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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
JUNIOR LIEN SINGLE FAMILY MORTGAGE REVENUE AND REFUNDING BONDS,
TAXABLE SERIES 2020

BOND PURCHASE AGREEMENT

September __, 2020

Governing Board
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Ladies and Gentlemen:

Jefferies LLC (the “*Underwriter*”) hereby offers to enter into this Bond Purchase Agreement (this “*Purchase Agreement*”) with the Texas Department of Housing and Community Affairs (the “*Issuer*”). Upon execution of this Purchase Agreement by the Underwriter and the Issuer, this Purchase Agreement will be binding upon the Issuer and the Underwriter. This offer is made subject to the execution of this Purchase Agreement by the Issuer and the delivery of three (3) duly executed copies of this Purchase Agreement to the Underwriter, at or prior to 5:00 p.m., Austin, Texas time, on the date hereof unless otherwise agreed to by the Issuer and the Underwriter. Capitalized terms used in this Purchase Agreement and not otherwise defined shall have the meanings given to them in the Official Statement (as hereinafter defined) or the Resolution (as hereinafter defined).

This Purchase Agreement relates to the issuance of the Issuer’s Junior Lien Single Family Mortgage Revenue and Refunding Bonds, Taxable Series 2020 (the “*Bonds*”).

The Issuer acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the Issuer and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of this transaction, the Underwriter is and have been acting solely as principal and is not acting as a municipal advisor (within the meaning of Section 15B of the Securities Exchange Act of 1934, as amended), financial advisor or fiduciary to the Issuer, (iii) the Underwriter has not assumed (individually or collectively) any advisory or fiduciary responsibility in favor of the Issuer with respect to this Purchase Agreement, the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (regardless of whether the Underwriter or any affiliate of the Underwriter has provided other services or are currently providing other services to the Issuer on other matters) and the Underwriter has no obligation to the Issuer with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Agreement, (iv) the Underwriter has financial and other interests that differ

from those of the Issuer and (v) the Issuer has consulted its own legal, accounting, tax, financial and other advisors to the extent it has deemed appropriate.

1. *Purchase Price; Description of the Bonds.* Subject to the terms and conditions and in reliance upon the representations and warranties hereinafter set forth, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriter, all of the Bonds at a purchase price of \$ _____, which represents the public offering price of the Bonds as reflected on page (ii) of the Official Statement (as hereinafter defined). The Bonds shall accrue interest from the date of their initial delivery to the Underwriter and shall mature on the dates and in the amounts and bear interest at the rates as set forth in *Schedule I* hereto.

Upon Closing (as hereinafter defined), the Issuer shall pay underwriting fees and expenses of \$ _____ to the Underwriter with respect to its purchase of the Bonds.

The Bonds shall be as described in, and authorized for issuance pursuant to the provisions of, a resolution adopted by the Governing Board of the Issuer (the "*Governing Board*") on July 23, 2020 (the "*Resolution*"). Pursuant to the Resolution, the Issuer has also authorized the execution and delivery of the Sixth Supplemental Junior Lien Trust Indenture (Series Supplement 2020), dated as of September 1, 2020 (the "*Supplemental Indenture*"), between the Issuer and the Trustee, further supplementing the Junior Lien Trust Indenture dated as of May 1, 1994, as amended and supplemented prior to the date hereof (the "*Indenture*"), between the Issuer and the Trustee. The Indenture and the Supplemental Indenture are referred to herein collectively as the "*Trust Indenture.*" The Bonds shall be subject to redemption as provided in the Trust Indenture and as described in the Official Statement (as hereinafter defined).

2. *Representation of the Underwriter.* The Underwriter is registered as a municipal securities dealer under the Securities Exchange Act of 1934, as amended, and is a member in good standing of the Financial Industry Regulatory Authority and the Municipal Securities Rulemaking Board (the "*MSRB*").

3. *Public Offering.* The Underwriter agrees to make a bona fide public offering of all the Bonds at prices no higher than or yields no lower than the initial offering prices to the public or yields as set forth in *Schedule I* hereto. Subsequent to such initial offering to the public, the Underwriter reserves the right to change the initial offering prices to the public or yields as the Underwriter and the Issuer deem necessary in connection with the marketing of the Bonds. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial offering price to the public or prices set forth in *Schedule I* hereto. It shall be a condition (i) to the obligations of the Issuer to sell and to deliver the Bonds to the Underwriter and (ii) to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds that the entire aggregate principal amount of the Bonds to be sold pursuant to Paragraph 1 hereof shall be sold and delivered by the Issuer and purchased, accepted and paid for by the Underwriter.

4. *Official Statement; Continuing Disclosure.* The Issuer shall deliver to the Underwriter at the sole expense of the Issuer as many copies of the Official Statement dated the date hereof reflecting certain terms relating to the initial offering of the Bonds by the Underwriter,

in substantially the form approved by an Authorized Representative of the Issuer pursuant to the Resolution (the Official Statement, together with all appendices thereto and any supplement or amendment thereto which are approved by the Issuer and the Underwriter pursuant to Paragraph 10 hereof, is referred to herein as the “*Official Statement*”), as will be required to permit the Underwriter to comply with applicable rules of the MSRB and Rule 15c2-12 of the Securities and Exchange Commission (“*Rule 15c2-12*”) and all other rules applicable to them. The Issuer hereby authorizes the use of the Official Statement and the information therein contained by the Underwriter in connection with the public offering and the sale of the Bonds. The Issuer also approves of and ratifies the use by the Underwriter prior to the date hereof of the Preliminary Official Statement dated August __, 2020, as supplemented (the “*Preliminary Official Statement*”). The Issuer hereby represents and warrants that the Preliminary Official Statement was deemed final by the Issuer as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12.

The Issuer shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the Issuer’s acceptance of this Purchase Agreement (but, in any event, not later than within seven (7) business days after the Issuer’s acceptance of this Purchase Agreement and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement which are complete as of the date of delivery to the Underwriter in such quantity as the Underwriter shall request in order for the Underwriter to comply with Section (b)(4) of Rule 15c2-12 and the rules of the Securities and Exchange Commission (the “*SEC*”) and the MSRB.

The Issuer authorizes the Underwriter to file, to the extent required by applicable SEC or MSRB rule, and the Underwriter agrees to file or cause to be filed, the Official Statement with (i) the MSRB or its designee (including submission to the MSRB’s Electronic Municipal Market Access system (“*EMMA*”)) or (ii) other repositories approved from time to time by the SEC (either in addition to or in lieu of the filings referred to above). If an amended Official Statement is prepared in accordance with Paragraph 10 during the Amendment Period (as defined in Paragraph 10 hereof) and if required by applicable SEC or MSRB rule, the Underwriter also shall make the required submission of the amended Official Statement to EMMA.

The Preliminary Official Statement and/or the Official Statement may be delivered in printed and/or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed by the Issuer and the Underwriter. If the Preliminary Official Statement and/or the Official Statement is prepared for distribution in electronic form, the Issuer hereby confirms that it does not object to its distribution in electronic form.

The Issuer has agreed in the Continuing Disclosure Agreement to provide certain annual financial information and operating data, audited financial statements and timely notices of material events and noncompliance in accordance with Rule 15c2-12 as described in the Official Statement under the caption “CONTINUING DISCLOSURE OF INFORMATION.” The Underwriter’s obligations to accept and pay for its purchase of the Bonds is conditioned upon delivery to the Underwriter or its agent of an original executed copy of the Continuing Disclosure Agreement containing the agreements described under such heading.

5. *Delivery of the Bonds.* At 10:00 a.m., Austin, Texas time, on September ___, 2020 or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the Issuer and the Underwriter (the “*Closing Date*”), the Issuer will deliver or cause to be delivered to the Trustee, as agent for The Depository Trust Company, New York, New York (“*DTC*”), for the account the Underwriter, or at such other place as may be designated by the Underwriter, the Bonds in definitive form, duly executed and authenticated, together with the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price thereof as set forth in Paragraph 1 hereof in federal or other immediately available funds to or upon the order of the Issuer or to the Trustee for the account of the Issuer (the “*Closing*”). The Bonds shall be registered in the name of Cede & Co., as nominee and registered owner for DTC. The Bonds and closing documents will be made available for inspection by the Underwriter at the offices of Bracewell LLP, Austin, Texas, or at such other place as may be designated by an Authorized Representative of the Issuer and the Underwriter, at least one (1) business day prior to the Closing.

The Underwriter has delivered to the Issuer its corporate good-faith check payable to the order of the Issuer in the amount of \$_____ (the “*Good-Faith Check*”). In the event the Issuer does not accept this offer, the Good-Faith Check shall be promptly returned to the Underwriter. Upon the Issuer’s acceptance and countersignature of this offer, the Good-Faith Check (a) shall not be cashed or negotiated, but shall be held and retained in safekeeping by the Issuer as security for the performance by the Underwriter of its obligations, subject to the terms and conditions herein set forth, to purchase and accept delivery of the Bonds at the Closing and (b) shall be applied and disposed of by the Issuer solely as provided in this Purchase Agreement.

In the event of the Underwriter’s compliance with such obligation to purchase and accept delivery of the Bonds at the Closing, the Good-Faith Check shall be returned to the Underwriter at the Closing. In the event of the failure by the Issuer to deliver the Bonds at the Closing, or if the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Purchase Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Agreement, the Good-Faith Check shall be returned promptly to the Underwriter. In the event that the Underwriter fails (other than for a reason permitted hereunder), to purchase and accept delivery of the Bonds at the Closing, then the Issuer shall notify the Underwriter of such failure by written notice delivered to the Underwriter as provided in Paragraph 15 hereof. At any time after noon, Austin, Texas time, on the second business day following the date on which the Issuer shall so notify the Underwriter, the Issuer shall become entitled to cash or negotiate the Good-Faith Check, the proceeds thereof shall be retained by the Issuer as and for full liquidated damages for such failure and for any and all defaults on the part of the Underwriter and such proceeds shall constitute a full release and discharge of all claims and damages for such failure and for any and all such defaults with respect the Bonds. The Underwriter and the Issuer understand that in such event the Issuer’s actual damages may be greater or may be less than such amount. Accordingly, the Underwriter hereby waives any right to claim that the Issuer’s actual damages are less than such amount, and the Issuer’s acceptance of this offer shall constitute waiver of any right the Issuer may have to additional damages from the Underwriter. The Underwriter shall not stop payment on the Good-Faith Check.

6. *Issuer’s Representations, Warranties and Covenants.* The Issuer hereby represents, warrants and covenants, as applicable, to the Underwriter that:

(a) *Existence; Power; Authority.* The Issuer is a duly organized and existing public and official agency of the State of Texas (the “State”) organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended (together with other laws of the State of Texas applicable to the Issuer, including Chapter 1207, Texas Government Code, the “Act”), and has full legal right, power and authority to enter into this Purchase Agreement and upon receipt of the approving legal opinion and opinion of the Attorney General of the State of Texas, will have at the Closing full legal right, power and authority to: (i) enter into the Supplemental Indenture, the 2020 Supplement to Depository Agreement (and together with the Amended and Restated Depository Agreement (as defined in the 2020 Supplement to Depository Agreement), the “*Depository Agreement*”) and the Continuing Disclosure Agreement; (ii) adopt the Resolution; (iii) issue, sell and deliver the Bonds to the Underwriter pursuant to the Trust Indenture, as provided herein; (iv) purchase, pledge and assign and thereby convey a beneficial interest in the Trust Estate (as defined in the Trust Indenture), all in the manner described in the Resolution, the Trust Indenture and the Official Statement; (v) use the amounts made available by the issuance of the Bonds for the purpose of providing funds to (A) refund the Issuer’s Series 2018 Issuer Notes, (B) make and acquire second lien mortgage loans to qualifying borrowers in the Issuer’s single family mortgage purchase program in order to provide down payment and closing cost assistance to such borrowers and (C) pay a portion of the costs of issuance of the Bonds; and (vi) carry out, give effect to and consummate all the other transactions on its part contemplated by this Purchase Agreement, the Depository Agreement, the Continuing Disclosure Agreement, the Resolution and the Trust Indenture (collectively hereinafter referred to as the “*Issuer Documents*”) and the Official Statement;

(b) *Compliance With Documents.* The Issuer, at the time of Closing, will be in compliance, in all material respects, with the Issuer Documents and the Act with respect to the Bonds;

(c) *Due Authorization of Documents.* The Issuer has duly and validly adopted the Resolution, has duly authorized and approved the execution and delivery of this Purchase Agreement, the Bonds, the Supplemental Indenture, the Continuing Disclosure Agreement, the 2020 Supplement to Depository Agreement and the Official Statement, and the Issuer has duly authorized and approved the performance by the Issuer of its obligations contained in and the taking of any and all action as may be necessary to carry out, give effect to and consummate the transactions on its part contemplated by each of such documents and the Trust Indenture;

(d) *All Required Actions of Issuer Authorized.* The Issuer has duly authorized all actions on its part necessary to be taken for: (i) the issuance and sale of the Bonds upon the terms set forth herein and in the Official Statement; (ii) the execution and delivery of the Supplemental Indenture, the Continuing Disclosure Agreement, the 2020 Supplement to Depository Agreement and this Purchase Agreement; (iii) the appointment of the Trustee, as trustee, paying agent and bond registrar under the Trust Indenture; (iv) the approval and execution of the Official Statement; and (v) the execution, delivery, receipt and due performance of its obligations under the Bonds, the Supplemental Indenture, the Continuing Disclosure Agreement, the 2020 Supplement to Depository Agreement, this

Purchase Agreement and any and all other agreements and documents as may be required to be executed, delivered and received by it in order to carry out, give effect to and consummate the transactions contemplated hereby and by the Official Statement;

(e) *No Indebtedness of the State.* The issuance of the Bonds and use of the proceeds in the manner described in the Resolution and the Trust Indenture does not constitute an indebtedness or lending of the credit of the State or any governmental agency or political subdivision thereof;

(f) *No Defaults.* The Issuer is not in breach of or in default under any applicable law or administrative rule or regulation of the State, the United States of America or of any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order or any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Issuer is a party or is otherwise subject or bound which in any way, directly and adversely affects the issuance of the Bonds or the validity thereof, the Trust Indenture, the Continuing Disclosure Agreement and this Purchase Agreement; the adoption of the Resolution and the execution and delivery of the Bonds, the Supplemental Indenture, the Continuing Disclosure Agreement, the 2020 Supplement to Depository Agreement, this Purchase Agreement and other instruments contemplated by any of such documents to which the Issuer is a party, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, the United States of America or of any department, division, agency or instrumentality of either thereof, or any applicable court of administrative decree or order or any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Issuer is a party or is otherwise subject or bound;

(g) *All Approvals.* All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or issuer having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Issuer of its obligations under the Trust Indenture, the Depository Agreement, the Continuing Disclosure Agreement, this Purchase Agreement and the Bonds have been obtained and are in full force and effect or are expected to be obtained prior to the Closing;

(h) *Validity of the Bonds.* The Bonds, when issued, delivered, authenticated, to the extent required, and paid for as herein and in the Trust Indenture provided, will have been duly authorized and issued and will (i) constitute valid and binding limited obligations of the Issuer entitled to the benefits of the security of the Trust Indenture, on an equal and ratable basis, and (ii) be enforceable in accordance with their terms, except as such enforceability may be limited by applicable bankruptcy, reorganization, insolvency or other similar laws or equitable principles affecting the enforcement of creditors' rights generally or by general principles of equity which permit the exercise of judicial discretion;

(i) *Accuracy of Information in Official Statement Supplied by Issuer.* The information supplied by and pertaining to the Issuer and contained in the Official Statement relating to the Bonds under the captions "INTRODUCTION," "PLAN OF FINANCE," "THE

SERIES 2020 BONDS,” “SECURITY FOR THE SERIES 2020 BONDS,” “OUTSTANDING OBLIGATIONS, SENIOR LIEN BONDS AND MORTGAGE CERTIFICATES,” “BONDHOLDER RISKS,” “THE DEPARTMENT,” “PROPOSED AMENDMENTS TO JUNIOR LIEN TRUST INDENTURE TO BE EFFECTIVE UPON REQUISITE BONDHOLDER CONSENT,” “CONTINUING DISCLOSURE OF INFORMATION,” “FINANCIAL STATEMENTS,” “LITIGATION MATTERS” and [APPENDICES B-1, B-2, D (but excluding the information contained therein under the subheading “DTC and Book-Entry), E, F, G, H and I] does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(j) *Financial Statements.* Both at the time of execution hereof and at the Closing Date, except as disclosed in the Official Statement, the financial statements described in the Official Statement under the caption “FINANCIAL STATEMENTS” and incorporated by reference therein (the “*Financial Statements*”) and the unaudited interim financial statements for the ___-month period ended _____, 2020 described in the Official Statement under the caption “FINANCIAL STATEMENTS” and incorporated by reference therein, fairly represent, in conformity with generally accepted accounting principles, the financial condition of the Issuer as of the respective dates of such statements and for the respective periods covered, and since _____, 2020, except as disclosed in the Official Statement, there has been no material adverse change in the financial condition or general affairs of the Issuer;

(k) *Accuracy of Preliminary Official Statement, Official Statement.* Nothing has come to the attention of the Issuer which would lead it to believe that (i) the Preliminary Official Statement, at the date thereof and at all times subsequent thereto during the Amendment Period (as defined in Paragraph 10 hereof), contained, contains or will contain any untrue statement of a material fact or omitted, omits or will omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or (ii) that at the time of approval thereof and at all times subsequent thereto during the Amendment Period, the final Official Statement contained, contains or will contain any untrue statement of a material fact or omitted, omits or will omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however,* that the Issuer makes no representation or warranty as to the information contained in or omitted from the Preliminary Official Statement or the final Official Statement under the section entitled “UNDERWRITING” in reliance upon and in conformity with information furnished in writing to the Issuer by the Underwriter specifically for inclusion therein;

(l) *No Required Consents.* No consent, approval, authorization or order of or filing, registration or declaration with, any court or governmental agency or body that is not expected to be obtained by the Closing is required for the issuance, delivery or sale of the Bonds or the consummation of the other transactions affected or contemplated therein or hereby, except for such actions as may be necessary to be taken to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may designate;

(m) *No Litigation.* As of the date hereof, except to the extent, if any, disclosed in the Official Statement, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or public body pending and of which the Issuer has notice or (to the knowledge of the Issuer) threatened against the Issuer: (i) in any way affecting the existence of the Issuer or in any way challenging the powers of the several offices of the officials of the Issuer or the titles of the officials holding those respective offices; (ii) seeking to restrain or enjoin the issuance or delivery of any of the Bonds, or the collection of revenues or assets of the Issuer pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Trust Indenture, the Depository Agreement, the Continuing Disclosure Agreement, this Purchase Agreement and the other Issuer Documents; or (iii) in which a final adverse decision would (A) adversely affect the ability of the Issuer to issue the Bonds or to disburse the proceeds of the Bonds as described in the Official Statement or (B) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part; nor will there be any basis therefor;

(n) *Notification of Untrue Statements.* If, between the date of this Purchase Agreement and the Closing, the Issuer has knowledge of a fact or event which would cause the Official Statement to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer shall notify the Underwriter and, if in the opinion of the Underwriter and the Issuer such event requires an amendment or supplement to the Official Statement, the Issuer will amend or supplement the Official Statement in a form and in a manner approved by an Authorized Representative of the Issuer and the Underwriter;

(o) *Application of Proceeds.* The Issuer will direct the Trustee to apply the proceeds of the Bonds in accordance with the Resolution and the Trust Indenture;

(p) *Valid Pledge of Revenues and Other Moneys.* Upon execution and delivery of the Supplemental Indenture, the Trust Indenture will create a valid pledge of (i) the Revenues (as defined in the Trust Indenture) and the income therefrom and (ii) all other money, securities and property held under the Trust Indenture, subject in all cases to the provisions of the Trust Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein;

(q) *Authorized Representative of Issuer.* Any certificate signed by an Authorized Representative of the Issuer, and delivered by the Issuer to the Underwriter shall be deemed a representation and warranty by the Issuer to the Underwriter as to the statements made therein;

(r) *Prohibition on Other Obligations.* Between the date of this Purchase Agreement and the Closing, the Issuer will not, without the prior written consent of the Underwriter, issue any bonds, notes or other obligations for borrowed money secured in whole or in part by all or any portion of the Trust Estate, and, subsequent to the respective dates as of which information is given in the Official Statement up to and including the Closing Date, the Issuer has not incurred and will not incur any material liabilities, direct

or contingent, secured in whole or in part by all or any portion of the Trust Estate, except as contemplated by the Official Statement or as approved by the Underwriter;

(s) *Prohibition on Future Action.* The Issuer will not take any action after the date hereof which would cause the Bonds not to conform in all material respects to the description thereof contained in the Official Statement;

(t) *Issuer's Cooperation.* The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order to (i) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; *provided, however,* that nothing herein contained shall require the Issuer to execute a special or general consent to the service of process in any jurisdiction other than Texas;

(u) *Compliance with Rule 15c2-12.* During the previous five (5) years, the Issuer has not failed to comply in any material respects with its previous undertakings required pursuant to Rule 15c2-12; and

(v) *Certificates of Interested Parties.* The Issuer acknowledges receipt from the Underwriter of (i) a completed and executed Form 1295 submitted to the Issuer pursuant to the provisions of Section 2252.908, Texas Government Code (collectively, the "*Certificates of Interested Parties*") and has notified the Texas Ethics Commission, in the electronic format prescribed by the Texas Ethics Commission, of the receipt of the Certificates of Interested Parties in accordance with the provisions of Section 2252.908, Texas Government Code or (ii) evidence satisfactory to the Issuer regarding the Underwriter's exemption from the requirements of Section 2252.908, Texas Government Code.

7. *Certain Conditions to the Underwriter's Obligations.* The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the Issuer contained herein, and the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the Closing Date; *provided, however,* that the Underwriter acknowledges and agrees that neither the Issuer nor its consultants have the ability to verify the information included in the Certificates of Interested Parties, if any (other than the contract identification number and description provided by the Issuer) or the basis for an exemption from the requirements of Section 2252.908, Texas Government Code asserted by the Underwriter, and neither the Issuer nor its consultants have an obligation, nor have undertaken any responsibility for advising the Underwriter with respect to the proper completion of the Certificates of Interested Parties (other than the contract identification number and description provided by the Issuer) or the availability of an exemption from the requirements of Section 2252.908, Texas Government Code.

The Underwriter's obligations under this Purchase Agreement are and shall be subject to the following further conditions as of the Closing Date:

(a) *Accuracy of Issuer's Representations and Warranties.* The representations and warranties of the Issuer contained herein shall be true, complete and correct on the date hereof and on and as of the Closing Date, as if made on and as of the Closing Date; the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete and correct in all material respects on and as of the Closing Date; and the Issuer shall be in compliance in all material respects with each of the agreements made by it in this Purchase Agreement.

(b) *Performance of Obligations.* At the time of the Closing, (i) the Official Statement, the Trust Indenture, the Depository Agreement, the Continuing Disclosure Agreement, this Purchase Agreement and the other Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to by the Underwriter; (ii) the proceeds of the sale of the Bonds shall be applied as required by the Trust Indenture and as described in the Official Statement; (iii) all actions which, in the opinion of Bracewell LLP, bond counsel ("*Bond Counsel*"), shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iv) the Issuer shall perform or have performed all of its obligations required under or specified in the Trust Indenture, the Depository Agreement, the Continuing Disclosure Agreement, this Purchase Agreement, the other Issuer Documents and the Official Statement to be performed at or prior to the Closing.

(c) *Documents To Be Received by the Underwriter.* At or prior to the Closing, the Issuer shall have performed all of its obligations required under or specified in this Purchase Agreement, the Official Statement and under the Indenture to be performed at or prior to the Closing, and Underwriter shall receive each of the following documents:

(i) *Issuer Documents.* The Indenture, including the Supplemental Indenture, each fully executed, with such modifications or supplements as may have been agreed to by the Underwriter, the Official Statement approved by the Issuer and fully executed copies of the other Issuer Documents;

(ii) *Bond Counsel's Opinion.* The unqualified approving opinion of Bond Counsel, dated the Closing Date, substantially in the form included as *Appendix C* to the Official Statement;

(iii) *Supplemental Bond Counsel's Opinion.* The supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Issuer, the Trustee and the Underwriter, substantially in the form attached hereto as *Exhibit A*;

(iv) *Opinion of Counsel to the Issuer.* An opinion of general counsel to the Issuer, substantially in the form attached hereto as *Exhibit B*;

(v) *Opinion of Disclosure Counsel.* The opinion of the Issuer's disclosure counsel, McCall, Parkhurst & Horton L.L.P. ("*Disclosure Counsel*"), substantially in the form attached hereto as *Exhibit C*, together with a reliance letter addressed to the Underwriter, to the effect that such opinion addressed to the Issuer

may be relied upon by the Underwriter to the same extent as if such opinion was addressed to them.

(vi) *Opinion of Trustee's Counsel.* An opinion of counsel to the Trustee, dated the Closing Date and addressed to the Issuer, Bond Counsel, and the Underwriter, to the effect that:

A. the Trustee is a national banking association formed under the laws of the United States and is authorized thereunder to transact the business of banking and exercise of fiduciary powers;

B. the Trustee has full right, power, and authority to enter into the Indenture, the Supplemental Indenture, the Continuing Disclosure Agreement and the 2020 Supplement to Depository Agreement and to perform its obligations under, and to carry out and consummate all of the transactions involving the Trustee contemplated by the Trust Indenture, the Continuing Disclosure Agreement and the Depository Agreement; and

C. the Indenture, the Supplemental Indenture, the Continuing Disclosure Agreement and the 2020 Supplement to Depository Agreement have been duly authorized, executed and delivered by the Trustee and constitute, valid, legal and binding obligations of the Trustee, enforceable in accordance with their respective terms except (a) as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws affecting the enforcement of creditors' rights generally, (b) as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered a proceeding at law or in equity), (c) as the exculpation provisions and rights to indemnification thereunder may be limited by federal and state securities laws and public policy considerations and (d) as the waiver of rights and defenses contained in the Supplemental Indenture, the Continuing Disclosure Agreement and the 2020 Supplement to Depository Agreement may be limited by applicable law;

(vii) *Opinion of Underwriter's Counsel.* The (A) opinion of Chapman and Cutler LLP, counsel to the Underwriter ("*Underwriter's Counsel*"), dated the Closing Date, and addressed to the Underwriter, to the effect that (i) under existing law, the Bonds may be offered and sold without registration under the Securities Act of 1933, as amended, (ii) the Trust Indenture is not required to be qualified under the Trust Indenture Act of 1939, as amended and (iii) the agreement of the Issuer contained in the Continuing Disclosure Agreement provides a reasonable basis for the Underwriter to conclude that the Continuing Disclosure Agreement satisfies the requirements of Rule 15c2-12, as amended, and (B) negative assurances letter of Underwriter's Counsel, dated the Closing Date, and addressed to the Underwriter, to the effect that Underwriter's Counsel has no reason to believe that on the Closing Date the Official Statement contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the

statements therein, in the light of the circumstances under which they were made, not misleading (in each case, except for the financial statements or other financial, forecast, technical, operating, statistical, demographic or accounting statements and data contained therein and the information concerning The Depository Trust Company and its book-entry only system included therein, as to which no view is expressed);

(viii) *Issuer's Closing Certificate.* A certificate, dated the Closing Date, signed by the Chair or Vice Chair of the Governing Board or other Authorized Representative named as such in the Resolution, in form and substance reasonably satisfactory to the Underwriter, Underwriter's Counsel and Bond Counsel, to the effect that (i) the representations and warranties of the Issuer contained herein are true, complete and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (ii) the Indenture, the Supplemental Indenture, the Continuing Disclosure Agreement, the 2020 Supplement to Depository Agreement, this Purchase Agreement and the other Issuer Documents have been entered into or properly adopted and are in full force and effect and constitute valid and binding obligations of the Issuer; (iii) no litigation is pending or, to his or her knowledge, threatened (A) to restrain or enjoin the issuance, sale or delivery of any of the Bonds or the payment, collection or application of the proceeds thereof or of the Revenues and other money and securities pledged or to be pledged under the Trust Indenture, (B) in any way contesting or affecting the authority for or the validity of the Bonds or the validity of the Trust Indenture, the Continuing Disclosure Agreement, the 2020 Supplement to Depository Agreement, this Purchase Agreement or the other Issuer Documents, (C) in any way contesting the existence or powers of the Issuer to carry out the transactions contemplated by this Purchase Agreement or (D) contesting in any way the completeness or accuracy of the Official Statement; (iv) the Official Statement (including the financial statements and other financial and statistical data included therein) does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements and information therein, in light of the circumstances under which they were made, not misleading; (v) no event affecting the Issuer has occurred since the date of the Official Statement which should be disclosed in the Official Statement so that it does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and (vi) the Issuer has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing;

(ix) *Attorney General's Opinion.* The approving opinion (or opinions) of the Attorney General of the State of Texas with an executed registration certificate (or certificates) from the Comptroller of Public Accounts of the State of Texas attached thereto in respect of the Bonds;

(x) *Bond Review Board Approval.* A certificate or other appropriate documentation evidencing approval of the Bonds by the Bond Review Board of the State;

(xi) *Rating Letters.* Proof of receipt of ratings on the Bonds of at least [“____” from Moody’s Investors Service, Inc.] [and “____” from S&P Global Ratings, Inc.];

(xii) *Trustee’s Certificate.* A certificate, dated the Closing Date, signed by an authorized officer of the Trustee, in form and substance satisfactory to the Underwriter, Underwriter’s Counsel and Bond Counsel, to the effect that (i) the Trustee is a national banking association formed under the laws of the United States and is authorized thereunder to transact the business of banking and exercise of fiduciary powers, as described in the Trustee Documents (as hereinafter defined), (ii) the Trustee has duly authorized, executed and delivered the Supplemental Indenture, the 2020 Supplement to Depository Agreement and the Continuing Disclosure Agreement (collectively, the “*Trustee Documents*”) in multiple counterparts and, if required by a particular document, attested and affixed the corporate seal of the Trustee thereto, (iii) the Trustee Documents have been entered into or properly adopted by the Trustee, (iv) the officer who executed the Trustee Documents on behalf of the Trustee was at the time of such execution, and as of the Closing Date is, the duly elected, qualified and acting incumbent of the office set forth by his or her signature, and the signature appearing after his or her name in the Certificate of Incumbency attached thereto, is his or her genuine signature, and (v) attached to such certificate is an extract of the Trustee’s corporate documents, which evidences the authority of the officers referred to above to act on behalf of the Trustee; said corporate documents were in effect on the date or dates said officers acted and remain in full force and effect on the Closing Date;

(xiii) *Program Documents.* Forms of the Program Documents, including the Servicing Agreement, the Compliance Agreement and the Program Guidelines, in form and substance reasonably acceptable to the Underwriter;

(xiv) *DTC Blanket Letter of Representation.* A copy of the Blanket Letter of Representations to DTC relating to the Bonds signed by the Issuer;

(xv) *Additional Certificates, Instruments and Opinions.* Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter, Bond Counsel, Disclosure Counsel or Underwriter’s Counsel may reasonably request to evidence compliance by the Issuer with the legal requirements relating to the issuance of the Bonds, the truth and accuracy, as of the time of Closing, of the representations of the Issuer herein contained and of the Official Statement and the due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer; and

(xvi) *Additional Information.* Such additional certificates, instruments, or opinions as Underwriter's Counsel may deem necessary or desirable to evidence the due authorization, execution, and delivery of the Bonds and the conformity of the Bonds, the Trust Indenture, the Continuing Disclosure Agreement, the Depository Agreement, the Resolution and this Purchase Agreement, with the terms thereof as outlined in the Official Statement.

(d) *Compliance of Documents.* To the extent not otherwise provided herein, (i) the Official Statement, the Indenture, the Supplemental Indenture, the Continuing Disclosure Agreement, the Depository Agreement and the Resolution and all the opinions, letters, certificates, instruments and all other documents mentioned in this Paragraph 7 or elsewhere herein shall be deemed to be in compliance with the provisions hereof if, but only if, in final form as hereinafter agreed upon, they are in form and substance satisfactory to the Underwriter and Underwriter's Counsel, each of which shall have the right to waive any condition set forth in this Paragraph 7 relating to the Bonds, and (ii) the Underwriter and Underwriter's Counsel may rely on all the opinions, letters, certificates, instruments and other documents mentioned in this Paragraph 7 or elsewhere herein and not addressed to the Underwriter and Underwriter's Counsel as fully and to the same extent as if said documents were addressed to them.

(e) *Compliance With Trust Indenture.* At or prior to the Closing, all of the requirements for the issuance of the Bonds set forth in the Trust Indenture will have been met.

(f) *Investments.* Evidence in a form satisfactory to the Issuer and the Underwriter of an agreement to invest the proceeds of the Bonds (including transferred proceeds, if any) held in the Series 2020 Acquisition Account and the Series 2020 Revenue Account in a manner permitted under the Trust Indenture, the Depository Agreement and the Act.

8. *Termination of Purchase Agreement by the Underwriter.* The Underwriter may terminate at its absolute discretion (except for Paragraph 8(e) below which termination shall be at its reasonable discretion) its obligations under this Purchase Agreement by notification to the Issuer in writing of its election to do so between the date hereof and the Closing Date, inclusive, if at any time hereafter and prior to and including the Closing Date:

(a) *Future State Legislation.* Any legislation, ordinance, rule or regulation shall be introduced in or be enacted by any governmental body, department or agency in the State of Texas, or any interpretation by the Attorney General of the State, or a decision by any court of competent jurisdiction within the State shall be rendered which, in the Underwriter's opinion, materially affects the market price of or prevents the structure of the Bonds as set forth in the Official Statement;

(b) *Actions by the Securities and Exchange Commission.* A stop order, ruling, regulation or official statement by, or on behalf of, the United States Securities and Exchange Commission (the "SEC") or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale

of the obligations of the general character of the Bonds or the other outstanding single family mortgage revenue bond obligations of the Issuer, or the issuance, offering or sale of the Bonds or the other outstanding single family mortgage revenue bond obligations of the Issuer, including any of the underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of any provision of the federal securities laws, including the registration provisions of the Securities Act of 1933, as amended, and as then in effect, or the registration provisions of the Securities Exchange Act of 1934, as amended and as then in effect, including Rule 15c2-12 adopted by the SEC pursuant thereto, or the qualification provisions of the Trust Indenture Act of 1939, as amended and as then in effect, or any other proceedings shall be pending or threatened by the SEC against the Issuer;

(c) *Legislation Regarding Registration.* Legislation shall be enacted by the Congress of the United States of America or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision by a court of the United States of America shall be rendered to the effect that obligations of the general character of the Bonds, including any of the underlying obligations, are not exempt from registration under or from other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or the qualifications provisions of the Trust Indenture Act of 1939, as amended and as then in effect, or would violate any provision of the federal securities laws;

(d) *Adverse Effect on Tax Status of Issuer, Its Property, Income, Securities, Etc.* Any amendment to the Constitution of the United States of America or of the State or action by any federal or State court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the Issuer, its property, income, securities (or interest thereon), the validity or enforceability of the Bonds, the Trust Indenture, the Continuing Disclosure Agreement, the Depository Agreement, this Purchase Agreement or the Program documents;

(e) *Events Affecting Information in the Official Statement.* Any event shall have occurred, or information shall have become known, which makes untrue in any materially adverse respect any statement or information contained in the Official Statement (other than the information under the section entitled "UNDERWRITING"), or has the effect that the Official Statement as originally circulated contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading and, in either such event, the Issuer refuses to permit the Official Statement to be supplemented to and supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price of or market for the Bonds;

(f) *Additional Restrictions on Trading in Securities.* A suspension of trading or additional material restrictions not in force as of the date hereof shall have been imposed

upon trading in securities generally by any governmental authority or by any national securities exchange;

(g) *Additional Restrictions on Extension of Credit.* Any national securities exchange or any governmental authority shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(h) *General Banking Moratorium.* A general banking moratorium shall have been established by federal authorities, or by authorities of the State of Texas or the State of New York;

(i) *Downgrade of Bond Rating.* Any rating on the Bonds or any other bonds or obligations secured on a parity basis by a pledge or application of the Trust Estate shall have been downgraded or withdrawn or placed on credit watch with negative outlook by a national credit rating service which, in the Underwriter's opinion, materially adversely affects the market price of the Bonds;

(j) *Declaration of War.* The United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak of hostilities or a State, national or international calamity or crisis, or escalation thereof, in the financial markets of the United States being such as, in the opinion of the Underwriter, would affect materially and adversely the ability of the Underwriter to market the Bonds;

(k) *Failure To Timely Provide the Official Statement.* Failure of the Issuer to provide, within seven (7) business days of the date hereof, an Official Statement in form and substance satisfactory to the Underwriter; or

(l) *Certain Disruptions.* A material disruption in commercial banking or securities settlement, payment or clearance services shall have occurred.

9. *Termination of Obligations Under the Purchase Agreement.* If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Purchase Agreement (and such conditions are not waived by the Underwriter) or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and the Underwriter and the Issuer shall have no further obligations hereunder, except for the obligations regarding the return of the Good-Faith Check described in Paragraph 5 hereof.

10. *Amendment of the Official Statement.* After the Closing Date and during the shorter of the period (the "*Amendment Period*") ending on (a) 90 days from the "end of the underwriting period" (as defined in Rule 15c2-12) for the Bonds or (b) the time when the Official Statement is available to any person from the MSRB, but in no event less than 25 days after the "end of the underwriting period" for the Bonds, (i) the Issuer will not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the Underwriter shall

object in writing or which shall be disapproved by Underwriter's Counsel and (ii) if any event relating to or affecting the Issuer shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement so that it does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer shall forthwith prepare and furnish to the Underwriter a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Issuer and the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading. The Issuer and the Underwriter will promptly notify each other of the occurrence of any event which, in their respective opinions, is an event described in clause (ii) of the immediately preceding sentence.

11. *Payment of Expenses.*

(a) *Expenses Paid by Issuer.* In addition to the underwriting fees set forth in Paragraph 1 above, the Issuer shall pay, or cause to be paid, and the Underwriter shall be under no obligation to pay, the following expenses in connection with the issuance of the Bonds: (i) the cost of the preparation and reproduction of the Indenture, the Supplemental Indenture and any and all other documents relating to the issuance of the Bonds; (ii) the cost of the preparation, printing and shipping of the Bonds; (iii) the fees and disbursements of Bond Counsel, counsel to the Trustee and Disclosure Counsel; (iv) the initial fees of the Trustee; (v) the fees for bond ratings for the Bonds; (vi) the cost of preparation, production, printing and distributing the Preliminary Official Statement and any amendment of or thereto; (vii) the cost of preparation, production, printing and distributing the Official Statement and any amendment of or thereto; (viii) all fees and expenses of the issuance of the Bonds incurred in connection with the Closing; (ix) the cost of the preparation and publication of a supplement or amendment to the Official Statement referenced in Paragraph 10 hereof which, in the opinion of the Underwriter, is required to be prepared; (x) the fees to the Texas State Auditor's Office related to the reference and use of their opinion in the Official Statement with regard to the audited financial statements of the Issuer for the fiscal year ended August 31, 2019; (xi) the financial advisory fees and expenses incurred in connection with the issuance of the Bonds; and (xii) any other expenses mutually agreed to by the Issuer and the Underwriter to be reasonably considered expenses of the Issuer, including, but not limited to, meals, transportation, lodging, and entertainment of Issuer's employees which are incident to the transactions contemplated hereby and ordinary and reasonable meals hosted by the Underwriter that are directly related to the offering contemplated by this Purchase Agreement.

(b) *Expenses Paid by Underwriter.* The Underwriter shall pay, and the Issuer shall not be under any obligation to pay: (i) fees and expenses relating to the public offering and distribution of the Bonds, including commissions, risk and management fees; (ii) fees and disbursements of Underwriter's Counsel, expenses of advertising, costs of preparation and reproduction of any Blue Sky survey, fees in connection with the qualification of the Bonds under the Blue Sky laws of any jurisdiction which the Underwriter elects to qualify the Bonds, and all other expenses incurred by them or any of

them in connection with its public offering and distribution of the Bonds; (iii) all expenses in relation to the printing of CUSIP numbers on the Bonds and the CUSIP Service Bureau charge for the assignment of such numbers; (iv) the fees of DTC if the Bonds are not in certificated form; and (v) the fees due to the Municipal Advisory Council of Texas.

12. *Underwriter Not Engaged with Foreign Terrorist Organizations.* The Underwriter represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>;
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>; or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Underwriter and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. Each Underwriter understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Underwriter and exists to make a profit.

13. *Anti-Boycott Verification.* The Underwriter verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Purchase Agreement is a contract for goods or services, will not boycott Israel during the term of this Purchase Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Underwriter understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the respective Underwriter and exists to make a profit.

14. *Survival of Representations and Warranties.* All representations, warranties and agreements herein shall remain operative and in full force and effect, regardless of any investigations made by the Underwriter, and shall survive delivery of the Bonds to the Underwriter.

15. *Notices.* Any notice or other communication to be given pursuant to this Purchase Agreement to the Issuer may be given by mailing or delivering the same in writing to the Texas Department of Housing and Community Affairs, 221 East 11th Street, Austin, Texas 78701, Attention: Executive Director, with a copy to the Issuer's Director of Bond Finance and Chief Investment Officer at the same address. Any notice or other communication to be given to the

Underwriter under this Purchase Agreement may be given by delivering the same in writing to Jefferies LLC, 520 Madison Avenue, 4th Floor, New York, New York 10022, Attention: Alan Jaffe.

16. *Benefits of Representations and Warranties.* This Purchase Agreement is made solely for the benefit of the signatories hereto (including their successors and assigns), and no other person shall acquire or have any rights hereunder or by virtue hereof. By acceptance hereof, each of the signatories hereto agrees to the terms of the Bonds as set forth herein and agrees to be bound by this Purchase Agreement and by the terms of any agreements herein to which such signatory is a party. The Issuer may not assign this Purchase Agreement.

17. *Governing Law.* This Purchase Agreement shall be governed by and construed in accordance with the law of the State of Texas.

18. *Counterparts.* This Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same documents.

19. *No Personal Liability.* None of the members of the Governing Board of the Issuer or any officer, agent or employee of the Issuer shall be charged personally by the Underwriter with any liability, or be held liable to the Underwriter under any term or provision of this Purchase Agreement, or because of its execution or attempted execution, or because of any breach, or attempted or alleged breach, of this Purchase Agreement.

20. *Severability.* If any provision of this Purchase Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term hereof, such provision shall be fully severable, and this Purchase Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision never comprised a part hereof and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as part of this Purchase Agreement a provision as similar in its terms and effect to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

21. *Entire Agreement.* This Purchase Agreement constitutes the entire agreement, understanding, representations, warranties and obligations of the parties hereto with respect to the transactions contemplated hereby and shall become effective upon the acceptance of this offer by the execution and the counter execution hereof as provided, and shall be valid and enforceable as of the time of such acceptance.

22. *Headings.* The headings of the paragraphs of this Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

23. *Effective Date.* This Purchase Agreement is to be effective on the day and year first written above.

[Remainder of Page Intentionally Left Blank]

If you agree with the foregoing, please sign the enclosed counterpart of this Purchase Agreement and return it to the Underwriter. This Purchase Agreement shall become a binding agreement between you and the Underwriter when at least the counterpart of this Purchase Agreement shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

JEFFERIES LLC

By _____
Alan Jaffe
Managing Director

ACCEPTED at ____:____.m. Austin, Texas time
this ____ day of September, 2020:

TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS

By _____
Monica Galuski
Director of Bond Finance and
Chief Investment Officer

SCHEDULE I

**SCHEDULE OF MATURITIES, PRINCIPAL AMOUNTS,
INTEREST RATES AND PRICES**

EXHIBIT A

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

[Closing Date]

Texas Department of Housing and
Community Affairs
221 East 11th Street
Austin, Texas 78701

The Bank of New York Mellon Trust
Company, N.A., as Trustee
10161 Centurion Parkway North
Jacksonville, Florida 32256

Jefferies LLC
520 Madison Avenue, 4th Floor
New York, New York 10022

Re: Texas Department of Housing and Community Affairs
Junior Lien Single Family Mortgage Revenue and Refunding Bonds,
Taxable Series 2020

Ladies and Gentlemen:

We have acted as Bond Counsel to the Texas Department of Housing and Community Affairs (the “Department”) in connection with the issuance, sale and delivery by the Department of its Junior Lien Single Family Mortgage Revenue and Refunding Bonds, Taxable Series 2020 (the “Bonds”). Jefferies LLC (the “Underwriter”), has agreed to purchase the Bonds from the Department pursuant to the Bond Purchase Agreement dated September __, 2020 (the “Purchase Agreement”) between the Department and the Underwriter. All capitalized terms used herein and not otherwise defined herein shall have the respective meanings assigned to such terms in the Junior Lien Trust Indenture dated as of May 1, 1994 (as amended and supplemented from time to time, the “Indenture”), between the Department and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”) and the Sixth Supplemental Junior Lien Trust Indenture (Series Supplement 2020) dated as of September 1, 2020, between the Department and the Trustee (the “Sixth Supplemental Indenture” and together with the Indenture, the “Trust Indenture”).

This opinion is rendered pursuant to Paragraph 7(c)(iii) of the Purchase Agreement. In connection therewith, we have examined and are familiar with (i) certified or original executed counterparts of the documents referred to in our opinion of even date herewith relating to the Bonds, and the Official Statement dated September __, 2020 (the “Official Statement”) and (ii) such other documents, instruments, certificates and opinions as we have deemed necessary to enable us to render this opinion.

You have authorized us to assume without independent verification (i) the genuineness of certificates, records and other documents (collectively, “Documents”) and the accuracy and completeness of the statements of fact contained therein; (ii) the due authorization, execution and delivery of the Documents described above by the other parties thereto; (iii) that all Documents

submitted to us as originals are accurate and complete; and (iv) that all Documents submitted to us as copies are true and correct copies of the originals thereof.

Based on said examination, it is our opinion that under existing laws, the Bonds may be offered and sold without registration under the Securities Act of 1933, as amended, and neither the Indenture nor the Sixth Supplemental Indenture is required to be qualified under the Trust Indenture Act of 1939, as amended.

We have reviewed the statements contained in the Official Statement under the captions “THE SERIES 2020 BONDS, “SECURITY FOR THE SERIES 2020 BONDS” (but excluding the information contained therein under the subheading “—Certain Information as to Revenues, Debt Service and Department Expenses”), “TAX MATTERS” “PROPOSED AMENDMENTS TO JUNIOR LIEN TRUST INDENTURE TO BE EFFECTIVE UPON REQUISITE BONDHOLDER CONSENT,” and “APPROVAL OF LEGALITY” and in [Appendix A, Appendix C, Appendix D—Texas Treasury Safekeeping Trust Company, Appendix F, Appendix G and Appendix I] to the Official Statement. Such statements, insofar as they purport to summarize certain provisions of the Act, the laws of the State of Texas, the Indenture, the Sixth Supplemental Indenture, the Depository Agreement, the Bonds and the federal tax implications with respect to the Bonds, present a fair and accurate summary of such matters. Other than as set forth above, we were not requested to participate in and did not take part in the preparation of any information in the Official Statement and do not assume responsibility with respect thereto.

The opinions expressed above are expressed only insofar as the laws of the State of Texas and the United States of America may be applicable. This opinion speaks only as of its date and only in connection with the Bonds and may not be applied to any other transaction. The opinions set forth above are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement these opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Further, this opinion is furnished by us solely to the addressees, and is solely for your benefit, and no one else is entitled to rely upon this opinion.

Very truly yours,

EXHIBIT B

FORM OF OPINION OF ISSUER'S COUNSEL

[Closing Date]

Bracewell LLP
111 Congress Avenue
Austin, Texas 78701

The Bank of New York Mellon Trust
Company, N.A., as Trustee
10161 Centurion Parkway North
Jacksonville, Florida 32256

Jefferies LLC
520 Madison Avenue, 4th Floor
New York, New York 10022

Re: Texas Department of Housing and Community Affairs
Junior Lien Single Family Mortgage Revenue and Refunding Bonds,
Taxable Series 2020

Ladies and Gentlemen:

I am the General Counsel of the Texas Department of Housing and Community Affairs (the "Department") and have acted as such during certain proceedings relating to the issuance, sale and delivery by the Department of its Junior Lien Single Family Mortgage Revenue and Refunding Bonds, Taxable Series 2020 (the "Bonds"). Jefferies LLC (the "Underwriter"), has agreed to purchase the Bonds from the Department pursuant to a Bond Purchase Agreement dated September ___, 2020 (the "Purchase Agreement") between the Department and the Underwriter. The Bonds are being issued pursuant to an Junior Lien Trust Indenture dated as of May 1, 2004 (as amended and supplemented from time to time, the "Indenture"), between the Department and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") and a Sixth Supplemental Junior Lien Trust Indenture (Series Supplement 2020) dated as of September 1, 2020, between the Department and the Trustee (the "Sixth Supplemental Indenture" and together with the Indenture, the "Trust Indenture"). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings assigned to such terms in such Purchase Agreement or in the Trust Indenture.

In my capacity as the General Counsel of the Department, I have examined and am familiar with the enabling legislation of the Department which has been codified as Chapter 2306, Texas Government Code, as amended (the "Act"), and certain copies or original counterparts of the Resolution of the Governing Board of the Department, which was adopted on July 23, 2020, Resolution No. 20-___ (the "Approving Resolution"), authorizing the issuance, sale and delivery of the Bonds and approving the form and substance of and authorizing the execution and delivery of documents and instruments relating thereto.

You have authorized me to assume without independent verification (i) the genuineness of certificates, records and other documents (collectively, “Documents”) and the accuracy and completeness of the statements of fact contained therein; (ii) the due authorization, execution and delivery of the Documents described above by the other parties thereto; (iii) that all Documents submitted to me as originals are accurate and complete; and (iv) that all Documents submitted to me as copies are true and correct copies of the originals thereof.

In addition, I examined such other materials (including the Department Documents as hereinafter defined) as was necessary to enable me to express the opinions set forth below.

Based upon the foregoing, and subject to the qualifications set forth below, I am of the opinion that:

1. The Department is a public and official agency of the State of Texas duly organized, validly existing and in good standing under the laws of the State of Texas and as such, has full legal right, power and authority to carry out and effectuate the transactions contemplated by the Bonds, the Indenture, the Sixth Supplemental Indenture, the Depository Agreement, the Continuing Disclosure Agreement dated as of September 1, 2020, between the Department and the Trustee, the Purchase Agreement, the Escrow Agreement and the Approving Resolution (collectively, the “Department Documents”).

2. The terms and provisions of the Department Documents comply in all material respects with the requirements of the Act.

3. The Department Documents have each been duly authorized, executed and delivered by the Department, and assuming due authorization, execution and delivery by the other parties thereto, constitute valid and legally binding agreements of the Department enforceable in accordance with their respective terms and the terms of the Indenture, subject to any applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors’ rights generally and further subject to the availability of equitable remedies, including specific performance, under the Department Documents potentially being limited by general principles of equity that permit the exercise of judicial discretion, and by principles of sovereign immunity. Furthermore, the enforceability of the indemnification provisions contained in any of the Department Documents may be limited by applicable securities law and public policy and the Texas Constitution.

4. The Department has duly approved and authorized the distribution of the Preliminary Official Statement and approved and authorized the execution and distribution of the Official Statement.

5. Without having undertaken any additional review of information other than that information contained in the Department’s records, there is no action, suit, proceeding, investigation at law or in equity before or by any court, public board or public body pending or, to the best of my knowledge, threatened, against or affecting the Department wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by the Official Statement or the validity of the Department Documents.

6. The execution and delivery of the Department Documents and compliance with the provisions thereof, under the circumstances contemplated thereby, to the best of my knowledge, do not and will not in any material respect conflict with or constitute on the part of the Department a breach or default under any agreement or other instrument to which the Department is a party or existing law, ordinance, administrative regulation, court order or consent decree to which the Department is subject.

7. The Department is empowered to use the proceeds of the Bonds as provided in the Department Documents and to secure the Bonds as provided in the Approving Resolution and the Trust Indenture.

8. The issuance of the Bonds has been approved by the Department pursuant to the Approving Resolution, which Approving Resolution is in full force and effect in the form adopted; and no further action is required to be taken by the Department to authorize the issuance and delivery of the Bonds and the performance by the Department of its obligations thereunder; provided, however, that there is delivered at Closing an opinion or opinions of the Attorney General of the State of Texas with an executed registration certificate or certificates from the Comptroller of Public Accounts of the State of Texas attached.

9. The statements contained in the Official Statement under the captions "THE DEPARTMENT" and "LITIGATION MATTERS" present a fair and accurate description of such matters; such statements under such captions are true and accurate in all material respects and do not omit any matter which, in my opinion, should be included or referred to therein and which is not included elsewhere in the Official Statement; and based upon the information contained in the files maintained by me in the Department's office, and without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, nothing has come to my attention which would lead me to believe that the Official Statement contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, it being understood that in rendering such opinion I am not expressing an opinion with respect to the Financial Statements and other financial and statistical data included in the Official Statement.

10. The Department will be entitled under the Act to invest funds held under the Trust Indenture in investments authorized in the Trust Indenture, subject to the limitations on investments permitted by the Depository Agreement.

11. To the best of my knowledge, and except with respect to recent Securities and Exchange Commission pronouncements and rules regarding the registration of municipal advisors, all approvals, consents, authorizations and registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Department of its obligations under the Department Documents, have been obtained and are in full force and effect.

No opinion is expressed herein with respect to compliance with the securities laws of any jurisdiction, whether federal or state.

No opinion is expressed and no comment is made with respect to the sufficiency of the security for or the marketability of the Bonds.

This letter is delivered in connection with the issuance, sale and delivery of the Bonds. It is furnished to you solely for your benefit, and no other party is entitled to rely hereon without written permission from the Department's General Counsel.

Respectfully,

James "Beau" Eccles
General Counsel

EXHIBIT C

FORM OF OPINION OF DISCLOSURE COUNSEL

[Closing Date]

Texas Department of Housing and
Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Texas Department of Housing and Community Affairs
Junior Lien Single Family Mortgage Revenue and Refunding Bonds,
Taxable Series 2020

Ladies and Gentlemen:

We have acted as Disclosure Counsel for the Texas Department of Housing and Community Affairs (the “Department”) in connection with the issuance, sale and delivery of its Junior Lien Single Family Mortgage Revenue and Refunding Bonds, Taxable Series 2020 (the “Bonds”). The Bonds were issued pursuant to an Junior Lien Trust Indenture dated as of May 1, 1994 (as amended and supplemented from time to time, the “Indenture”), between the Department and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), the Sixth Supplemental Junior Lien Trust Indenture (Series Supplement 2020) dated as of September 1, 2020, between the Department and the Trustee (the “Sixth Supplemental Indenture” and together with the Indenture, the “Trust Indenture”). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings assigned to such terms in the Trust Indenture and the Bond Purchase Agreement dated September __, 2020, between Jefferies LLC and the Department.

We have examined such documents and satisfied ourselves as to such matters as we have deemed necessary in order to enable us to express the opinions set forth herein.

The primary purpose of our professional engagement as your counsel was not to establish factual matters. Many of the determinations involved in the preparation of the Official Statement, dated September __, 2020 (the “Official Statement”), are wholly or partially nonlegal in character. Therefore, we have not verified and are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of the statements contained in the Official Statement. We have, however, participated in the preparation of the Official Statement. Such participation included, among other things, general discussions and inquiries concerning various legal and related subjects, and the review of certain records, documents and proceedings. We also participated in conferences, or had conversations, with (i) representatives of the Department and its financial advisor and (ii) Bracewell LLP, Bond Counsel, regarding the contents of the Official Statement.

Based upon the foregoing, it is our opinion that the information contained in the Official Statement under the captions “THE DEPARTMENT” and “CONTINUING DISCLOSURE OF INFORMATION” presents a fair and accurate summary of the matters referred to therein, and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statement therein, in the light of the circumstances under which they were made, not misleading. Further, based upon the information made available to us during the course of our participation of the Official Statement, no facts came to our attention which would lead us to believe that the Official Statement (except for the financial statements and other financial and statistical data contained therein, including particularly, without limitation, that contained under the caption “SECURITY FOR THE BONDS” and in [“APPENDIX B-1,” “APPENDIX B-2,” “APPENDIX D,” “APPENDIX E,” “APPENDIX F,” “APPENDIX G,” “APPENDIX H” and “APPENDIX I”] and the information contained under the caption “TAX MATTERS,” as to which no view is expressed), as of its date, contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

We express no opinion and make no comment with respect to the sufficiency of the security for the Bonds.

This letter is furnished to you solely for your benefit and no other party is entitled to rely hereon without our written permission.

Respectfully,