses on investments, including depreciation of value, or any other act or omission related to investments made in compliance with the provisions of the Indenture. The Trustee shall have no discretion for investing funds and is not providing investment supervision, recommendations, or advice but is only acting under the Indenture pursuant to written direction or the provisions thereof in the absence of written direction.

Defaults; Events of Default

The occurrence of any of the following events is defined as and declared to be and to constitute an "Event of Default" under the Indenture:

- (a) Payment of any interest on any Bond is not made when and as that interest becomes due and payable;
- (b) Payment of the principal of any Bond is not made when and as that principal becomes due and payable, whether at stated maturity, upon acceleration or otherwise;

(c) Failure by the Issuer to observe or perform any other covenant, agreement or obligation on its part required to be observed or performed as set forth in the Indenture or in the Bonds, which failure has continued for a period of 30 days after written notice, by registered or certified mail, to the Issuer, the Borrower and the Investor Partner specifying the failure and requiring that it be remedied, which notice may be given by the Trustee in its discretion and must be given by the Trustee at the written request of the Holders of not less than 25% in aggregate principal amount of Bonds then Outstanding; and

(d) The occurrence and continuance of an Event of Default as defined in the Loan Agreement.

The term “default” or “failure” as used above means (i) a default or failure by the Issuer in the observance or performance of any of the covenants, agreements or obligations on its part to be observed or performed contained in the Indenture or in the Bonds, or (ii) a default or failure by the Borrower under the Loan Agreement, exclusive of any period of grace or notice required to constitute an Event of Default, as provided above or in the Loan Agreement.

Acceleration

Upon the occurrence of an Event of Default described in (a) and (b) under the heading “Defaults; Events of Default” above, the Trustee shall declare by notice in writing delivered to the Borrower and the Issuer (with copies to the Investor Partner and the Construction Lender), the principal of all Bonds then Outstanding (if not then due and payable), and the interest accrued thereon, to be due and payable immediately. If the Trustee is unable to determine that sufficient funds will be available to pay (not out of the Trustee’s own funds) the full amount of the principal and accrued but unpaid interest to the Holders of the Bonds as of the date of acceleration, the Trustee shall declare the principal of the Bonds immediately due and payable, but only upon the written direction of the Controlling Holders of the Bonds then Outstanding. Upon the occurrence of any Event of Default other than those described in (a) and (b) under the heading “Defaults; Events of Default” above, the Trustee may, and upon the written consent of the Controlling Holders shall declare by a notice in writing delivered to the Borrower, the principal of all Bonds then Outstanding (if not then due and payable), and the interest thereon, to be due and payable immediately. Upon such declaration, principal and interest on the Bonds shall become and be due and payable immediately. Interest on the Bonds shall accrue to the date determined by the Trustee for the tender of payment to the Holders pursuant to that declaration; provided that interest on any unpaid principal of Bonds Outstanding will continue to accrue from the date determined by the Trustee for the tender of payment to the Holders of those Bonds.

The provisions of the preceding paragraph are subject, however, to the condition that if, at any time after declaration of acceleration and prior to the entry of a judgment in a court for enforcement under the Indenture (after an opportunity for hearing by the Issuer and the Borrower),

(i) all sums payable under the Indenture (except the principal of and interest on Bonds that have not reached their stated maturity dates but which are due and payable solely by reason of that declaration of acceleration), plus interest to the extent permitted by law on any overdue installments of interest at the rate borne by the Bonds has occurred, have been duly paid or provision has been duly made therefor by deposit with the Trustee, and

(ii) all existing Events of Default have been cured,

then and in every case, the Trustee is to waive the Event of Default and its consequences and rescind and annul that declaration. No waiver or rescission and annulment will extend to or affect any subsequent Event of Default or shall impair any rights consequent thereon.

The Investor Partner is entitled (but not obligated) to cure any Event of Default under the Indenture within the time frame provided to the Borrower under the Indenture. The Issuer and the Trustee agree that cure of any default or Event of Default made or tendered by the Investor Partner shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

Other Remedies; Rights of Holders

With or without taking action described under the heading “Acceleration” above, upon the occurrence and continuance of an Event of Default, the Trustee may pursue any available remedy, including without limitation actions at law or equity to enforce the payment of Bond Service Charges or the observance and performance of any other covenant, agreement or obligation under the Indenture, the Loan Agreement, the Regulatory Agreement or the Note or any other instrument providing security, directly or indirectly, for the Bonds.

If, upon the occurrence and continuance of an Event of Default, the Trustee is requested so to do by the Holders of at least a majority in aggregate principal amount of Bonds Outstanding, the Trustee (subject to the provisions of the Indenture), is to exercise any rights and powers conferred by the Indenture.

No remedy conferred upon or reserved to the Trustee (or to the Holders) by the Indenture is intended to be exclusive of any other remedy. Each remedy is to be cumulative and in addition to every other remedy given under the Indenture or otherwise to the Trustee or to the Holders now or hereafter existing.

No delay in exercising or omission to exercise any remedy, right or power accruing upon any default or Event of Default is to impair that remedy, right or power or is to be construed to be a waiver of any default or Event of Default or acquiescence therein. Every remedy, right and power may be exercised from time to time and as often as may be deemed to be expedient.

No waiver of any default or Event of Default under the Indenture, whether by the Trustee or by the Holders, is to extend to or is to affect any subsequent default or Event of Default or is to impair any remedy, right or power consequent thereon.

As the assignee of all right, title and interest of the Issuer in and to the Loan Agreement (except for the Reserved Rights), the Trustee is empowered to enforce each remedy, right and power granted to the Issuer under the Loan Agreement. In exercising any remedy, right or power under the Indenture or the Loan Agreement, the Trustee shall take any action which would best serve the interests of the Holders in the judgment of the Trustee, applying the standards described in the Indenture.

Nothing therein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding without the approval of the Holders so affected.

Notwithstanding anything contained herein to the contrary, upon the occurrence and continuance of an Event of Default, before taking any action which may subject the Trustee to liability under any environmental law, statute, regulation or similar requirement relating to the environment, the Trustee may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished by the Borrower or other entity acceptable to the Trustee for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such action.

Right of Holders to Direct Proceedings

The Holders of a majority in aggregate principal amount of Bonds then Outstanding will have the right at any time to direct, by an instrument or document in writing executed and delivered to the Trustee, the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture or any other proceedings under the Indenture; provided, that (i) any direction is not to be other than in accordance with the provisions of law and of the Indenture, (ii) the Trustee is indemnified as provided in the Indenture, and (iii) the Trustee may take any other action that it deems to be proper and that is not inconsistent with the direction.

Application of Money

If at any time after the occurrence of an Event of Default, the moneys held by the Trustee under the Indenture (other than amounts in the Rebate Fund) is not sufficient to pay the principal of and interest on the Bonds as the same become due and payable and other amounts due and payable under the Indenture and the Financing Documents, such moneys, together with any money then available or thereafter becoming available for such purpose, whether through the exercise of remedies in the Indenture or otherwise, is to be applied by the Trustee as described below.

After payment of any costs, expenses, liabilities and advances paid, incurred or made by the Trustee in the collection of money and to all Ordinary Trustee Fees and Expenses and fees of the Trustee for Extraordinary Services and Extraordinary Expenses (including without limitation, reasonable attorneys' fees and expenses, except as limited by law or judicial order or decision entered in any action taken under the Indenture), all money received by the Trustee on deposit in the Special Funds is to be applied as follows, subject to the provisions of the Indenture:

(a) Unless the principal of all of the Bonds has become, or has been declared to be, due and payable, all of such money is to be deposited in the Bond Fund and applied:

First -- To the payment to the Holders entitled thereto of all installments of interest then due on the Bonds, in the order of the dates of maturity of the installments of that interest, beginning with the earliest date of maturity and, if the amount available is not sufficient to pay in full any particular installment, then to the payment thereof ratably, according to the amounts due on that installment, to the Holders entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds; and

Second -- To the payment to the Holders entitled thereto of the unpaid installments of principal of any of the Bonds that has become due, in the order of their due dates, beginning with the earliest due date, with interest on those Bonds from the respective dates upon which they became due at the rates specified in those Bonds, and if the amount available is not sufficient to pay in full all Bonds due on any particular date, together with that interest, then to the payment thereof ratably, according to the amounts of principal due on that date, to the Holders entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds.

(b) If the principal of all of the Bonds has become due or has been declared to be due and payable pursuant to the Indenture, all of such money is to be deposited into the Bond Fund and applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest, of interest over principal, of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Holders entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds.

(c) If the principal of all of the Bonds has been declared to be due and payable pursuant to the Indenture, and if that declaration thereafter has been rescinded and annulled, subject to the provisions of paragraph (b) above in the event that the principal of all of the Bonds becomes due and payable later, the money on deposit in the Special Funds shall remain in such funds and accounts and shall be applied in accordance with the provisions of the Indenture.

(d) Whenever money on deposit in the Special Funds is to be applied pursuant to the provisions described under this subcaption, such money is to be applied at such times, and from time to time, as the Trustee determines, having due regard to the amount of money available for application and the likelihood of additional money becoming available for application in the future. Whenever the Trustee directs the application of such money, it is to fix the date upon which the application is to be made, and upon that date, interest is to cease to accrue on the amounts of principal, if any, to be paid on that date, provided the money is available therefor. The Trustee is to give notice of the deposit with it of any money and of the fixing of that date, all consistent with the requirements of the Indenture for the establishment of, and for giving notice with respect to, a Special Record Date for the payment of overdue interest. The Trustee will not be required to make payment of principal of a Bond to the Holder thereof until the Bond is presented to the Trustee for appropriate endorsement or for cancellation if it is paid fully.

Rights and Remedies of Holders

A Holder does not have any right to institute any suit, action or proceeding for the enforcement of the Indenture, for the execution of any trust under the Indenture, or for the exercise of any other remedy under the Indenture, unless:

- (a) there has occurred and is continuing an Event of Default of which the Trustee has been notified, as provided in the Indenture, or of which it is deemed to have notice under the Indenture,
- (b) the Holders of at least a majority in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and have afforded the Trustee reasonable opportunity to proceed to exercise the remedies, rights and powers granted under the Indenture or to institute the suit, action or proceeding in its own name, and have offered indemnity to the Trustee as provided in the Indenture, and
- (c) the Trustee thereafter has failed or refused to exercise the remedies, rights and powers granted under the Indenture or to institute the suit, action or proceeding in its own name.

At the option of the Trustee, that notification (or notice), request, opportunity and furnishing of indemnity are conditions precedent, in every case, to the institution of any suit, action or proceeding described above.

No one or more Holders of the Bonds will have any right to affect, disturb or prejudice in any manner whatsoever the security or benefit of the Indenture by its or their action, or to enforce, except in the manner provided in the Indenture, any remedy, right or power under the Indenture. Any suit, action or proceedings are to be instituted, had and maintained in the manner provided in the Indenture for the benefit of the Holders of all Bonds then Outstanding. Nothing in the Indenture is to affect or impair, however, the right of any Holder to enforce the payment of the Bond Service Charges on any Bond owned by that Holder at and after the maturity thereof, at the place, from the sources and in the manner expressed in that Bond.

Waivers of Events of Default

Except for those Events of Default described in paragraphs (a) and (b) of “Defaults; Events of Default” above, at any time, in its discretion, the Trustee may waive any Event of Default under the Indenture and its consequences and may rescind and annul any declaration of maturity of principal or interest on, the Bonds, and the Trustee shall do so upon the written request of the Holders of at least a majority in aggregate principal amount of all Bonds then Outstanding.

There is not to be so waived any Event of Default described in (a) or (b) under “Defaults; Events of Default” above or any declaration of acceleration in connection therewith rescinded or annulled, unless, at the time of that waiver or rescission and annulment, payments of the amounts provided in the Indenture for waiver and rescission and annulment in connection with acceleration of maturity have been made or provision has been made therefor. In the case of the waiver or rescission and annulment, or in case any suit, action or proceedings taken by the Trustee on account of any Event of Default have been discontinued, abandoned or determined adversely to it, the Issuer, the Trustee and the Holders are to be restored to their former positions and rights under the Indenture, respectively. No waiver or rescission is to extend to any subsequent or other Event of Default or impair any right consequent thereon.

Supplemental Indentures Not Requiring Consent of Holders

Without the consent of, or notice to, any of the Holders, the Issuer and the Trustee may enter into indentures supplemental to the Indenture which shall not, in the opinion of the Issuer, be inconsistent with the terms and provisions of the Indenture for any one or more of the following purposes:

- (a) to cure any ambiguity, inconsistency or formal defect or omission in the Indenture;
- (b) to grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority that lawfully may be granted to or conferred upon the Holders or the Trustee;

- (c) to assign additional revenues under the Indenture;
- (d) to accept additional security and instruments and documents of further assurance with respect to the Project;
- (e) to add to the covenants, agreements, obligations and rights of the Issuer under the Indenture, other covenants, agreements and obligations to be observed or rights to be exercised for the protection of the Holders, or to surrender or limit any right, power or authority reserved to or conferred upon the Issuer in the Indenture;
- (f) to evidence any succession to the Issuer and the assumption by its successor of the covenants, agreements and obligations of the Issuer under the Indenture, the Loan Agreement and the Bonds;
- (g) to facilitate (i) the transfer of Bonds issued by the Issuer under the Indenture and held in Book Entry Form from one Depository to another and the succession of Depositories, or (ii) the withdrawal of Bonds issued by the Issuer under the Indenture and delivered to a Depository for use in a Book Entry System and the issuance of replacement Bonds in fully registered form and in the form of physical certificates to others than a Depository;
- (h) to permit the Trustee to comply with any obligations imposed upon it by law;
- (i) to specify further the duties and responsibilities of the Trustee;
- (j) to achieve compliance of the Indenture with any applicable federal securities or tax law; and
- (k) to make amendments to the provisions of the Indenture relating to arbitrage matters under Section 148 of the Code, if, in the opinion of Bond Counsel, those amendments would not adversely affect the Federal Tax Status of the Bonds, which amendments may, among other things, change the responsibility for making the relevant calculations, provided that in no event shall such amendment delegate to the Trustee, without its written consent, in its sole discretion, the obligation to make or perform the calculations required under Section 148 of the Code.

The provisions of paragraphs (h) and (j) shall not be deemed to constitute a waiver by the Trustee, the Issuer or any Holder of any right which it may have in the absence of those provisions to contest the application of any change in law to the Indenture or the Bonds.

Supplemental Indentures Requiring Consent of Holders

Exclusive of Supplemental Indentures described above and subject to the terms, provisions and limitations described below, and not otherwise, with the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, evidenced as provided in the Indenture, and with the consent of the Borrower if required by the Indenture, the Issuer and the Trustee may execute and deliver Supplemental Indentures adding any provisions to, changing in any manner or eliminating any of the provisions of the Indenture or any Supplemental Indenture or restricting in any manner the rights of the Holders. Nothing in the Indenture is to permit, however, or be construed as permitting,

- (a) without the consent of the Holder of each Bond so affected: (i) an extension of the maturity of the principal of or the interest on any Bond, or (ii) a reduction in the principal amount of any Bond or the rate of interest thereon, or
- (b) without the consent of the Holders of all Bonds then Outstanding, (i) the creation of a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (ii) a reduction in the aggregate principal amount of the Bonds required for consent to a Supplemental Indenture.

If the Issuer requests that the Trustee execute and deliver any Supplemental Indenture for any of the purposes described under this subcaption, upon (i) being satisfactorily indemnified with respect to its expenses in connection therewith, and (ii) if required by the Indenture, receipt of the Borrower's consent to the proposed execution and delivery of the Supplemental Indenture, the Trustee is to cause notice of the proposed execution and delivery of the Supplemental Indenture to be mailed by first-class mail, postage prepaid, to all Holders of Bonds then Outstanding at their addresses as they appear on the Register at the close of business on the fifteenth day preceding that mailing.

The Trustee will not be subject to any liability to any Holder by reason of the Trustee's failure to mail, or the failure of any Holder to receive, the notice described above. Any failure of that nature will not affect the validity of the Supplemental Indenture when there has been consent thereto as described above. The notice is to set forth briefly the nature of the proposed Supplemental Indenture and state that copies thereof are on file at the Designated Office of the Trustee for inspection by all Holders.

If the Trustee shall receive, within a period prescribed by the Borrower, of not less than 60 days, but not exceeding one year, following the mailing of the notice, an instrument or document or instruments or documents, in form to which the Trustee does not reasonably object, purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (which instrument or document or instruments or documents refer to the proposed Supplemental Indenture in the form described in the notice and specifically consent to the Supplemental Indenture in substantially that form), the Trustee shall, but shall not otherwise, execute and deliver the Supplemental Indenture in substantially the form to which reference is made in the notice as being on file with the Trustee, without liability or responsibility to any Holder, regardless of whether that Holder has consented thereto.

Any consent will be binding upon the Holder of the Bond giving the consent and, anything in the Indenture to the contrary notwithstanding, upon any subsequent Holder of that Bond and of any Bond issued in exchange therefor (regardless of whether the subsequent Holder has notice of the consent to the Supplemental Indenture). A consent may be revoked in writing, however, by the Holder who gave the consent or by a subsequent Holder of the Bond by a revocation of such consent received by the Trustee prior to the execution and delivery by the Trustee of the Supplemental Indenture. At any time after the Holders of the required percentage of Bonds have filed their consents to the Supplemental Indenture, the Trustee is to make and file with the Issuer a written statement that the Holders of the required percentage of Bonds have filed those consents. That written statement will be conclusive evidence that the consents have been so filed.

If the Holders of the required percentage in aggregate principal amount of Bonds Outstanding shall have consented to the Supplemental Indenture, as described above, no Holder shall have any right (a) to object to (i) the execution or delivery of the Supplemental Indenture, (ii) any of the terms and provisions contained therein, or (iii) the operation thereof, (b) to question the propriety of the execution and delivery thereof, or (c) to enjoin or restrain the Trustee or the Issuer from that execution or delivery or from taking any action pursuant to the provisions thereof.

Consent of Borrower

Anything contained in the Indenture to the contrary notwithstanding, a Supplemental Indenture executed and delivered in accordance with the Indenture that affects in any material respect any rights or obligations of the Borrower shall not become effective unless and until the Borrower and Investor Partner have consented in writing to the execution and delivery of that Supplemental Indenture. The Trustee shall cause notice of the proposed execution and delivery of any Supplemental Indenture and a copy of the proposed Supplemental Indenture to be mailed to the Borrower and Investor Partner, as provided in the Indenture, (a) at least 30 days (unless waived by the Borrower and Investor Partner) before the date of the proposed execution and delivery in the case of a Supplemental Indenture to which reference is made in the Indenture, and (b) at least 30 days (unless waived by the Borrower and Investor Partner) before the giving of the notice of the proposed execution and delivery in the case of a Supplemental Indenture for which provision is made in the Indenture.

Defeasance

Release of Indenture. If (a) the Issuer shall pay all of the Outstanding Bonds, or shall cause them to be paid and discharged, or if there otherwise shall be paid to the Holders of the Outstanding Bonds, all Bond Service Charges due or to become due thereon, and (b) provision also shall be made for the payment of all other sums payable under

the Indenture or the Loan Agreement, the Regulatory Agreement and the Note, then the Indenture shall cease, determine and become null and void (except for those provisions surviving by reason of the Indenture in the event the Bonds are deemed paid and discharged pursuant to “Payment and Discharge of Bonds” below), and the covenants, agreements and obligations of the Issuer under the Indenture shall be released, discharged and satisfied.

Thereupon, and subject to the provisions of the Indenture if applicable,

(a) the Trustee shall release the Indenture (except for those provisions surviving by reason of the Indenture in the event the Bonds are deemed paid and discharged pursuant to “Payment and Discharge of Bonds” below), and shall execute and deliver to the Issuer any instruments or documents in writing as shall be requisite to evidence that release and discharge or as reasonably may be requested by the Issuer, and

(b) the Trustee shall assign and deliver to the Issuer any property subject at the time to the lien of the Indenture which then may be in its possession, except amounts in the Bond Fund required (i) to be paid to the Borrower under the Indenture, or (ii) to be held by the Trustee under the Indenture or otherwise for the payment of Bond Service Charges.

Payment and Discharge of Bonds. All or any part of the Bonds will be deemed to have been paid and discharged within the meaning of the Indenture, including without limitation the “Release of Indenture” section above, if the Trustee as paying agent has received, in trust for and irrevocably committed thereto, (i) sufficient money or (ii) noncallable Government Obligations which are certified by an Independent public accounting firm of national reputation to be of such maturities or redemption dates and interest payment dates, and to bear such interest, as will be sufficient together with any money described in clause (i) above, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which earnings are to be held likewise in trust and so committed, except as provided herein), for the payment of all Bond Service Charges on those Bonds to their maturity.

Any money held by the Trustee in accordance with the provisions of the Indenture may be invested by the Trustee only in noncallable Government Obligations having maturity dates, or having redemption dates which, at the option of the holder of those obligations, shall be not later than the date or dates at which money will be required for the purposes described above. To the extent that any income or interest earned by, or increment to, the investments held under the Indenture is determined from time to time by the Trustee to be in excess of the amount required to be held by the Trustee for purposes described in the Indenture, that income, interest or increment shall be transferred at the time of that determination in the manner provided in the Indenture for transfers of amounts remaining in the Bond Fund.

If any Bonds shall be deemed paid and discharged pursuant to this heading, then within 15 days after such Bonds are so deemed paid and discharged the Trustee shall cause a written notice to be given to each Holder as shown on the Register on the date on which such Bonds are deemed paid and discharged. Such notice shall state the numbers of the Bonds deemed paid and discharged or state that all Bonds are deemed paid and discharged, and set forth a description of any obligations held pursuant to the Indenture.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

The following is a summary of certain provisions of the Loan Agreement. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Loan Agreement, copies of which are on file with the Issuer and the Trustee.

Issuance of Bonds; Application of Proceeds

To provide funds to finance the Loan, the Issuer shall simultaneously with the execution and delivery of the Loan Agreement proceed with the issuance and delivery of the Bonds upon receipt by the Trustee of the items listed in the Indenture. The Issuer agrees to deposit the proceeds of sale of the Bonds in accordance with the Indenture.

The Bonds will be issued pursuant to the Indenture in the aggregate principal amount, will bear interest, will mature and will be subject to redemption, mandatory tender and remarketing as set forth therein. The Borrower approves the terms and conditions of the Indenture and the Bonds, and the terms and conditions under which the Bonds will be issued, sold and delivered and will comply with those provisions of the Indenture that contemplate action by the Borrower, all as if the Borrower were a party to the Indenture.

Pending disbursement pursuant to the terms of the Indenture and the Loan Agreement, the proceeds of the Bonds deposited in the Project Fund, together with any investment earnings thereon, shall constitute a part of the Revenues assigned by the Issuer to the Trustee as security for the payment of Bond Service Charges as provided in the Indenture.

Disbursements from the Project Fund

Subject to the provisions below and so long as no Event of Default under the Loan Agreement has occurred and is continuing beyond any applicable notice and cure period for which the principal amount of the Bonds has been declared to be immediately due and payable pursuant to the Loan Agreement and the Indenture, and the Bonds have maintained their Federal Tax Status, disbursements from the Project Fund shall be made or deemed made only to pay any of the following costs:

- (a) Costs incurred directly or indirectly for or in connection with the leasing, construction, improvement and equipping of the Project, including costs incurred in respect of the Project for preliminary planning and studies; architectural, legal, engineering, accounting, consulting, supervisory and other services; labor, services and materials; and recording of documents and title work.
- (b) Premiums attributable to any surety bonds and insurance required to be taken out and maintained during the construction period with respect to the Project.
- (c) Taxes, assessments and other Governmental charges in respect of the Project that may become due and payable during the construction period.
- (d) Costs incurred directly or indirectly in seeking to enforce any remedy against any contractor or subcontractor in respect of any actual or claimed default under any contract relating to the Project.
- (e) Subject to the limitations set forth in the Loan Agreement, Costs of Issuance of the Bonds.
- (f) Any other costs, expenses, fees and charges properly chargeable to the cost of acquisition, construction, improvement and equipping of the Project.
- (g) Payment of interest on the Bonds during the construction period.
- (h) Payments to the Rebate Fund.

Any disbursements from the Project Fund for the payment of costs set forth in this section shall be made by the Trustee only upon the receipt by the Trustee of: (a) a Disbursement Request in the form attached to the Loan Agreement as an exhibit; and (b) Eligible Funds in an amount equal to the amount of any such Disbursement Request for deposit in the Collateral Fund as provided in the Loan Agreement. The Borrower acknowledges and agrees that it shall submit Disbursement Requests to the Trustee no more frequently than once each calendar month. Each such Disbursement Request shall be consecutively numbered.

The Borrower's right to request disbursements from the Project Fund is limited to the principal amount of the Loan.

After the Completion Date and payment, or provision for payment, in full of the costs of the Project set forth in this section (and all related retainage and punch-list items), the Authorized Borrower Representative promptly shall direct the Trustee to transfer any money remaining in the Project Fund to the Bond Fund, which money shall be used to redeem Bonds in accordance with the Indenture on the earliest date on which such Bonds are subject to optional redemption, as set forth in the Indenture.

Notwithstanding any provision of the Loan Agreement or any provision of the Indenture to the contrary, the Trustee shall not disburse funds from the Project Fund unless and until the Trustee confirms internally that amounts on deposit in the Collateral Fund plus amounts on deposit in the Project Fund, less the amount of the requested disbursement from the Project Fund, is at least equal to the then-Outstanding principal amount of the Bonds; provided, however, notwithstanding any provision to the contrary in the Loan Agreement or in the other Financing Documents, that upon receipt of Eligible Funds from the Bridge Lender (and other funding sources referred to in the Indenture), Trustee shall be obligated to either (i) disburse Bond proceeds in like amount, or (ii) return the Eligible Funds to the Bridge Lender within one Business Day after receipt of the Eligible Funds.

Loan Repayment; Delivery of Note

In consideration of and in repayment of the Loan, the Borrower shall deliver or cause to be delivered to the Trustee at least one Business Day before each Bond Payment Date, Loan Payments equal to the amount necessary to pay Bond Service Charges due on the next Bond Payment Date. All such Loan Payments shall be paid to the Trustee in accordance with the terms of the Note for the account of the Issuer and shall be held and disbursed in accordance with the provisions of the Indenture and the Loan Agreement.

The Borrower shall be entitled to a credit against the Loan Payments required to be made with respect to the Bonds on any date equal to the available money in the Bond Fund for the payment of Bond Service Charges on that date.

To secure the Borrower's performance of its obligations under the Loan Agreement, the Borrower shall execute and deliver, concurrently with the issuance and delivery of the Bonds, the Note and the Regulatory Agreement. The Borrower has, concurrently with or before the execution and delivery of the Bonds, executed and delivered and will cause to be recorded in the official records of Travis County, Texas, the Regulatory Agreement.

The Note shall secure equally and ratably all Outstanding Bonds, except that, so long as no Event of Default has occurred and is continuing beyond any applicable notice and cure period under the Loan Agreement, payments by the Borrower on the Note or amounts credited toward such payments shall be used by the Trustee to make a like payment of Bond Service Charges and shall constitute Loan Payments.

Upon payment in full, in accordance with the Indenture, of the Bond Service Charges on the Bonds, whether at maturity or otherwise, or upon provision for the payment thereof having been made in accordance with the provisions of the Indenture, (a) the Note shall be deemed fully paid, the obligations of the Borrower thereunder shall be terminated, and the Note shall be surrendered by the Trustee to the Borrower, and shall be canceled by the Borrower, or (b) an appropriate notation shall be endorsed thereon evidencing the date and amount of the principal payment (or prepayment) equal to the Bonds so paid, or with respect to which provision for payment has been made, and that Note shall be surrendered by the Trustee to the Borrower for cancellation if all Bonds shall have been paid (or provision

made therefor) and canceled as aforesaid. Unless the Borrower is entitled to a credit under express terms of the Loan Agreement or the Note, all payments on the Note shall be in the full amount required thereunder.

Eligible Funds

In consideration of and as a condition to the disbursement of Bond proceeds in the Project Fund for Project costs, and to secure the Borrower's obligation to make Loan Payments, the Borrower shall direct the Construction Lender, the Sponsor, or other subordinate loan lender(s), pursuant to the terms of the Construction Loan Documents, the Sponsor Loan Documents or other subordinate loan documents, as applicable, to deliver or cause to be delivered to the Trustee at least one Business Day before each such disbursement, Eligible Funds equal to the amount of such disbursement from the Project Fund. All such Eligible Funds shall be paid to the Trustee for the account of the Issuer and shall be held in the Collateral Fund and disbursed in accordance with the provisions of the Indenture. Eligible Funds provided by the Construction Lender (and other funding sources described in the Indenture) will not be used to pay for Project costs. Notwithstanding any provision to the contrary in the Loan Agreement or in the other Financing Documents, upon receipt of a Collateral Payment from the Construction Lender (and other funding sources described in the Indenture), Trustee shall be obligated to either (i) disburse Bond proceeds in like amount, or (ii) return the Collateral Payment to the Construction Lender, within one Business Day after receipt of the Collateral Payment.

Assignment of Agreement and Revenues; Trustee is Third Party Beneficiary

To secure the payment of Bond Service Charges, the Issuer will assign to the Trustee, by the Indenture, its rights under and interest in the Loan Agreement (except for the Reserved Rights). In the Loan Agreement, the Borrower agrees and consents to those assignments. The Issuer has agreed in the Loan Agreement that it will not attempt to further assign, transfer or convey its interest in the Revenues or the Loan Agreement or create any pledge or lien of any form or nature with respect to the Revenues, Loan Payments or Eligible Funds under the Loan Agreement.

The Trustee shall be a third party beneficiary of the Loan Agreement.

Borrower's Obligations Upon Tender of Bonds

If any Tendered Bond is not remarketed on any Mandatory Tender Date and a sufficient amount is not available in the Collateral Fund, the Negative Arbitrage Account of the Bond Fund, and the Project Fund as provided in the Indenture for the purpose of paying the purchase price of such Bond, the Borrower will cause to be paid to the Trustee by the applicable times provided in the Indenture, an amount equal to the amount by which the principal amount of all Bonds tendered and not remarketed, together with interest accrued to the Mandatory Tender Date, exceeds the amount otherwise available pursuant to the Indenture.

Events of Default

Each of the following shall be an "Event of Default" under the Loan Agreement, after the expiration of any applicable notice and cure period:

(a) The Borrower shall fail to pay any Loan Payment on or prior to the date on which that Loan Payment is due and payable to the extent amounts on deposit in the Bond Fund, including amounts transferred from the Collateral Fund and the Project Fund, are insufficient to pay the Bond Service Charges due on the next Bond Payment Date;

(b) The Borrower shall fail to observe and perform any other agreement, term or condition contained in the Loan Agreement or any other Financing Document and the continuation of such failure for a period of 30 days after written notice thereof has been given to the Borrower and the Investor Partner by the Issuer or the Trustee, or for such longer period as the Issuer and the Trustee may agree to in writing; provided, that if the failure is other than the payment of money and is of such nature that it can be corrected but not within the applicable period, that failure will not constitute an Event of Default so long as the

Borrower institutes curative action within the applicable period and diligently pursues that action to completion, which must be resolved within 180 days after the aforementioned notice;

(c) The Borrower: (i) admits in writing its inability to pay its debts generally as they become due; (ii) has an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as now or hereafter in effect, which is not dismissed within 90 days; (iii) commences a proceeding under any other federal or state bankruptcy, insolvency, reorganization or similar law, or has such a proceeding commenced against it and either has an order of insolvency or reorganization entered against it or has the proceeding remain undismitted and unstayed for 90 days; (iv) makes an assignment for the benefit of creditors; or (v) has a receiver or trustee appointed for it or for the whole or any substantial part of its property which appointment is not vacated within a period of 90 days;

(d) Any representation or warranty made by the Borrower in the Loan Agreement or any statement in any report, certificate, financial statement or other instrument furnished in connection with the Loan Agreement or with the purchase of the Bonds at any time prove to have been false or misleading in any adverse material respect when made or given; and

(e) There occurs an Event of Default (as defined in the Indenture) by the Borrower or an event of default beyond applicable notice and cure periods under the Regulatory Agreement.

Notwithstanding the foregoing, if, by reason of Force Majeure, the Borrower is unable to perform or observe any agreement, term or condition of the Loan Agreement which would give rise to an Event of Default under subsection (b) above, the Borrower will not be deemed in default during the continuance of such inability. However, the Borrower is to promptly give notice to the Trustee and the Issuer of the existence of an event of Force Majeure and is to use commercially reasonable efforts to remove the effects thereof; provided that the settlement of strikes or other industrial disturbances shall be entirely within its discretion.

The term "Force Majeure" means, without limitation, the following:

(i) acts of God; strikes, lockouts or other industrial disturbances; acts of terrorism or of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornados; storms; droughts; floods; arrests; restraint of Government and people; explosions; breakage, malfunction or accident to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; shortages of labor, materials, supplies or transportation; pandemics or other national, state or local health emergencies; or

(ii) any cause, circumstance or event not reasonably within the control of the Borrower.

The declaration of an Event of Default described under subsection (c) above, and the exercise of remedies upon any such declaration, will be subject to any applicable limitations of federal bankruptcy law affecting or precluding that declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation or reorganization proceedings.

Amendments and Supplements

Except as otherwise expressly provided in the Loan Agreement or the Indenture, subsequent to the issuance of the Bonds and prior to all conditions provided for in the Indenture for release of the Indenture having been met, the Loan Agreement, the Regulatory Agreement and the Note may not be effectively amended, changed, modified, altered or terminated except in accordance with the provisions of the Indenture, as applicable.

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT

The following is a summary of certain provisions of the Regulatory Agreement. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Regulatory Agreement, copies of which are on file with the Issuer and the Trustee.

Residential Rental Property

The Borrower acknowledges and agrees that the Project is to be owned, managed and operated as a “qualified residential rental project” (within the meaning of Section 142(d) of the Code) for a term equal to the Qualified Project Period. To that end, and for the term of the Regulatory Agreement, the Borrower thereby represents, covenants, warrants and agrees as follows:

(a) The Project will be acquired, constructed and equipped for the purpose of providing multifamily residential rental property, and the Borrower will own the Project Site and the Project Facilities, and will manage and operate the Project as a project to provide multifamily residential rental property comprising a building or structure or several interrelated buildings or structures, together with any functionally related and subordinate facilities, and no other facilities, in accordance with Section 142(d) of the Code, Section 1.103-8(b) of the Regulations, the Act, and in accordance with such requirements as may be imposed thereby on the Project from time to time.

(b) All of the dwelling units in the Project will be similarly constructed units, and each dwelling unit in the Project will contain complete separate and distinct facilities for living, sleeping, eating, cooking and sanitation for a single person or a family, including a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink.

(c) None of the dwelling units in the Project will at any time be utilized on a transient basis or leased or rented for a period of less than six months or will ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home or trailer court or park.

(d) No part of the Project will at any time be owned by a cooperative housing corporation, nor shall the Borrower take any steps in connection with a conversion to such ownership or uses. The Borrower shall not take any steps in connection with a conversion of the Project to condominium ownership during the Qualified Project Period.

(e) During the Qualified Project Period all of the dwelling units in the Project will be available for rental on a continuous basis to members of the general public, and the Borrower will not give preference to any particular class or group in renting the dwelling units in the Project, other than to persons with special needs as defined in the TDHCA LURAs, except to the extent that dwelling units are required to be leased or rented to Low Income Tenants and except as otherwise permitted in accordance with Internal Revenue Code Section 42(g)(9) and Rev. Proc. 2019-17.

(f) The Project Site contains condominium units that are located in or around the same building, and all of the Project Facilities comprise a single geographically and functionally integrated project for residential rental property, as evidenced by the ownership, management, accounting and operation of the Project.

(g) No dwelling unit in the Project shall be occupied by the Borrower; provided, however, that, if the Project contains five or more dwelling units, this subsection shall not be construed to prohibit occupancy of not more than one dwelling unit in the Project by one or more resident managers or maintenance personnel, any of whom may be the Borrower.

(h) Low income tenants will have equal access to and enjoyment of all General Common Elements (as defined in the Condominium Declaration) of the Project.

Low Income Tenants; Records and Reports

Pursuant to the requirements of the Code, the Issuer and the Borrower thereby represent, warrant and covenant as follows:

(a) At all times during the Qualified Project Period, no less than 40% of the total number of units of the Project shall at all times be rented to and occupied by Low Income Tenants. For the purposes of the Regulatory Agreement, a vacant unit which was most recently occupied by a Low Income Tenant is treated as rented and occupied by a Low Income Tenant until reoccupied, other than for a temporary period of not more than 31 days, at which time the character of such unit shall be redetermined. The Authorized Borrower Representative will certify to the Trustee in writing the date on which 10% of the units in the Project are first occupied and the first date that at least 50% of the units are first occupied.

(b) No tenant qualifying as a Low Income Tenant shall be denied continued occupancy of a unit in the Project because, after admission, such tenant's Adjusted Income increases to exceed the qualifying limit for Low Income Tenants; provided, however, that, should a Low Income Tenant's Adjusted Income, as of the most recent determination thereof, exceed 140% of the then applicable income limit for a Low Income Tenant of the same family size and such Low Income Tenant constitutes a portion of the 40% requirement of the Regulatory Agreement, the next available unit in such Project of comparable or smaller size must be rented to (or held vacant and available for immediate occupancy by) a Low Income Tenant and such new Low Income Tenant will then constitute a portion of the 40% requirement of the Regulatory Agreement; and provided, further, that, until such next available unit is rented to a tenant who is a Low Income Tenant, the former Low Income Tenant who has ceased to qualify as such shall be deemed to continue to be a Low Income Tenant for purposes of the 40% requirement of the Regulatory Agreement.

(c) After the date of the Regulatory Agreement, the Borrower will obtain, complete and maintain on file Income Certifications from each Low Income Tenant, including (i) an Income Certification dated immediately prior to the initial occupancy of such Low Income Tenant in the Project that occupied the unit after the date of the Regulatory Agreement and within twelve (12) months of the date of the Regulatory Agreement for those Low Income Tenants that were occupying units in the Project on the date of the Regulatory Agreement, and (ii) thereafter, annual Income Certifications which must be obtained on the anniversary of such Low Income Tenant's occupancy of the unit, and in no event less than once in every 12 month period following each Low Income Tenant's occupancy of a unit in the Project. The Borrower will obtain such additional information as may be required in the future in the opinion of Bond Counsel, by Section 142(d) of the Code, as the same may be amended from time to time, or in such other form and manner as may be required by applicable rules, rulings, policies, procedures, Regulations or other official statements now or hereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service with respect to obligations which are Tax Exempt under Section 142(d) of the Code. A copy of the most recent Income Certification for Low Income Tenants commencing or continuing occupation of a Low Income Unit (and not previously filed) shall be attached to the Continuing Program Compliance Certificate which is to be filed with the Trustee as provided in paragraph (e) of this Section 4. The Borrower shall make a diligent and good faith effort to determine that the income information provided by an applicant in an Income Certification is accurate by taking one or more of the following steps, as a part of the verification process: (1) obtain pay stubs for the most recent six-week period; (2) obtain income tax returns for the most recent two tax years; (3) conduct a consumer credit search; (4) obtain an income verification from the applicant's current employer; (5) obtain an income verification from the Social Security Administration; or (6) if the applicant is unemployed, does not have income tax returns or is otherwise unable to provide other forms of verification as required above, obtain another form of independent verification as would, in the Borrower's reasonable commercial judgment, be satisfactory and will comply with the terms of the Regulatory Agreement. The preceding sentence shall not apply to the extent the Borrower has received a written waiver from the Issuer with respect to the requirements stated in the preceding sentence for Income Certifications obtained subsequent to the initial Income Certification.

(d) The Borrower will maintain complete and accurate records pertaining to the Low Income Units and will permit, at all reasonable times and upon reasonable notice during normal business hours, any duly authorized representative of the Issuer, the Trustee, the Department of the Treasury or the Internal Revenue Service to enter upon the Project Site to examine and inspect the Project and to inspect the books and records of the Borrower pertaining to the Project, including those records pertaining to the occupancy of the Low Income Units.

(e) Beginning with the first calendar quarter after the first unit in the Project is occupied, the Borrower will prepare and submit to the Issuer and the Trustee quarterly until the end of the Qualified Project Period, a Continuing Program Compliance Certificate in substantially the form attached to the Regulatory Agreement executed by the Borrower.

(f) On or before each March 31 during the Qualified Project Period, the Borrower will submit a completed Internal Revenue Service Form 8703 (or such other annual certification required by Section 142 of the Code) to the Secretary of the Treasury, with a copy to the Trustee and the Issuer.

(g) Each lease or rental agreement pertaining to a Low Income Unit shall contain a provision to the effect that the Borrower has relied on the Income Certification and supporting information supplied by the Low Income Tenant in determining qualification for occupancy of the Low Income Unit and that any material misstatement in such certification (whether or not intentional) may be cause for immediate termination of such lease or rental agreement. Each such lease or rental agreement shall also provide (and shall so disclose to the tenant) that the tenant's income is subject to annual certification in accordance with the Regulatory Agreement.

(h) If any assistance is provided under Section 8 of the Housing Act, the Borrower will notify the Trustee of the date of the termination thereof.

Sale or Transfer of the Project

The Borrower thereby covenants and agrees not to voluntarily sell, transfer or otherwise dispose of the Project, or any portion thereof (other than for individual tenant use as contemplated thereunder), without obtaining the prior written consent of the Issuer which consent shall not be unreasonably withheld by the Issuer and shall be given by the Issuer if (a) the Borrower shall not be in default thereunder; (b) the purchaser or assignee shall covenant to operate the Project in such a manner as to comply with the provisions of the Regulatory Agreement; (c) the Issuer have received (i) reasonable evidence satisfactory to the Issuer that the Borrower's purchaser or transferee has assumed in writing and in full the Borrower's duties and obligations under the Regulatory Agreement and paid to the Issuer any transfer fee owed to the Issuer in connection therewith, if any, (ii) an opinion of counsel to the transferee that the transferee has duly assumed the obligations of the Borrower under the Regulatory Agreement and that such obligations and the Regulatory Agreement are binding on the transferee, (iii) an opinion of Bond Counsel that such transfer shall not adversely affect the Tax Exempt nature of the interest on the Bonds, provided, however, that any fee and expenses of Bond Counsel in connection with rendering such opinion shall be paid by the Borrower or the transferee and (iv) a Continuing Program Compliance Certificate current as of a date no more than 45 days prior to delivery thereof; (d) the Borrower or transferee shall pay all costs of the transfer of title, including, but not limited to, the cost of meeting the conditions specified in the Regulatory Agreement; and (e) such other conditions are met as the Issuer and the Trustee may reasonably impose to ensure compliance by the Project with the requirements of the Regulatory Agreement, which may include the assumption of the Borrower's obligations under the Loan Agreement. It is thereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of the Regulatory Agreement shall be null, void and without effect, shall cause a reversion of title to the Borrower and shall be ineffective to relieve the Borrower of its obligations under the Regulatory Agreement. Nothing contained in the Regulatory Agreement shall affect any provision of any other document or instrument between the Borrower or any other party which requires the Borrower to obtain the consent of such other party as a precondition to sale, transfer or other disposition of the Project. Upon any sale or other transfer which complies with the Regulatory Agreement, the Borrower shall be fully released from its obligations thereunder to the extent such obligations have been assumed by the transferee of the Project. Any transfer of the Project to any entity, whether or not affiliated with the Borrower, shall be subject to the provisions of the Regulatory Agreement. Notwithstanding anything therein to the contrary, the Regulatory Agreement shall not apply to a foreclosure or deed in lieu of foreclosure.

The Borrower shall not change or cause to be changed the General Partner of the Borrower (or cause the Borrower to have more than one General Partner) without the prior written consent of (i) the Issuer, which consent will not be unreasonably withheld, conditioned or delayed and (ii) the Investor Partner. Notwithstanding the foregoing, the General Partner of the Borrower may be removed and replaced in accordance with the terms of the Regulatory Agreement and the Partnership Agreement.

Covenants To Run with the Land

The Borrower thereby subjects the Project (including the Project Site) to the covenants, reservations and restrictions set forth in the Regulatory Agreement. The Issuer, the Trustee and the Borrower thereby declare their express intent that the covenants, reservations and restrictions set forth therein shall be deemed covenants running with the land and shall pass to and be binding upon the Borrower's successors in title to the Project; provided, however, that on the termination of the Regulatory Agreement said covenants, reservations and restrictions shall expire, as provided in the Regulatory Agreement. Each and every contract, deed or other instrument thereafter executed covering or conveying the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

No breach of any of the provisions of the Regulatory Agreement shall impair, defeat or render invalid the lien of any mortgage, deed of trust or like encumbrance made in good faith and for value encumbering the Project or any portion thereof.

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APPENDIX E

FORM OF OPINION OF BOND COUNSEL

Upon the issuance of the Bonds, Norton Rose Fulbright US LLP, Bond Counsel for the Issuer, proposes to issue an opinion in substantially the following form:

June __, 2026

WE HAVE ACTED AS BOND COUNSEL for Texas State Affordable Housing Corporation (the “Issuer”) for the purpose of rendering our opinion as to the authorization, execution, authentication, delivery, validity, and enforceability of the bonds described below (the “Bonds”) under Texas law and the status of interest on the Bonds under federal income tax law. We express no opinion and make no comment with respect to the sufficiency of the security for or the marketability of the Bonds. The Bonds are described as follows:

Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (The Bloom at Lamar Square) Series 2026 being issued in fully registered form and aggregating \$14,500,000* in principal amount. Each Bond shall bear interest as described in the Indenture referenced below. Principal of the Bonds shall be payable as provided in the Indenture. The Bonds are limited obligations of the Issuer payable solely from the sources described therein.

WE HAVE EXAMINED a specimen Bond (but no authenticated Bonds). We have also examined and relied upon: the representations, warranties, and covenants of the parties thereto contained in the (i) Trust Indenture dated as of June 1, 2026 (the “Indenture”), between the Issuer and UMB Bank, N.A., as trustee (the “Trustee”), (ii) the Loan Agreement dated as of June 1, 2026 (the “Loan Agreement”), between the Issuer and FC Bloom Housing, LP (the “Borrower”) and (iii) the Regulatory Agreement and Declaration of Restrictive Covenants dated as of June 1, 2026 (the “Regulatory Agreement”), by and among the Issuer, the Trustee and the Borrower; original or certified copies of the proceedings of the Board of Directors of the Issuer authorizing issuance of the Bonds; certificates, representations and covenants of the Issuer and the Borrower relating to the expected use of proceeds of the Bonds and to other material facts within the sole knowledge of the Issuer and the Borrower that have formed the basis of this opinion, which facts we have not independently verified; certificates, resolutions, and representations of the Borrower with respect to certain material facts within the Borrower’s sole knowledge that have formed the basis of this opinion, which facts we have not independently verified; certain certificates and resolutions of the Trustee; opinions of Rigby Slack Lawrence Pepper + Comerford PLLC and Duane Morris LLP, counsels for the Borrower, of even date herewith, as to the due authorization, execution, delivery and enforceability of the Loan Agreement and the Regulatory Agreement by or against the Borrower; and such other material and such matters of law as we deem relevant to the matters discussed below. In such examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such certificates. All capitalized terms shall have the meanings set forth in the Indenture unless otherwise indicated herein.

WE ARE OF THE OPINION, based upon the foregoing that under Texas law in force and effect on the date hereof, the Bonds have been duly authorized, executed, and delivered and are valid and legally binding limited obligations of the Issuer payable from the sources, and enforceable in accordance with the terms and conditions, described herein and therein except to the extent the enforcement thereof may be affected by bankruptcy, insolvency, reorganization, or moratorium or other similar laws affecting creditors’ rights or the exercise of judicial discretion in accordance with general principles of equity.

IT IS FURTHER OUR OPINION, based upon the foregoing and assuming continuous compliance with the covenants relating to tax matters in the Indenture, Loan Agreement and Regulatory Agreement, that, except with respect to any Bond for any period of time during which such Bond is owned by a “substantial user” of any of the facilities financed with proceeds of the Bonds or by a “related person” within the meaning of section 147(a) of the Internal Revenue Code of 1986, as amended to the date hereof (the “Code”), interest on the Bonds will be excludable

* Preliminary; subject to change.

from the gross income, as defined in section 61 of the Code, of the owners thereof for federal income tax purposes, pursuant to section 103 of the Code and existing regulations, published rulings and court decisions thereunder and will not be included in computing the alternative minimum taxable income of individuals.

WE EXPRESS NO OPINION with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, corporations subject to the alternative minimum tax on adjusted financial statement income, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

APPENDIX F
FORM OF CONTINUING DISCLOSURE AGREEMENT

\$14,500,000*
Texas State Affordable Housing Corporation
Multifamily Housing Revenue Bonds
(The Bloom at Lamar Square)
Series 2026

This Continuing Disclosure Agreement, dated as of June 1, 2026 (this “Continuing Disclosure Agreement”), is executed and delivered by FC Bloom Housing, LP, a Texas limited partnership (the “Borrower”), and UMB Bank, N.A., as dissemination agent (the “Dissemination Agent”). The above-captioned bonds (the “Bonds”) are being issued pursuant to a Trust Indenture, dated as of June 1, 2026 (the “Indenture”), between Texas State Affordable Housing Corporation (the “Issuer”) and UMB Bank, N.A., as trustee (the “Trustee”). Pursuant to the Indenture and the Loan Agreement, dated as of June 1, 2026, between the Issuer and the Borrower, the Dissemination Agent and the Borrower covenant and agree as follows:

Section 1. Purpose of this Continuing Disclosure Agreement. This Continuing Disclosure Agreement is being executed and delivered by the Borrower and the Dissemination Agent for the benefit of the holders of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (defined below). The Borrower and the Dissemination Agent acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Continuing Disclosure Agreement, and has no liability to any person, including any holder of the Bonds or Beneficial Owner, with respect to any such reports, notices or disclosures.

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

“*Annual Report*” shall mean any Annual Report provided by the Borrower pursuant to, and as described in, Sections 3 and 4 of this Continuing Disclosure Agreement.

“*Audited Financial Statements*” means, in the case of the Borrower, the annual audited financial statements prepared in accordance with generally accepted accounting principles, if any.

“*Beneficial Owner*” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“*Disclosure Representative*” shall mean the administrator of the Project or his or her designee, or such other person as the Borrower shall designate in writing to the Dissemination Agent from time to time.

“*Dissemination Agent*” shall mean UMB Bank, N.A., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Borrower and which has filed with the Trustee a written acceptance of such designation.

“*Listed Events*” shall mean any of the events listed in Section 5(a) of this Continuing Disclosure Agreement.

“*MSRB*” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934. All documents provided to the MSRB shall be in an electronic format and accompanied by identifying information, as prescribed by the MSRB. Initially, all document submissions to the MSRB pursuant to this Continuing Disclosure Agreement shall use the MSRB’s Electronic Municipal Market Access (EMMA) system at www.emma.msrb.org.

* Preliminary; subject to change.

“*Participating Underwriter*” means Stifel, Nicolaus & Company, Incorporated, and its successors and assigns.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Borrower will, or will cause the Dissemination Agent to, not later than 180 days following the end of the Borrower’s fiscal year, commencing with the fiscal year ending on December 31, 2026, provide to the MSRB an Annual Report which is consistent with the requirements described below. No later than 15 Business Days prior to said date, the Borrower will provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may cross reference other information, provided that the audited financial statements for the prior calendar year of the Borrower may be submitted separately from the balance of the Annual Report.

(b) If by 15 Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent will contact the Disclosure Representative to determine if the Borrower is in compliance with subsection (a).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent will send in a timely manner a notice to the MSRB in the form attached as Exhibit B to this Continuing Disclosure Agreement.

(d) The Dissemination Agent will provide confirmation to the Borrower and (if the Dissemination Agent is not the Trustee) the Trustee stating that the Annual Report has been provided pursuant to this Continuing Disclosure Agreement, stating the date it was provided.

Section 4. Content of Annual Reports. The Borrower’s Annual Report will contain or incorporate by reference the financial information with respect to the Project, provided at least annually, of the type included in Exhibit A hereto, which Annual Report may, but is not required to, include Audited Financial Statements. If the Borrower’s Audited Financial Statements are not available by the time the Annual Report is required to be filed, the Annual Report will contain unaudited financial statements, and the Audited Financial Statements will be filed in the same manner as the Annual Report when and if they become available.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Borrower is an “Obligated Person” (as defined by the Rule), which have been filed with the MSRB. The Borrower will clearly identify each such other document so incorporated by reference.

Each annual report submitted hereunder shall be in readable portable document format (“PDF”) or other acceptable electronic form.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events (each, a “Listed Event”):

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulty;

- (iv) Unscheduled draws on credit enhancements reflecting financial difficulty;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Borrower. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or paying agent or the change of the name of a trustee or paying agent, if material;
- (xv) Incurrence of a financial obligation of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borrower, any of which affect security holders, if material;
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Borrower, any of which reflect financial difficulties; and
- (xvii) The Project's being placed in service for purposes of qualifying the property for low income housing tax credits. Notice of the Project's being placed in service from the Borrower to the Dissemination Agent shall be in the form attached as Exhibit D hereto. Notice of the Project being placed in service from the Dissemination Agent to the Municipal Securities Rulemaking Board shall be in the form attached as Exhibit C hereto.

For purposes of clauses (xv) and (xvi) of this Section 5(a), "financial obligation" is as contemplated by Exchange Act Release No. 34-83885; File No. S7-01-17 (the "Adopting Release").

(b) The Dissemination Agent shall, within five (5) Business Days of obtaining actual knowledge of the occurrence of any potential Listed Event, pursuant to subsection (c) of this Section 5 or otherwise, provide the Disclosure Representative with notice by email. While the Dissemination Agent is also the Trustee, the Dissemination Agent shall be deemed to have actual knowledge of those items listed in clauses (a)(i), (iii) (solely with respect to funds held by the Trustee), (iv), (v), (vii), (viii), (ix), (x) and (xiv) above upon the Trustee obtaining actual knowledge of such event. While the Dissemination Agent is not also the Trustee, the Dissemination Agent shall not be deemed to have actual knowledge of any items listed in clauses (a)(i) – (xvii) above without the Dissemination Agent having received written notice of such event. For purposes of providing notice to the Disclosure Representative, the Dissemination Agent shall assume that the unscheduled draws described in clauses (a)(iii) and (iv) reflect financial difficulty. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Borrower, and not that of the Trustee or the Dissemination Agent, and the Dissemination Agent has agreed to give the foregoing notice to the Disclosure Representative as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to any person or entity, including the Participating Underwriter, the Issuer, Borrower, or any Holder or Beneficial Owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) Whenever the Borrower obtains knowledge of the occurrence of a potential Listed Event, the Borrower shall, within five (5) Business Days of obtaining such knowledge and in any event no more than eight (8) Business Days after the occurrence of such event, determine if such event is in fact a Listed Event that is required by the Rule to be disclosed and provide the Dissemination Agent with notice and instructions, in writing, pursuant to subsections (d) below, as applicable.

(d) If the Borrower has determined that a Listed Event is required to be disclosed then the Borrower shall prepare a written notice describing the Listed Event and provide the same to the Dissemination Agent along with written instructions to file the same pursuant to subsection (e) below.

(e) If the Dissemination Agent has been provided with a written notice describing a Listed Event pursuant to subsection (c) of this Section 5 or otherwise, and is instructed in writing by the Borrower to report the occurrence of such Listed Event, the Dissemination Agent shall, within two (2) Business Days of its receipt of such written notice and in any event no more than ten (10) Business Days after the occurrence of the Listed Event, file the notice with the MSRB and send a copy to the Borrower. The foregoing notwithstanding, notice of a Listed Event described in subsection (a)(viii) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Holders of affected Bonds pursuant to the Indenture.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Borrower and the Dissemination Agent may amend this Continuing Disclosure Agreement (and the Dissemination Agent will agree to any reasonable amendment so requested by the Borrower unless such amendment adversely affects its rights, duties, protections, immunities, indemnities or standard of care, as determined by the Dissemination Agent) and any provision of this Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions described under paragraph (a) under “Provision of Annual Reports,” “Contents of Annual Reports” or paragraph (a) under “Reporting of Listed Events,” it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of an Obligated Person (as defined in the Rule) with respect to the Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the Borrower will describe such amendment in the next Annual Report and will include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information being presented by the Borrower. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change will be given in the same manner as for a Listed Event under Section 5(e) hereof and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Default. In the event of a failure of the Borrower or the Dissemination Agent to comply with any provision of this Continuing Disclosure Agreement, and such failure to comply continues beyond a period of thirty (30) days following written notice to the Borrower, the Borrower or any Holder or Beneficial Owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking, or specific performance by court order, to cause the Borrower or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement will not be deemed an Event of Default under the Indenture or the Loan Agreement, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Borrower or the Dissemination Agent to comply with this Continuing Disclosure Agreement will be an action to compel specific performance by court order.

Section 8. Beneficiaries. This Continuing Disclosure Agreement will inure solely to the benefit of the Borrower, the Dissemination Agent, the Participating Underwriter and Holders from time to time of the Bonds and will create no rights in any other person or entity.

Section 9. Reserved.

Section 10. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Borrower chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the Borrower shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent.

(a) This Continuing Disclosure Agreement governs the Borrower's direction to the Dissemination Agent with respect to information to be made public. In its actions under this Continuing Disclosure Agreement, the Dissemination Agent is acting not as Trustee, but as the Borrower's agent; provided that the Dissemination Agent shall be entitled to the same protection in so acting under this Continuing Disclosure Agreement as it has in acting as Trustee under the Indenture as fully as if the applicable provisions of the Indenture were set forth herein. The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement and no implied covenants shall be read into this Continuing Disclosure Agreement with respect to the Dissemination Agent. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Borrower has provided such information to the Dissemination Agent as required by this Continuing Disclosure Agreement. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any information, disclosures or notices provided to it by the Borrower and shall not be deemed to be acting in any fiduciary capacity for the Borrower, Issuer, the Holders

of the Bonds or any other party. The Dissemination Agent shall have no liability of the Holders or any other party for any tort or monetary damages or financial liability of any kind whatsoever related to or arising from the breach of this Continuing Disclosure Agreement. The Dissemination Agent shall have no responsibility for the Borrower's failure to report to the Dissemination Agent a Listed Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Borrower has complied with this Continuing Disclosure Agreement. The Dissemination Agent may conclusively rely upon Certifications of the Borrower at all times.

The Dissemination Agent agrees to disseminate the information provided to it hereunder in the form delivered by the Borrower. The Dissemination Agent is acting hereunder solely in an agency capacity and as such is merely a conduit for the Borrower, and shall have no liability or responsibility for the form, content, accuracy or completeness of any information furnished hereunder. Any such information may contain a legend to that effect.

The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Borrower has provided such information to the Dissemination Agent as required by this Continuing Disclosure Agreement. The Dissemination Agent shall have no obligation to make disclosure concerning the Bonds, the Project or any other matter except as expressly set out herein, provided that no provision of this Continuing Disclosure Agreement shall limit the duties, trusts, rights, powers or obligations of the Trustee under the Indenture. The fact that the Dissemination Agent or affiliate thereof has or may have any banking, fiduciary or other relationship with the Borrower or any other party in connection with the Project or otherwise, apart from the relationship created by this Continuing Disclosure Agreement, shall not be construed to mean that the Dissemination Agent or affiliate thereof has knowledge or notice of any event or condition relating to the Bonds or the Project except in its respective capacities under this Continuing Disclosure Agreement.

No provision of this Continuing Disclosure Agreement shall require or be construed to require the Borrower or the Dissemination Agent to interpret or provide an opinion concerning any information disclosed hereunder.

The Borrower hereby agrees to compensate the Dissemination Agent for the services provided and the expenses incurred pursuant to this Continuing Disclosure Agreement, in an amount to be agreed upon from time to time hereunder, and to reimburse the Dissemination Agent upon its request for all reasonable expenses, disbursements and advances incurred by the Dissemination Agent hereunder (including any reasonable compensation and expenses of counsel) except any such expense, disbursement or advance that may be attributable to its gross negligence or willful misconduct.

The Dissemination Agent may consult with counsel of its choice and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon, it being understood that for purposes of this provision, that such counsel may be counsel to the Borrower.

No provision of this Continuing Disclosure Agreement shall require the Dissemination Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights of powers.

Notwithstanding anything to the contrary contained herein, the obligations of the Borrower under this Section 11 shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Borrower.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Continuing Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

Section 12. Notices. All notices, requests, demands or other communications to or upon the respective parties hereto shall be deemed to have been duly given or made when delivered personally or by mail (including electronic mail) to the party to which such notice, request, demand or other communication is required or permitted to be given or made under this Continuing Disclosure Agreement and addressed as set forth below or emailed to the recipient, with confirmation of transmission, indicated below. Any person may, by written notice to the other person listed above, designate a different address to which subsequent notices should be sent, effective only upon receipt:

If to the Borrower:

FC Bloom Housing, LP
c/o Foundation Communities, Inc.
3000 S IH 35, Suite 300
Austin, TX 78704
Attention: Walter Moreau
Email: walter.moreau@foundcom.org

If to the Dissemination Agent:

UMB Bank, N.A.
6034 West Courtyard Drive, Suite 225
Austin, TX 78730
Attention: Rob Rodriguez
Email: robert.rodriguez@umb.com

Section 13. Governing Law. This Continuing Disclosure Agreement shall be governed by the laws of the State of Texas.

Section 14. Termination of this Continuing Disclosure Agreement. The Borrower or the Dissemination Agent may terminate this Continuing Disclosure Agreement by giving written notice to the other party at least 30 days prior to such termination. The Dissemination Agent shall be fully discharged at the time any such termination is effective. Except as otherwise provided herein, the Borrower's and the Dissemination Agent's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Borrower shall give notice of such termination in a filing with the MSRB.

Section 15. Indemnification. IN ADDITION TO ANY AND ALL RIGHTS OF THE DISSEMINATION AGENT FOR REIMBURSEMENT, INDEMNIFICATION AND OTHER RIGHTS PURSUANT TO THE RULE OR UNDER LAW OR EQUITY, THE BORROWER SHALL INDEMNIFY AND HOLD HARMLESS THE DISSEMINATION AGENT AND ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS FROM AND AGAINST ANY AND ALL CLAIMS, DAMAGES, LOSSES, LIABILITIES, REASONABLE COSTS AND EXPENSES WHATSOEVER (INCLUDING ATTORNEY FEES) WHICH SUCH INDEMNIFIED PARTY MAY INCUR BY REASON OF OR IN CONNECTION WITH THE DISSEMINATION AGENT'S PERFORMANCE UNDER THIS CONTINUING DISCLOSURE AGREEMENT; PROVIDED THAT THE BORROWER SHALL NOT BE REQUIRED TO INDEMNIFY THE DISSEMINATION AGENT FOR ANY CLAIMS, DAMAGES, LOSSES, LIABILITIES, COSTS OR EXPENSES TO THE EXTENT, BUT ONLY TO THE EXTENT, FINALLY ADJUDICATED BY A COURT OF COMPETENT JURISDICTION TO HAVE BEEN DIRECTLY CAUSED BY THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF THE DISSEMINATION AGENT IN SUCH DISCLOSURE OR INFORMATION HEREUNDER. THE INDEMNIFICATION OF THE DISSEMINATION AGENT AS PROVIDED IN THIS SECTION SHALL REMAIN IN FULL FORCE AND EFFECT IF LIABILITIES DIRECTLY OR INDIRECTLY RESULT FROM, ARISE OUT OF, OR RELATE TO, OR ARE ASSERTED TO HAVE RESULTED FROM, ARISEN OUT OF, OR RELATED TO, THE SOLE OR CONTRIBUTORY NEGLIGENCE OF THE DISSEMINATION AGENT. THE

OBLIGATIONS OF THE BORROWER UNDER THIS SECTION SHALL SURVIVE RESIGNATION OR REMOVAL OF THE DISSEMINATION AGENT, TERMINATION OF THIS CONTINUING DISCLOSURE AGREEMENT, AND THE DEFEASANCE, REDEMPTION OR PAYMENT OF THE BONDS.

Section 16. Counterparts. This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The parties agree that the electronic signature of a party to this Continuing Disclosure Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Continuing Disclosure Agreement. For purposes hereof: (i) “electronic signature” means a manually signed original signature that is then transmitted by electronic means; and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (PDF) or other replicating image attached to an electronic mail or internet message.

[Signature pages to follow]

IN WITNESS WHEREOF, the parties hereto have caused this Continuing Disclosure Agreement to be executed by their duly authorized representatives as of the date set forth above.

FC BLOOM HOUSING, LP,
a Texas limited partnership

By: FC Lamar Square Phase I, LLC,
a Texas limited liability company,
its General Partner

By: Foundation Communities, Inc.,
a Texas nonprofit corporation,
its Sole Member

By: _____
Walter Moreau
Executive Director

[Signatures continue on following page]

[Dissemination Agent's Signature Page to Continuing Disclosure Agreement]

UMB BANK, N.A.,
as Dissemination Agent

By: _____
Authorized Officer

EXHIBIT A

ANNUAL REPORT

\$14,500,000*

**Texas State Affordable Housing Corporation
Multifamily Housing Revenue Bonds
(The Bloom at Lamar Square)
Series 2026**

CUSIP: _____

Annual report for the period ending December 31, _____

THE PROJECT

Name of the Project:	The Bloom at Lamar Square
Address:	1326 or 1328 Lamar Square Drive, Austin, Travis County, TX 78704
Number of Units:	58

INFORMATION ON THE BONDS

Original principal amount of Bonds:	
Outstanding principal amount of Bonds:	

OPERATING HISTORY OF THE PROJECT

The tables set forth below offer a summary of the operating results of the Project for fiscal year ended December 31, _____, as derived from the Borrower's audited financial statements [or unaudited financial statements].

Financial Results for Fiscal Year Ending December 31, _____	
Revenues	
Operating Expenses ¹	
Net Operating Income	
Debt Service on the Bonds	
Net Income (Loss)	
Debt Service Coverage Ratio	

¹ Excludes depreciation and other non-cash expenses.

Occupancy Results for Fiscal Year Ending December 31, _____	
Physical Occupancy	%
Economic Occupancy ¹	%

¹ The physical occupancy rate is the proportion of units that are occupied or leased by tenants. The economic occupancy rate is the proportion of the gross potential rent that is actually collected. As such, the economic occupancy takes into consideration items such as model units, employee units, discounted units, rent incentives, loss to lease and bad debt expense.

* Preliminary; subject to change.

AUDITED FINANCIAL STATEMENTS

_____ Attached

_____ Audited financial statements of the Borrower for the period ending December 31, 20__ are not yet completed; therefore, no audited financial statements of the Borrower are being filed herewith. Unaudited financial statements for such period are attached in lieu of audited financial statements. Audited financial statements will be filed when available.

_____ No audited financial statements of the Borrower were prepared for the period ending December 31, 20__; therefore, no audited financial statements of the Borrower are being filed herewith. Unaudited financial statements for such period are attached in lieu of audited financial statements.

EXHIBIT B

**NOTICE OF FAILURE TO
FILE ANNUAL DISCLOSURE REPORT**

Name of Issuer: Texas State Affordable Housing Corporation
Name of Issue: Multifamily Housing Revenue Bonds (The Bloom at Lamar Square) Series 2026
Name of Borrower: FC Bloom Housing, LP
CUSIP: _____
Date of Issuance: June ____, 2026

NOTICE IS HEREBY GIVEN that the above-referenced borrower (the "Borrower") has not provided an Annual Report with respect to the above-named Bonds as required by its Continuing Disclosure Agreement. The undersigned has been informed by the Borrower that it anticipates that Annual Report will be filed by _____.

DATED: _____

UMB BANK, N.A.,
as Dissemination Agent

By: _____
Authorized Officer

cc: Borrower

EXHIBIT C

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF
PROJECT PLACED IN SERVICE**

Name of Issuer: Texas State Affordable Housing Corporation
Name of Bond Issue: Multifamily Housing Revenue Bonds (The Bloom at Lamar Square) Series 2026
Name of Borrower: FC Bloom Housing, LP
Name of Project: The Bloom at Lamar Square
Address of Project: 1326 or 1328 Lamar Square Drive, Austin, Travis County, TX 78704
Date of Issuance: June __, 2026

NOTICE IS HEREBY GIVEN as per the requirements of the Continuing Disclosure Agreement, dated as of June 1, 2026, between the above-referenced borrower (the “Borrower”) and UMB Bank, N.A., as Dissemination Agent, that the Borrower has certified that the above-referenced project (the “Project”) is complete and placed in service by the Borrower as evidenced by a certificate from the Borrower confirming that the Project is placed in service for purposes of Section 42 of the Code.

Dated:

UMB BANK, N.A.,
as Dissemination Agent

By: _____
Authorized Officer

cc: Borrower

EXHIBIT D

FORM OF NOTICE OF PLACED IN SERVICE

\$14,500,000*

**Texas State Affordable Housing Corporation
Multifamily Housing Revenue Bonds
(The Bloom at Lamar Square)
Series 2026**

The undersigned hereby provides notice to UMB Bank, N.A., a national banking association, as dissemination agent (the “Dissemination Agent”) that the multifamily rental housing facility known as The Bloom at Lamar Square (the “Project”) has been placed in service in accordance with the Trust Indenture, dated as of June 1, 2026, between Texas State Affordable Housing Corporation (the “Issuer”) and UMB Bank, N.A., a national banking association, as trustee (the “Trustee”), pursuant to which the above-captioned bonds were issued, as further evidenced by the attached Certificate of Occupancy.

FC BLOOM HOUSING, LP,
a Texas limited partnership

By: FC Lamar Square Phase I, LLC,
a Texas limited liability company,
its General Partner

By: Foundation Communities, Inc.,
a Texas nonprofit corporation,
its Sole Member

By: _____
Walter Moreau
Executive Director

* Preliminary; subject to change.

ATTACHMENT
Certificate of Occupancy