

**PRELIMINARY OFFICIAL STATEMENT JUNE 12, 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.*

**\$15,000,000\***

**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.

This Preliminary Official Statement and certain of the information contained herein is in a form deemed final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for the information permitted to be omitted under Rule 15c2-12(b)(1)). The information herein is subject to revision, completion or amendment in a final Official Statement. The Bonds may not be sold, nor may an offer to buy, be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

*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 30, 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.

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**\$15,000,000\***  
**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

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\* 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 \$15,000,000\*.

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.

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\* 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

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\* 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 five (5) 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 pursuant to Section 42(h)(4)(B) of the Code, as certified in writing by the Borrower to the Trustee, or (ii) the Optional Call 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](http://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:

<b>Unit Type</b>	<b>Average Square Feet</b>	<b>Number of Units</b>
Studio/1 Bath	485	11
1 Bedroom/1 Bath	690	31
2 Bedroom/2 Bath	1,060	<u>16</u>
<b>TOTAL</b>		<b>58</b>

### **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 (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 MPC TX The Bloom, 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.

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## Plan of Financing

The costs of the Project and the sources of funds to pay those costs are estimated by the Borrower as follows:

<b>Sources of Funds*</b>	
Bond Proceeds	\$15,000,000
Federal LIHTC Equity	9,286,650
State LIHTC Equity	5,304,566
AHFC Loan	5,500,000
FC Sponsor Loan	5,196,931
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	1,000,000
Deferred Developer Fee	<u>1,711,050</u>
<b>Total</b>	<b><u>\$48,449,197</u></b>

<b>Uses of Funds*</b>	
Acquisition Costs	\$2,708,950
Construction Costs	19,818,622
Architect/Engineer/Third Party	1,468,368
Soft Costs	729,442
Financing Costs	1,267,460
Operating and Leaseup Reserve	320,000
Developer Fee	3,422,100
Payment of Bond Principal	15,000,000
Payment of FC Sponsor Loan	<u>3,714,255</u>
<b>Total</b>	<b><u>\$48,449,197</u></b>

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 equal to the Daily Simple SOFR index 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 and the State Tax Investor Limited Partner will acquire 1% ownership interest. In connection with such acquisition, the funding of the Tax Credit Equity from the Investor Partner will total approximately \$9,193,774\* and funding from the State Tax Investor Limited Partner will total approximately \$92,876\*, with approximately \$91,938\* from the Investor Partner and \$929\* from the State Tax Investor Limited Partner 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 State Low Income Housing Credit Equity.* Contemporaneously with the issuance of the Bonds, the State Tax Investor Limited Partner expects to acquire a 1.00% ownership interest in the Borrower. In connection with such acquisition, the funding of the Tax Credit Equity will total approximately \$5,304,566\*, with approximately \$53,046\*

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\* Preliminary; subject to change.

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 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 43 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.* The Project will also utilize a subordinate cash flow loan in the principal amount of \$5,196,931\* (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 0% 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 0% 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 0% 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 0% 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 \$1,000,000\* (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 Communities, Inc., as maker of the THHS Funds Sponsor Loan, and the THHS Funds Sponsor Loan will be repayable out of cash

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\* Preliminary; subject to change.

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 0% 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 \$1,711,050\* 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:

<b>Sources of Funds*:</b>	
Bond Proceeds	<u>\$15,000,000</u>
<b>Total</b>	<b><u>\$15,000,000</u></b>
<b>Uses of Funds*:</b>	
Project Fund	<u>\$15,000,000</u>
<b>Total</b>	<b><u>\$15,000,000</u></b>

### **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.

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\* 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 to, but not including the Initial Mandatory Tender 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.

For certain projects, certain affiliates of the Borrower have failed to comply with certain undertakings under the Rule during the five-year period prior to the date of this Official Statement, including instances of failure to timely file financial and/or operating data without notice of late filing. Such affiliates of the Borrower have since made remedial filings of the outstanding information.

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 Housing, 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.

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\* 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 \$15,000,000\*.

**“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.

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\* 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.

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\* 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 \$5,196,931\*.

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\* 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 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 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 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.

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

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\* Preliminary; subject to change.

**“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, Bank of America, N.A., and its lawful successors and assigns.

**“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 10<sup>th</sup> 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 10<sup>th</sup>. 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.

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

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\* Preliminary; subject to change.

**“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 \$15,000,000\*, 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 Call Date”** means any date on or after 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 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.

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\* Preliminary; subject to change.

**“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 Foundation 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 \$1,000,000\*, 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.

“**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.

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\* Preliminary; subject to change.

***“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 Goldman Sachs Fini Sq Gov't (CUSIP 38141W273), 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 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 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 and the AHFC Loan Documents, including an AHFC Restrictive Covenant Running with the Land. 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 \$15,000,000\* 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

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\* 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**

**\$15,000,000\***  
**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](http://www.emma.msrb.org).

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\* 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 to 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 Housing, 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**

**\$15,000,000\***

**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].

<b>Financial Results for Fiscal Year Ending December 31, _____</b>	
Revenues	
Operating Expenses <sup>1</sup>	
Net Operating Income	
Debt Service on the Bonds	
Net Income (Loss)	
Debt Service Coverage Ratio	

<sup>1</sup> Excludes depreciation and other non-cash expenses.

<b>Occupancy Results for Fiscal Year Ending December 31, _____</b>	
Physical Occupancy	%
Economic Occupancy <sup>1</sup>	%

<sup>1</sup> 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**

**\$15,000,000\***

**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 Housing, 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

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\* Preliminary; subject to change.

**ATTACHMENT**

**Certificate of Occupancy**