

NEW ISSUE/BOOK-ENTRY ONLY

RATING: Moody's: "Aaa" (See "RATING" herein)

In the opinion of Bracewell LLP ("Bond Counsel"), assuming compliance with certain covenants and based on certain representations, under existing law (i) interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except with respect to interest on any Bond for any period during which such bond is held by a person who is a "substantial user" of the Project or a "related person" of such a "substantial user," as those terms are defined for purposes of Section 147(a) of the Code and (ii) interest on the Bonds is not an item of tax preference for purposes of the alternative minimum tax on individuals. See "TAX MATTERS" herein, including information regarding potential alternative minimum tax consequences for corporations

\$[27,500,000]*

**Texas Department of Housing and Community Affairs
Multifamily Housing Revenue Bonds
(Gulfway Manor)
Series 2024**

The above-captioned Bonds (the "Bonds") are being issued by the Texas Department of Housing and Community Affairs (the "Issuer") to fund a loan (the "Bond Loan") to Gulfway Housing Partners, LP, a Texas limited partnership (the "Borrower"). The proceeds of the Bond Loan will be used to finance a portion of the costs of the acquisition, rehabilitation and equipping of an approximately 151-unit multifamily rental housing development known as Gulfway Manor Apartments and located in Nueces County, Texas (the "Project"), which property shall be occupied by persons of low to moderate income as required by state law and the Internal Revenue Code of 1986, as amended (the "Code"). The Issuer is issuing the Bonds pursuant to a Trust Indenture, dated as of July 1, 2024 (the "Indenture") between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). The Issuer will make the Bond Loan to the Borrower pursuant to the terms of a certain Loan Agreement, dated as of July 1, 2024 (the "Bond Loan Agreement") between the Issuer and the Borrower.

The Bonds will be issued as fully registered bonds and when issued will be registered in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"), New York, New York. Individual purchases of the Bonds will be made in Book Entry Form only in principal amounts of \$5,000 each or integral multiples of \$1,000 thereafter. Individual purchasers of Bonds will not receive certificates evidencing their interest in the Bonds. So long as the Bonds are in Book Entry Form only, all payments of principal of and interest on the Bonds will be made by the Trustee to DTC or its successors. Disbursement of such payments from DTC to the DTC Participants is the responsibility of DTC and disbursement to the beneficial owners is the responsibility of the DTC Participants. The Bonds will bear interest from the date of the initial delivery, payable semiannually on February 1* and August 1* of each year, commencing February 1, 2025*.

The Bonds are subject to mandatory tender for purchase, subject to satisfaction of the applicable terms and conditions set forth in the Indenture, on the Mandatory Tender Date set forth above. All Bondholders must tender their Bonds for purchase on the Mandatory Tender Date. The Bonds may be remarketed and a new interest rate for the Bonds may be determined on the Mandatory Tender Date in accordance with the terms of the Indenture. If the Bonds are remarketed on the 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 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 Tender" herein.

The Bonds are not subject to optional redemption prior to the Mandatory Tender Date. See "THE BONDS - Redemption of Bonds." The maturity of the Bonds may be accelerated upon the occurrence of certain events as described herein. See "APPENDIX B – DOCUMENT SUMMARIES - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Events of Default and Acceleration" herein.

THE BONDS, TOGETHER WITH INTEREST THEREON, AND REDEMPTION PREMIUM, IF ANY, ARE NOT GENERAL OBLIGATIONS OF THE ISSUER, BUT ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER SECURED BY THE TRUST ESTATE (AS DEFINED HEREIN), ARE AND WILL ALWAYS BE PAYABLE SOLELY FROM THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE (EXCEPT TO THE EXTENT PAID OUT OF MONEYS ATTRIBUTABLE TO PROCEEDS OF THE BONDS OR THE INCOME FROM THE TEMPORARY INVESTMENT THEREOF), AND ARE AND WILL ALWAYS BE A VALID CLAIM OF THE OWNER THEREOF ONLY AGAINST THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE, WHICH REVENUES AND INCOME MAY BE USED FOR NO OTHER PURPOSE THAN TO PAY THE PRINCIPAL INSTALLMENTS OF, REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THE BONDS, EXCEPT AS MAY BE EXPRESSLY AUTHORIZED OTHERWISE IN THE INDENTURE AND IN THE BOND LOAN AGREEMENT. THE BONDS AND THE OBLIGATION TO PAY INTEREST THEREON AND REDEMPTION PREMIUM, IF ANY, DO NOT NOW AND WILL NEVER CONSTITUTE A DEBT OR AN OBLIGATION OF THE STATE OF TEXAS OR ANY POLITICAL SUBDIVISION THEREOF AND NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF WILL BE LIABLE THEREFOR. THE BONDS ARE NOT AND DO NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE OF TEXAS OR ANY POLITICAL SUBDIVISION THEREOF, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH, CREDIT, OR TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE ISSUER HAS NO TAXING POWER. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OR ANY OTHER FEDERAL GOVERNMENTAL AGENCY AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES.

This cover page contains only a brief description of the Bonds and the security therefor. It is not intended to be a summary of material information with respect to the Bonds. Investors must read this Official Statement in its entirety to obtain information essential to the making of an informed investment decision.

<u>Initial Mandatory Tender Date</u>	<u>Maturity Date</u>	<u>Amount</u>	<u>Interest Rate to Initial Mandatory Tender Date</u>	<u>Price</u>	<u>CUSIP</u>
August 1, 2026*	August 1, 2028*	\$[27,500,000]*	__%	__%	_____

The Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval as to their validity by the Attorney General of Texas, Bracewell LLP, Bond Counsel, and certain other conditions. Certain financial advisory services will be provided to the Issuer by Stifel, Nicolaus & Company, Incorporated. Certain legal matters will be passed upon for the Borrower by its counsel, Winthrop & Weinstine, P.A., Minneapolis, Minnesota, and [LOCAL COUNSEL], and for the Underwriter by its counsel, Norris George & Ostrow PLLC, Washington, D.C. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about July __, 2024.



Date: July __, 2024

* Preliminary; subject to change.

** The Issuer is not responsible for the use of the CUSIP numbers referenced in this Official Statement nor is any representation made by the Issuer as to their correctness; such CUSIP numbers are included solely for the convenience of the readers of this Official Statement.

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This Official Statement, including the cover page hereof and appendices hereto, is provided for the purpose of setting forth information in connection with the issuance and sale of the Bonds. No dealer, broker, salesperson or other person has been authorized by the Issuer, the Borrower 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 representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds offered herein, nor shall there be any sale of the Bonds by any person in any jurisdiction in which such offer, solicitation or sale is not authorized or in which the person making such offer, solicitation or sale is not qualified to do so or to any person to whom it is unlawful to make such offer, solicitation or sale.

The information set forth herein has been furnished by the Issuer, the Borrower and other sources which are believed to be reliable, but has not been independently verified, and such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Issuer, the Borrower or the Underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall create any implication that there has been no change in the financial condition or operations of the Issuer, the Borrower, or any other parties described herein since the date hereof. This Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities law as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Issuer has not reviewed or approved any information in this Official Statement except information relating to the Issuer under the captions “THE ISSUER” and “NO LITIGATION – The Issuer” and takes no responsibility for any other information contained in this Official Statement (other than with respect to the description herein under the captions “THE ISSUER” and “NO LITIGATION - The Issuer”).

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

U.S. Bank Trust Company, National Association, in each of its capacities, including, but not limited to, Trustee, Bond Registrar, and Paying Agent, has not participated in the preparation of this Official Statement and assumes no responsibility for its content, including, without limitation, the accuracy or completeness of the information concerning the Borrower, the Issuer or any other party contained herein or for any failure by any of such parties to disclose events that may have occurred and may affect the significance or accuracy of such information.

OFFICIAL STATEMENT

\$[27,500,000]*

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MULTIFAMILY HOUSING REVENUE BONDS
(GULFWAY MANOR)
SERIES 2024**

INTRODUCTION

The purpose of this Official Statement, including the cover page and the appendices attached hereto, is to set forth information concerning the offering and sale by the Texas Department of Housing and Community Affairs (the “Issuer”) of its \$[27,500,000]* Multifamily Housing Revenue Bonds (Gulfway Manor) Series 2024 (the “Bonds”).

The Bonds are authorized to be issued pursuant to the provisions of Chapter 2306, Texas Government Code, as amended (the “Act”), Chapter 1371, Texas Government Code, as amended, and the Trust Indenture, dated as of July 1, 2024 (the “Indenture”), between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”).

The Bonds are being issued for the purpose of funding a loan (the “Bond Loan”) to Gulfway Housing Partners, LP, a Texas limited partnership (the “Borrower”), pursuant to the terms of a Loan Agreement, dated as of July 1, 2024 (the “Bond Loan Agreement”), between the Issuer and the Borrower. The proceeds of the Bond Loan will be used to finance a portion of the costs of the acquisition, rehabilitation and equipping of an approximately 151-unit multifamily rental housing development known as Gulfway Manor Apartments and located in Corpus Christi, Texas (the “Project”), as more fully described under “THE PROJECT AND THE PARTICIPANTS” herein. The Borrower’s obligations to repay the Bond Loan will be evidenced by a Promissory Note (the “Note”) executed by the Borrower in favor of the Issuer and assigned to the Trustee. See “APPENDIX B - DOCUMENT SUMMARIES” herein for summaries of certain provisions of the Indenture and the Bond Loan Agreement.

The Borrower is required to operate the Project in compliance with a Regulatory and Land Use Restriction Agreement, dated as of July 1, 2024 (the “Regulatory Agreement”), by and among the Issuer, the Trustee, and the Borrower, which contains certain representations, warranties and covenants concerning the operation of the Project. Under the Regulatory Agreement, the Borrower is required during the Qualified Project Period (as such term is defined in the Regulatory Agreement), among other things, to lease at least 40% of the completed residential units in the Project to Low Income Tenants (i.e., persons or families with an adjusted gross income that is at or below 60% of the median gross income for the area in which the Project is located), as further described in the Regulatory Agreement. A failure to comply with certain of these requirements could result in the loss of the federal tax exemption on the Bonds retroactive to their date of issuance. See “THE PROJECT AND THE PARTICIPANTS – The Regulatory Agreement,” “CERTAIN BONDHOLDERS’ RISKS – Taxability of the Bonds,” “TAX MATTERS” and “APPENDIX B - DOCUMENT SUMMARIES - SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT” herein.

* Preliminary; subject to change.

The Project will also be encumbered by certain rent and occupancy restrictions in connection with the low income housing tax credits (the “Tax Credits”) expected to be granted for the Project. See “THE PROJECT AND THE PARTICIPANTS – Additional Restrictive Covenants” herein.

The Bonds are subject to mandatory tender for purchase, subject to satisfaction of the applicable terms and conditions set forth in the Indenture, on August 1, 2026* (the “Mandatory Tender Date”). All Bondholders must tender their Bonds for purchase on the Mandatory Tender Date. A new interest rate for the Bonds may be determined on the Mandatory Tender Date in accordance with the terms of the Indenture. If the Bonds are remarketed on the 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 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 Tender” herein.

The Bonds are not subject to optional redemption prior to the Mandatory Tender Date. See “THE BONDS - Redemption of Bonds” herein.

The disbursement of Bond proceeds from the Project Fund will be conditioned, among other things, on the prior deposit to the Collateral Fund of an amount of funds equal to such disbursement by either (i) Merchants Capital Corp., an Indiana banking corporation (the “Lender”), pursuant to a Funding Agreement, dated as of July 1, 2024 (the “Funding Agreement”), by and between the Lender and the Borrower, and acknowledged by the Issuer and the Trustee, or (ii) Bridgewater Bank, a Minnesota state banking corporation (the “Bridge Lender”), as applicable (each, a “Lender Collateral Deposit”). **At all times, the Bonds will be secured by Preference Proof Moneys and Permitted Investments on deposit in the Special Funds sufficient to pay, without need for reinvestment, all of the interest and principal on the Bonds when due to the Mandatory Tender Date, as further described herein.**

Interest payments due on the Bonds will be made from the funds deposited in the Capitalized Interest Account of the Bond Fund on the Closing Date as well as investment earnings on Permitted Investments deposited with the Trustee on the Closing Date. The payment of principal of the Bonds at the Mandatory Tender Date will be made from funds on deposit in the Bond Fund and the Collateral Fund. See “SECURITY FOR THE BONDS” herein. The amounts deposited in the Special Funds are to be invested in Permitted Investments, as defined in the Indenture. See “APPENDIX B - DOCUMENT SUMMARIES - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE - Investment” herein. The aggregate funds on deposit in the Special Funds, as invested pursuant to the Indenture, have been calculated to be sufficient to pay, at all times, principal of and interest on the Bonds as and when they become due to the Mandatory Tender Date.

The Lender will make a loan in the aggregate principal amount not to exceed \$[24,710,000]* to the Borrower to provide permanent financing for the Project (the “Lender Loan”). In connection with the Lender Loan, the Borrower will execute a Note (Multistate) (the “Lender Borrower Note”). The Borrower’s repayment obligations under the Lender Borrower Note will be secured by a first-lien priority Multifamily Deed of Trust, Assignment of Leases and Rents and Security Agreement (Texas) on the Project (the “Lender Mortgage”).

In no event shall the U.S. Department of Housing and Urban Development (“HUD”) or the Lender have any claim or lien upon the Trust Estate and funds pledged to secure the repayment of the Bonds.

* Preliminary; subject to change.

None of the Owners of the Bonds, the Trustee or the Issuer will have rights with respect to the Lender Loan or under the Lender Loan Documents. Furthermore, none of the Owners of the Bonds, the Trustee or the Issuer will have a lien on any funds, accounts or reserves established, disbursed, maintained and/or collected by the Lender in connection with the Lender Loan.

Definitions of certain terms used herein and not otherwise defined are set forth in Appendix A hereto. Brief descriptions of the Issuer, the Project, the Borrower, the use of proceeds of the Bonds and the Bonds together with summaries of the Indenture, the Bond Loan Agreement and the Regulatory Agreement are provided below. All information with respect to the Borrower, the Project and the private participants contained in this Official Statement has been furnished by the Borrower. The descriptions and summaries of the Bond Loan Agreement, the Indenture, the Regulatory Agreement and other documents contained herein do not purport to be comprehensive or definitive and are qualified in their entirety by reference to those documents, and all references to the Bonds are qualified in their entirety by the definitive forms thereof included in the Indenture. See “MISCELLANEOUS” herein for the availability of those documents.

THE ISSUER

The following information has been provided by the Issuer for uses 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 make any representations as to the accuracy or sufficiency of such information.

General

The Issuer, a public and official agency of the State of Texas (the “State”), was created pursuant to and in accordance with the Act. The Issuer is the successor agency to the Texas Housing Agency (the “Agency”) and the Texas Department of Community Affairs, both of which were abolished by the Act and their functions and obligations transferred to the Issuer. One of the purposes of the Issuer is to provide for the housing needs of individuals and families of low, very low and extremely low income and families of moderate income in the State. Pursuant to the Act, the Issuer may issue bonds, notes or other obligations to finance or refinance residential housing and to refund bonds previously issued by the Agency, the Issuer or certain other quasi-governmental issuers. The Act specifically provides that the revenue bonds of the Agency become revenue bonds of the Issuer.

The Issuer is subject to the Texas Sunset Act (Chapter 325, Texas Government Code, as amended, hereinafter referred to as the “Sunset Act”), and its continued existence is subject to a review process that resulted in passage of legislation in the 2023 Legislative Session which continued the Issuer in existence until September 2029, at which time it will be subject to review. The Sunset Act, however, recognizes the continuing obligation of the State to provide for the payment of bonded indebtedness incurred by a State agency abolished under the provisions thereof and provides that the Governor of the State shall designate an appropriate State agency to continue to carry out all covenants with respect to any bonds outstanding, including the payment of any bonds from the sources provided in the proceedings authorizing such bonds.

In the Act, the State also pledges and agrees with the holders of any bonds issued under the Act (such as the Bonds) that the State will not limit or alter the rights vested in the Issuer to fulfill the terms of any agreements made with the holders thereof that would in any way impair the rights and remedies of such holders until such bonds, together with the interest thereon, interest on any unpaid installments of interest and all costs and expenses incurred in connection with any action or proceeding by or on behalf of such holders are fully met and discharged.

Organization and Membership

Governing Board. The Issuer is governed by a governing board (the “Board”) consisting of seven public members appointed by the Governor, with the advice and consent of the State Senate. Board members hold office for six-year staggered terms. Each member serves until his or her successor is appointed and qualified. Each member is eligible for reappointment. Members serve without compensation but are entitled to reimbursement for actual expenses incurred in performing their duties of office. The Act requires the Governor to make appointments so that the places on the Board are occupied by persons who have a demonstrated interest in issues related to housing and support services and who broadly reflect the geographic, economic, cultural and social diversity of the State, including ethnic minorities, persons with disabilities, and women.

The Governor of the State designates a member of the Board to serve as the presiding officer (the “Chair”) of the Board at the pleasure of the Governor. The Chair presides at all meetings and performs such other duties as may be prescribed from time to time by the Board and by the Act. In addition, the members of the Board elect one of its members as assistant presiding officer (the “Vice Chair”) to perform the duties of the Chair when the Chair is not present or is incapable of performing such duties. The Board also elects a Secretary and a Treasurer (which offices may be held by one individual, neither of which is required to be a Board member) to perform the duties prescribed by the Board.

One seat on the Board is currently vacant. The remaining members of the Board, their occupations and their terms of office are as follows:

LEO VASQUEZ, Chair and Board Member. Corporate finance and business management consultant, Houston, Texas. His term expires January 31, 2029.

KENNY MARCHANT, Vice Chair and Board Member. Retired U.S. Representative for the 24th Congressional District of Texas, Coppell, Texas. His term expires January 31, 2025.

AJAY THOMAS, Board Member. Executive Vice President and U.S. Head of Public Finance for FHN Financial, a division of First Horizon Bank, Austin, Texas. His term expires January 31, 2025.

ANNA MARIA FARIAS, Board Member. Retired Assistant Secretary of the Office of Fair Housing and Equal Opportunity at the U.S. Department of Housing and Urban Development. Her term expires January 31, 2027.

HOLLAND HARPER, Board Member. Chief Development Officer of Harrison, Walker and Harper, LLC, Paris, Texas. His term expires January 31, 2029.

CINDY CONROY, Board Member. Director of community outreach, aide to the chairman of WestStar Bank, Chair of the El Paso Community College Foundation and Heart Gallery of El Paso. Her term expires January 31, 2027.

All of the above Board members have been appointed by the Governor and confirmed by the State Senate. Texas law requires that confirmations of any such appointment be considered at the next legislative session, whether regular or special. Pursuant to Article XVI, Section 17, of the Texas Constitution, any Board member whose term has expired or who has tendered his or her resignation continues to serve until his or her successor has been appointed.

Administrative Personnel. The Act provides that the Issuer is to be administered by an Executive Director to be employed by the Board with the approval of the Governor. The Executive Director serves at

the pleasure of the Board, but may also be removed by a newly elected Governor who did not approve the Executive Director's appointment by action taken within 90 days after such Governor takes office. The Executive Director is responsible for administering the Issuer and its personnel. The Executive Director may employ other employees necessary for the discharge of the duties of the Issuer, subject to the annual budget and the provisions of any resolution authorizing the issuance of the Issuer's bonds.

Currently, the Issuer has 370 employees. The following is a biographical summary of certain of the Issuer's senior staff members who have responsibility with respect to multi-family housing bond matters:

ROBERT WILKINSON, Executive Director. Mr. Wilkinson was hired by the Governing Board to serve as the Executive Director at the Board meeting of July 25, 2019, and he began his tenure on August 15, 2019. Most recently, Mr. Wilkinson served as the Deputy Budget Director to Texas Governor Greg Abbott. Mr. Wilkinson served in the Budget and Policy Division within the Office of the Governor for the first three legislative sessions of Governor Abbott's administration 2015, 2017, and 2019. His duties included the development of the Governor's proposed budgets, the analysis and tracking of hundreds of filed bills including the General Appropriations Act, the development of policy, and the coordination of governance with executive state agencies. Housing and TDHCA were important elements of Mr. Wilkinson's portfolio of responsibility from 2014 (under former Governor Rick Perry) through 2019. Before 2014, Mr. Wilkinson held other positions within the Office of the Governor and worked in the private sector in various capacities including a stint as a project manager at a large commercial electrical contractor. Mr. Wilkinson received his Bachelor of Arts from the University of Texas at Austin.

JAMES "BEAU" ECCLES, General Counsel. J. Beau Eccles joined the Issuer in June 2015 as its General Counsel and is responsible for coordination of all internal and external legal counsel for the Issuer. Before joining the Issuer, Mr. Eccles served as an Assistant Texas Attorney General for thirteen years, including five years as Deputy Chief, then two years as Chief, of the General Litigation Division. Mr. Eccles is a graduate of the Texas Tech School of Law, and received his B.A. from the University of Texas at Austin.

TERESA MORALES, Director of Multifamily Bonds. Ms. Morales began her career with the Department in 1999 as a Senior Accountant responsible for back-end compliance relating to the Department's Residential Mortgage Revenue Bond and Multifamily Bond Trust Indentures. Since 2004 she has overseen the Department's Multifamily Private Activity Bond and 4% Housing Tax Credit programs. Ms. Morales earned her Bachelor's degree in Psychology and her Master's degree in Applied Sociology from Texas State University.

The offices of the Issuer are located at 221 East 11th Street, Austin, Texas 78701-2410, and the telephone number for the Issuer is 512/475-3800 or toll-free 800/525-0657.

Other Indebtedness of the Issuer

Single Family Mortgage Revenue Bonds. As of March 31, 2024, the aggregate outstanding principal amount of bonded indebtedness of the Issuer for single-family purposes was \$2,528,470,240, and includes both single family mortgage revenue bonds and residential mortgage revenue bonds.

Multifamily Housing Revenue Bonds. As of March 31, 2024, the aggregate outstanding principal amount of multifamily housing revenue bonds was \$1,450,529,689, which have been issued pursuant to separate trust indentures and are secured by individual trust estates which are separate and distinct from each other.

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 “NO LITIGATION – THE ISSUER” HEREIN.

SECURITY FOR THE BONDS

General

At all times the Bonds will be secured by Preference Proof Moneys and Permitted Investments on deposit in the Special Funds sufficient to pay, without need for reinvestment, all of the interest and principal on the Bonds when due to the Mandatory Tender Date, as further described herein.

Pursuant to the Indenture, the Issuer grants, bargains, sells, conveys, pledges and assigns, without recourse, to the Trustee and its successors in trust forever, and grants to the Trustee and to its successors in trust, a security interest in, the following (such property being herein referred to as the “Trust Estate”): (i) all right, title and interest of the Issuer in and to all Revenues (as defined below), derived or to be derived by the Issuer or the Trustee for the account of the Issuer under the terms of the Indenture and the Bond Loan Agreement (other than the Reserved Rights of the Issuer (as defined in Appendix A)), together with all other Revenues received by the Trustee for the account of the Issuer arising out of or on account of the Trust Estate; (ii) all right, title and interest of the Issuer in and to the Note (other than the Reserved Rights of the Issuer) including all payments and proceeds with respect thereto or replacement thereof; (iii) any fund or account created under the Indenture except for the Cost of Issuance Fund, the Expense Fund and the Rebate Fund; (iv) all right, title and interest of the Issuer in and to, and remedies under, the Bond Loan Agreement and the Bond Mortgage (other than the Reserved Rights of the Issuer); and (v) all funds, moneys and securities and any and all other rights and interests in property whether tangible or intangible from time to time by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the Indenture for the Bonds by the Issuer or by anyone on its behalf or with its written consent to the Trustee, which is authorized by the Indenture 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. “Revenues” means all payments paid or payable to the Trustee in accordance with the Bond Loan Agreement, the Bond Loan and the Note and all investment earnings derived or to be derived on any moneys or investments held by the Trustee under the Indenture, but excluding (a) amounts paid as fees, reimbursement for expenses or for indemnification of any Issuer Indemnified Party and the Trustee, (b) amounts paid to or collected by the Issuer in connection with any Reserved Rights of the Issuer and (c) any Rebate Requirement.

The Collateral Fund; Application of Lender Collateral Deposits

On the Closing Date, the proceeds of the Bonds will be deposited in the Project Fund pursuant to the Bond Loan Agreement and the Indenture. On the Closing Date and from time to time thereafter, the Lender or the Bridge Lender, as applicable, will irrevocably deposit into the Collateral Fund an amount at least equal to the principal amount of the Bonds. Following the deposit of a Lender Collateral Deposit into the Collateral Fund, Bond proceeds in an amount equivalent to such Lender Collateral Deposit will be disbursed by the Trustee in accordance with the direction of the Lender to be applied to the costs of the Project.

Together with amounts on deposit from time to time in the Project Fund and the Bond Fund (including the Capitalized Interest Account therein), amounts on deposit in the Collateral Fund, including any investment earnings thereon, have been calculated to be sufficient to pay, at all times, the principal of and interest on the Bonds to the Mandatory Tender Date. See “APPENDIX B – DOCUMENT

SUMMARIES – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Funds and Accounts – Collateral Fund” herein.

In no event shall HUD or the Lender have any claim or lien upon the Trust Estate and funds pledged to secure the repayment of the Bonds.

None of the Owners of the Bonds, the Trustee or the Issuer will have rights with respect to the Lender Loan or under the Lender Loan Documents. Furthermore, none of the Owners of the Bonds, the Trustee or the Issuer will have a lien on any funds, accounts or reserves established, disbursed, maintained and/or collected by the Lender in connection with the Lender Loan.

Nonrecourse Liability of Borrower

The Bond Loan Agreement provides that (i) the liability of the Borrower under the Bond Loan Agreement shall be limited to the Trust Estate, and such amounts as may be invested in accordance with the Indenture, and the Issuer and the Trustee shall look exclusively thereto or to such other security as may from time to time be given or have been given for payment of the Bonds, and any judgment rendered against the Borrower under the Bond Loan Agreement shall be limited to the Project and moneys derived from the operation of the Project, and any other security so given for satisfaction thereof, and (ii) no deficiency or other personal judgment shall be sought or rendered against the Borrower or its successors, transferees or assigns, in any action or proceeding arising out of the Bond Loan Agreement, or any judgment, order or decree rendered pursuant to any such action or proceeding; provided, however, that nothing contained in the Bond Loan Agreement shall limit the Issuer’s or the Trustee’s ability to exercise any right or remedy with respect to any property pledged or granted to the Issuer or to any trustee under the Bond Loan Agreement, or both, or to exercise any right against the Borrower, on account of any claim for fraud or deceit, and against any other Person on account of any claim for fraud or deceit. Notwithstanding anything in the Bond Loan Agreement to the contrary, nothing in the provisions of the Bond Loan Agreement described in this paragraph shall limit the rights of indemnification against the Borrower pursuant to the terms of the Bond Loan Agreement. Furthermore, notwithstanding anything to the contrary, the Borrower shall be fully liable for (1) amounts payable to the Issuer constituting Reserved Rights of the Issuer, (2) any amount due and owing as a result of any calculation or determination which may be required in connection with the Bonds for the purpose of complying with Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”) (including rebate liability) or any applicable Treasury regulation, (3) payment of the Issuer’s Fees, the Trustee’s Fee and the Rebate Analyst’s Fee and (4) any indemnification or payment obligations to the Issuer Indemnified Parties as more particularly described in the Bond Loan Agreement.

Limited Obligations of the Issuer

THE BONDS, TOGETHER WITH INTEREST THEREON, AND REDEMPTION PREMIUM, IF ANY, ARE NOT GENERAL OBLIGATIONS OF THE ISSUER, BUT ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER SECURED BY THE TRUST ESTATE, ARE AND WILL ALWAYS BE PAYABLE SOLELY FROM THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE (EXCEPT TO THE EXTENT PAID OUT OF MONEYS ATTRIBUTABLE TO PROCEEDS OF THE BONDS OR THE INCOME FROM THE TEMPORARY INVESTMENT THEREOF), AND ARE AND WILL ALWAYS BE A VALID CLAIM OF THE OWNER THEREOF ONLY AGAINST THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE, WHICH REVENUES AND INCOME MAY BE USED FOR NO OTHER PURPOSE THAN TO PAY THE PRINCIPAL INSTALLMENTS OF, REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THE BONDS, EXCEPT AS MAY BE EXPRESSLY AUTHORIZED OTHERWISE IN THE INDENTURE AND IN THE BOND LOAN AGREEMENT. THE BONDS AND THE OBLIGATION TO PAY INTEREST THEREON AND REDEMPTION PREMIUM, IF ANY, DO NOT NOW AND WILL NEVER

CONSTITUTE A DEBT OR AN OBLIGATION OF THE STATE OF TEXAS OR ANY POLITICAL SUBDIVISION THEREOF AND NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF WILL BE LIABLE THEREFOR. THE BONDS ARE NOT AND DO NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE OF TEXAS OR ANY POLITICAL SUBDIVISION THEREOF, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH, CREDIT, OR TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE ISSUER HAS NO TAXING POWER. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OR ANY OTHER FEDERAL GOVERNMENTAL AGENCY AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES.

ESTIMATED SOURCES AND USES OF FUNDS*

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

Sources of Funds*

Lender Loan	\$[24,710,000]
Tax Credit Equity [†]	[18,876,347]
Surplus Cash Note	[2,250,000]
Deferred Developer Fee	[4,427,210]
Solar Tax Credit Equity	[712,000]
Total	\$[53,375,740]

Uses of Funds*

Acquisition – (Land and Broker Fees)	\$[23,480,000]
Hard Costs – Rehabilitation	[12,747,291]
Hard Costs Contingency	[1,454,721]
Contractor Fees	[1,799,917]
Soft Costs	[5,121,943]
Financing Costs	[1,503,133]
Reserves	[890,000]
Developer Fee	[6,103,091]
Total	\$[53,375,740]

[†] The Borrower expects to obtain a loan (the “Bridge Loan”) from Bridgewater Bank, a Minnesota state banking corporation (the “Bridge Lender”) in the approximate principal amount of \$[7,500,000]* in order to bridge a portion of the Tax Credit equity contributions.

All costs of issuing the Bonds, including the Underwriter’s fee, will be paid by the Borrower.

The sources and uses of funds for the Project to be applied under the Indenture are estimated by the Borrower to be approximately as follows.

Sources of Funds*

Bond Proceeds	\$[27,500,000]
Lender Collateral Deposits	[27,500,000]
Capitalized Interest Deposit [†]	[]
Tax Credit Equity	[]
Total	\$[]

Uses of Funds*

Deposit to Project Fund	\$[27,500,000]
Deposit to Collateral Fund	[27,500,000]
Deposit to Capitalized Interest Account	[]
Deposit to Cost of Issuance Fund	[]
Total	\$[]

[†] The Capitalized Interest Deposit has been calculated to be sufficient to pay, together with investment earnings on Permitted Investments deposited with the Trustee on the Closing Date, and without the need for reinvestment, the interest which will become due on the Bonds to but not including the Mandatory Tender Date.

Simultaneously with the issuance of the Bonds, the Borrower will close the Lender Loan on the Project in the amount of \$[24,710,000]*. The Lender will ultimately advance all of the \$[24,710,000]* principal amount of the Lender Loan in the form of Lender Collateral Deposits to the Trustee for deposit to the Collateral Fund. The Bonds will be initially secured by their own proceeds to be deposited in the Project Fund under the Indenture (plus the Capitalized Interest Deposit, if any, which, together with investment earnings on Permitted Investments deposited with the Trustee at closing, have been calculated to be sufficient to pay, without the need for reinvestment, capitalized interest on the Bonds to the Mandatory Tender Date). At closing and from time to time thereafter, Bond proceeds will be disbursed to or at the direction of the Lender against a simultaneous deposit to the Collateral Fund by the Lender of an equivalent Lender Collateral Deposit. The aggregate funds on deposit in the Special Funds, as invested pursuant to the Indenture, have been calculated to be sufficient to pay, at all times, principal of and interest on the Bonds as and when they become due to the Mandatory Tender Date.

Tax Credits

Simultaneously with the issuance of the Bonds, the Borrower expects to sell to Raymond James Tax Credit Fund XX L.L.C., a Florida limited liability company (the “Equity Investor”) expects to acquire a 99.99% ownership interest in the Borrower so the Equity Investor may acquire 99.99% of the Tax Credits available to the Borrower. The funding of the Tax Credit equity by the Equity Investor is expected to total approximately \$[18,876,347]*. The funding levels and the timing of the funding are subject to numerous adjustments and conditions that could result in the amounts funded and/or the timing or even occurrence of the funding to vary significantly from the projections set forth above and no representation is made as to the availability of such funds.

Subordinate Loans

Simultaneously with the issuance of the Bonds, the Bridge Lender will make the Bridge Loan in a principal amount equal to approximately \$[7,500,000]* to the Borrower to bridge a portion of the Tax Credit equity contributions. The Bridge Loan will be evidenced by a promissory note and will be secured

* Preliminary; subject to change.

by (i) a pledge of the Tax Credit equity contributions described above, (ii) a pledge of the general partnership interests in the Borrower, and (iii) a sponsor guaranty by Vitus Group, LLC, a Delaware limited liability company, as guarantor. Payment of developer fees will be subordinated to repayment of the Bridge Loan. The Bridge Loan is anticipated to be repaid from the above-described Tax Credit equity contributions, will bear interest at a rate of [7.5% per annum] [the greater of (i) 6.50% or (ii) 1-Month SOFR plus 275 basis points (adjusting daily)], payable monthly, and will mature on [July/August __, 2026], subject to a 6-month extension option*. The Bridge Lender will advance a portion of the proceeds of the Bridge Loan to be deposited with the Trustee on behalf of the Borrower for deposit to the Collateral Fund in exchange for the disbursement of an equal amount of Bond proceeds to pay Qualified Project Costs.

Simultaneously with the issuance of the Bonds, the General Partner (defined below) will make a surplus cash loan (the “Surplus Cash Note”) in a principal amount equal to approximately \$[2,250,000]* to the Borrower. The Surplus Cash Note will be secured by a promissory note. The Surplus Cash Note is anticipated to be repaid from [surplus cash generated by Project revenues], will bear interest at a rate of [4.79]%* per annum, and will have a [480]-month term*.

THE PROJECT AND THE PARTICIPANTS

The Project

The Project consists of the rehabilitation of a 151-unit multifamily rental housing development known as Gulfway Manor Apartments, located at 1750 Treyway Lane, Corpus Christi, Texas 78412. The rehabilitation of the Project is expected to commence immediately on the Closing Date and be completed approximately 12* months later.

The planned rehabilitation of the Project will include improvements to the general site such as added site accessibility, repairing sidewalks and concrete steps, jetting the sewer lines, installing an updated playground area as well as new dumpster enclosures and landscaping throughout. The rehabilitation of the exterior of the buildings on the Project will include pressure washing, brick repair, replacement of siding (as needed) as well as replacement of shingles and gutters. The rehabilitation of the interior units will include installation of new water heaters in all units, new split systems and hardwired fire/smoke detectors in all units, repairs to flooring and interior doors and painting in all living areas and stairwells.

The unit mix of the Project is as follows:

Number of Units	Composition	Approximate Square Footage
20	One Bedroom	600
51	Two Bedroom	726
60	Three Bedroom	986
20	Four Bedroom	1,130
151		

The Borrower

The Borrower is Gulfway Housing Partners, LP, a Texas limited partnership (the “Borrower”), formed for the sole purpose of acquiring, rehabilitating, equipping and operating the Project. Upon the issuance of the Bonds, Gulfway Housing Management, LLC, a Texas limited liability company (the

* Preliminary; subject to change.

“General Partner”) is expected to own a 0.01% partnership interest in the Borrower, and the Equity Investor is expected to own a 99.99% partnership interest in the Borrower.

The developer of the Project will be Vitus Development III, LLC (“Vitus”). Vitus has been in the business of acquiring, owning and developing affordable apartment complexes for 27 years. Vitus was formed in 1993, and Vitus and its affiliates have been involved in the development of more than 100 apartment complexes comprising approximately 10,000 units across 30 states and the District of Columbia. These projects include more than 100 low income housing tax credit projects.

The prior experience of Vitus or its affiliates is no assurance that the Project will be successful.

Limited Assets and Obligations of the Borrower

The Borrower entity was formed to develop, rehabilitate, construct and operate the Project. The Borrower has no material assets other than the Project and has covenanted not to engage in any activities unrelated to the Project. However, Vitus and its affiliates are engaged in and will continue to engage in the acquisition, development, ownership and management of market rate and affordable housing developments. 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 under the Note are of a non-recourse nature and are limited to funds deposited or to be deposited under the Indenture to enable the Borrower to satisfy such obligations. Neither the Borrower nor its members 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 members are included in this Official Statement.

The General Contractor

The general contractor for the Project is expected to be Wilshire Pacific Builders (the “General Contractor”). The General Contractor has over 7 years of experience in renovating residential multifamily housing developments, and its principals have, collectively, over 25 years of such experience. The General Contractor has completed over 57 multifamily construction projects across the south and southeast regions of the United States.

Any previous experience of the General Contractor is no assurance that the Project will be successful.

Property Manager

The Project will be managed by UAG Ventures AC, a [] limited partnership (the “Property Manager”). The Property Manager was established in 1995 and currently manages over 29,000 multifamily units throughout the southeastern United States.

Any previous experience of the Property Manager is no assurance that the Project will be successful.

The Architect

The architect for the Project will be True Craft Architecture (the “Architect”). Founded in 2019, the Architect has been the principal architect on over 55 multifamily projects containing over 5,300 units throughout 18 states across the United States.

Any previous experience of the Architect is no assurance that the Project will be successful.

The Mortgage Lender

The Lender for the Project will process the Lender Loan in accordance with the FHA insurance commitment issued by FHA. The Lender is a mortgage banking firm specializing, among other things, in FHA insured construction and permanent mortgage loans.

Upon satisfaction of certain conditions of the FHA insurance commitment, the Lender will make the Lender Loan to the Borrower and service the Lender Loan and serve as issuer of the GNMA security to be issued with respect to the Lender Loan described elsewhere herein. For issuers approved to participate in the multifamily program, which is comprised of mortgage-backed securities backed by multifamily construction or permanent loans, the minimum net worth requirement is \$1,000,000 plus 1% of the total effective multifamily outstanding obligations in excess of \$25 million up to \$175 million plus 0.20 percent (20 basis points) of the total effective multifamily outstanding obligations in excess of \$175 million. The total effective multifamily outstanding obligation is the sum of: 1) all multifamily securities outstanding, 2) available commitment authority to issue new multifamily pools, and 3) unexpended multifamily construction draws.

The HAP Contract

The Project will receive the benefit of a Section 8 Housing Assistance Payment Contract (the “HAP Contract”) covering 151 of the units at the Project. The HAP Contract is expected to expire on or about November 30, 2033.

Funding under the HAP Contract will be subject to annual Congressional appropriations, as more particularly described below. The Section 8 project-based housing assistance payment program (the “Section 8 Program”) is authorized by Section 8 of the United States Housing Act of 1937, as amended, and in the case of Section 8 contracts is administered by local public housing authorities. Renewals of Section 8 HAP contracts are governed by the Multifamily Assisted Housing Reform and Affordability Act, as amended (“MAHRA”). The Section 8 Program authorizes housing assistance payments to owners of qualified housing for the benefit of low-income families (defined generally as families whose incomes do not exceed 80% of the area median income (“AMI”) for the area as determined by the U.S. Department of Housing and Urban Development (“HUD”)), and very low-income families (defined generally as families whose income do not exceed 50% of the AMI as determined by HUD). Section 8 housing assistance payments generally represent the difference between the “contract rent” for the unit approved by HUD and the eligible tenant’s contribution, which is generally 30% of income, as adjusted for family size and certain expenses, subject to a minimum rent contribution. The rents approved by HUD for the Project, as they may be adjusted from time to time with procedures set forth in MAHRA and the HAP Contract, are the “contract rents” for the Project. The HAP Contract will require the Borrower to maintain the Project in decent, safe and sanitary condition and to comply with other statutory and regulatory requirements governing the operation of the Project, use of project funds, and other matters. If the Borrower fails to comply with the terms of the HAP Contract, HUD or the contract administrator could seek to abate or terminate the payments under the HAP Contract, or take other sanctions. MAHRA requires that upon the request of the Borrower,

HUD shall renew the HAP Contract under the Section 8 Program. However, because the HAP Contract is subject to receipt of annual appropriations by Congress, there is no assurance that the HAP Contract will be renewed or replaced upon its expiration. Funding for HAP contracts is appropriated by Congress on an annual basis, and there is no assurance that adequate funding will be appropriated each year during the term of the HAP Contract. Since payments received under the HAP Contract constitute a primary source of revenues for the Project, the expiration of the HAP Contract, or the failure of Congress to appropriate funds sufficient to fund the HAP Contract during each year of its term, would have a material adverse effect on the ability of the Project to generate revenues.

The Regulatory Agreement

At all times during the Qualified Project Period, not less than 40% of the completed residential units in the Project, other than those units occupied by the Borrower, are required to be occupied (or held available for occupancy) on a continuous basis by Low Income Tenants (i.e., persons or families at or below 60% of the median gross income for the area in which the Project is located).

The Borrower will agree that each individual rental unit in the Project will be rented or held for rental on a first-come, first-served basis, to the general public on a continuous basis, subject to the restrictions in the Regulatory Agreement. In addition, the Borrower will agree to the occupancy requirements described under the heading “APPENDIX B – DOCUMENT SUMMARIES – SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT.”

The Regulatory Agreement will also contain provisions for verifying compliance with the terms thereof. The provisions of the Regulatory Agreement discussed herein are intended, among other things, to ensure compliance with the requirements of the Code with respect to the excludability of the interest on the Bonds from gross income. Upon any breach by the Borrower of any provisions of the Regulatory Agreement, the Issuer or the Trustee may (in some cases only with the consent of Lender) take such actions at law or in equity as deemed appropriate under the circumstances, including an action for specific performance of the Regulatory Agreement, as described under the heading “APPENDIX B – DOCUMENT SUMMARIES – SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT.” Such a breach by the Borrower may result in interest on the Bonds being included in gross income of the owners of the Bonds for purposes of federal income taxation as described in “CERTAIN BONDHOLDERS’ RISKS - Taxability of the Bonds” and “TAX MATTERS.”

Additional Restrictive Covenants

Tax Credits. In connection with the Tax Credits expected to be allocated to the Borrower in connection with the Project, the Borrower will execute an Extended Low-Income Housing Agreement for the Project in compliance with Section 42 of the Code (the “Extended Low-Income Housing Agreement”). The Extended Low-Income Housing Agreement for the Project will, among other things, require that at least [40]% of the residential rental units in the Project must be occupied by or set aside for individuals or families whose income does not exceed [60]% of the area median gross income for the county in which the Project is located, adjusted for family size in accordance with Section 142(d) of the Code, and that the rents which may be charged for occupancy of such units shall be restricted to an amount not greater than [30]% of [60]% of the area median gross income for the area in which the Project is located.

There are additional regulatory agreements restricting the property with remaining terms. These will be assigned to the Borrower at closing so that the restrictions on the property remain in place for the duration of the applicable term. These regulatory agreements include the Declaration of Land Use Restrictive Covenants/Land Use Restriction Agreement for Low-Income Housing Tax Credits (the “LIHTC LURA”), made by and between GW Affordable Housing, LP and the Texas Department of Housing and

Community Affairs. The LIHTC LURA requires that the development owner shall lease 100% of units in the development to individuals or families whose income is 60% or less of the area median gross income. The LIHTC LURA includes additional use restrictions requiring the development owner to maintain tenant supportive services that are both coordinated with state programs, and selected from the list of eligible services outlined in the LIHTC LURA. The development owner must also consider prospective tenants referred from the waiting list of the Housing Authority of Corpus Christi, as well as adhere to accessibility requirements and maintain a certain number of units identified in the LIHTC LURA (approximately 5% of units) as mobility accessible. Finally, the development owner is obligated to maintain certain unit and property amenities that are specifically listed in the LIHTC LURA.

Also attached to the property is the Regulatory Agreement and Declaration of Restrictive Covenants (the “Bond Regulatory Agreement”), among Nueces County Housing Finance Authority, Regions Bank, and GW Affordable Housing, LP. The Bond Regulatory Agreement stipulates that no less than 40% of the total units of the project shall at all times be rented to and occupied by low income tenants whose income is 60% or less of the area median gross income. This agreement will also be assigned to the Borrower at closing.

In the event of a conflict among any of the restrictions encumbering the Project, the Project is required to comply with the most restrictive covenants.

THE BONDS

The following is a summary of certain provisions of the Bonds. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Bond, a copy of which is on file with the Trustee.

General

The Bonds will be dated July 1, 2024, and will bear interest from the date of their initial delivery at the rate per annum, and mature in the principal amount and on the Maturity Date, set forth on the front cover of this Official Statement. Interest on the Bonds will be payable initially on February 1, 2025* and semiannually thereafter on February 1* and August 1* of each year until the Mandatory Tender Date or prior redemption of the Bonds. If the date of payment of principal or interest on the Bonds is not a Business Day, then such payment may be made on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided for such payment.

The Bonds will be issued in Book Entry Form only in denominations of \$5,000 each or integral multiples of \$1,000 thereafter and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (“DTC”). See “BOOK-ENTRY ONLY SYSTEM” below.

Redemption of Bonds

(a) The Bonds are not subject to optional redemption prior to the initial Mandatory Tender Date. From and after the initial Mandatory Tender Date, the Bonds are subject to optional redemption prior to maturity from Preference Proof Moneys, at the direction of a Borrower Representative (with delivery of a Cash Flow Projection, if required pursuant to paragraph (c) below), in whole or in part, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest, but without premium,

* Preliminary; subject to change.

to the date fixed for redemption, on any Business Day that is on or after the date that is halfway between the most recent Mandatory Tender Date and the next Mandatory Tender Date or the Maturity Date, as applicable (provided the Bonds may not be redeemed prior to the date the Borrower has provided notice to the Trustee that the Project has been placed in service).

(b) Other than as set forth in paragraph (a) above, the Bonds are not subject to redemption prior to the Maturity Date.

(c) If, to pay the redemption price, the Trustee is required to sell or otherwise dispose of Permitted Investments shown in the most recent Cash Flow Projection delivered to the Rating Agency before the maturity or mandatory tender date of such Permitted Investments, then a new Cash Flow Projection shall be provided to the Trustee (with a copy to the Rating Agency) with the direction described in paragraph (a) above, and the Trustee shall utilize the amounts and take the actions set forth in such Cash Flow Projection to pay the redemption price of the Bonds called for redemption.

(d) In the event of a redemption in part, the particular Bonds to be redeemed shall be selected by the Trustee by lot in such manner as the Trustee shall deem fair and appropriate, provided that if a Book Entry System is then in effect, the Securities Depository shall select the interests of the beneficial owners of the Bonds to be redeemed.

Notice of Redemption

All or a portion of the Bonds shall be called for optional redemption pursuant to the provisions of the Indenture described under the caption “Redemption of Bonds” above by the Trustee as provided in the Indenture upon receipt by the Trustee and the Issuer, at least 30 days prior to the redemption date (unless a shorter notice shall be satisfactory to the Trustee), of written notice of a Borrower Representative specifying the principal amount of the Bonds to be called for redemption and the redemption date. In the case of every redemption, the Trustee shall cause notice of such redemption to be given by mailing by first class mail, postage prepaid, a copy of the redemption notice to the Bondholders designated for redemption in whole or in part, at their addresses as the same shall last appear upon the registration records, in each case not more than 30 nor less than 20 days prior to the redemption date, provided, however, that failure to receive such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of such Bonds. Notwithstanding anything contained in the Indenture to the contrary, so long as the Bonds are in Book Entry Form, notice of redemption will be given by the Trustee only to DTC or its successor. Redemption is conditioned upon the Trustee having sufficient moneys on deposit in the Special Funds, on or prior to the redemption date, to redeem all of the Bonds called for redemption, and if the Trustee does not have sufficient funds for this purpose, no Bonds shall be redeemed. The Trustee shall furnish the Borrower, the Equity Investor, the Issuer, the Remarketing Agent and the Rating Agency with a copy of each notice of redemption given with respect to any optional redemption under the provisions of the Indenture described under the caption “Redemption of Bonds” above as soon as practicable after the delivery of notice to the Bondholders.

Each notice of redemption shall specify the date fixed for redemption, the redemption price, the place or places of payment, that payment will be made upon presentation and surrender of the Bonds to be redeemed, that interest accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue. Each notice of redemption may also state that the redemption is conditioned on receipt of sufficient Preference Proof Moneys for such redemption by the Trustee on or prior to the redemption date; if sufficient moneys are not so received, the redemption of the Bonds for which notice was given shall not be made, and the Trustee promptly shall give notice of cancellation of such redemption in substantially the same manner as the original notice of redemption. If

less than all the Outstanding Bonds are to be redeemed, the notice of redemption shall specify the numbers of the Bonds or portions thereof to be redeemed.

Mandatory Tender

The Bonds are subject to mandatory tender in whole and not in part on the Mandatory Tender Date (August 1, 2026*) and shall be purchased at a price equal to [100]% of the principal amount of such Bonds, plus accrued interest, if any, to the Mandatory Tender Date, and without premium. No later than 10:00 a.m., New York City time, on the Mandatory Tender Date, the Holders shall deliver the Bonds to the Trustee. The Trustee shall utilize the following sources of payments to pay the tender price of the Bonds not later than 1:30 p.m. New York City time on the Mandatory Tender Date, in the following priority: (i) amounts representing proceeds of remarketed Bonds received pursuant to the Indenture, to pay the principal amount, plus accrued interest, of Bonds tendered for purchase, (ii) amounts on deposit in the Collateral Fund and the Project Fund, to pay the principal amount of Bonds tendered for purchase, (iii) amounts on deposit in the Bond Fund (including the Capitalized Interest Account therein) to pay the accrued interest, if any, on Bonds tendered for purchase, and (iv) any other Preference Proof Moneys available or made available for such purpose at the direction of the Borrower.

If the conditions for remarketing set forth in the Indenture are not satisfied and/or the Trustee shall not have received remarketing proceeds on the Mandatory Tender Date equal to the principal amount of the Bonds Outstanding on such date, the Bonds shall be purchased in whole on the Mandatory Tender Date using amounts on deposit in the Collateral Fund, the Project Fund and the Bond Fund, and, immediately following such purchase, the Bonds shall be deemed redeemed on the Mandatory Tender Date and cancelled by the Trustee.

Not less than 30 days before the Mandatory Tender Date, the Trustee shall give written notice of mandatory tender and remarketing to the Holders by first class mail, postage prepaid, at their respective addresses as they appear on registration books kept by the Trustee as Bond Registrar. The Trustee shall also provide such notice to the Borrower and Equity Investor at the notice addresses provided in the Indenture. The notice shall state the Mandatory Tender Date and that:

- (1) all Outstanding Bonds are subject to mandatory tender for purchase on the Mandatory Tender Date and must be tendered for purchase on the Mandatory Tender Date;
- (2) all Outstanding Bonds will be purchased on the Mandatory Tender Date at a price equal to the principal amount of the Outstanding Bonds plus interest accrued to the Mandatory Tender Date;
- (3) Holders will not have the right to elect to retain their Bonds and any Bonds not tendered will nevertheless be deemed to have been tendered and will cease to bear interest from and after the Mandatory Tender Date; and
- (4) the address of the office of the Trustee at which Holders should deliver their Bonds for purchase on the Mandatory Tender Date.

* Preliminary; subject to change.

If notice is given as stated in this section, failure of any Holder to receive such notice, or any defect in the notice, shall not affect the remarketing or the validity of the proceedings for the remarketing of the Bonds.

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Borrower believes to be reliable, but the Borrower takes no responsibility for the accuracy thereof.

The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds. The Bonds will be initially issued and issuable only as one fully registered Bond certificate for each maturity, registered in the name of Cede & Co. as partnership nominee of DTC. Those fully registered Bonds will be deposited with and retained in the custody of DTC.

For ease of reference in this and other discussions, reference to "DTC" includes when applicable any successor securities depository and the nominee of the depository.

For all purposes under the Bond proceedings, DTC will be and will be considered by the Issuer and the Trustee to be the owner or Holder of the Bonds.

Owners of book-entry interests in the Bonds (book-entry interest owners) will not receive or have the right to receive physical delivery of Bonds, and will not be or be considered by the Issuer and the Trustee to be, and will not have any rights as, owners or holders of Bonds under the Bond proceedings.

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 an S&P rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (the book-entry interest owner) is in turn to be recorded on the Direct and Indirect Participant's records. Book-entry interest owners will not receive written confirmation from DTC of their purchase, but are 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 book-entry interest owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of book-entry interest owners. Book-entry interest 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 actual ownership. DTC has no knowledge of the book-entry interest owners (or 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 book-entry interest owners. 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 book-entry interest owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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 the 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 debt service 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 the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to book-entry interest 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, and debt service payments 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 book-entry interest owners will be the responsibility of Direct and Indirect Participants.

DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Issuer and discharging its responsibilities with respect thereto under applicable law. The Issuer, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds, as more fully described in the Indenture.

Direct Participants and Indirect Participants may impose service charges on book-entry interest owners in certain cases. Purchasers of book-entry interests should discuss that possibility with their brokers.

The Issuer, the Borrower and the Trustee have no role in the purchases, transfers or sales of book-entry interests. The rights of book-entry interest owners to transfer or pledge their interests, and the manner of transferring or pledging those interests, may be subject to applicable state law. Book-entry interest owners may want to discuss with their legal advisers the manner of transferring or pledging their book-entry interests.

The Issuer, the Borrower and Trustee have no responsibility or liability for any aspects of the records or notices relating to, or payments made on account of, book-entry interest ownership, or for maintaining, supervising or reviewing any records relating to that ownership.

The Issuer and the Borrower cannot and do not give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute to the book-entry interest owners payments of debt service on the Bonds made to DTC as the registered owner, or any notices, or that they will do so on a timely basis, or that DTC will serve and act in the manner described in this Official Statement.

CERTAIN BONDHOLDERS' RISKS

The following is a summary of certain risks associated with a purchase of the Bonds. There are other possible risks not discussed below. The Bonds are payable from the payments to be made by the Borrower under the Bond Loan Agreement and the Note and from amounts on deposit in the Special Funds and the investment earnings thereon.

Limited Security; Investment of Funds

The Bonds are special, limited obligations of the Issuer payable solely from certain funds pledged to and held by the Trustee pursuant to the Indenture, including the Special Funds. See “SECURITY FOR THE BONDS - Limited Obligations of the Issuer” herein.

The Bonds are secured by the Bond Mortgage, but any security provided by the Bond Mortgage is severely limited. Although the Borrower will deliver the Bond Mortgage to the Issuer (to be assigned to the Trustee at closing) in order to comply with the requirements of the Act, the Bond Mortgage is subordinate to the Lender Loan and the Trustee will have little or no practical means to realize any proceeds by foreclosing on the Bond Mortgage in the event of a default on the Bonds. Accordingly, investors should not look at the value of the Project, and should look exclusively to amounts on deposit in the Special Funds under the Indenture and investment earnings thereon as the source of payment of debt service on the Bonds.

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 the investment earnings thereon, 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. The Trustee is required to invest amounts held in the Special Funds in Permitted Investments, as defined in the Indenture. See “APPENDIX B — DOCUMENT

SUMMARIES — SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Investment.” Failure to receive a return of the amounts so invested could affect the ability to pay the principal of and interest on the Bonds.

Lender Collateral Deposits; Disbursement of Bond Proceeds

As described under the heading “SECURITY FOR THE BONDS – The Collateral Fund; Application of Lender Collateral Deposits” above, Lender Collateral Deposits will be disbursed and deposited into the Collateral Fund under the Indenture as a condition precedent to the disbursement of Bond proceeds from the Project Fund in an equal amount to pay a portion of the costs of acquiring, rehabilitating and equipping the Project. In order to have the Lender initiate the transfer of a Lender Collateral Deposit or the Bridge Lender initiate the transfer of proceeds of the Bridge Loan, as applicable, into the Collateral Fund, the Borrower will be required to satisfy any agreements relating to the Lender Loan, or the Bridge Loan, as applicable, (including requirements related to the completion of rehabilitation of the Project, which may be delayed by an epidemic or pandemic infectious disease such as COVID-19). Failure of the Borrower to satisfy additional future conditions could result in the Lender or Bridge Lender suspending disbursements of the Lender Loan or Bridge Loan, as applicable, until the conditions have been satisfied which, in turn, could result in the inability of the Borrower to pay the costs of completing the Project. However, such a failure to complete the Project would not affect the security for the Bonds or cause a default on the Bonds.

Exercise of Legal Remedies

The ability of the Issuer to enforce its rights or exercise its remedies upon default under the Bond Loan Agreement is dependent upon regulatory and judicial actions which may be subject to discretion and delay. Under existing law and judicial decisions (including laws relating to bankruptcy), the remedies provided for under the Bond Loan Agreement or the Indenture may not be readily available or may be limited, 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.

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.

Infectious Disease Outbreak

Without limiting the generality of the foregoing, an outbreak of a highly contagious, epidemic or pandemic infectious disease such as COVID-19, Zika or Ebola nationally or locally in the Project’s market area could adversely affect the Borrower’s operations and financial results, including the cost or length of time necessary to complete the rehabilitation of the Project. An increase in delinquencies and/or vacancies could depress rental revenue, and operating costs could increase, resulting in a default by the Borrower on its obligations with respect to the Bonds or the Lender Loan, including the taxability of interest paid on, and/or the extraordinary mandatory redemption of, the Bonds.

Taxability of the Bonds

THE BONDS ARE NOT SUBJECT TO ACCELERATION OR REDEMPTION UPON ANY DETERMINATION OF TAXABILITY OF INTEREST ON THE BONDS. IN ADDITION, THE RATE OF INTEREST ON THE BONDS IS NOT SUBJECT TO ADJUSTMENT BY REASON OF THE INTEREST ON THE BONDS BEING INCLUDED IN GROSS INCOME FOR PURPOSES OF FEDERAL INCOME TAXATION. Such event could occur if the Borrower (or any subsequent owner of the Project) or other parties to the transaction do not comply with the provisions of the Regulatory Agreement, certain other tax-related agreements executed in connection with the Bonds, and the Bond Loan Agreement, or if the transaction is deemed not to comply with requirements of the Code in order for the interest on the Bonds to be excluded from gross income for federal income tax purposes. Under such circumstances, interest on the Bonds might become subject to federal income taxation retroactive to the date of issuance or some other subsequent date. See “APPENDIX B – DOCUMENT SUMMARIES – SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT” and “TAX MATTERS” herein.

Permitted Investments

Preference Proof Moneys received by the Trustee for deposit into the Special Funds are required to be invested in Permitted Investments. See “APPENDIX A — DEFINITIONS” hereto for the definition of Permitted Investments. There can be no assurance that there will not be a loss resulting from any investment held for the credit of the Special Funds, 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 Permitted Investments

The rating on the Bonds is based upon the Bonds being fully secured by Permitted Investments held in the Trust Estate. If one or more of such investments fail to meet the rating standards for Permitted Investments after their purchase and prior to their maturity, such a change may result in a downgrade or withdrawal of the rating on the Bonds.

Subordination to Lender Loan Documents

The Indenture, the Bond Loan Agreement, the Note, the Bond Mortgage and the Regulatory Agreement contain provisions regarding subordination of such documents to the Lender Loan Documents. No assurance can be given that such provisions will not impair the excludability of interest on the Bonds from gross income for federal income tax purposes.

Secondary Markets and Prices

No representation is made concerning the existence of any secondary market for the Bonds. The Underwriter will not be obligated to repurchase any of the Bonds, nor can any assurance be given that any secondary market will develop following the completion of the offering of the Bonds. Further, there can be no assurance that the initial offering prices for the Bonds will continue for any period of time. Furthermore, the Bonds should be purchased for their projected returns only and not for any resale potential, which may or may not exist.

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, the Project, or the financial condition of or ability of the Borrower to comply with its obligations under the various transaction documents.

The Internal Revenue Service (“IRS”) routinely engages in 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.

TAX MATTERS

The following discussion of certain federal income tax considerations is for general information only and is not tax advice. Each prospective purchaser of the Bonds should consult its own tax advisor as to the tax consequences of the acquisition, ownership and disposition of the Bonds.

Tax Exemption

In General

In the opinion of Bond Counsel, assuming compliance with certain covenants and based on certain representations, under existing law (i) interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code, except with respect to interest on any Bond for any period during which such bond is held by a person who is a “substantial user” of the Project or a “related person” of such a “substantial user,” as those terms are defined for purposes of Section 147(a) of the Code, as and (ii) interest on the Bonds is not an item of tax preference for purposes of the alternative minimum tax on individuals.

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include, among other things, limitations on the use of the bond-financed project, limitations on the use of bond proceeds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond proceeds be paid periodically to the United States, and a requirement that the Issuer file an information report with the IRS. The Issuer and the Borrower have covenanted in the Indenture, Bond Loan Agreement, Tax Exemption Agreement and Regulatory Agreement that they will comply with these requirements.

Bond Counsel’s opinion will assume continuing compliance with the covenants of the Indenture, Financing Agreement, Tax Exemption Agreement and Regulatory Agreement pertaining to those sections of the Code that affect the excludability of interest on the Bonds from gross income for federal income tax purposes and, in addition, will rely on representations by the Issuer, the Borrower, the Issuer’s financial advisor and the Underwriter with respect to matters solely within the knowledge of the Issuer, the Borrower, the Issuer’s financial advisor, and the Underwriter, respectively, which Bond Counsel has not independently verified. If the Issuer or the Borrower should fail to comply with the covenants in the Indenture, Bond Loan Agreement, Tax Exemption Agreement and Regulatory Agreement or if the foregoing representations should be determined to be inaccurate or incomplete, interest on the Bonds could become includable in

gross income for federal income from the date of original delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs.

Bond Counsel will express no opinion as to the amount or timing of interest on the Bonds or, except as stated above, any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or the acquisition, ownership or disposition of, the Bonds. Certain actions may be taken or omitted subject to the terms and conditions set forth in the Indenture and related documents, upon the advice or with an approving opinion of Bond Counsel. Bond Counsel will express no opinion with respect to its ability to render an opinion that such actions, if taken or omitted, will not adversely affect the excludability from gross income of interest on the Bonds for federal income tax purposes.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on Bond Counsel's knowledge of facts as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of result and are not binding on the IRS; rather, such opinions represent Bond Counsel's legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The IRS has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the IRS will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the IRS is likely to treat the Issuer as the taxpayer and the Owners may not have a right to participate in such audit. 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 the ultimate outcome of the audit.

Operation of the Project

In the case of bonds used to provide residential rental housing, such as the Bonds, Section 142 of the Code requires that such bonds also satisfy the tenant eligibility requirements applicable to "qualified residential rental projects" under Section 142(d) of the Code. Section 142(d) of the Code requires that at all times during the "qualified project period" a certain percentage of the available units in the Project be occupied by individuals with income below certain levels pursuant to the Issuer's election made under Section 142(d)(1) of the Code. The "qualified project period" for the Project will commence on the delivery date of the Bonds and will end on the latest of the following: (1) the date that is 15 years after the first date on which 50 percent of the residential units in the Project are occupied; (2) the first day on which no tax-exempt private activity bond issued with respect to the Project remains outstanding for federal income tax purposes; or (3) the date on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937, as amended, terminates. Treasury Regulations (the "Regulations") setting forth requirements for compliance with a comparable provision of the predecessor of Section 142 of the Code require, among other things, that (1) the low-income set aside requirement must be met on a continuous basis during the "qualified project period" and (2) all of the units in the Project must be rented or available for rental to the general public on a continuous basis during such period. Under the Regulations, the failure to satisfy the foregoing requirements on a continuous basis or the failure to satisfy any of the other requirements of the Regulations, unless corrected within a reasonable period of not more than 60 days after such non-compliance is first discovered or would have been discovered by the exercise of reasonable diligence, will cause interest on the Bonds to be includable in gross income for federal income tax purposes as of the date of their original issue, irrespective of the date such non-compliance actually occurred.

The Issuer has established requirements, procedures and safeguards that it believes to be sufficient to ensure compliance with the requirements of the Code and the Regulations with respect to the Project.

Such requirements, procedures and safeguards are incorporated into the Regulatory Agreement, the Bond Loan Agreement, the Tax Exemption Agreement and the Indenture. In addition, the Issuer and the Trustee have each covenanted in the Tax Exemption Agreement to follow and enforce such procedures to ensure compliance with such requirements. However, no assurance can be given that in the event of a breach of any of the provisions or covenants described above, the remedies available to the Issuer and the Trustee can be judicially enforced in such manner as to assure compliance with the Code and therefore to prevent the loss of the excludability of the interest on the Bonds from gross income for federal income tax purposes. Furthermore, if the Borrower fails to comply with the Regulatory Agreement, the Tax Exemption Agreement or the Bond Loan Agreement, the enforcement remedies available to the Issuer, the Trustee and the Owners are severely limited and may be inadequate to prevent the loss of the excludability of interest on the Bonds from gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. In such event, there is no provision for acceleration or redemption of the Bonds, and the holders of the Bonds may be required to hold the Bonds until maturity bearing interest that is includable in gross income for federal income tax purposes.

Prospective purchasers should be aware that HUD has required the inclusion of a rider to the Regulatory Agreement (the “HUD Rider”) providing that the provisions of the Regulatory Agreement are subordinate to the HUD Requirements (as defined in the HUD Rider). Bond Counsel expresses no opinion as to whether any of the covenants and requirements set forth in the Regulatory Agreement conflict with the HUD Rider. Furthermore, Bond Counsel expresses no opinion as to the initial and continuing excludability of interest on the Bonds from gross income for federal income tax purposes in the event that the provisions of the HUD Rider preclude compliance with any of the covenants or requirements of the Regulatory Agreement. See “APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT – HUD Requirements.”

Additional Federal Income Tax Considerations

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences, including but not limited to, those noted below. Therefore, prospective purchasers of the Bonds should consult their own tax advisors as to the tax consequences of the acquisition, ownership and disposition of the Bonds.

An “applicable corporation” (as defined in Section 59(k) of the Code) may be subject to a 15% alternative minimum tax imposed under Section 55 of the Code on its “adjusted financial statement income” (as defined in Section 56A of the Code) for such taxable year. Because interest on tax-exempt obligations, such as the Bonds, is included in a corporation’s “adjusted financial statement income,” ownership of the Bonds could subject certain corporations to alternative minimum tax consequences.

Ownership of tax-exempt obligations also may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers otherwise qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income tax credit. In addition, certain foreign corporations doing business in the United States may be subject to the “branch

profits tax” on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Bonds.

Prospective purchasers of the Bonds should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Bonds, received or accrued during the year.

Tax Legislative Changes

Current law may change so as to directly or indirectly reduce or eliminate the benefit of the excludability of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed, pending or future legislation.

UNDERWRITING

The Bonds are being purchased by Colliers Securities LLC (the “Underwriter”) at the price listed on the cover page hereof. As consideration for its underwriting of the Bonds, the Underwriter will be paid an aggregate fee equal to \$_____, plus \$[5,000] to reimburse the Underwriter for certain fees and expenses.

The Underwriter has committed to purchase all of the Bonds if any of such Bonds are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Bond Purchase Agreement, the approval of certain legal matters by counsel, and certain other information, and to use its best efforts to sell the Bonds. The Bonds are being offered for sale at the price set forth on the cover page of this Official Statement, which price may be lowered by the Underwriter from time to time without notice. The Bonds may be offered and sold to dealers, including the Underwriter and dealers acquiring Bonds for their own account or any account managed by them, at prices lower than the public offering prices. In the Bond Purchase Agreement, the Borrower has agreed to indemnify the Issuer and the Underwriter with respect to certain matters in connection with the Bonds.

In addition to serving as the Underwriter, Colliers Securities LLC 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 Mandatory Tender Date.

RATING

The Bonds have been assigned a rating of “Aaa” by Moody’s Ratings (“Moody’s,” and in its capacity as rating agency for the Bonds, the “Rating Agency”). The rating assigned to the Bonds described above reflects only the view of the Rating Agency, and an explanation of the significance of such rating may be obtained from the Rating Agency. The rating is not a recommendation to buy, sell, or hold the Bonds. There is no assurance that the rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the Rating Agency if in the judgment of the Rating Agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds. See “CERTAIN BONDHOLDERS’ RISKS—Rating Based on Permitted Investments” herein.

Certain information and materials not included in this Official Statement were furnished to the Rating Agency. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies, and assumptions by the rating agency.

The Issuer has not assumed any responsibility to notify the owners of any proposed change in, suspension or withdrawal of such rating subsequent to the date of this Official Statement, and the Borrower has such responsibility only in connection with the reporting of events as provided in the Continuing Disclosure Agreement. Neither of them has any responsibility to contest any such revision, suspension or withdrawal.

SUBORDINATION TO LENDER LOAN DOCUMENTS AND PROGRAM OBLIGATIONS

The Indenture, the Bond Loan Agreement, the Note, and the Regulatory Agreement (the “Bond Financing Documents”) provide that, notwithstanding anything in such documents to the contrary, the Bond Financing Documents will be subordinate to the Lender Loan Documents. In the event of any conflict between the provisions of the Bond Financing Documents and the Lender Loan Documents or the Program Obligations (as defined in the Lender Mortgage), the Lender Loan Documents or the Program Obligations will control. Enforcement of the Bond Financing Documents will not result in any claim against the Project, the Lender Mortgage proceeds, any reserve or deposit required by HUD in connection with the Lender Mortgage, or the rents or other income from the Project (except “surplus cash,” as defined in the HUD Regulatory Agreement). No assurance can be made that such provision will not impair the excludability of interest on the Bonds from gross income for federal income tax purposes. In no event shall HUD or the Lender have any claim to or lien upon the Trust Estate and funds pledged to secure the repayment of the Bonds.

CERTAIN LEGAL MATTERS

Delivery of the Bonds will be accompanied by the approving legal opinion of the Texas Attorney General to the effect that the Bonds are valid and legally binding obligations of the Issuer under the laws of the State of Texas, payable from the Trust Estate. Certain legal matters relating to the execution and delivery of the Indenture and the Bond Loan Agreement are subject to the approving opinion of Bracewell LLP, Bond Counsel, which will be furnished at the expense of the Borrower (the “Bond Counsel Opinion”). See “APPENDIX C – PROPOSED FORM OF OPINION OF BOND COUNSEL” hereto. Certain financial advisory services will be provided to the Issuer by Stifel, Nicolaus & Company, Incorporated. Certain legal matters will be passed upon for the Borrower by its counsel, Winthrop & Weinstine, P.A., Minneapolis, Minnesota, and [LOCAL COUNSEL], and for the Underwriter by its counsel, Norris George & Ostrow PLLC, Washington, D.C. Fees and expenses of certain of the above-mentioned counsel are contingent upon the issuance of the Bonds.

Bracewell LLP, whose legal services as Bond Counsel have been retained by the Issuer, will opine on the date of issuance of the Bonds with regard to the excludability of interest on the Bonds from gross income. See “TAX MATTERS” herein. The proposed text of the legal opinion is set forth in APPENDIX C. The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery of the Bonds. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of this Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date.

In rendering its approving 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.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering the legal opinion, the opinion giver does not become an insurer or guarantor of an

expression of professional judgment of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

NO LITIGATION

The Borrower

There is no action, suit, proceeding, inquiry or investigation of which the Borrower has been notified, at law or in equity, before or by any judicial or administrative court or governmental agency or body, state, federal or other, pending or, to the best knowledge of the Borrower, threatened against the Borrower, affecting the existence of the Borrower or the titles of its officers to their respective offices, affecting the transaction contemplated by this Official Statement or the exclusion of interest on the Bonds from the gross income, for federal income tax purposes, of the owners of the Bonds, or contesting or affecting as to the Borrower the validity or enforceability of the Bonds, any document entered into by the Borrower in connection with the transaction contemplated hereby (the “Borrower Documents”) or the execution and delivery or adoption by the Borrower of any Borrower Document, or in any way contesting or challenging the completeness or accuracy of this Official Statement or the powers of the Borrower or its authority with respect to the Borrower Documents or the consummation of the transactions contemplated hereby or thereby; nor, to the best knowledge of the Borrower, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the Borrower’s financial condition or operations or the validity of the authorization, execution, delivery or performance by the Borrower of any Borrower Document.

The Issuer

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

CONTINUING DISCLOSURE

The Borrower will enter into a Continuing Disclosure Agreement, dated as of July 1, 2024 (the “Continuing Disclosure Agreement”), with the Trustee, acting as the Dissemination Agent, obligating the Borrower to send, or cause to be sent, certain financial information with respect to the Project to the Municipal Securities Rulemaking Board annually and to provide notice, or cause notice to be provided, to the Municipal Securities Rulemaking Board, of certain enumerated events for the benefit of the beneficial owners and Holders of any of the Bonds, pursuant to the requirements of Section (b)(5)(i) of Securities Exchange Commission Rule 15c2-12 (the “Rule”). See APPENDIX D - “FORM OF 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 Indenture or Bond Loan Agreement (although Bondholders 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.

The Borrower is a new entity and has not previously been subject to the continuing disclosure requirements of the Rule.

FINANCIAL ADVISOR

Stifel, Nicolaus & Company, Incorporated (the “Financial Advisor”) has served as a financial advisor to the Issuer for purposes of assisting the Issuer with the development and implementation of the bond program in connection with 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.

ENFORCEABILITY OF REMEDIES

The remedies available to the Trustee, the Issuer and the Owners of the Bonds upon an Event of Default under the Bond Loan Agreement, the Regulatory 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, including specifically the Federal Bankruptcy Code, the remedies provided for under the Federal Bankruptcy Code, the Bond Loan Agreement, the Regulatory Agreement or the Indenture may not be readily available or may be limited.

In addition, the Bond Loan Agreement and the Regulatory Agreement both provide that the payment obligations of the Borrower contained in such agreements (other than certain obligations to the Issuer and the Trustee individually and not on behalf of the Owners of the Bonds) will be limited obligations payable solely from the income and assets of the Borrower, and that no member of the Borrower will have any personal liability for the satisfaction of any payment obligation of the Borrower under such agreements or of any claim against the Borrower arising out of such agreements or the Indenture.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State and the United States of America and bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

MISCELLANEOUS

Copies of the Indenture, the Bond Loan Agreement, the Note and the Regulatory Agreement are on file at the office of the Trustee and are available for inspection upon request.

This Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, as a whole or in part, for any other purpose. Any statements in this Official Statement involving matters of opinion, 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 between the Issuer or the Borrower and the purchasers or Holders of any of the Bonds.

The Issuer makes no representations with respect to any information in this Official Statement other than the information under the headings “THE ISSUER” and “NO LITIGATION – The Issuer.”

This Official Statement has been approved by the Issuer and the Borrower for distribution to current Bondholders and potential purchasers of the Bonds.

(Remainder of Page Intentionally Left Blank)

(Signature Page to Official Statement – Gulfway Manor)

GULFWAY HOUSING PARTNERS, LP
a Texas limited partnership

By: Gulfway Housing Management, LLC
a Texas limited liability company,
Its: General Partner

By: Vitus Development III, LLC
a Delaware limited liability company,
Its: Sole Member and Manager

By: _____
Stephen R. Whyte, President

APPENDIX A

DEFINITIONS

“Account” means an account within any Fund created pursuant to the Indenture.

“Act” means Chapter 2306, Texas Government Code, as amended.

“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.

“Authorized Officer” means the Chair or Vice Chair of the Board, the Executive Director of the Issuer, the Director of Financial Administration of the Issuer, the Director of Bond Finance of the Issuer, the Director of Multifamily Bonds of the Issuer, and the Secretary or Assistant Secretary to the Board.

“Board” means the Governing Board of the Issuer.

“Bond” or “Bonds” means the Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (Gulfway Manor) Series 2024 issued, authenticated and delivered under the Indenture.

“Bond Counsel” means nationally recognized bond counsel selected by the Issuer and initially means Bracewell LLP.

“Bond Documents” means, with respect to the Bonds, the Bonds, the Indenture, the Bond Loan Agreement, the Bond Mortgage, the Note, the Bond Purchase Agreement, the Regulatory Agreement, the Continuing Disclosure Agreement, the Tax Exemption Agreement, the Funding Agreement and any and all documents executed in connection with the Bonds.

“Bond Fund” means the Bond Fund created in the Indenture.

“Bond Loan” means the mortgage loan in the principal amount of \$[27,500,000]* made by the Issuer to the Borrower evidenced by the Note, described in the Bond Loan Agreement and made in connection with the issuance of the Bonds.

“Bond Loan Agreement” or “Agreement” means the Loan Agreement, dated as of July 1, 2024, between the Issuer and the Borrower, and any and all amendments or supplements thereto, pursuant to which the Bond Loan is being made to the Borrower.

“Bond Mortgage” means the Subordinate Multifamily Deed of Trust, Security Agreement and Fixture Filing, dated of even date with the Indenture, from the Borrower to [Martha Earley] for the benefit of the Trustee and the Issuer, and as the same may be amended, supplemented or restated.

* Preliminary; subject to change.

“Bond Purchase Agreement” means the Bond Purchase Agreement, dated July __, 2024, among the Issuer, the Borrower and the Underwriter.

“Bond Registrar” has the meaning assigned to it in the Indenture.

“Bondholder” or “Holder of the Bonds” or “Holder” or “Owner of the Bonds” or “Owner” when used with respect to any Bond, means the Person or Persons in whose name such Bond is registered as the owner thereof on the books of the Issuer maintained at the Trust Office of the Trustee for that purpose.

“Book Entry Form” or “Book Entry System” means a form or system, as applicable, under which (i) the ownership of beneficial interests in the Bonds may be transferred only through a book entry and (ii) physical bond certificates in fully registered form are registered only in the name of a Securities Depository or its nominee as holder, with the physical bond certificates “immobilized” in the custody of the Securities Depository.

“Borrower” means Gulfway Housing Partners, LP, a Texas limited partnership, duly organized and existing in the State of Texas, and its successors and assigns.

“Borrower Documents” means the Bond Loan Agreement, the Bond Mortgage, the Note, the Tax Exemption Agreement, the Regulatory Agreement, the Bond Purchase Agreement, the Official Statement, the Continuing Disclosure Agreement and any and all documents, agreements or instruments executed by the Borrower in connection with the Bond Loan evidenced by the Bond Loan Agreement.

“Borrower Obligations” means the obligations of the Borrower under the Bond Loan Agreement, the Note and the other Borrower Documents to (a) pay the principal of, and interest on the Note, when and as the same shall become due and payable (whether at the stated maturity thereof, on any payment date or by acceleration of maturity or otherwise), (b) pay all other amounts required by the Bond Loan Agreement, the Note, and the other Borrower Documents to be paid by the Borrower to the Issuer and the Trustee, as and when the same shall become due and payable, and (c) timely perform, observe and comply with all of the terms, covenants, conditions, stipulations, and agreements, express or implied, which the Borrower is required by the Bond Loan Agreement, the Note, the Regulatory Agreement, and any of the other Borrower Documents, to perform or observe.

“Borrower Representative” means a person at the time designated and authorized to act on behalf of the Borrower by a written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person and signed on behalf of the Borrower by one of its officers, which certificate may designate an alternate or alternates.

“Bridge Lender” means Bridgewater Bank, a Minnesota state banking corporation, and its successors and assigns.

“Bridge Loan” means the equity bridge loan to the Borrower relating to the Project from the Bridge Lender in the maximum principal amount of \$[7,500,000]*

“Business Day” or “business day” means a day, other than a Saturday or Sunday, on which (a) banks located in New York, New York or in the city in which the Trust Office of the Trustee is located,

* Preliminary; subject to change.

are not required or authorized by law or executive order to close for business and (b) the New York Stock Exchange is not closed.

“Capitalized Interest Account” means the Account by that name created in the Bond Fund pursuant to the Indenture.

“Capitalized Interest Deposit” means the deposit of \$[] from Preference Proof Moneys to the Capitalized Interest Account of the Bond Fund on the Closing Date, as provided in the Indenture.

“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, to the satisfaction of the Rating Agency, the sufficiency of (a) the amount on deposit in the Project Fund and the Collateral Fund, (b) projected investment income to accrue on amounts on deposit in the Project Fund and Collateral Fund during the applicable period and (c) any additional Preference Proof Moneys delivered to the Trustee by or on behalf of the Borrower to pay principal of and interest on the Bonds 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 optional redemption of the Bonds, as provided in the Indenture, (iii) the release of Preference Proof Moneys from the Capitalized Interest Account of the Bond Fund, as provided in the Indenture, and (iv) the purchase, sale or exchange of Permitted Investments as provided in the Indenture.

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

“Closing Memorandum” means the closing memorandum prepared by the Underwriter and executed by the Borrower and/or the Issuer in connection with the issuance of the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import enacted after the date of the Indenture, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

“Collateral Fund” means the Collateral Fund created pursuant to the Indenture.

“Construction Draw Date” means the date on which a disbursement from the Project Fund shall be made solely to pay Costs of the Project.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement, dated as of July 1, 2024, between the Borrower and the Dissemination Agent.

“Controlling HUD and GNMA Requirements” means the National Housing Act and any applicable HUD or GNMA regulations, and related HUD or GNMA administrative requirements and prohibitions, including “Program Obligations” as defined in the HUD Regulatory Agreement.

“Costs of Issuance” means all fees, costs and expenses incurred in connection with the issuance of the Bonds and the extension of the Bond Loan that are payable from amounts deposited in the Cost of Issuance Fund.

“Cost of Issuance Deposit” means the deposit to the Cost of Issuance Fund on the Closing Date in the amount designated in the Closing Memorandum, as provided in the Indenture.

“Cost of Issuance Fund” means the Cost of Issuance Fund created pursuant to the Indenture.

“Costs of the Project” with respect to the Project shall be deemed to include all items permitted to be financed under the provisions of the Code and the Act.

“Dissemination Agent” means U.S. Bank Trust Company, National Association, a national banking association and its permitted successors and assigns as Dissemination Agent under the Continuing Disclosure Agreement.

“Dissemination Agent Fee” means the fee payable to U.S. Bank Trust Company, National Association, in its capacity as Dissemination Agent pursuant to the Continuing Disclosure Agreement.

“Documents” means and shall include (without limitation), with respect to the Bonds, the Indenture, the Bond Documents, the Borrower Documents, and any and all other documents which the Issuer, the Borrower or any other party or parties or their representatives, have executed and delivered, or may execute and deliver after the date of the Indenture, to evidence or secure the Bonds and the Borrower Obligations, or any part thereof, or in connection therewith, and any and all supplements thereto.

“Equity Investor” means Raymond James Tax Credit Fund XX L.L.C., a Florida limited liability company, and its permitted successors and assigns in its capacity as the Equity Investor of the Borrower.

“Event of Default” or “Default” means, when used in the Indenture, those events of default or defaults specified therein and, when used in the Bond Loan Agreement, those events of default or defaults specified therein.

“Expense Fund” means the fund by that name created and established pursuant to the Indenture.

“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 exceptions contained in the opinion of Bond Counsel delivered upon the original issuance of the Bonds or other customary exceptions acceptable to the recipient thereof).

“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).

“FHA” means the Federal Housing Administration of HUD or any successor entity and any authorized representatives or agents thereof, including the Secretary of HUD, the Federal Housing Commissioner and their representatives or agents.

“Fund” means any fund created pursuant to the Indenture.

“Funding Agreement” means the Funding Agreement, dated as of July 1, 2024, by and between the Lender and the Borrower, and acknowledged by the Issuer and the Trustee, as amended, supplemented or restated from time to time.

“General Partner” means Gulfway Housing Management, LLC, a Texas limited liability company, as the Borrower’s general partner.

“GNMA” means the Government National Mortgage Association.

“Government Obligations” means non-callable, non-redeemable direct obligations issued by the United States of America including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America, including, when available, SLGS.

“Governmental Authority” means any federal, State or local governmental or quasi-governmental entity, including, without limitation, any agency, department, commission, board, bureau, administration, service, or other instrumentality of any governmental entity.

“Governmental Requirements” means all laws, ordinances, orders, rules or regulations of all Governmental Authorities applicable to the Project, the Issuer, the Borrower or any of the Borrower’s assets or other properties, including without limitation, laws, ordinances, orders, rules and regulations relating to securities or other public disclosures, zoning, licenses, permits, subdivision, building, safety, health, and fire protection and all environmental laws.

“Hazardous Materials” means petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives; flammable materials; radioactive materials; polychlorinated biphenyls (“PCBS”) and compounds containing them; lead and lead based paint; asbestos or asbestos containing materials in any form that is or could become friable; underground or above ground storage tanks, whether empty or containing any substance; any substance the presence of which at the Project is prohibited by any federal, state or local authority; any substance that requires special handling under any Hazardous Materials Law; and any other material or substance now or in the future defined as a “hazardous substance,” “hazardous material,” “hazardous waste,” “toxic substance,” “toxic pollutant,” “contaminant,” or “pollutant” within the meaning of any Hazardous Materials Law, but does not include any such substance that is a customary and ordinary household, cleaning, office, swimming pool or landscape maintenance product used on the Project by the Borrower or any tenant or agent of the Borrower, or customary construction materials used during the course of construction and equipping of the Project by the Borrower or the Contractor, provided such use is in accordance with applicable hazardous material laws.

“Hazardous Materials Law” means all federal, state, and local laws, ordinances and regulations and standards, rules, policies and other governmental requirements, administrative rulings and court judgments and decrees in effect now or in the future and including all amendments, that relate to Hazardous Materials and apply to Borrower or to the Project. Hazardous Materials Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., the Toxic Substance Control Act, 15 U.S.C. Section 2601, et seq., the Clean Water Act, 33 U.S.C. Section 1251, et seq., and the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, and their state analogs, including laws of the State.

“Highest Rating Category” means, with respect to a Permitted Investment, that the Permitted 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 Aaa or Aaa/VMIG-1 if rated by Moody’s or A-1+ or AA+ if rated by S&P.

“HUD” means the U.S. Department of Housing and Urban Development.

“HUD Regulatory Agreement” means the Regulatory Agreement for Multifamily Projects between the Borrower and HUD, as amended or supplemented from time to time.

“Indenture” means the Trust Indenture, dated as of July 1, 2024, between the Issuer and the Trustee, and any and all Supplements thereto, authorizing the issuance of the Bonds.

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

“Interest Payment Date” means each February 1* and August 1*, beginning February 1, 2025*.

“Issuer” means the Texas Department of Housing and Community Affairs, a public and official agency of the State, and its successors and assigns.

“Issuer Documents” means the Bond Loan Agreement, the Indenture, the Regulatory Agreement, the Bond Purchase Agreement, the Tax Exemption Agreement and any and all documents, agreements or instruments executed by the Issuer in connection with the Bond Loan evidenced by the Bond Loan Agreement.

“Issuer Indemnified Party” or “Issuer Indemnified Parties” has the meaning set forth in the Bond Loan Agreement.

“Issuer Administration Fee” means the fee payable annually in advance to the Issuer on each July 1, in the amount of 0.10% per annum of the aggregate principal amount of Bonds Outstanding at the inception of each payment period. On the Closing Date, the Borrower will pay the Issuer Administration Fee for the period from the Closing Date to [June 30, 2026]. The Trustee will remit to the Issuer (upon receipt of an invoice from the Issuer), payable solely from funds provided by the Borrower, all payments of the Issuer Administration Fee due on or after [July 1, 2026].

“Issuer Compliance Fee” means the fee payable annually in advance to the Issuer on each July 1, in the amount of \$25 per Unit (as defined in the Regulatory Agreement) in the Project, for the duration of the State Restrictive Period (as defined in the Regulatory Agreement). The first annual Issuer Compliance Fee shall be paid on the Closing Date. The Trustee will remit to the Issuer (upon receipt of an invoice from the Issuer), solely from funds provided by the Borrower, all payments of the Issuer Compliance Fee due on or after [July 1, 2027]. The Issuer Compliance Fee is for bond compliance only, and an additional fee may be charged for tax credit compliance.

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

“Lender” means Merchants Capital Corp., an Indiana banking corporation, and its successors and assigns.

* Preliminary; subject to change.

“Lender Borrower Note” means the \$[24,710,000]* Note (Multistate), dated as of July 1, 2024, from the Borrower to the Lender to evidence its indebtedness under the Lender Loan and endorsed by HUD.

“Lender Collateral Deposit” shall have the meaning given to such term in the Indenture.

“Lender Loan” means the loan made by the Lender to the Borrower in the original principal amount not to exceed \$[24,710,000]*, as evidenced by the Lender Borrower Note and secured by the Lender Mortgage.

“Lender Loan Documents” means the documents related to the Lender Loan, including the Lender Borrower Note, the Lender Mortgage, the HUD Regulatory Agreement and any and all other documents, agreements, or instruments which evidence or secure the indebtedness evidenced by the Lender Loan.

“Lender Mortgage” means the first-lien priority Multifamily Deed of Trust, Assignment of Leases and Rents and Security Agreement (Texas), dated July 1, 2024, from Borrower for the benefit of the Lender to secure the repayment of the Lender Borrower Note.

“Mandatory Tender Date” means (i) August 1, 2026*, and (ii) if the Bonds are remarketed pursuant to the Indenture for a period that does not extend to the Maturity Date, the day immediately following such period.

“Maturity Date” means August 1, 2028*.

“Maximum Rate” shall mean the lesser of (i) 12% per annum and (ii) the maximum interest rate that may be paid on the Bonds under State law pursuant to Chapter 1204 of the Texas Government Code.

“Moody’s” means Moody’s Ratings, a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer with the approval of the Borrower.

“Note” means the Promissory Note, dated the Closing Date, from the Borrower to the Issuer in substantially the form attached as an exhibit to the Bond Loan Agreement, and any amendments, supplements or modifications thereto, which Note has been assigned by the Issuer to the Trustee.

“Official Statement” means this Official Statement, dated July __, 2024, relating to the Bonds.

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

“Optional Redemption Date” means any date the Bonds are redeemed pursuant to the Indenture.

“Outstanding,” “outstanding” or “Bonds Outstanding” when used with respect to the Bonds means any Bonds theretofore authenticated and delivered under the Indenture, except:

(a) Bonds theretofore canceled by the Trustee or theretofore delivered to the Trustee for cancellation;

* Preliminary; subject to change.

(b) Bonds for the payment of which moneys or obligations shall have been theretofore deposited with the Trustee or other escrow agent in accordance with the Indenture; or

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under the Indenture.

“Organizational Documents” means the Amended and Restated Limited Partnership Agreement, dated as of July 1, 2024, as any of the foregoing may be amended, modified, supplemented or restated from time to time.

“Paying Agent” means the Trustee in its capacity as paying agent for the Bonds.

“Permitted Investments” means (i) Government Obligations, and (ii) 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 Rating Category), 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 consist primarily of Government Obligations. Ratings of Permitted Investments shall be determined at the time of purchase of such Permitted Investments and without regard to ratings subcategories, and the Trustee shall have no responsibility to monitor the ratings of Permitted Investments upon or after the initial purchase of such Permitted Investments.

“Person” shall include an individual, association, unincorporated organization, corporation, partnership, limited liability company, joint venture, or government or agency or political subdivision thereof.

“Plans and Specifications” means the plans and specifications and/or the scope of work for the Project, together with such amendments thereto as are made from time to time in accordance with the Bond Loan Agreement.

“Preference Proof Moneys” means (i) moneys drawn on a letter of credit, (ii) proceeds of the Bonds plus any additional amount paid by the Underwriter to the Trustee in excess of the offering price (or in the case of a remarketing, by the Remarketing Agent in excess of the reoffering price) of the Bonds, (iii) proceeds of a Lender Collateral Deposit, (iv) proceeds of the Bridge Loan deposited with the Trustee on behalf of the Borrower, or (v) moneys in connection with which the Trustee shall have been delivered an opinion of bankruptcy counsel acceptable to it to the effect that the use of such moneys would not be avoidable as a preference under Section 547 of the United States Bankruptcy Code or give rise to a stay under Section 362(a) of the United States Bankruptcy Code. “Preference Proof Moneys” shall also include investment earnings derived from any of the foregoing.

“Project” means the multifamily rental housing development known as Gulfway Manor Apartments, which will consist of approximately 151 apartment units and related facilities located in Nueces County, Texas.

“Project Fund” means the Project Fund created in the Indenture.

“Purchase in Lieu of Redemption Date” means the date set forth in the Indenture.

“Qualified Project Costs” has the meaning assigned to such term in the Tax Exemption Agreement.

“Qualified Project Period” has the meaning assigned 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.

“Rating Category” means one of the rating categories of the Rating Agency for the specific type and duration of the applicable Permitted Investment.

“Rating Confirmation” means a letter of confirmation from the Rating Agency to the effect that the proposed action would not result in a withdrawal, suspension or downgrade of the rating then in effect on the Bonds.

“Rebate Analyst” has the meaning assigned to such term in the Tax Exemption Agreement.

“Rebate Analyst Fee” means the fee payable by the Borrower to the Rebate Analyst upon delivery of its report in accordance with the Tax Exemption Agreement.

“Rebate Fund” means the Rebate Fund created in the Indenture.

“Rebate Requirement” means the amount, if any, which is to be paid to the United States of America pursuant to Section 148(f) of the Code and the Indenture or to reduce the yield on investments to the yield on the Bonds pursuant to Section 148 of the Code.

“Record Date” means the 15th day of the month preceding the date on which interest is due and payable.

“Regulations” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Regulatory Agreement” means the Regulatory and Land Use Restriction Agreement, dated as of July 1, 2024, among the Issuer, the Trustee, and the Borrower, and any and all amendments or supplements thereto.

“Remarketing Agent” means initially Colliers Securities LLC, and any successor Remarketing Agent that may be appointed by the Borrower.

“Remarketing Agreement” means the Remarketing Agreement, dated as of even date with the Indenture, between the Borrower and the Remarketing Agent.

“Remarketing Notice Parties” means the Borrower, the Issuer, the Trustee, the Remarketing Agent, the Equity Investor and the Rating Agency.

“Remarketing Rate” means the interest rate or rates established pursuant to the Indenture and borne by the Bonds then Outstanding from and including a Mandatory Tender Date to but not including the next Mandatory Tender Date or the Maturity Date, as applicable.

“Representation Letter” means the Blanket Letter of Representations from the Issuer to DTC, or any similar Letter of Representations at the time in use by DTC.

“Requisition” means (a) the request signed by the Borrower Representative to make a disbursement from the Project Fund on a Construction Draw Date in the manner provided pursuant to the Indenture or

(b) the request signed by the Borrower Representative to make a disbursement from the Cost of Issuance Fund in the manner provided pursuant to the Indenture.

“Reserved Rights of the Issuer” and “Reserved Rights” 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 Bond Loan Agreement, including the Issuer’s Fees; (c) all rights of the Issuer to receive any Rebate Amount (as defined in the Tax Exemption Agreement) required to be rebated to the United States of America under the Code in connection with the Bonds, as described in the Tax Exemption Agreement; (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, the Bond Loan Agreement, the Regulatory Agreement and the Tax Exemption Agreement; (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 Bond Loan Agreement, the Tax Exemption Agreement and the Regulatory Agreement; (f) any and all rights, remedies and limitations of liability of the Issuer set forth in the Indenture, the Bond Loan Agreement, the Regulatory Agreement, the Tax Exemption Agreement, or the Bond Mortgage, 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 Bond Loan Agreement, the Regulatory Agreement, the Tax Exemption Agreement, the Bond Mortgage or the Note, (4) no liability of the Issuer to third parties, and (5) 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 Bond Loan Agreement, the Regulatory Agreement, the Tax Exemption Agreement, Bond Mortgage and the Note; (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, the Tax Exemption Agreement or the Bond Loan Agreement, and the Issuer’s right to inspect and audit the books, records and permits of the Borrower and the Project; and (i) any and all rights under the Bond Loan Agreement and the Regulatory Agreement required for the Issuer to enforce or to comply with Section 2306.186 of the Texas Government Code.

“Resolution” means the resolution adopted by the Issuer on [June 13, 2024], duly authorizing and directing the issuance, sale and delivery of the Bonds.

“Responsible Officer” means, when used with respect to the Trustee, any vice president, assistant vice president, senior associate, associate or other officer of the Trustee within the Trust Office (or any successor corporate trust office) customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at the Trust Office because of such person’s knowledge of and familiarity with the particular subject and having direct responsibility for the administration of the Indenture.

“Revenues” means, all payments paid or payable to the Trustee in accordance with the Bond Loan Agreement, the Bond Loan and the Note and all investment earnings derived or to be derived on any moneys or investments held by the Trustee under the Indenture, but excluding (a) amounts paid as fees, reimbursement for expenses or for indemnification of any Issuer Indemnified Party and the Trustee, (b) amounts paid to or collected by the Issuer in connection with any Reserved Rights of the Issuer and (c) any Rebate Requirement.

“S&P” means S&P Global Ratings, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer with the approval of the Borrower.

“Securities Depository” means The Depository Trust Company, its successors and assigns, or any other securities depository for the Bonds designated by the Issuer or the Borrower to the Trustee in writing.

“SLGS” means Time Deposit Treasury Securities – State and Local Government Series.

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

“State” means the State of Texas.

“Supplement” or “Supplements” means any and all extensions, renewals, modifications, amendments, supplements and substitutions to the Indenture.

“Tax Exemption Agreement” means the Tax Exemption Certificate and Agreement, dated as of July 1, 2024, among the Issuer, the Borrower and the Trustee, and any and all amendments or supplements thereto.

“Trust Estate” has the meaning given such term in the Granting Clauses of the Indenture.

“Trust Office” means the corporate trust office of the Trustee located at the address set forth in the Indenture or such other office designated by the Trustee from time to time, or such other offices as may be specified in writing to the Issuer by the Trustee.

“Trustee” means U.S. Bank Trust Company, National Association, a national banking association, duly organized and existing under the laws of the United States of America, and authorized to exercise corporate trust powers in the State, and its successor or successors in the trust created by the Indenture.

“Trustee’s Fee” means the ongoing compensation and expenses payable to the Trustee as follows: (a) the acceptance fee of the Trustee of \$[_____] payable on the Closing Date; (b) the annual administration fees and expenses of the Trustee, as Trustee, Registrar, Dissemination Agent and Paying Agent of \$[_____] for the ordinary services of the Trustee rendered under the Indenture during each twelve month period, payable annually in advance beginning on the Closing Date and thereafter on each anniversary of the Closing Date; (c) the reasonable fees and charges of the Trustee for necessary extraordinary services rendered by it and extraordinary expenses incurred by it under the Indenture as and when the same become due, including reasonable counsel fees (including in-house counsel fees and fees prior to litigation, at trial, in insolvency proceedings or for appellate proceedings); provided, further, that the Trustee shall not be required to undertake any such extraordinary services unless provision for payment of extraordinary expenses satisfactory to the Trustee shall have been made; (d) for purposes of the Bond Loan Agreement, indemnification of the Trustee by the Borrower; and (e) the annual Dissemination Agent Fee under the Continuing Disclosure Agreement of \$[_____] payable annually in advance on the Closing Date and thereafter on each anniversary of the Closing Date.

“Trustee Indemnified Party” or “Trustee Indemnified Parties” has the meaning set forth in the Bond Loan Agreement.

“Underwriter” means Colliers Securities LLC.

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APPENDIX B

DOCUMENT SUMMARIES

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The Indenture contains terms and conditions relating to the issuance and sale of Bonds under it, including various covenants and security provisions, certain of which are summarized below. This summary does not purport to be comprehensive or definitive and is subject to all of the provisions of the Indenture to which reference is hereby made, a copy of which is on file with the Trustee. This summary uses various terms defined in the Indenture and such terms as used herein shall have the same meanings as so defined.

Funds and Accounts

The following trust funds are created by the Issuer under the Indenture to be held separately by the Trustee:

- (1) Bond Fund, and within the Bond Fund, a Capitalized Interest Account;
- (2) Project Fund;
- (3) Rebate Fund;
- (4) Expense Fund;
- (5) Collateral Fund; and
- (6) Cost of Issuance Fund.

Bond Fund. On the Closing Date, upon receipt of the Capitalized Interest Deposit, if any, in accordance with the Bond Loan Agreement, the Trustee shall deposit the Capitalized Interest Deposit to the Project Fund, and thereafter transfer or allocate to the Capitalized Interest Account of the Bond Fund the amounts set forth in the Closing Memorandum. All Revenues received by the Trustee, except for funds deposited in the Bond Fund (including the Capitalized Interest Account therein), the Project Fund or the Collateral Fund on the Closing Date and any investment earnings thereon, shall be deposited, first, to the credit of the Expense Fund to the extent any fees, costs, or expenses described under the caption “Expense Fund” below are due and payable, and then to the Bond Fund. In accordance with the Indenture, for so long as the Bonds are outstanding under the Indenture, funds on deposit in the Project Fund, the Collateral Fund or the Bond Fund (including the Capitalized Interest Account therein) shall not be deposited in the Expense Fund or otherwise used to pay fees, costs or expenses described under the caption “Expense Fund” below.

In connection with the issuance of the Bonds, certain moneys may be deposited with the Trustee before the Closing Date pursuant to one or more letters of instruction from the provider or providers of such moneys. Such moneys will be held by the Trustee subject to the terms and conditions of the Indenture in addition to terms provided in such letter(s) of instruction.

The funds on deposit in the Bond Fund shall be used by the Trustee to pay principal of and interest on the Bonds on each date a payment of principal or interest is due to be made, whether by maturity, redemption or scheduled Interest Payment Date.

In the event that amounts on deposit in the Bond Fund on any Interest Payment Date or Mandatory Tender Date or such other Bond payment date are insufficient to make the payment of principal of or interest on the Bonds when due, the Trustee shall transfer funds in the following order to the Bond Fund and use such funds, together with amounts then on deposit in the Bond Fund, to make such payments when due:

- (a) first, from amounts on deposit in the Capitalized Interest Account of the Bond Fund;
- (b) second, from amounts on deposit in the Collateral Fund; and
- (c) third, from amounts on deposit in the Project Fund.

So long as there are any Outstanding Bonds, payments due under the Note and the Bond Loan Agreement shall be deemed made by the Trustee's transfer of funds on each Interest Payment Date from the Capitalized Interest Account of the Bond Fund or from the Collateral Fund to the Bond Fund, in an amount necessary to pay the interest on and principal (if any) of the Bonds.

Promptly following receipt by the Trustee of a Cash Flow Projection provided on behalf of the Borrower, the Trustee is authorized under the Indenture to take the actions and release from the Capitalized Interest Account the amount of Preference Proof Moneys set forth in such Cash Flow Projection to or at the written direction of the Borrower.

Project Fund. The proceeds received by the Trustee for such purpose upon the issuance and sale of the Bonds shall be deposited in the Project Fund in the amount set forth in the Closing Memorandum. Disbursements from the Project Fund shall be made upon the receipt by the Trustee of the following and shall be used solely to pay Costs of the Project incurred in connection with the acquisition and construction of the Project: (1) a request or requests therefor executed by the Borrower, in the form of a Requisition in substantially the form attached to the Indenture, (2) if applicable, a request by the Lender accompanied by its approved FHA draw, and (3) an amount equal to the requested disbursement has been received by the Trustee and deposited to the Collateral Fund in accordance with the Indenture. Together with amounts on deposit in the Project Fund and any other Preference Proof Moneys on deposit in the Capitalized Interest Account of the Bond Fund, amounts on deposit in the Bond Fund and the Collateral Fund, including any investment earnings thereon, shall be sufficient at all times to pay the principal of and interest on the Bonds as and when they become due to the next Mandatory Tender Date or the Maturity Date, as applicable.

Each Lender Loan Requisition shall be made in accordance with the Lender Loan Documents and FHA/HUD requirements. Upon approval of a Requisition by the Lender or the Bridge Lender, as applicable (each an "Approved Advance") and, if required, HUD, the Lender shall, in accordance with the Funding Agreement, deliver to the Trustee an amount equal to the Approved Advance to be held by the Trustee and to be deposited into the Collateral Fund, together with its request for a disbursement from the Project Fund in an amount equal to the Approved Advance, which disbursement shall be used by the Lender to provide for the payment of Costs of the Project. In the event that for any reason the Trustee is not prepared to promptly disburse funds from the Project Fund, the Trustee shall not deposit the amount of the Approved Advance in the Collateral Fund, shall so inform the Lender or the Bridge Lender, as applicable, and the Borrower and shall return such deposit to the originating Lender in accordance with the written instructions of such Lender.

Notwithstanding any provision of the Bond Loan Agreement or the Indenture to the contrary, the Trustee shall not disburse moneys from the Project Fund, other than to pay principal and/or interest payments on the Bonds in accordance with the Indenture, unless and until the Trustee receives satisfactory evidence that a Lender Collateral Deposit or other Preference Proof Moneys in an amount equal to or greater

than the requested disbursement amount has been deposited in the Collateral Fund. Prior to making any disbursement, the Trustee shall verify that upon making the disbursement, the aggregate amount to be held in (i) the Collateral Fund, (ii) the Capitalized Interest Account of the Bond Fund, (iii) the Project Fund and (iv) the Bond Fund, will be sufficient to pay principal of and interest on the Bonds as and when they become due to the next Mandatory Tender Date or the Maturity Date, as applicable. Upon satisfaction of the conditions precedent described under this caption, and notwithstanding anything in the Bond Documents to the contrary, once the Lender or Bridge Lender, as applicable, deposits the Lender Collateral Deposit and upon satisfaction of the conditions described under this caption, the Trustee is irrevocably and unconditionally obligated to disburse an equal amount of moneys from the Project Fund in accordance with approved Requisitions. Upon such disbursement, the Lender Collateral Deposit is irrevocable and constitutes part of the Trust Estate.

All disbursements from the Project Fund will be made to or at the direction of the Lender, or shall be transferred to the Bond Fund.

The Trustee and the Issuer shall not in any event be responsible or liable to any Person for the disbursement of, or failure to disburse, moneys from the Project Fund, or any part thereof, and no contractor, subcontractor or material or equipment supplier shall have any right or claim against the Trustee or the Issuer under the Indenture.

Rebate Fund. The Rebate Fund is created 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 or the Holders of the Bonds. The Rebate Fund is established for the purpose of complying with Section 148 of the Code. The money deposited in the Rebate Fund, together with all investments thereof and investment income therefrom, shall be held in trust and applied solely as provided in the Tax Exemption Agreement. The Rebate Fund is not a portion of the Trust Estate and is not subject to any lien under the Indenture. Notwithstanding the foregoing, with respect to the Rebate Fund the Trustee is afforded all the rights, protections and immunities otherwise accorded to it under the Indenture.

Expense Fund. The Trustee shall deposit amounts received from the Borrower for the purpose of paying Trustee's Fees, the Issuer's Fees, the Rebate Analyst Fee and any other fees and expenses required under the Bond Loan Agreement into the Expense Fund. The Trustee shall pay such amounts to the proper persons on the dates and in the amounts due. Amounts on deposit in the Expense Fund shall be withdrawn or maintained, as appropriate by the Trustee to pay (i) to the Issuer, the Issuer's Fees, (ii) to the Trustee, the Trustee's Fee, (iii) to the Rebate Analyst, the Rebate Analyst Fee, (iv) upon receipt, to the Trustee, any amounts due to the Trustee which have not been paid, other than amounts paid in accordance with clause (ii) above, and (v) upon receipt, to the Issuer, the Issuer's Fees due and unpaid, other than amounts paid in accordance with clause (i) above.

Collateral Fund. Upon receipt of (a) proceeds of the sale of a GNMA security from the Lender, (b) a draw on the Lender's warehouse line of credit or (c) funds otherwise provided by the Lender or the Bridge Lender, as applicable (each, a "Lender Collateral Deposit") or other Preference Proof Moneys, the Trustee shall, in accordance with the Funding Agreement, deposit such amounts to the Collateral Fund. Together with amounts on deposit in the Project Fund and the Bond Fund (including the Capitalized Interest Account therein), amounts on deposit in the Collateral Fund, including any investment earnings thereon, shall be sufficient at all times to pay the principal of and interest on the Bonds to but not including the next Mandatory Tender Date or the Maturity Date, as applicable. On each date on which principal of or interest on the Bonds is due, the Trustee shall transfer a sufficient amount of funds from the Collateral Fund for deposit to the Bond Fund to enable the Trustee to make such payments as and when due.

Cost of Issuance Fund. On or before the Closing Date the Borrower shall deliver the Cost of Issuance Deposit to the Trustee. On the Closing Date, the Trustee shall deposit or transfer, as applicable, the Cost of Issuance Deposit into the Cost of Issuance Fund as designated in the Closing Memorandum.

Except as otherwise described under this caption, the amounts deposited in the Cost of Issuance Fund shall be expended for Costs of Issuance and for no other purpose. The Borrower shall deliver to the Trustee the Requisition in the form attached as an exhibit to the Indenture, executed by the Borrower, specifying in detail the amount that constitutes Costs of Issuance to be paid or reserved to be paid under this caption, the respective firms or persons to whom such payments are to be made, and their respective payment instructions. The Trustee shall make the payments specified therein concurrently with or as soon as may be practicable after the delivery of the Bonds.

Any moneys remaining in the Cost of Issuance Fund twelve (12) months after the Closing Date and not needed to pay still unpaid Costs of Issuance will be returned to the Borrower upon the written instruction to the Trustee from the Borrower, in accordance with the provisions described under the caption "Payment to Borrower of Excess Moneys" below. Upon final disbursement, the Trustee shall close the Cost of Issuance Fund.

Payment to Borrower of Excess Moneys. Subject to the provisions of the Indenture, any amounts remaining in the Cost of Issuance Fund after the payment in full of all Costs of Issuance shall be paid (upon written direction from the Borrower to the Trustee) to the Borrower in accordance with the provisions described under the caption "Cost of Issuance Fund" above, and any amounts remaining in the Collateral Fund or the Bond Fund (except for amounts then held by the Trustee in the Bond Fund for payment of principal of, or interest on, any of the Bonds) after payment in full of the principal of and interest on the Bonds, payment of any and all fees and expenses due in accordance with the Indenture and the Bond Loan Agreement, and payment of all other costs associated with the discharge of the Bonds and receipt of the final rebate arbitrage report and payment of any rebate amount (if any), shall, upon written instruction to the Trustee from the Borrower (with a copy to the Issuer), be paid to the Borrower upon the expiration or sooner termination of the term of the Bond Loan Agreement.

Investment

On the Closing Date, a portion of the moneys on deposit in the Project Fund in the amount, if any, set forth in the Closing Memorandum will be held by the Trustee uninvested until disbursed to the Borrower on the Closing Date in accordance with the Closing Memorandum. The balance of amounts on deposit in the Project Fund after any such disbursement shall be invested as set forth in the following paragraph.

In accordance with the Closing Memorandum, the Trustee has been directed to purchase, on the Closing Date, Permitted Investments maturing on or before the initial Mandatory Tender Date, with respect to the investment of certain amounts on deposit in the Special Funds, the principal and interest of which will be sufficient to pay principal and interest on the Bonds when due to the initial Mandatory Tender Date. All interest earned from the foregoing investments shall be deposited in the Bond Fund. Such funds shall remain on deposit, subject to reallocation pursuant to the Indenture, until the initial Mandatory Tender Date or earlier Optional Redemption Date, on which date they will be withdrawn to make payment on the Bonds. If any investments in the Special Funds must be liquidated prior to the Maturity Date, such investments shall be liquidated under the Indenture. Anything to the contrary contained in the Indenture notwithstanding, earnings received by the Trustee with respect to Permitted Investments purchased under the Indenture shall be invested in money market funds described in clause (ii) of the definition of Permitted Investments.

At no time shall the Borrower direct that any funds constituting Gross Proceeds (as defined in the Tax Exemption Agreement) of the Bonds be used in any manner as would constitute failure of compliance with Section 148 of the Code, all as set forth in the Tax Exemption Agreement. Following the Closing Date, at the written direction of the Borrower, the Trustee is permitted to purchase, sell or exchange Permitted Investments so long as the Trustee has received a Cash Flow Projection.

As long as no Event of Default shall have occurred and be continuing, the Borrower shall have the right to designate the investments to be sold and to otherwise direct the Trustee in writing in the sale or purchase of the investments made with the moneys in the Special Funds, provided that the Trustee shall be entitled to conclusively assume the absence of any such Event of Default unless it has notice thereof; if there has been an Event of Default, the Trustee shall have said right.

Except as otherwise specified in the Indenture, amounts on deposit in the Special Funds shall be invested at all times in Permitted Investments. The investments described in each of the above paragraphs shall be made by the Trustee pursuant to the written direction provided by the Indenture and in accordance with the written direction of the Borrower to be provided on the Closing Date, which shall remain in effect until further written direction is provided by the Borrower. In the absence of investment instructions from the Borrower, the Trustee shall invest the moneys held in the Special Funds in the following investment: [_____].

Amounts, if any, on deposit in the Cost of Issuance Fund, until disbursed or returned to the Borrower pursuant to the provisions described under the caption "Cost of Issuance Fund" above, shall be invested at the direction of the Borrower Representative. The Expense Fund shall be invested at the direction of the Borrower Representative. In the absence of investment instructions from the Borrower, the Trustee shall not be responsible or liable for keeping the moneys held in the Cost of Issuance Fund or the Expense Fund under the Indenture fully invested in Permitted Investments.

Investment of Rebate Fund

Any moneys held as part of the Rebate Fund, and not immediately required for the purposes of the Rebate Fund, shall be invested or reinvested by the Trustee as set forth in the Tax Exemption Agreement.

Discharge of Lien

If and when the Bonds secured by the Indenture shall become due and payable in accordance with their terms as provided in the Indenture, or otherwise, and the whole amount of the principal and the interest so due and payable upon all of the Bonds, together with all other amounts payable under the Indenture by the Issuer and all fees and expenses of the Trustee and the Issuer, shall be paid, or provision shall have been made for the payment of the same, then the right, title and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, upon request of the Borrower, the Trustee shall turn over to the Borrower, so long as there shall have occurred no Event of Default which is uncured and continuing and after receipt of a rebate analyst report and, if necessary, funding for any rebate payment, any surplus in the Collateral Fund and all balances remaining in any other fund created under the Indenture and shall assign and transfer to the Borrower all other property then held by the Trustee under the Indenture and shall execute such documents as may be reasonably required by the Borrower.

If and when the Trustee shall hold sufficient moneys under the Indenture, as verified to the Trustee in writing by an Independent public accounting firm of national reputation or other firm similarly experienced in performing such computations, to provide for payment of the whole amount of the principal and interest due and payable and thereafter to become due and payable upon all the Bonds, together with

all other amounts (exclusive of amounts in the Cost of Issuance Fund, the Rebate Fund or the Expense Fund) payable or which may thereafter become payable under the Indenture by the Issuer, notwithstanding that all the Bonds have not yet become due and payable and that consequently the right, title and interest of the Trustee in and to the Trust Estate shall not have ceased, terminated and become void as described under this caption, the Trustee, on demand of the Borrower, shall deposit with or at the written direction of the Borrower, so long as there shall have occurred no Event of Default which is uncured and continuing, any surplus in the Collateral Fund in excess of the amount sufficient to pay the whole amount of the principal and interest due and payable and thereafter to become due and payable upon all Bonds together with all other amounts payable or which may thereafter become payable under the Indenture by the Issuer or the Borrower.

All Outstanding Bonds shall, prior to the Maturity Date, be deemed to have been paid within the meaning and with the effect described above if (a) there shall have been deposited with the Trustee (as verified to the Trustee in writing by an Independent public accounting firm of national reputation or other firm similarly experienced in performing such computations) either (i) moneys in an amount which shall be sufficient, or (ii) Government Obligations which are not subject to redemption prior to maturity, the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal and interest due and to become due on such Bonds on the maturity date thereof, and (b) the Borrower shall have given the Trustee, in form satisfactory to it irrevocable instructions to give, as soon as practicable, a notice to the Holders of such Bonds and the Rating Agency that the deposit required by (a) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with the provisions described under this caption and stating such maturity upon which moneys are to be available for the payment of the principal and interest on such Bonds.

Neither the securities nor moneys deposited with the Trustee pursuant to the provisions described under this caption nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest, on such Bonds; provided that any cash received from such principal or interest payments on such securities deposited with the Trustee, if not then needed for such purpose, may be reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on such Bonds on and prior to such maturity dates thereof, as the case may be, and interest earned from such reinvestment shall be invested in money market funds described in clause (ii) of the definition of Permitted Investments and be deposited into the Bond Fund.

The release of the obligations of the Issuer described under this caption shall be without prejudice to the right of the Trustee provided in the Indenture to be paid reasonable compensation for all services rendered by it under the Indenture and all its reasonable expenses, charges and other disbursements, including those of its attorneys, agents and employees, and shall not affect the obligations of the Borrower to make the payments required by the Bond Loan Agreement or the Note.

Notwithstanding the foregoing, any provisions of the Indenture which relate to the maturity of Bonds, interest payments and dates thereof, exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, the holding of money in trust, the rebate of money to the United States in accordance with the provisions described under the caption "Rebate Fund" above and the Tax Exemption Agreement, and the rights and duties of the Trustee in connection with all of the foregoing, or which by their terms survive payment and discharge of the Bonds, shall remain in effect and be binding upon the Trustee and the Holders notwithstanding the release and discharge of the Indenture. The provisions described under this caption shall survive the release, discharge and satisfaction of the Indenture.

Notwithstanding anything in the Indenture to the contrary, the purchase of Permitted Investments in accordance with the provisions described under the caption “Investment” above, together with the Capitalized Interest Deposit, shall not cause a discharge of the Indenture as described under this caption.

Events of Default and Acceleration

The following events shall constitute an “Event of Default” under the Indenture:

- (a) any interest on any Bond is not paid on the date on which the same becomes due;
or
- (b) the principal of any Bond is not paid on the date on which the same becomes due, whether at the stated maturity thereof, by acceleration or otherwise; or
- (c) a Default occurs under the Bond Loan Agreement; or
- (d) the Issuer fails to duly and promptly perform, comply with, or observe any covenant, condition, agreement or provision (other than as described in (a) or (b) above) contained in the Bonds or in the Indenture on the part of the Issuer to be performed, and such failure shall continue for a period of ninety (90) days after written notice specifying such failure and requiring the same to be remedied shall have been given to the Issuer and the Borrower by the Trustee, which notice may be given by the Trustee in its discretion and shall be given at the written request of the Holders of not less than 100% in principal amount of the Bonds then Outstanding; provided, however, that if such default be such that it is correctable but cannot be corrected within ninety (90) days, it shall not be an Event of Default if the Issuer or the Borrower is taking appropriate corrective action to cure such failure and if such failure will not impair the security for the Bond Loan or the Bonds.

If any Bond Loan payment required under the Bond Loan Agreement to avoid a default described in (a) or (b) above shall not have been received at the close of business on the last Business Day preceding the day on which payment must be made to avoid a default under such (a) or (b), the Trustee shall use its best efforts to give telephonic notice of such default to the Borrower and the Equity Investor, which telephonic notice shall be confirmed by electronic, telegraphic or written notice to the Borrower and the Equity Investor. If any other default shall occur under the provisions described under this caption, the Trustee shall, within five (5) days after having actual knowledge of such default, use its best efforts to give written notice of such default to the Issuer, the Borrower, the Equity Investor, the Holders of the Bonds and the Rating Agency. A default or an Event of Default described in (a) through (d) above shall occur even though the Trustee fails to give the notice required by this paragraph, the giving of such notice being intended solely to aid in the enforcement of the rights of Bondholders and not in limitation of such rights.

If an Event of Default specified in (a) or (b) above shall occur and be continuing, the Trustee, may, and upon written request of the Holders of a majority in aggregate principal amount of the Bonds then Outstanding shall, declare the principal of all Bonds then Outstanding to be immediately due and payable by notice in writing to that effect delivered to the Issuer, the Borrower, and the Rating Agency, and upon such declaration such principal, together with interest accrued thereon, shall become immediately due and payable at the place of payment provided in such notice, anything in the Indenture or in the Bonds to the contrary notwithstanding.

If an Event of Default specified in (c) or (d) above shall occur and be continuing, the Trustee, upon written request of the Holders of 100% in aggregate principal amount of the Bonds then Outstanding, shall declare the principal of all Bonds then Outstanding to be immediately due and payable by notice in writing

to that effect delivered to the Issuer, the Borrower and the Rating Agency, and upon such declaration such principal, together with interest accrued thereon, shall become immediately due and payable at the place of payment provided in such notice, anything in the Indenture or in the Bonds to the contrary notwithstanding.

Anything in the Indenture to the contrary notwithstanding, the Equity Investor shall have the right, but not the obligation, to cure any default under the Indenture on the same terms provided to the Borrower.

Remedies

Upon the happening of any Event of Default and in addition to and not in limitation of any rights and remedies described under the caption “Events of Default and Acceleration” above, then and in every such case the Trustee in its discretion may, and upon the written request of the Holders of a majority in principal amount of the Bonds then Outstanding and receipt of satisfactory indemnity, shall:

- (a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, and require the Issuer or the Borrower to carry out any agreements with or for the benefit of the Bondholders and to perform its or their duties under the Act and the Documents including, but not limited to, foreclosing upon the security interest in or otherwise using funds on deposit in the Collateral Fund;
- (b) bring suit upon the Bonds; or
- (c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders.

Notwithstanding anything contained in the Indenture 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 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.

No Interference or Impairment of Lender Loan

Notwithstanding anything in the Indenture to the contrary, none of the Issuer, the Trustee nor any other Person shall:

- (a) initiate or take any action which may have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal of, interest on, or other amounts due and payable under, the Lender Loan; or
- (b) interfere with or attempt to interfere with or influence the exercise by the Lender of any of its rights under the Lender Loan, including, without limitation, the Lender remedial rights under the Lender Loan upon the occurrence of an event of default by the Borrower under the Lender Loan.

The foregoing prohibitions and limitations shall not be construed to affect the Reserved Rights of the Issuer or to limit the rights of the Issuer to enforce its rights against the Borrower under the indemnification provisions of the Indenture so long as it does not violate the Program Obligations (as defined in the HUD Regulatory Agreement).

Notwithstanding anything in the Indenture to the contrary, any right of the Issuer or the Trustee to take any action at law or in equity to enforce the obligations, covenants and agreements of the Borrower under the Indenture which includes any claim for indemnification, damages or any other monetary obligation sought to be enforced shall be subject and subordinate in all respects to the repayment in full of all amounts due under the Lender Loan Documents.

No subsequent owner of the Project shall be liable or obligated for the breach or default of any obligation of any prior Borrower unless specifically assumed in writing by a subsequent Borrower, including, but not limited to, any payment or indemnification obligation. Such obligations shall be personal to the Person who was the Borrower at the time the default or breach was alleged to have occurred and such Person shall remain liable for any and all damages occasioned by the default or breach even after such Person ceases to be the Borrower with regards to the Project.

Promptly upon determining that an Event of Default under the Indenture has occurred, the Issuer or the Trustee shall, by notice in writing to the Lender, inform the Lender that such Event of Default has occurred, the nature of such Event of Default and that such Event of Default has been cured or has not been cured, but is curable within a reasonable period of time, or is incurable; notwithstanding the occurrence of such Event of Default, neither the Issuer nor the Trustee shall have, and each of them acknowledge that they shall not have, any right to cause or direct acceleration of the Lender Loan or to foreclose on the Lender Mortgage.

Amendments to Indenture and Bond Loan Agreement Not Requiring Consent of Bondholders

The Issuer and the Trustee may, from time to time and at any time, without the consent of Bondholders, enter into Supplements or other agreements supplemental to the Indenture and the Bond Loan Agreement as follows:

- (1) to specify and determine any matters and things relative to Bonds which shall not materially adversely affect the interest of the Bondholders;
- (2) to cure any formal defect, omission or ambiguity in the Indenture or the Bond Loan Agreement if such action does not materially adversely affect the rights of the Bondholders;
- (3) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred and which are not contrary to or inconsistent with the Indenture as previously in effect;
- (4) to add to the covenants and agreements of the Issuer in the Indenture or the Bond Loan Agreement other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with the Indenture or the Bond Loan Agreement as theretofore in effect;
- (5) to add to the limitations and restrictions in the Indenture or the Bond Loan Agreement, other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with the Indenture or the Bond Loan Agreement as theretofore in effect;
- (6) to confirm, as further assurance, any pledge under and the subjection to any claim, lien or pledge created, or to be created by, the Indenture, of the Revenues or of any other moneys, securities or funds; or

(7) to modify, amend or supplement the Indenture or the Bond Loan Agreement in any respect which, in the judgment of the Trustee, is not materially adverse to the interests of the owners of the Bonds.

Before the Issuer shall enter into any Supplement to the Indenture pursuant to the provisions described under this caption, there shall have been filed with the Trustee an opinion of Bond Counsel to the effect that such Supplement is authorized or permitted by the Indenture and complies with the terms thereof, and that upon adoption such Supplement will be valid and binding upon the Issuer in accordance with its terms. The opinion of Bond Counsel filed with the Trustee shall also include a Favorable Opinion of Bond Counsel.

The Trustee shall send written notice to the Rating Agency, the Borrower and the Equity Investor of any amendment to the Indenture or the Bond Loan Agreement.

Amendments to Indenture Requiring Consent of Bondholders

Subject to the terms and provisions described under this caption and not otherwise, the Holders of at least 66 2/3% in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, to consent to and approve the execution and delivery by the Issuer and the Trustee of any Supplement to the Indenture as shall be deemed necessary or desirable by the Issuer and the Trustee for the purposes of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in the Indenture; provided, however, that, unless approved in writing by the Holders of all of the Bonds then Outstanding, nothing contained in the Indenture shall permit, or be construed as permitting, (i) a change in the terms of maturity of the principal of or the interest on any Outstanding Bond, or a reduction in the principal amount of any Outstanding Bond or the rate of interest thereon, or (ii) the creation of a claim or lien upon, or a pledge or assignment of, the Trust Estate ranking prior to or on a parity with the claim, lien, assignment or pledge created by the Indenture, or the release of the Trust Estate or any part thereof (except to the extent permitted pursuant to the Documents), or (iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (iv) a reduction in the aggregate principal amount of the Bonds required for any action or consent by Bondholders set forth in the Indenture, including (without limitation) that required for consent to such Supplements. The provisions described under this caption shall not limit or otherwise affect the ability of the Issuer to enter into Supplements to the Indenture without the consent of the Bondholders pursuant to the provisions described under the caption “Amendments to Indenture and Bond Loan Agreement Not Requiring Consent of Bondholders” above.

If at any time the Issuer and the Trustee shall determine to enter into any Supplement for any of the purposes described under this caption, the Trustee shall cause written notice of the proposed Supplement to be given to all Holders of the Bonds; provided, however, that failure to give such notice or any defect therein, shall not affect the validity of any proceedings pursuant to the indenture. Such notice shall briefly set forth the nature of the proposed Supplement and shall state that a copy thereof is on file at the Trust Office of the Trustee for inspection by all Bondholders.

No later than 120 days after the date of giving such notice, the Issuer and the Trustee may enter into such Supplement in substantially the form described in such notice only if there shall have first been filed with the Issuer (i) the written consents of Holders of at least 66 2/3% in aggregate principal amount of the Bonds then Outstanding (or 100% if required under the Indenture) and (ii) an opinion of Bond Counsel to the effect that (1) such Supplement is authorized or permitted by the Indenture and complies with the terms thereof, and that upon adoption it will be valid and binding upon the Issuer in accordance with its terms, and (2) the effectiveness of the Supplement will not affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

If the Holders of at least the percentage of Bonds required by the provisions described under this caption shall have consented to and approved the Supplement as provided in the Indenture, no Holder of any Bond shall have any right to object to such Supplement, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety thereof, or to enjoin or restrain the Issuer or the Trustee from entering into the same or from taking any action pursuant to the provisions thereof.

Upon the effectiveness of any Supplement entered into pursuant to the provisions described under this caption, the Indenture shall be, and be deemed to be, modified and amended in accordance with such Supplement, and the respective rights, duties and obligations under the Indenture of the Issuer, the Trustee and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced under the Indenture subject in all respects to such modifications and amendments.

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SUMMARY OF CERTAIN PROVISIONS OF THE BOND LOAN AGREEMENT

The Bond Loan Agreement contains terms and conditions relating to the issuance and sale of the Bonds certain of which are summarized below. This summary does not purport to be comprehensive or definitive and is subject to all of the provisions of the Bond Loan Agreement to which reference is hereby made, copies of which are on file with the Trustee. This summary uses various terms defined in the Bond Loan Agreement and such terms as used herein shall have the same meanings as so defined.

Loan of Proceeds

The Issuer agrees, upon the terms and conditions contained in the Bond Loan Agreement and the Indenture, to lend to the Borrower the proceeds received by the Issuer from the sale of the Bonds. Such proceeds shall, in accordance with the terms of the Indenture, be disbursed to or on behalf of the Borrower from the Project Fund to pay Costs of the Project in the manner consistent with the Tax Exemption Agreement. The Trustee shall make disbursements from the Project Fund as provided in the Indenture, and pursuant to the receipt of a Requisition in substantially the form attached to the Indenture as an exhibit. The Borrower agrees that the moneys transferred by the Trustee from the Project Fund to any reserve fund required by the Disbursement Agreement shall only be disbursed for Qualified Project Costs as permitted by the Tax Exemption Agreement.

Borrower Required to Pay in Event Project Fund Insufficient

In the event the moneys in the Project Fund available for payment of the Costs of the Project are not sufficient to pay the Costs of the Project in full, the Borrower agrees to complete the Project and to pay that portion of the Costs of the Project in excess of the moneys available therefor in the Project Fund. The Issuer does not make any warranty, either express or implied, that the moneys paid into the Project Fund and available for payment of the Costs of the Project will be sufficient to pay all of the Costs of the Project. The Borrower agrees that, if after exhaustion of the moneys in the Project Fund, the Borrower should pay any portion of the Costs of the Project pursuant to the provisions described under this caption, the Borrower shall not be entitled to any reimbursement therefor from the Issuer, the Trustee or the Holders of any of the Bonds, nor shall the Borrower be entitled to any diminution of the amounts payable under the Bond Loan Agreement. Notwithstanding the foregoing, the terms, conditions and covenants described under this caption do not in any way affect the ability of the Issuer to pursue its rights and remedies under the Documents.

Amounts Payable

On or prior to the Closing Date, the Borrower shall have delivered or caused to be delivered the Capitalized Interest Deposit, if any, to the Trustee for deposit to the Capitalized Interest Account of the Bond Fund.

The Borrower covenants and agrees to repay the Bond Loan on or before any date that any payment of interest or principal is required to be made in respect of the Bonds pursuant to the Indenture, until the principal of and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, in immediately available funds, a sum which, together with any other moneys available for such payment in the Capitalized Interest Account of the Bond Fund and the Collateral Fund, will enable the Trustee to pay the amount payable on such date as principal of (whether at maturity or acceleration or otherwise) and interest on the Bonds as provided in the Indenture. Deposits into the Bond Fund for payments by the Trustee of principal and interest on the Bonds from amounts in the Capitalized Interest Account of the Bond Fund or the Collateral Fund shall be credited against the Borrower's obligation to pay principal and interest on the Bond Loan.

It is understood and has been agreed to that all payments of principal and interest payable by the Borrower as described under this caption will be assigned by the Issuer in accordance with the terms of the Indenture to the Trustee for the benefit of the Holders of the Bonds (excluding amounts on deposit in the Rebate Fund and the Expense Fund). The Borrower consents to such assignment.

In the event the Borrower should fail to make any of the payments required under this caption, the item or installment so in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid, and the Borrower agrees to pay the same with interest thereon, to the extent permitted by law, from the date when such payment was due, at the rate of interest borne by the Bonds.

Lender Loan and Bridge Loan to the Borrower

To provide and secure funds for the completion of the Project, and to provide for the delivery of a Lender Collateral Deposit and other Preference Proof Funds, the Borrower shall concurrently with the execution and delivery of the Bond Loan Agreement, (a) obtain the Lender Loan from the Lender and enter into the Lender Mortgage and (b) obtain the Bridge Loan from the Bridge Lender. The Borrower will promptly take all necessary actions on its part to close the Lender Loan and the Bridge Loan to satisfy all other terms and conditions of the Lender Loan and the Bridge Loan and the requirements of the Lender and the Bridge Lender, as applicable.

Pursuant to the terms of the Funding Agreement, the Borrower shall cause the Lender and/or the Bridge Lender, as applicable, to advance funds in an aggregate amount not to exceed \$[27,500,000]* comprising one or more Lender Collateral Deposits or deposits of Bridge Loan proceeds, as applicable, to the Trustee for deposit into the Collateral Fund subject to the provisions described in “APPENDIX B – DOCUMENT SUMMARIES –SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Project Fund.”

Defaults Defined

The following shall be “Defaults” under the Bond Loan Agreement and the term “Default” shall mean, whenever it is used in the Bond Loan Agreement, any one or more of the following events:

(a) failure by the Borrower to pay any amount required to be paid under the Bond Loan Agreement for debt service on the Bonds or certain fees and expenses;

(b) failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed in the Bond Loan Agreement, other than as referred to in clause (a) above or failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed in the Regulatory Agreement, or the Tax Exemption Agreement, for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, will have been given to the Borrower by the Issuer or the Trustee; provided, with respect to any such failure described in this clause (b), no event of default will be deemed to have occurred so long as a course of action adequate to remedy such failure will have been commenced within such sixty (60) day period and will thereafter be diligently prosecuted to completion and the failure will be remedied thereby, as certified to the Issuer and the Trustee by the Borrower;

* Preliminary; subject to change.

(c) the dissolution or liquidation of the Borrower, or the voluntary initiation by the Borrower of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Borrower of any such proceeding which shall remain undismissed for ninety (90) days, or failure by the Borrower to promptly have discharged any execution, garnishment or attachment of such consequence as would impair the ability of the Borrower to carry on its operations at the Project, or assignment by the Borrower for the benefit of creditors, or the entry by the Borrower into an agreement of composition with its creditors or the failure generally by the Borrower to pay its debts as they become due; or

(d) the occurrence and continuance of an Event of Default under the Indenture.

The provisions of clause (b) described under this caption are subject to the following limitation: if by reason of force majeure it is impossible for the Borrower in whole or in part, despite its best efforts, to carry out any of its agreements contained in the Bond Loan Agreement (other than certain obligations relating to the loan of the proceeds of the Bonds set forth in the Bond Loan Agreement), the Borrower shall not be deemed in Default during the continuance of such inability. Such force majeure event does not affect any obligations of the Borrower other than the timing of performance of such obligations. The term “force majeure” as used in the Bond Loan Agreement shall mean, without limitation, the following: acts of God; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or of any of their departments, agencies or officials, or of any civil or military authority; insurrections; riots; terrorism; landslides; earthquakes; fires; storms; droughts; floods; epidemics; pandemics; or explosions; not reasonably within the control of the Borrower. The Borrower agrees, however, to use its best efforts to remedy with all reasonable dispatch the cause or causes preventing the Borrower from carrying out its agreement.

Remedies on Default

A copy of any notice of default provided to Borrower under any of the Borrower Documents shall also be provided to the Equity Investor and the Lender. Whenever any Default as described under the caption “Defaults Defined” above shall have happened and be continuing beyond the expiration of any applicable cure period, the Trustee, or the Issuer (in the event the Trustee fails to act), may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under the Bond Loan Agreement, the Note, the Regulatory Agreement or any other Document in the event of default thereunder. Any amounts collected pursuant to action taken under this caption shall be paid into the Collateral Fund.

No Remedy Exclusive

Subject to the provisions described in “APPENDIX B – DOCUMENT SUMMARIES – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Events of Default and Acceleration,” no remedy in the Bond Loan Agreement conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Bond Loan Agreement or existing at law or in equity as of or after the date of the Bond Loan Agreement. No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power nor shall it be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in the Bond Loan Agreement, it shall not be necessary to give any notice, other than such notice as may be required in the Bond Loan Agreement. Such rights and remedies as are given to the Issuer under the Bond

Loan Agreement shall also extend to the Trustee, and the Trustee and the Holders of the Bonds, subject to the provisions of the Indenture, including, but not limited to the Reserved Rights of the Issuer, shall be entitled to the benefit of all covenants and agreements contained in the Bond Loan Agreement.

No Additional Waiver Implied by One Waiver

In the event any agreement contained in the Bond Loan Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach under the Bond Loan Agreement.

Right to Cure

Notwithstanding anything to the contrary in the Bond Loan Agreement or otherwise in the Borrower Documents, if the Borrower shall, for whatever reason, at any time fail to pay any amount or perform any act which it is obligated to pay or perform under any of the Borrower Documents and, as a result, a default or event of default occurs or may occur thereunder, the Equity Investor shall have the right to perform such act or pay such amount on behalf of the Borrower and thereby cure or prevent such default or event of default, provided such default or event of default is cured within any applicable cure period or grace period provided to the Borrower in the Bond Loan Agreement or otherwise in the Borrower Documents. Any cure of any event of default by the Equity Investor under the Borrower Documents shall be deemed a cure by Borrower thereunder.

No Interference or Impairment of Lender Loan

Notwithstanding anything in the Bond Loan Agreement to the contrary, none of the Issuer, the Trustee nor any other Person shall:

- (a) initiate or take any action which may have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal of, interest on, or other amounts due and payable under, the Lender Loan; or
- (b) interfere with or attempt to interfere with or influence the exercise by the Lender of any of its rights under the Lender Loan, including, without limitation, the Lender remedial rights under the Lender Loan upon the occurrence of an event of default by the Borrower under the Lender Loan.

The foregoing prohibitions and limitations shall not be construed to affect the ability or rights of the Trustee to take any actions permitted under the Indenture or to affect the Reserved Rights of the Issuer or to limit the rights of the Issuer to enforce its rights against the Borrower under the indemnification provisions of the Bond Loan Agreement so long as it does not cause the Borrower to file a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Borrower under any applicable liquidation, insolvency, bankruptcy, rehabilitation, composition, reorganization, conservation or other similar law in effect now or in the future.

Notwithstanding anything in the Bond Loan Agreement to the contrary, any right of the Issuer or the Trustee to take any action at law or in equity to enforce the obligations, covenants and agreements of the Borrower under the Bond Loan Agreement which includes any claim for indemnification, damages or any other monetary obligation sought to be enforced shall be subject and subordinate in all respects to the repayment in full of all amounts due under the Lender Loan Documents.

No subsequent owner of the Project shall be liable or obligated for the breach or default of any obligation of any prior Borrower unless specifically assumed in writing by a subsequent Borrower, including, but not limited to, any payment or indemnification obligation. Such obligations shall be personal to the Person who was the Borrower at the time the default or breach was alleged to have occurred and such Person shall remain liable for any and all damages occasioned by the default or breach even after such Person ceases to be the Borrower with regards to the Project.

Promptly upon determining that an Event of Default under the Bond Loan Agreement has occurred, the Issuer or the Trustee shall, by notice in writing to the Lender, inform the Lender that such Event of Default has occurred, the nature of such Event of Default and that such Event of Default has been cured or has not been cured, but is curable within a reasonable period of time, or is incurable; notwithstanding the occurrence of such Event of Default, neither the Issuer nor the Trustee shall have, and each of them acknowledge that they shall not have, any right to cause or direct acceleration of the Lender Loan or to foreclose on the Lender Mortgage.

No Pecuniary Liability of the Issuer; Issuer May Rely

(a) All obligations of the Issuer incurred under the Bond Loan Agreement, the Regulatory Agreement, the Tax Exemption Agreement and the Indenture shall be limited obligations of the Issuer, payable solely and only from Bond proceeds, Revenues and other amounts derived by the Issuer from the Trust Estate. NO GOVERNING BOARD MEMBER, OFFICER, AGENT, EMPLOYEE, OR ATTORNEY OF THE ISSUER, INCLUDING ANY PERSON EXECUTING THE BOND LOAN AGREEMENT ON BEHALF OF THE ISSUER, SHALL BE LIABLE PERSONALLY UNDER THE BOND LOAN AGREEMENT OR FOR ANY REASON RELATING TO THE ISSUANCE OF THE BONDS. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS, OR FOR ANY CLAIM BASED ON THE BONDS, OR OTHERWISE IN RESPECT OF THE BONDS, OR BASED ON OR IN RESPECT OF THE BOND LOAN AGREEMENT OR ANY AMENDMENT TO THE BOND LOAN AGREEMENT, AGAINST ANY DIRECTOR, OFFICER, AGENT, EMPLOYEE, ATTORNEY OR MEMBER OF THE ISSUER, OR ANY SUCCESSOR WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, ALL SUCH LIABILITY BEING, BY THE ACCEPTANCE OF THE BOND LOAN AGREEMENT AND AS PART OF THE CONSIDERATION FOR THE ISSUE OF THE BONDS, EXPRESSLY WAIVED AND RELEASED.

(b) It is expressly understood and agreed by the parties to the Bond Loan Agreement that:

(i) the Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer by the Trustee, any Bondholder or the Borrower as to the existence of a fact or state of affairs required under the Bond Loan Agreement to be noticed by the Issuer;

(ii) the Issuer shall not be under any obligation to perform any record keeping or to provide any legal service, it being understood that such services shall be performed or caused to be performed by the Borrower or such other appropriate party; and

(iii) none of the provisions of the Bond Loan Agreement shall require the Issuer to expend or risk its own funds (apart from the proceeds of Bonds issued under the Indenture) or otherwise endure financial liability in the performance of any of its duties or in the exercise of any of its rights under the Bond Loan Agreement unless it first shall have been adequately indemnified

to its satisfaction against the costs, expenses and liabilities which may be incurred by taking any such action.

(c) No provision, representation, covenant or agreement contained in the Bond Loan Agreement or in the Indenture, the Bonds, or any obligation therein imposed upon the Issuer, or the breach thereof, shall constitute or give rise to or impose upon the Issuer a pecuniary liability (except to the extent of any loan repayments, revenues and receipts derived by the Issuer pursuant to the Bond Loan Agreement and other moneys held pursuant to the Indenture, other than in the Rebate Fund and the Expense Fund). No provision of the Bond Loan Agreement shall be construed to impose a charge against the general credit of the Issuer, the State or any other political subdivision or public body of the State, or any personal or pecuniary liability upon any director, officer, agent or employee of the Issuer.

(d) All covenants, obligations and agreements of the Issuer contained in the Bond Loan Agreement and the Indenture shall be effective to the extent authorized and permitted by applicable law. No such covenant, obligation or agreement shall be deemed to be a covenant, obligation or agreement of any present or future director, officer, agent or employee of the Issuer in other than his official capacity, and no official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof or by reason of the covenants, obligations or agreements of the Issuer contained in the Bond Loan Agreement or in the Indenture. No provision, covenant or agreement contained in the Bond Loan Agreement, the Indenture or the Bonds, or any obligation therein imposed upon the Issuer, or the breach thereof, shall constitute or give rise to or impose upon the Issuer a pecuniary liability or a charge. No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the Issuer contained in the Bond Loan Agreement or in any Bond or for any claim based on the Bond Loan Agreement or otherwise in respect of the Bond Loan Agreement or upon any obligation, covenant, promise, or agreement of the Issuer contained in any agreement, instrument, or certificate executed in connection with the Project or the issuance and sale of the Bonds, against any member of the governing body of the Issuer, its officers, counsel, financial advisor, or agents, as such, in his or her individual capacity, past, present, or future, or of any successor thereto, whether by virtue of any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that no personal liability whatsoever shall attach to, or be incurred by, any member of the governing board, officers, counsel, financial advisors, or agents, as such, in his or her individual capacity, past, present, or future, of the Issuer or of any successor thereto, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into between the Issuer and the Trustee or the Borrower to be implied therefrom as being supplemental thereto or to the Bond Loan Agreement, and that all personal liability of that character against every such director, officer, counsel, financial advisor, or agent, is, by the execution of the Bonds, the Bond Loan Agreement, and the Indenture, and as a condition of, and as part of the consideration for, the execution of the Bonds, the Bond Loan Agreement, and the Indenture, expressly waived and released.

Amendments, Changes and Modifications

Subsequent to the issuance of the Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), and except as otherwise expressly provided in the Bond Loan Agreement, the Bond Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Trustee, in accordance with the provisions of the Indenture. See “APPENDIX B – DOCUMENT SUMMARIES – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Amendments to Indenture and Bond Loan Agreement Not Requiring Consent of Bondholders” and “Amendments to Indenture Requiring Consent of Bondholders” as provided herein.

SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT

The Regulatory Agreement contains terms and conditions relating to the acquisition, rehabilitation and equipping of the Project in order to preserve the exclusion of interest on the Bonds from gross income under the Code and to ensure compliance with certain provisions of the Act, including various covenants, restrictions and agreements, certain of which are summarized below. This summary does not purport to be comprehensive or definitive and is subject to all of the provisions of the Regulatory Agreement which reference is hereby made, a copy of which is on file with the Trustee. This summary uses various terms defined in the Regulatory Agreement and such terms as used herein shall have the same meanings as so defined.

“Annual Income” means the anticipated annual income of a person (together with the anticipated annual income of all persons that intend to reside with such person in one Unit) calculated pursuant to Section 8 of the Housing Act, as required by section 142(d) of the Code.

“Available Unit” means a Unit (except for any Unit reserved for any resident manager, security personnel or maintenance personnel that is reasonably required for the Project) that has been leased at least once after becoming available for occupancy; provided that (a) a residential unit that is unoccupied on the later of (i) the date the Project is acquired by the Borrower or (ii) the Closing Date is not an “Available Unit” and does not become an “Available Unit” until it has been leased for the first time after such date, and (b) a residential unit that is not available for occupancy due to renovations is not an “Available Unit” and does not become an “Available Unit” until it has been leased for the first time after the renovations are completed.

“Eligible Tenants” means (a) individuals and families of low, very low and extremely low income, (b) families of moderate income (in each case in the foregoing clauses (a) and (b) as such terms are defined by the Issuer under the Act), and (c) Persons with Special Needs, in each case, with an Annual Income not in excess of 140% of the area median income; provided that all Low-Income Tenants are Eligible Tenants.

“Housing Act” means the United States Housing Act of 1937, as amended, or a successor thereto.

“Low-Income Tenant” means a tenant whose Annual Income is 60% or less of the Multifamily Tax Subsidy Program Income Limit, as determined under sections 142(d)(2)(B) and (E) of the Code and in accordance with the Regulatory Agreement. If all the occupants of a Unit are students (as defined for the purposes of section 152(f)(2) of the Code) no one of whom is entitled to file a joint return under Section 6013 of the Code, such occupants will not qualify as Low-Income Tenants unless such students meet the qualifications under section 42(i)(3)(D) of the Code.

“Low Income Unit” means a Unit that is included as a Unit satisfying the requirements of the Set Aside.

“Multifamily Tax Subsidy Program Income Limit” (or successor term) means the income limits provided by HUD pursuant to section 142(d) of the Code.

“Persons with Special Needs” means persons who (a) are considered to be individuals having a disability under State or federal law, (b) are elderly, meaning 62 years of age or more or of an age specified by the applicable federal program, (c) are designated by the governing board of the Issuer as experiencing a unique need for decent, safe housing that is not being met adequately by private enterprise, or (d) are legally responsible for caring for an individual described by clauses (a), (b) or (c) above and meet the income guidelines established by the governing board of the Issuer.

“Project” means the Project Facilities and the Project Site.

“Project Facilities” means the multifamily housing structure and related buildings and other improvements on the Project Site as more fully set forth in the Regulatory Agreement, and all fixtures and other property owned by the Borrower and located on, or used in connection with, such buildings, structures and other improvements constituting the Project.

“Project Site” means the parcel or parcels of real property described in an exhibit to the Regulatory Agreement, and all rights and appurtenances appertaining thereunto.

“Qualified Project Period” means, with respect to the Project, the period beginning on the first day on which 10% of the Units are occupied (which date may be the Closing Date) and ending on the latest of (a) the date that is 15 years after the date on which 50% of the Units are occupied (which date may be the Closing Date), (b) the first day on which no tax-exempt private activity bond (as that phrase is used in Section 142(d)(2) of the Code) issued with respect to the Project is outstanding for federal income tax purposes, or (c) the date on which any assistance provided with respect to the Project under Section 8 of the Housing Act terminates.

“Related Person” has the meaning set forth in Section 144(a)(3) of the Code. A person is a “Related Person” to another person if the relationship between such persons would result in a disallowance of losses under Section 267 or 707(b) of the Code or such persons are members of the same controlled group of corporations (as defined in Section 1563(a) of the Code, except that “more than 50 percent” is substituted for “at least 80 percent” each place it appears therein).

“Security Instrument” means the Multifamily Deed of Trust, Assignment of Leases and Rents and Security Agreement from the Borrower, as the grantor, in favor of Lender, as the beneficiary, as the same may be supplemented, amended or modified.

“Set Aside” means the requirement that at least 40% of the Available Units be occupied or held vacant for occupancy at all times by Low-Income Tenants.

“State Conversion Date” means the date of the first amortization payment on the note relating to the Lender Loan.

“State Reserve Period” means, with respect to the Project, the period beginning on the State Conversion Date and ending on the earliest of the following dates: (a) the date of any involuntary change in ownership of the Project; (b) the date on which the Borrower suffers a total casualty loss with respect to the Project or the date on which the Project becomes functionally obsolete, if the Project cannot be or is not restored; (c) the date on which the Project is demolished; (d) the date on which the Project ceases to be used as multifamily rental property; or (e) the end of the State Restrictive Period.

“State Restrictive Period” means, with respect to the Project, the period beginning on the first day on which the Borrower takes legal possession of the Project and ending on the latest of (a) the date that is 40 years (as a result of the Borrower’s election to extend the affordability period) after the first day of the State Restrictive Period, (b) the first date on which no tax-exempt private activity bond issued with respect to the Project is outstanding for federal income tax purposes, and (c) the date on which any assistance provided with respect to the Project from the federal government terminates.

“Tenant Income Certification” means a certification form available on the Issuer’s website at the time of submission used to certify income and other matters executed by the household members of each Unit in the Project.

“Unit” means a residential accommodation containing separate and complete facilities for living, sleeping, eating, cooking and sanitation located within the Project; provided that, a unit will not fail to be treated as a Unit merely because it is a single-room occupancy unit (within the meaning of section 42 of the Code).

Tax-Exempt Status of the Bonds

The Borrower will not take any action or omit to take any action which, if taken or omitted, respectively, would adversely affect the Federal Tax Status of the Bonds. With the intent not to limit the generality of the foregoing, the Borrower has covenanted and agreed:

(a) That the Project will be owned, managed and operated as a “qualified residential rental project” within the meaning of section 142(d) of the Code, on a continuous basis during the Qualified Project Period. In particular, the Borrower has covenanted and agreed, continuously during the Qualified Project Period, as follows:

(i) that the Project will be comprised of residential Units and facilities functionally related and subordinate thereto;

(ii) that each Unit will contain complete facilities for living, sleeping, eating, cooking and sanitation, e.g., a living area, a sleeping area, bathing and sanitation facilities, and cooking facilities equipped with a cooking range, refrigerator and sink, all of which are separate and distinct from other Units; provided that, a Unit will not fail to meet these requirements merely because it is a single-room occupancy unit (within the meaning of section 42 of the Code);

(iii) that the land and the facilities that are part of the Project will be functionally related and subordinate to the Units comprising the Project and will be of a character and size that is commensurate with the character and size of the Project;

(iv) that at no time will any of the Units be utilized (A) on a transient basis by being leased or rented for a period of less than six months (unless the Unit serves as a single room occupancy unit or transitional housing for the homeless (as described in section 42(i)(3)(B) of the Code), in which case such lease may be on a month-to-month basis) or (B) as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, sanitarium, nursing home, rest home, or trailer park or court used on a transient basis;

(v) that the Project will consist of one or more proximate buildings or structures, together with any functionally related and subordinate facilities containing one or more similarly constructed Units, all of which (A) will be located on a single tract of land or two or more parcels of land that are contiguous except for the interposition of a road, street, stream or similar property or their boundaries meet at one or more points, (B) will be owned by the same person for federal income tax purposes, and (C) will be financed pursuant to a common plan;

(vi) that substantially all of the Project will consist of similarly constructed Units together with functionally related and subordinate facilities for use by Project tenants at no additional charge, such as swimming pools, other recreational facilities, parking areas, and other facilities that are reasonably required for the Project, such as heating and cooling equipment, trash disposal equipment, and Units for resident managers, security personnel or maintenance personnel;

(vii) that at no time will any Unit in any building or structure in the Project that contains fewer than five Units be occupied by the Borrower;

(viii) that each Unit will be rented or available for rental on a continuous basis to Eligible Tenants (subject to the limitations and exceptions contained in the Regulatory Agreement, the Tax Exemption Agreement and the Bond Loan Agreement) at all times during the longer of (A) the remaining term of the Bonds or (B) the Qualified Project Period, that the Borrower will not give preference in renting Units to any particular class or group of persons, other than Persons with Special Needs, Low-Income Tenants and other Eligible Tenants as provided in the Regulatory Agreement, and that at no time will any portion of the Project be exclusively reserved for use by a limited number of nonexempt persons in their trades or businesses;

(ix) that the Project will meet the Set Aside. For the purposes of this clause (a)(ix), a vacant Unit that was most recently occupied by a Low-Income Tenant is treated as rented and occupied by a Low-Income Tenant until reoccupied, at which time the character of such Unit must be redetermined. No tenant qualifying as a Low-Income Tenant will be denied continued occupancy of a Unit because, after the most recent Tenant Income Certification, such tenant's Annual Income increases to exceed the qualifying limit for Low-Income Tenants; provided, however, that, should a Low-Income Tenant's Annual 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 Set Aside, then such tenant will only continue to qualify for so long as no Unit of comparable or smaller size in the same building (within the meaning of section 42 of the Code) is rented to a tenant that does not qualify as a Low-Income Tenant;

(x) that the Borrower will obtain, complete and maintain on file Tenant Income Certifications and supporting documentation from each Low-Income Tenant, including (A) a Tenant Income Certification dated immediately prior to the initial occupancy of such Low-Income Tenant in the Project and (B) thereafter, annual Tenant Income Certifications obtained on or before the anniversary of such Low-Income Tenant's occupancy of the Unit, and in no event less than once every 12-month period following each Low-Income Tenant's occupancy of the Unit; provided that the requirement for annual recertification will not apply for any year in which no Unit in the Project is occupied by a new resident whose income exceeds the applicable income limit. The Borrower will obtain such additional information as may be required in the future 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 promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service as of or after the date of the Regulatory Agreement with respect to obligations that are tax-exempt private activity bonds described in section 142(d) of the Code. The Borrower will make a diligent and good-faith effort to determine that the income information provided by an applicant in a Tenant Income Certification is accurate by taking steps required under section 142(d) of the Code pursuant to provisions of the Housing Act. As part of the verification, the Borrower will document income and assets in accordance with HUD Handbook 4350.3 and the Issuer's Compliance Monitoring Rules;

(xi) that, on or before each March 31, the Borrower will submit to the Secretary of the Treasury, with a copy provided to the Issuer, the completed Internal Revenue Service Form 8703 or such other annual certification required by the Code to be submitted to the

Secretary of the Treasury as to whether the Project continues to meet the requirements of section 142(d) of the Code; and

(xii) that the Borrower will prepare and submit the Unit Status Report in the form available on the Issuer's website at the time of such submission to the Issuer (via the electronic filing system available on the Issuer's website) in accordance with the provisions described in paragraph (e) under the caption "Housing Development During the State Restrictive Period" below.

(b) That the Borrower will maintain complete and accurate records pertaining to the Low Income Units and will permit, at all reasonable times during normal business hours and upon reasonable notice, and subject to the rights of tenants in lawful possession, 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 and photocopy the books and records of the Borrower pertaining to the Project, including those records pertaining to the occupancy of the Low Income Units. The Borrower will retain all records maintained in accordance with the provisions described under this caption until the date that is three years after the end of the Qualified Project Period.

(c) That the Borrower will provide to the Trustee and the Issuer a certificate in the form attached as an exhibit to the Regulatory Agreement certifying (i) within 90 days thereof, the date on which 10% of the Units are occupied; and (ii) within 90 days thereof, the date on which 50% of the Units are occupied.

(d) That the Borrower will prepare and submit to the Issuer and the Trustee, within 60 days prior to the last day of the Qualified Project Period, a certificate setting forth the date on which the Qualified Project Period will end, which certificate must be in recordable form; however, failure to deliver such certificate shall not extend the Qualified Project Period.

Anything in the Regulatory Agreement to the contrary notwithstanding, it is expressly understood and agreed by the parties thereto that the Issuer and the Trustee may rely conclusively on the truth and accuracy of any certificate, opinion, notice, representation or instrument made or provided by the Borrower in order to establish the existence of any fact or statement of affairs solely within the knowledge of the Borrower, and which is required to be noticed, represented or certified by the Borrower under the Regulatory Agreement or in connection with any filings, representations or certifications required to be made by the Borrower in connection with the issuance and delivery of the Bonds.

Housing Development During the State Restrictive Period

The Issuer and the Borrower have recognized and declared their understanding and intent that the Project is to be owned, managed and operated as a "housing development," as such term is defined in Section 2306.004(13) of the Act, and in compliance with applicable restrictions and limitations as provided in the Act and the rules of the Issuer until the expiration of the State Restrictive Period.

To the same end, the Borrower has represented, covenanted and agreed as follows during the State Restrictive Period:

(a) except for Units occupied or reserved for a resident manager, security personnel and maintenance personnel that are reasonably required for the Project, to assure that 100% of the Units are reserved for Eligible Tenants;

(b) to assure that the provisions described in clauses (a)(viii) and (a)(ix) under the caption “Tax-Exempt Status of the Bonds” above continue in full force and effect until the end of the State Restrictive Period;

(c) to obtain a Tenant Income Certification from each tenant in the Project (other than resident managers, security personnel and maintenance personnel) not later than the date of such tenant’s initial occupancy of a Unit in the Project, and, if required as described in clause (a)(x) under the caption “Tax-Exempt Status of the Bonds” above, at least annually thereafter in the manner as described in such clause, and to maintain a file of all such Tenant Income Certifications, together with all supporting documentation, for a period of not less than three years after the end of the State Restrictive Period;

(d) to obtain from each tenant in the Project (other than resident managers, security personnel and maintenance personnel), at the time of execution of the lease pertaining to the Unit occupied by such tenant, a written certification, acknowledgment and acceptance in such form provided by the Issuer to the Borrower from time to time that (i) such lease is subordinate to the Security Instrument, the Bond Mortgage and the Regulatory Agreement, (ii) all statements made in the Tenant Income Certification submitted by such tenant are accurate, (iii) the family income and eligibility requirements of the Regulatory Agreement and the Bond Loan Agreement are substantial and material obligations of tenancy in the Project, (iv) such tenant will comply promptly with all requests for information with respect to such requirements from the Borrower, the Trustee and the Issuer, and (v) failure to provide accurate information in the Tenant Income Certification or refusal to comply with a request for information with respect thereto will constitute a violation of a substantial obligation of the tenancy of such tenant in the Project;

(e) to cause to be prepared and submitted to the Issuer (via the electronic filing system available on the Issuer’s website) by the tenth calendar day of each January, April, July and October or other schedule as determined by the Issuer with written notice to the Borrower, a certified quarterly Unit Status Report in a form available on the Issuer’s website at the time of submission or in such other form as the Issuer may reasonably prescribe in writing to the Borrower with the first quarterly report due on the first quarterly reporting date after leasing activity commences;

(f) to the extent legally permissible and upon reasonable notice to permit any duly authorized representative of the Issuer or the Trustee to inspect the books and records of the Borrower pertaining to the Project or the incomes of Project tenants, including but not limited to tenant files, during regular business hours and to make copies therefrom if so desired and file such reports as are necessary to meet the Issuer’s requirements;

(g) that the Borrower is qualified to be a “housing sponsor” as defined in the Act and will comply with all applicable requirements of the Act, including submitting (via the electronic filing system available on the Issuer’s website) the Annual Owner’s Compliance Report to the Issuer in the form available on the Issuer’s website at the time of submission by April 30 of each year, commencing April 30, 2026;

(h) to provide social services which must meet the minimum point requirement and be chosen from the list of Tenant Supportive Services attached to the Regulatory Agreement as an exhibit in the manner provided in such exhibit, or from any additional supportive services added to the Issuer’s rules at any future date that are of similar value to the service it is intending to replace as agreed to in writing by the Issuer. The Borrower must maintain documentation satisfactory to the Issuer of social services provided and such documentation will be reviewed during monitoring

reviews beginning with the first monitoring review and must be submitted to the Issuer upon request. The Borrower must provide the social services throughout the State Restrictive Period;

(i) to comply with Title 10, Part 1, Chapter 10, Subchapter F of the Texas Administrative Code and other Issuer rules regarding affirmative marketing and written policies and procedures, as such requirements may be amended from time to time;

(j) to maintain the property in compliance with HUD's National Standards for the Physical Inspections of Real Estate and to provide regular maintenance to keep the Project sanitary, safe and decent and to comply with the requirements of section 2306.186 of the Texas Government Code; provided, however, that the Issuer must first provide notice of any default or breach to the Borrower and the Lender, and the Borrower will have 30 days to cure such default or breach;

(k) to renew any available rental subsidies which are sufficient to maintain the economic viability of the Project pursuant to section 2306.185(c) of the Texas Government Code;

(l) the Borrower is not a party to and will not enter into a contract for the Project with, a housing developer that (i) is on the Issuer's debarred list, including any parts of that list that are derived from the debarred list of HUD; (ii) breached a contract with a public agency; or (iii) misrepresented to a subcontractor the extent to which the Borrower has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the Borrower's participation in contracts with the agency and the amount of financial assistance awarded to the Borrower by the agency;

(m) to cooperate fully with the Issuer with respect to its compliance and oversight requirements and to cause the manager of the Project to so comply;

(n) to ensure that Units intended to satisfy the Set Aside in clause (a)(ix) under the caption "Tax-Exempt Status of the Bonds" above and the reservation of Units described in paragraph (a) under this caption will be distributed evenly throughout the Project and will include a reasonably proportionate amount of each type of Unit available in the Project;

(o) to ensure that the Project conforms to the federal Fair Housing Act; and

(p) to pay to the Issuer the Issuer Compliance Fee (as defined in the Indenture).

Persons with Special Needs

The Borrower has represented, covenanted and warranted that during the State Restrictive Period, it will make at least 5% of the Units within the Project available for occupancy by Persons with Special Needs.

Term

The Regulatory Agreement and all and each of the provisions thereof will become effective upon its execution and delivery, will remain in full force and effect for the periods provided in the Regulatory Agreement and, except as otherwise described under this caption, will terminate in its entirety at the end of the State Restrictive Period, it being expressly agreed and understood that the provisions of the Regulatory Agreement are intended to survive the retirement of the Bonds, discharge of the Bond Loan, termination of the Bond Loan Agreement and defeasance or termination of the Indenture; provided, however, that the

provisions related to the Qualified Project Period that are not incorporated into the State Restrictive Period will terminate in their entirety at the end of the Qualified Project Period.

The terms of the Regulatory Agreement to the contrary notwithstanding, the requirements set forth in the Regulatory Agreement will terminate, without the requirement of any consent by the Issuer or the Trustee, and be of no further force and effect in the event of involuntary noncompliance with the provisions of the Regulatory Agreement caused by fire, seizure, requisition, change in a federal or State law or an action of a federal agency after the Closing Date that prevents the Issuer or the Trustee from enforcing the provisions of the Regulatory Agreement, or foreclosure or transfer of title by deed in lieu of foreclosure or other similar involuntary transfer, condemnation or a similar event, but only if, within a reasonable period thereafter, either the Bonds are retired in full or amounts received as a consequence of such event are used to provide a “qualified residential rental project” that meets the requirements of the Code and State law including, but not limited to, certain provisions set forth in the Regulatory Agreement. The provisions of the preceding sentence will cease to apply and the requirements referred to therein will be reinstated if, at any time during the Qualified Project Period, after the termination of such requirements as a result of involuntary noncompliance due to foreclosure, transfer of title by deed in lieu of foreclosure or similar event, the Borrower or any Related Person obtains an ownership interest in the Project for federal income tax purposes or for the purposes of State law.

Notwithstanding any other provision of the Regulatory Agreement, the Regulatory Agreement may be terminated upon agreement by the Issuer, the Trustee and the Borrower upon receipt of a Favorable Opinion of Bond Counsel.

Upon the termination of the terms of the Regulatory Agreement, the parties thereto have agreed to execute, deliver and record appropriate instruments of release and discharge of the terms of the Regulatory Agreement; provided, however, that the execution and delivery of such instruments are not necessary or a prerequisite to the termination of the Regulatory Agreement in accordance with its terms. All costs, including fees and expenses, of the Issuer and the Trustee incurred in connection with the termination of the Regulatory Agreement will be paid by the Borrower and its successors in interest.

Covenants to Run with the Land

The Borrower has subjected the Project (including the Project Site) to the covenants, reservations and restrictions set forth in the Regulatory Agreement. The Issuer, the Trustee and the Borrower have declared that the covenants, reservations and restrictions set forth in the Regulatory Agreement are covenants running with the land and will pass to and be binding upon the Borrower’s successors in title to the Project; provided, however, that upon the termination of the Regulatory Agreement said covenants, reservations and restrictions will expire. Each and every contract, deed or other instrument executed after the date of the Regulatory Agreement covering or conveying the Project or any portion thereof prior to the termination of the Regulatory Agreement will conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

No breach of any of the provisions of the Regulatory Agreement will 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.

HUD Requirements

The information under this caption describes some of the provisions included in the HUD Rider to Restrictive Covenants (the “HUD Rider”) attached as an exhibit to the Regulatory Agreement.

(a) In the event of any conflict between any provision contained elsewhere in the Restrictive Covenants and any provision contained in the HUD Rider, the provision contained in the HUD Rider shall govern and be controlling in all respects as set forth more fully in the HUD Rider.

(b) The following terms shall have the following definitions:

“Code” means the Internal Revenue Code of 1986, as amended.

“HUD” means the United States Department of Housing and Urban Development.

“HUD Regulatory Agreement” means the Regulatory Agreement between Borrower and HUD with respect to the Project, as the same may be supplemented, amended or modified from time to time.

“Lender” means Merchants Capital Corp., an Indiana banking corporation, its successors and assigns.

“Mortgage Loan” means the mortgage loan made by Lender to the Borrower pursuant to the Mortgage Loan Documents with respect to the Project.

“Mortgage Loan Documents” means the Security Instrument, the HUD Regulatory Agreement and all other documents required by HUD or Lender in connection with the Mortgage Loan.

“National Housing Act” means the National Housing Act, 12 USC § 1701 et seq., as amended.

“Program Obligations” has the meaning set forth in the Security Instrument.

“Residual Receipts” has the meaning specified in the HUD Regulatory Agreement.

“Security Instrument” means the mortgage or deed of trust from Borrower in favor of Lender, as the same may be supplemented, amended or modified.

“Surplus Cash” has the meaning specified in the HUD Regulatory Agreement.

(c) Notwithstanding anything in the Restrictive Covenants to the contrary, the provisions thereof are expressly subordinate to (i) the Mortgage Loan Documents, including without limitation, the Security Instrument, and (ii) Program Obligations (the Mortgage Loan Documents and Program Obligations are collectively referred to in the HUD Rider as the “HUD Requirements”). Borrower covenants that it will not take or permit any action that would result in a violation of the Code, HUD Requirements or Restrictive Covenants. In the event of any conflict between the provisions of the Restrictive Covenants and the provisions of the HUD Requirements, HUD shall be and remains entitled to enforce the HUD Requirements. Notwithstanding the foregoing, nothing in the HUD Rider limits Issuer’s ability to enforce the terms of the Restrictive Covenants, provided such terms do not conflict with statutory provisions of the National Housing Act or the regulations related thereto. Borrower represents and warrants that to the best of Borrower’s knowledge the Restrictive Covenants impose no terms or requirements that conflict with the National Housing Act and related regulations.

(d) In the event of foreclosure, the Restrictive Covenants (including without limitation, any and all land use covenants and/or restrictions contained therein) shall terminate, subject to the requirements

of 26 C.F.R. 1.103-8(b)(6)(iii)(b), to the extent applicable, or as otherwise approved by HUD. Upon notification from the Lender or HUD of the foreclosure, and payment of the recording fees, the Issuer will file a release of Restrictive Covenants.

(e) Borrower and Issuer acknowledge that Borrower's failure to comply with the covenants provided in the Restrictive Covenants does not and will not serve as a basis for default under the HUD Requirements, unless a separate default also arises under the HUD Requirements.

(f) Except for Issuer's reporting requirement, in enforcing the Restrictive Covenants Agency will not file any claim against the Project, the Mortgage Loan proceeds, any reserve or deposit required by HUD in connection with the Security Instrument or HUD Regulatory Agreement, or the rents or other income from the property other than a claim against:

- i. Available Surplus Cash, if Borrower is a for-profit entity;
- ii. Available distributions of Surplus Cash and Residual Receipts authorized for release by HUD, if the Borrower is a limited distribution entity; or
- iii. Available Residual Receipts authorized for release by HUD, if Borrower is a non-profit entity.

(g) For so long as the Mortgage Loan is outstanding, Borrower and Issuer shall not further amend the Restrictive Covenants, with the exception of clerical errors or administrative correction of non-substantive matters, without HUD's prior written consent.

(h) Subject to the HUD Regulatory Agreement, Issuer may require Borrower to indemnify and hold Issuer harmless from all loss, cost, damage and expense arising from any claim or proceeding instituted against Issuer relating to the subordination and covenants set forth in the Restrictive Covenants, provided, however, that Borrower's obligation to indemnify and hold Issuer harmless shall be limited to available Surplus Cash and/or Residual Receipts of Borrower.

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PROPOSED FORM OF OPINION OF BOND COUNSEL [TO BE UPDATED]

July , 2024

Ladies and Gentlemen:

The scope of our representation extends solely to an examination of the facts and law incident to rendering an opinion with respect to the legality and validity of the Bonds and the security therefor and with respect to the excludability of interest on the Bonds from gross income for federal income tax purposes. We have not been engaged to review or undertaken the review of the accuracy, completeness or sufficiency of the Official Statement or any other offering material relating to the Bonds, and we express no opinion

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relating thereto (excepting only the matters set forth in our supplemental opinion of Bond Counsel of even date herewith). We have not assumed any responsibility with respect to the financial condition or capability of the Issuer or the Borrower, or the disclosure thereof. We have participated in the preparation of and have examined a transcript of certain materials pertaining to the Bonds, including certain certified proceedings of the Issuer, the State of Texas, the Trustee and the Borrower, and customary certificates, opinions, affidavits and other documents executed by officers, agents and representatives of the Issuer, the State of Texas, the Trustee, the Borrower and others. We also have analyzed such laws, regulations, guidance, documents and other materials as we have deemed necessary to render the opinions herein. We have also examined the Initial Bond registered by the Comptroller.

In providing the opinions set forth herein, we have relied on representations and certifications of the Issuer, the Borrower, the Issuer's financial advisor, Colliers Securities LLC, as underwriter and other parties involved with the issuance of the Bonds with respect to matters solely within the knowledge of the Issuer and such parties, which we have not independently verified. In addition, we have assumed for purposes of this opinion continuing compliance with the covenants in the Indenture, the Loan Agreement, the Regulatory Agreement and the Tax Exemption Agreement, including, but not limited to, covenants relating to the tax-exempt status of the Bonds.

Based on said examination, and subject to the assumptions, qualifications and limitations set forth herein, it is our opinion that, under existing law:

1. The Issuer has duly authorized the issuance, execution and delivery of the Bonds. The Bonds constitute legal, valid and binding special limited obligations of the Issuer and are entitled to the benefit and security of the Indenture.
2. Interest on the Bonds is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except with respect to the interest on any Bond for any period during which such Bond is held by a "substantial user" of the Development or a "related person" of such a "substantial user," as those terms are defined for purposes of Section 147(a) of the Code.
3. Interest on the Bonds is not an item of tax preference includable in alternative minimum taxable income for purposes of determining a taxpayer's alternative minimum tax liability.

Except as stated above, we express no opinion as to the amount of interest on the Bonds or any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or the acquisition, ownership or disposition of, the Bonds. Further, in the event that the representations of the Issuer, the Borrower, or other parties are determined to be inaccurate or incomplete or the Issuer or the Borrower fail to comply with the covenants of the Indenture, the Loan Agreement, the Regulatory Agreement and the Tax Exemption Agreement pertaining to those sections of the Code that affect the tax-exempt status of the Bonds, interest on the Bonds could become includable in gross income for federal income tax purposes from the date of the original delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs.

We express no opinion as to the priority or perfection of the security interest granted by the Issuer in the Trust Estate.

The enforceability of certain provisions of the Bonds may be limited by sovereign immunity, bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors. Furthermore,

availability of equitable remedies under the Bonds may be limited by general principles of equity that permit the exercise of judicial discretion.

Prospective purchasers should be aware that the United States Department of Housing and Urban Development (“HUD”) has required the inclusion of a rider to the Regulatory Agreement (the “HUD Rider”) providing that the provisions of the Regulatory Agreement are subordinate to the Mortgage Loan Documents and the Program Obligations (as defined in the HUD Rider). The HUD Rider also provides that the Regulatory Agreement will terminate in the event of foreclosure of the Development. We express no opinion as to whether any of the covenants and requirements set forth in the Regulatory Agreement conflict with the Mortgage Loan Documents and the Program Obligations. Furthermore, we express no opinion as to the initial and continuing excludability of interest on the Bonds from gross income for federal income tax purposes in the event that (i) the provisions of the HUD Rider preclude compliance with any of the covenants or requirements of the Regulatory Agreement or (ii) the Regulatory Agreement terminates as a result of a foreclosure of the Development.

The opinions set forth above speak only as of their date and only in connection with the Bonds and may not be applied to any other transaction. Such opinions are specifically limited to the laws of the State of Texas and, to the extent applicable, the laws of the United States of America.

Our opinions are based on existing law and our knowledge of facts as of the date hereof and may be affected by certain actions that may be taken or omitted on a later date. We assume no duty to update or supplement our opinions, and this opinion letter may not be relied upon in connection with any changes to the law or facts, or actions taken or omitted, after the date hereof. This letter is delivered to the addressees hereof in connection with the issuance and delivery of the Bonds, and no other party is entitled to rely hereon without our written permission.

Very truly yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) is executed and delivered by Gulfway Housing Partners, LP, a Texas limited partnership (the “Borrower”) and U.S. Bank Trust Company, National Association, as dissemination agent (the “Dissemination Agent”), in connection with the issuance of \$[27,500,000]* Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (Gulfway Manor) Series 2024 (the “Bonds”). The Bonds are being issued under a Trust Indenture dated as of July 1, 2024 (the “Indenture”), between the Texas Department of Housing and Community Affairs (the “Issuer”) and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). The proceeds of the Bonds are being loaned by the Issuer to the Borrower pursuant to a Loan Agreement dated as of July 1, 2024, between the Issuer and the Borrower (the “Bond Loan Agreement”), for the purpose of the acquisition and rehabilitation of a multifamily rental housing development located in Corpus Christi, Texas, known as Gulfway Manor Apartments.

The Borrower and the Dissemination Agent covenant and agree as follows:

1. 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, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report prepared by the Borrower pursuant to, and as described in, Sections 2 and 3 of this Continuing Disclosure Agreement.

“Business Day” shall mean a day on which commercial banks located in Houston, Texas are required or permitted by law to be open for the purpose of conducting a commercial banking business.

“Disclosure Representative” shall mean the authorized representative of the Borrower or his or her designee, or such other person as the Borrower shall designate in writing to the Trustee from time to time.

“Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of a debt obligation or derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; provided, however, the term “financial obligation” excludes municipal securities for which a final official statement has been provided to the MSRB consistent with the Rule.

“Holder” shall mean the registered holder of any Bonds as reflected on the Bonds register maintained in accordance with the Indenture, or any beneficial owner reflected on the books of the registered holder.

“Material Event Filing” shall mean any of the material events listed in Section 4(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, as amended. All documents provided to the MSRB shall be in an electronic format and accompanied by identifying information, as prescribed by the MSRB.

* Preliminary; subject to change.

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.

"Participating Underwriter" shall mean the original underwriter for the Bonds, if any, required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" means the Securities and Exchange Commission.

2. Provision of Annual Reports.

(a) Not later than the one hundred twenty (120) days after the end of the Borrower's fiscal year (currently December 31) except as provided in subsection (e) below, commencing with fiscal year 2024, the Borrower shall provide to the Dissemination Agent, an Annual Report prepared by an independent certified public accounting firm selected by the Borrower, together with sufficient copies of such Annual Report for filing with the MSRB. However, an annual financial statement compiled or reviewed by a licensed certified public accountant may be submitted in lieu of an audited financial statement for the Project prior to the issuance of a certificate of occupancy for any unit in the Project, provided that the subsequent annual audited financial statement shall include all operations since inception. If the Dissemination Agent has not received the Annual Report by such date, the Dissemination Agent shall notify the Borrower in writing by electronic means.

(b) The Dissemination Agent shall, as soon as practical, but in no event later than the fourteenth (14th) Business Day following receipt of an Annual Report, provide such Annual Report to the MSRB.

(c) If an Annual Report is not filed on or before the date required in any year, the Dissemination Agent shall send a notice to the MSRB in substantially the form attached as Exhibit "A".

(d) Following the Dissemination Agent filing an Annual Report with the MSRB, the Dissemination Agent shall provide a written report to the Borrower stating that the Annual Report has been provided to the MSRB pursuant to this Continuing Disclosure Agreement, and stating the date it was provided.

(e) The Borrower shall deliver Annual Reports to the Dissemination Agent at least annually, notwithstanding any fiscal year longer than twelve (12) months. The Borrower shall notify the Dissemination Agent in writing of any change in the Borrower's fiscal year, and the Dissemination Agent shall notify the MSRB of each change in the Borrower's fiscal year.

3. Content of Annual Reports. The Annual Report prepared by Borrower shall contain or incorporate by reference the following:

The certified audited financial statements of the Borrower for the prior fiscal year, including income statement, balance sheet, and cash flows of operations of Gulfway Manor Apartments (the "Project"), prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Financial Accounting Standards Board. The Borrower shall also include in each Annual Report the Project's current occupancy levels, current monthly rental rates and the current expenditures for monthly maintenance, taxes and property insurance.

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 or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Borrower shall clearly identify each such other document so incorporated by reference. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package.

The Dissemination Agent shall have no duty or obligation to review the content of the Annual Report for compliance with this Continuing Disclosure Agreement or the Rule, but shall file the Annual Report in the form it is received by the Dissemination Agent.

4. Reporting of a Material Event Filing.

(a) This Section 4 shall govern the giving of notices of the occurrence of any of the following events (each, a “Material 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) events that may adversely affect the tax exemption of the Bonds, including issuance by the Internal Revenue Service of proposed and final decisions about whether such Bonds can be taxed;
- (vii) Modifications to rights of security holders, if material;
- (viii) Bonds 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 (including those relating to the Bonds, the Borrower, reserve fund surety bonds, providers of guaranteed investment contracts, and other entities directly or indirectly securing payment of the Bonds);
- (xii) bankruptcy, insolvency, receivership, or similar proceeding 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, trustee 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 if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, 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) mergers, consolidations, or acquisitions of the Borrower, the sale of all or substantially all of the assets of the Borrower, or the termination of the Borrower, 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; and

(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.

(b) Whenever the Borrower obtains knowledge of the occurrence of a Material Event, the Borrower shall, within five (5) Business Days of obtaining such knowledge and in any event no more than seven (7) Business Days after the occurrence of such event, determine if such event is required by the Rule to be disclosed and provide the Dissemination Agent with notice and instructions pursuant to subsections (c) or (d) below.

(c) If the Borrower has determined that a Material Event is required to be disclosed, the Borrower shall promptly prepare a written notice describing the Material Event and provide the same to the Dissemination Agent along with instructions to file the same pursuant to subsection (e) below.

(d) If the Borrower determines that a Material Event is not required to be disclosed, the Borrower shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (e).

(e) If the Dissemination Agent has been provided with a written notice describing the Material Event and instructed by the Borrower to report the occurrence of a Material Event, the Dissemination Agent shall, within three (3) 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 Material Event, provided that the Borrower has complied with the notice requirements set forth in subsection (b), file the notice with the MSRB, and send a copy to the Borrower. The foregoing notwithstanding, notice of a Material Event described in subsections (a)(viii) and (ix) 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. The foregoing notwithstanding, the Borrower is solely responsible for instructing the Dissemination Agent to provide notice to the MSRB no more than ten (10) Business Days after the occurrence of a Material Event.

5. Successors. If the Borrower's obligations under the Agreement are assumed in full by some other entity, such entity shall be responsible for compliance with this Continuing Disclosure Agreement in the same manner as if it were the Borrower and the original Borrower shall have no further responsibility hereunder. If the Trustee's obligations under the Indenture are assumed in full by a successor Trustee, such person shall be responsible for compliance with this Continuing Disclosure Agreement in the same manner as if it were the Dissemination Agent and the original Dissemination Agent shall have no further responsibility hereunder.

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 shall agree to any amendment so requested by the Borrower) if in the opinion of counsel expert in federal securities law matters affecting governmental bonds acceptable to the Borrower and the Dissemination Agent, (i) the amendment is 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 the Borrower, or the type of business it conducts, (ii) this Continuing Disclosure Agreement, as amended, would have complied with the Rule at the time the Bonds was issued, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances, and (ii) the amendment does not materially impair the interests of the Holders. A copy of any amendment to this Continuing Disclosure Agreement shall be delivered to the MSRB.

7. Termination. This Continuing Disclosure Agreement may be terminated by any party to this Continuing Disclosure Agreement upon thirty days' written notice of termination delivered to the other party or parties to this Continuing Disclosure Agreement; provided the termination of this Continuing Disclosure Agreement is not effective until (i) the Borrower, or its successor, enters into a new continuing disclosure agreement with a dissemination agent who agrees to continue to provide, to the MSRB and the Holders of the Bonds, all information required to be communicated pursuant to the rules promulgated by the SEC or the MSRB, (ii) a nationally recognized bond counsel or counsel expert in federal securities laws provides an opinion that the new continuing disclosure agreement is in compliance with all applicable state and federal securities laws, and (iii) notice of the termination of this Continuing Disclosure Agreement is provided to the MSRB.

The Dissemination Agent shall be fully discharged at the time any such termination is effective. This Continuing Disclosure Agreement shall terminate (i) automatically upon payment or provisions for payment of the Bonds, or (ii) when all of the Bonds are or are deemed to be no longer outstanding by reason of redemption or legal defeasance or at final maturity.

8. 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 Material 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 Material Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the Borrower shall have no obligation under the Bond Loan Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

9. Default. In the event of a failure of the Borrower or the Dissemination Agent to comply with any provision of this Continuing Disclosure Agreement, the Dissemination Agent may (and at the request of the Holders of at least 25% in aggregate principal amount of the Bonds, shall), or any Holder may, take such action as permitted hereby. A default under this Continuing Disclosure Agreement shall not be deemed an Event of Default under the Indenture or the Bond 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 shall be an action to compel performance. Anything in the Indenture to the contrary notwithstanding, the Dissemination Agent shall not be required to bring any enforcement action unless provision has been made to the satisfaction of the Dissemination Agent for payment of all fees and expenses of the Dissemination Agent and its counsel in connection with such action.

10. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent has entered into this Continuing Disclosure Agreement solely in its capacity as Dissemination Agent under this Continuing Disclosure Agreement and the Indenture. Article XI of the Indenture is hereby made applicable to this Continuing Disclosure Agreement as if this Continuing Disclosure Agreement were contained in the

Indenture. The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement, and the Borrower agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Borrower under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. 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 not be responsible for the Borrower's failure to submit a complete Annual Report and shall not be responsible for the content of any notice or report prepared by the Borrower pursuant to this Continuing Disclosure Agreement. 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 Issuer, the Holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the Borrower's failure to report to the Dissemination Agent a Notice 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 shall have no responsibility to determine the materiality of any Listed Event or potential Listed Event.

Neither the Dissemination Agent nor the Trustee shall have any obligation to make disclosure about the Bonds, the Borrower, or any other matter except as expressly provided herein. The fact that the Dissemination Agent, or any affiliate thereof, may have any fiduciary or banking relationship with the Issuer, the Borrower, any manager of the Project financed with the Bonds or any person with whom the Issuer or the Borrower contracts in connection with such Project, apart from the relationship created by this Continuing Disclosure Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge 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 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).

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.

11. Beneficiaries. This Continuing Disclosure Agreement shall inure solely to the benefit of the Issuer, the Borrower, the Dissemination Agent, the Participating Underwriters, and Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

12. 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.

13. Notice. Any notice or other communication required or permitted to by this Continuing Disclosure Agreement must be in writing unless expressly provided otherwise herein, and to the following addresses or fax numbers (with telephone confirmation using the phone number given), or such other addresses or fax/phone numbers designated in a notice to the other party hereto:

If to the Dissemination Agent: U.S. Bank Trust Company, National Association
111 E. Fillmore Avenue
EP-MN-WS3C
St. Paul, Minnesota 55107-2292

with a copy to: Kutak Rock LLP
60 South Sixth St., Suite 3400
Minneapolis, Minnesota 55402-4513

If to the Borrower: Gulfway Housing Partners, LP
c/o Vitus Group, LLC
1700 Seventh Avenue, Suite 2000
Seattle, Washington 98101

with a copy to: Winthrop & Weinstine, P.A.
225 South Sixth Street, Suite 3500
Minneapolis, MN 55402-4629

14. EMMA Contact Information. If contact information for the Borrower is requested while the Dissemination Agent is using EMMA for matters relating to this Continuing Disclosure Agreement, the Dissemination Agent shall provide the contact information listed for the Borrower included in Section 13 hereof.

(Remainder of Page Intentionally Left Blank)

(Borrower's Signature Page to Continuing Disclosure Agreement)

GULFWAY HOUSING PARTNERS, LP
a Texas limited partnership

By: Gulfway Housing Management, LLC
a Texas limited liability company,
Its: General Partner

By: Vitus Development III, LLC
a Delaware limited liability company,
Its: Sole Member and Manager

By: _____
Stephen R. Whyte, President

(Counterpart Signature Page to Continuing Disclosure Agreement)

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION**, as Dissemination Agent

By: _____
Authorized Officer

EXHIBIT "A"

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Texas Department of Housing and Community Affairs

Name of Issue: \$[27,500,000]*
Multifamily Housing Revenue Bonds
(Gulfway Manor)
Series 2024

Name of Borrower: Gulfway Housing Partners, LP, a Texas limited partnership

Date of Issuance: July __, 2024

NOTICE IS HEREBY GIVEN that the Borrower has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated as of July 1, 2024 between U.S. Bank Trust Company, National Association, and the Borrower. [The Borrower anticipates that the Annual Report will be filed by _____.]

Dated:_____

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION**, as Dissemination Agent

By: _____
Name: _____
Title: _____

cc: Borrower

* Preliminary; subject to change.