

**2020 SUPPLEMENT TO DEPOSITORY AGREEMENT**

Relating to

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

§ \_\_\_\_\_  
 JUNIOR LIEN SINGLE FAMILY REVENUE AND REFUNDING BONDS,  
 TAXABLE SERIES 2020

This agreement is the 2020 Supplement to Depository Agreement (“Supplement to Depository Agreement”) dated as of [\_\_\_\_\_] 1, 2020. It is among the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, a public and official agency of the State of Texas (together with its successors and assigns, the “Department”); THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as trustee (as successor in trust to Bank One, Texas, NA, and together with its successors in trust under the Indenture referred to below, the “Trustee”); and the COMPTROLLER OF PUBLIC ACCOUNTS OF THE STATE OF TEXAS, acting by and through the Texas Treasury Safekeeping Trust Company, a special-purpose trust company organized under the laws of the State of Texas (together with its successors in such capacity, the “Trust Company”).

Preamble

The Department, the Trustee and the Trust Company entered into the Depository Agreement, dated as of March 1, 2002 (the “Depository Agreement”), relating to the Department’s Junior Lien Single Family Revenue Bonds issued pursuant to the Junior Lien Trust Indenture, dated as of May 1, 1994, between the Department and the Trustee (as amended and supplemented, the “Indenture”).

Section 8.02 of the Depository Agreement provides that it may be amended in any respect by an instrument in writing executed by the Department, the Trustee, and the Trust Company and, in particular, that it may be amended in connection with the issuance of one or more series of Bonds other than those outstanding on the date of the Depository Agreement; provided that the Department shall have received with respect to such amendment, a Counsel’s Opinion that such amendment is not inconsistent with the provisions of the Indenture and the Texas Government Code, as amended, Chapters 404 and 2306 and does not materially and adversely affect the rights of the holders of the Bonds.

The Department is in the process of issuing its Junior Lien Single Family Mortgage Revenue and Refunding Bonds, Taxable Series 2020 (the “Series 2020 Bonds”) pursuant to a Sixth Supplemental Junior Lien Trust Indenture dated as of [\_\_\_\_\_] 1, 2020, between the Department and the Trustee (the “2020 Supplemental Indenture” and together with the Indenture, collectively referred to in this Supplement to Depository Agreement as the “Trust Indenture”).

The Department desires and has requested the Trustee and the Trust Company to enter into this Supplement to Depository Agreement to supplement the Depository Agreement to create Accounts under the Depository Agreement corresponding to the Accounts being created under the Trust Indenture in connection with the issuance of the Series 2020 Bonds.

Agreement

In consideration of the mutual agreements contained in this Supplement to Depository Agreement, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Department, the Trustee and the Trust Company agree as follows:

## ARTICLE I

### DEFINITIONS AND INTERPRETATION

Section 1.01     Definitions. Unless the context requires otherwise, all defined terms contained in the Indenture, the 2020 Supplemental Indenture, and the Depository Agreement have the same meanings in this Supplement to Depository Agreement as such defined terms are given in each of the foregoing documents.

Section 1.02     Interpretation. This Supplement to Depository Agreement and all of the terms and provisions in it shall be liberally construed to effectuate the purposes of this Supplement to Depository Agreement and to achieve the purpose of providing additional security for the Series 2020 Bonds.

Section 1.03     Titles and Headings. The titles and headings of the articles and sections of this Supplement to Depository Agreement have been for convenience and reference only. They are not to be considered a part of this Supplement to Depository Agreement and will not in any way modify or restrict the terms of this Supplement to Depository Agreement.

Section 1.04     Depository Agreement to Remain in Force. Except as supplemented and amended by this Supplement to Depository Agreement, the Depository Agreement remains in full force and effect as to the matters covered by it.

Section 1.05     Continuing Binding Effect. The terms and provisions of the Depository Agreement, as amended, are in all respects binding upon and applicable to the parties to this Supplement to Depository Agreement. Further, deposits, withdrawals and transfers to, from and among the Indenture Accounts described in Exhibit "A" of moneys and securities pertaining to the Series 2020 Bonds, and the investment of the moneys and securities in all respects, including the maintaining of records and the providing of reports, be governed by the terms and provisions of the Depository Agreement, a copy of which is attached as Exhibit "B" hereto.

Section 1.06     Authority. This Supplement to Depository Agreement is executed and delivered pursuant to the Act and the Depository Agreement.

Section 1.07     Successors and Assigns. All covenants and agreements in this Supplement to Depository Agreement among the Department, the Trustee and the Trust Company shall bind their respective successors and assigns, whether so expressed or not.

Section 1.08     Severability Clause. In case any provision in this Supplement to Depository Agreement is found by a court to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired by such finding.

Section 1.09     Benefits of Supplement to Depository Agreement. Nothing in this Supplement to Depository Agreement, the Trust Indenture, or in the Series 2020 Bonds, express or implied, gives to any Person, other than the parties to this Supplement to Depository Agreement, their successors under it, and the owners of Bonds, any benefit or any legal or equitable right, remedy or claim under this Supplement to Depository Agreement.

Section 1.10     Governing Law. This Supplement to Depository Agreement is governed by the laws of the State of Texas.

Section 1.11     Execution in Several Counterparts. This Supplement to Depository Agreement may be simultaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original.

## ARTICLE II

### CREATION AND OPERATION OF ACCOUNTS AND SUBACCOUNTS

Section 2.01      Creation of Accounts and Subaccounts. In accordance with Section 8.02 of the Depository Agreement, the Department creates with the Trust Company, the additional trust accounts described in Exhibit "A" attached to this Supplement to Depository Agreement, and made a part hereof, relating to the Series 2020 Bonds. Each account shall correspond to the Indenture Account of the same name.

Section 2.02      Investment of Certain Funds. The Trustee and the Trust Company shall invest funds relating to the Series 2020 Bonds held in the Series 2020 Acquisition Account, the Series 2020 Revenue Account, the Series 2020 Residual Revenues Account, the Series 2020 Costs of Issuance Account, and the Series 2020 Expense Account in accordance with the Department's written instructions to the Trustee and the Trust Company.

EXECUTED as of the date first above written.

TEXAS DEPARTMENT OF HOUSING AND  
COMMUNITY AFFAIRS

By: \_\_\_\_\_  
Director of Bond Finance and Chief Investment Officer

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee

By: \_\_\_\_\_  
Authorized Signatory

TEXAS TREASURY SAFEKEEPING TRUST  
COMPANY

By: \_\_\_\_\_  
Authorized Officer

EXHIBIT "A"

Accounts

1. Series 2020 Acquisition Account [§2.9(a), 6th Supp.]
2. Series 2020 Revenue Account [§2.9(a), 6th Supp.]
3. Series 2020 Residual Revenues Account [§2.9(a), 6th Supp.]
4. Series 2020 Costs of Issuance Account [§2.9(a), 6th Supp.]
5. Series 2020 Expense Account [§2.9(a), 6th Supp.]
6. Series 2020 Proceeds Account [§2.9(a), 6th Supp.] [temporary]

EXHIBIT "B"  
DEPOSITORY AGREEMENT