

BOOK-ENTRY ONLY

RATING: Moody's: "Aa1"
(See "RATING" herein)

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Issuer ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") except that no opinion is expressed as to the status of interest on any Bond for any period that such Bond is held by a "substantial user" of the facilities financed or refinanced by the Bonds or by a "related person" within the meaning of Section 147(a) of the Code. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "TAX MATTERS."

\$35,540,000*

**California Municipal Finance Authority
Multifamily Housing Revenue Bonds
(Village Green Apartments) 2025 Series A**

Dated Date: October __, 2025
Interest Accrual Date: Dated Date
Interest Rate: __%

Bond Maturity Date: November 1, 2041*
CUSIP: _____
Offering Price: 100.00%

California Municipal Finance Authority Multifamily Housing Revenue Bonds (Village Green Apartments) 2025 Series A (the "Bonds") are being issued pursuant to a Trust Indenture dated as of October 1, 2025 (the "Indenture") by and between the Issuer and Zions Bancorporation, National Association, a national banking association, as trustee (the "Trustee"). The Bonds are being delivered in fully registered form only and are registered in the name of Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York ("DTC"). Ownership interests with respect to the Bonds may be purchased only in book-entry form in denominations of \$5,000 or any integral multiple of \$5,000 in excess thereof. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Bondholders shall mean Cede & Co. and shall not mean the ultimate purchasers of the Bonds. See "THE BONDS – Book-Entry Only System." The Bonds shall bear interest at the rate set forth below and as described herein. Interest on the Bonds will be payable each May 1 and November 1, commencing May 1, 2026* (each an "Interest Payment Date"). So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, payments of the principal of, premium, if any, and interest on, the Bonds will be made directly to DTC or its nominee, Cede & Co., by the Trustee. Disbursements of such payments to DTC's Participants are the responsibility of DTC.

The Loan will be made pursuant to a Financing Agreement dated as of October 1, 2025 (the "Financing Agreement"), among the Issuer, the Trustee and Village Green Tax Credit LP, a California limited partnership (the "Borrower"), and upon the satisfaction of various conditions contained therein and in the Indenture.

Payment of the principal of and interest on the Bonds will be secured, to the extent described herein, by the Loan and by certain other resources and assets constituting the Trust Estate under the Indenture. The Bonds are also payable from funds advanced under a Direct Pay Irrevocable Transferable Credit Enhancement Instrument (the "Credit Facility" or the "Credit Enhancement Instrument") issued by



Fannie Mae's obligations to make advances to the Trustee upon the proper presentation of documents which conform strictly to the terms and conditions of the Credit Facility are absolute, unconditional and irrevocable. A form of the Credit Facility is attached hereto as APPENDIX G hereto.

FANNIE MAE'S OBLIGATIONS WITH RESPECT TO THE BONDS ARE SOLELY AS PROVIDED IN THE CREDIT FACILITY. THE OBLIGATIONS OF FANNIE MAE UNDER THE CREDIT FACILITY WILL BE OBLIGATIONS SOLELY OF FANNIE MAE, A FEDERALLY CHARTERED CORPORATION, AND WILL NOT BE BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA OR ANY OTHER AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OF AMERICA OR OF FANNIE MAE. THE BONDS ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

The Credit Facility, which will expire on November 6, 2041, unless earlier terminated, will entitle the Trustee to draw up to (a) the principal amount of the Bonds when due, or due as a result of acceleration, redemption or stated maturity, plus (b) interest on the Bonds when due, all as described herein. The final advance by Fannie Mae under the Credit Facility is expected to be made on November 1, 2041* in an amount sufficient to pay all outstanding principal and accrued but unpaid interest on the Bonds on November 1, 2041*.

The Bonds will be subject to redemption prior to their stated maturity dates at the prices, on the terms and upon the occurrence of the events described herein. The maturity of the Bonds may be accelerated upon the occurrence of certain events as further described herein. See "THE BONDS" and "APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Acceleration; Other Remedies Upon Event of Default".

NONE OF THE ISSUER, ANY ISSUER MEMBER OR ANY PERSON EXECUTING THE BONDS IS LIABLE PERSONALLY ON THE BONDS OR SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THEIR ISSUANCE. THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM AND SECURED BY THE TRUST ESTATE UNDER THE INDENTURE. NEITHER THE ISSUER, ITS MEMBERS, THE STATE OF CALIFORNIA, NOR ANY OF ITS POLITICAL SUBDIVISIONS SHALL BE DIRECTLY, INDIRECTLY, CONTINGENTLY OR MORALLY OBLIGATED TO USE ANY OTHER MONEYS OR ASSETS TO PAY ALL OR ANY PORTION OF THE DEBT SERVICE DUE ON THE BONDS, TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE BONDS ARE NOT A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, ITS MEMBERS, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS NOR DO THEY CONSTITUTE INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION. THE ISSUER HAS NO TAXING POWER.

THE ISSUER SHALL NOT BE LIABLE FOR PAYMENT OF THE PRINCIPAL OF, AND PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR ANY OTHER COSTS, EXPENSES, LOSSES, DAMAGES, CLAIMS OR ACTIONS OF ANY CONCEIVABLE KIND ON ANY CONCEIVABLE THEORY, UNDER OR BY REASON OF OR IN CONNECTION WITH THE INDENTURE, THE BONDS OR ANY OTHER DOCUMENTS, EXCEPT ONLY TO THE EXTENT AMOUNTS ARE RECEIVED FOR THE PAYMENT THEREOF FROM THE BORROWER UNDER THE FINANCING AGREEMENT.

* Preliminary; subject to change.

This cover page of this Official Statement contains certain information for quick reference only. It is not a complete summary of the Bonds. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if received by Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), subject to the approval of legality by Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel. Certain legal matters will be passed upon for the Credit Provider by its legal department, for the Issuer by its counsel, Jones Hall, A Professional Law Corporation, San Francisco, California, for the Borrower by its counsel, Downs Pham & Kuei LLP, San Francisco, California, and for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C. It is expected that the Bonds will be available in book-entry form through the facilities of DTC in Brooklyn, New York, on or about October __, 2025.

STIFEL

Date: October __, 2025

USE OF INFORMATION IN THIS OFFICIAL STATEMENT

No broker, dealer, salesperson or other Person has been authorized by the Issuer to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by the Issuer. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the Bonds by any Person in any jurisdiction in which it is unlawful for such Person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Issuer and other sources believed to be reliable. This information is not guaranteed as to accuracy and is not to be construed as a representation of such by the Issuer. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the information or opinions set forth herein since the date hereof.

The information set forth herein relating to the Project and the Borrower has been obtained from the Borrower, and all other information herein has been obtained by other sources believed to be reliable, but is not to be construed as a representation by the Issuer. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Borrower or the Issuer since the date hereof.

Fannie Mae has not provided or approved any information in this Official Statement except with respect to the descriptions under the caption “THE CREDIT PROVIDER” and takes no responsibility for any information contained in this Official Statement. Fannie Mae makes no representation as to the contents of this Official Statement, the suitability of the Bonds for any investor, the feasibility or performance of the Project, or compliance with any securities, tax or other laws or regulations. Fannie Mae’s role will be limited to entering into the Credit Facility described herein.

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, or listed on any stock or other securities exchange and neither the Bond Resolution (as defined herein) nor the Indenture (as defined herein) will have been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such Acts. The exemption from registration or qualification of the Bonds in accordance with applicable provisions of the securities laws of various states likewise cannot be regarded as a recommendation of the Bonds. Neither these states nor any of their agencies have passed upon the merits of the Bonds or the accuracy or the completeness of this Official Statement. Any representation to the contrary may be a criminal offense. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity has passed upon the accuracy or adequacy of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND DEALER BANKS AND OTHERS AT A PRICE LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE COVER HEREOF AND SAID PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING INCLUDING THE MERITS AND RISKS INVOLVED. THE BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS WHICH, TO THE EXTENT THEY ARE NOT RECITATIONS OF HISTORICAL FACT, CONSTITUTE “FORWARD LOOKING STATEMENTS”. IN THIS RESPECT, THE WORDS “ESTIMATE”, “PROJECT”, “ANTICIPATE”, “EXPECT”, “INTEND”, “BELIEVE” AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD LOOKING STATEMENTS. A NUMBER OF IMPORTANT FACTORS AFFECTING THE ISSUER, FANNIE MAE AND THE BORROWER COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE STATED IN THE FORWARD LOOKING STATEMENTS.

References in this Official Statement to statutes, laws, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive, and all such references are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. This Official Statement is distributed in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The information in this Official Statement concerning The Depository Trust Company (“DTC”), Brooklyn, New York, and DTC’s book-entry only system has been obtained from DTC and the Issuer takes no responsibility for the accuracy or completeness thereof. Such information has not been independently verified by the Issuer and the Issuer makes no representation as to the accuracy or completeness of such information.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

THIS OFFICIAL STATEMENT DESCRIBES THE BONDS, AND IS INTENDED SOLELY FOR USE WITH RESPECT TO THE BONDS.

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OFFICIAL STATEMENT

\$35,540,000*

**California Municipal Finance Authority
Multifamily Housing Revenue Bonds
(Village Green Apartments) 2025 Series A**

INTRODUCTION

The following is a summary of certain information contained in this Official Statement, to which reference should be made for a more complete statement thereof. The Bonds are described to potential investors only by means of this entire Official Statement. Capitalized terms used but not defined herein will have the meanings ascribed to them as set forth under “APPENDIX A — DEFINITIONS OF CERTAIN TERMS.”

The following introductory statement is subject in all respects to more complete information contained elsewhere in this Official Statement. The order and placement of materials in this Official Statement, which includes the cover page and Appendices hereto, are not to be deemed to be a determination of relevance, materiality or relative importance, and this Official Statement, including the cover page and Appendices hereto, must be considered in its entirety. Certain capitalized terms used in this Official Statement are defined herein and in the Appendices hereto. All capitalized terms used in this Official Statement that are not otherwise defined herein shall have the meanings ascribed to them in the Indenture and the Financing Agreement (as such terms are defined herein).

General

The purpose of this Official Statement is to provide information in connection with the issuance by California Municipal Finance Authority (the “Issuer”), a joint exercise of powers agency duly organized and validly existing under the laws of the State of California (the “State”) of the above-captioned bonds (the “Bonds”). The Bonds are being issued pursuant to Chapter 5 of Division 7 of Title 1 of the California Government Code together with the provisions of Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the “Act”), under a Trust Indenture dated as of October 1, 2025 (the “Indenture”) by and between the Issuer and Zions Bancorporation, National Association, as trustee (the “Trustee”), and a resolution of the Issuer adopted on August 29, 2025, authorizing and approving the issuance and sale of the Bonds and execution and delivery of all related documents required to be executed and delivered by the Issuer (the “Bond Resolution”). The Issuer is using the proceeds of the Bonds to make a mortgage loan (the “Loan”) to Village Green Tax Credit LP, a California limited partnership (the “Borrower”), to finance or refinance the acquisition, renovation and equipping of Village Green Apartments, a multifamily rental housing project located in San Bernardino, California. See “PRIVATE PARTICIPANTS” and “THE PROJECT” herein.

The Loan will be made pursuant to a Financing Agreement to be dated as of October 1, 2025 (the “Financing Agreement”), among the Issuer, the Trustee and the Borrower, and upon the satisfaction of various conditions contained therein and in the Indenture.

The Loan will be evidenced by a Multifamily Note (the “Note”) executed by the Borrower. The Note will be payable to the Issuer and will be secured by, among other things, a Multifamily Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the “Security Instrument”) from the Borrower for the benefit of the Issuer and Fannie Mae, as their interests may appear. The Note and the

* Preliminary; subject to change.

Security Instrument will be assigned by the Issuer to the Trustee and Fannie Mae, as their interests may appear, and will continue to be part of the Trust Estate securing the Bonds. Pursuant to an Assignment and Intercreditor Agreement, dated as of the date of the Indenture (the “Assignment”), among the Issuer, the Credit Provider (as defined below) and the Trustee and acknowledged and agreed to by the Borrower (attached hereto in “APPENDIX E — SUMMARY OF CERTAIN PROVISIONS OF THE ASSIGNMENT AND INTERCREDITOR AGREEMENT”) the right, power and authority to make all decisions in connection with the Loan and under the Loan Documents will be vested exclusively in the Credit Provider. If either (i) Fannie Mae has no further obligation under the Credit Facility and all obligations of the Borrower to Fannie Mae under the Credit Facility Documents and the other Borrower Documents have been satisfied in full or (ii) a Wrongful Dishonor occurs and continues for more than five Business Days after the Issuer or the Trustee gives written notice of such Wrongful Dishonor specifying such failure and requesting that it be remedied, the Assigned Rights shall transfer automatically to the Trustee, without any further action on the part of the Trustee or Fannie Mae.

Fannie Mae (“Fannie Mae” or the “Credit Provider”) will provide credit enhancement for the Bonds, pursuant to, and subject to the limitations of, a Direct Pay Irrevocable Transferable Credit Enhancement Instrument (the “Credit Facility”), provided by the Credit Provider to the Trustee. The proposed form of the Credit Facility is attached hereto in “APPENDIX G — FORM OF FANNIE MAE CREDIT ENHANCEMENT INSTRUMENT.” See also “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — The Credit Facility”; and “THE CREDIT PROVIDER” herein. The obligation of the Borrower to reimburse the Credit Provider for any funds provided by the Credit Provider under the Credit Facility will be set forth in a Reimbursement Agreement, dated as of the date of the Indenture (the “Reimbursement Agreement”), between the Borrower and the Credit Provider. See “APPENDIX F — SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENT” attached hereto.

Upon presentation by the Trustee of documents required by the Credit Enhancement Instrument and subject to the terms and conditions thereof, Fannie Mae will advance funds under the Credit Enhancement Instrument to the Trustee with respect to the payment of: (i) the principal amount of the Bonds (other than Bonds that are Excluded Bonds) when due, or due as a result of acceleration, redemption, stated maturity (other than an acceleration of the Bonds to which Fannie Mae has not consented) and (ii) interest on the Bonds (other than Bonds that are Excluded Bonds). The Credit Provider will have no obligation under the Credit Facility to pay premium, if any, on the Bonds. The Credit Provider’s obligation to make payments under the Credit Facility will be absolute, unconditional and irrevocable. Such obligation will be a general, unsecured obligation of the Credit Provider. If the Credit Provider fails to perform such obligation, the Trustee will receive only payments and other recoveries on the Loan itself, and a delinquency or default on the Loan at that time would seriously and adversely affect monthly payments to the Trustee.

The Issuer will, pursuant to the Assignment, assign the Loan to the Trustee and Fannie Mae, as their interests may appear, without recourse. Upon such assignment, the Loan will be part of the Trust Estate. Pursuant to the Assignment, Fannie Mae has the exclusive right to exercise all rights and remedies (other than Reserved Rights) under the Note, the Security Instrument, the Financing Agreement and all of the other Loan Documents (the “Assigned Documents”). Fannie Mae also has the right at any time, upon filing with the Trustee a certification reaffirming Fannie Mae’s obligations under the Credit Facility, to direct the Trustee to assign all of its right, title and interest in and to the Assigned Documents to Fannie Mae. The Issuer will retain the right to exercise the rights and remedies with respect to the Reserved Rights.

In order to assure compliance with the applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”) and the applicable laws of the State, there has been executed and delivered a Regulatory Agreement and Declaration of Restrictive Covenants, dated as of October 1, 2025 (the “Regulatory Agreement”), by and among the Issuer, the Trustee and the Borrower. The Regulatory

Agreement requires that the residential rental units in the Project be occupied or held for occupancy by tenants with incomes below the levels described in “APPENDIX D — SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT” hereto at restricted rents. The Project will be further restricted as described under the heading “PRIVATE PARTICIPANTS” herein.

Capital One, National Association (the “Loan Servicer”) will act as servicer for the Loan and payments on the Loan will be made by the Borrower to the Loan Servicer for the benefit of the Trustee. See “THE LOAN SERVICER” herein.

FANNIE MAE’S OBLIGATIONS WITH RESPECT TO THE BONDS ARE SOLELY AS PROVIDED IN THE CREDIT FACILITY. THE OBLIGATIONS OF FANNIE MAE UNDER THE CREDIT FACILITY WILL BE OBLIGATIONS SOLELY OF FANNIE MAE, A GOVERNMENT-SPONSORED ENTERPRISE ORGANIZED UNDER THE LAWS OF THE UNITED STATES OF AMERICA. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, ANY AGENCY THEREOF, OR OF FANNIE MAE, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

NONE OF THE ISSUER, ANY ISSUER MEMBER OR ANY PERSON EXECUTING THE BONDS IS LIABLE PERSONALLY ON THE BONDS OR SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THEIR ISSUANCE. THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM AND SECURED BY THE TRUST ESTATE UNDER THE INDENTURE. NEITHER THE ISSUER, ITS MEMBERS, THE STATE OF CALIFORNIA, NOR ANY OF ITS POLITICAL SUBDIVISIONS SHALL BE DIRECTLY, INDIRECTLY, CONTINGENTLY OR MORALLY OBLIGATED TO USE ANY OTHER MONEYS OR ASSETS TO PAY ALL OR ANY PORTION OF THE DEBT SERVICE DUE ON THE BONDS, TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE BONDS ARE NOT A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, ITS MEMBERS, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS NOR DO THEY CONSTITUTE INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION. THE ISSUER HAS NO TAXING POWER.

THE ISSUER SHALL NOT BE LIABLE FOR PAYMENT OF THE PRINCIPAL OF, AND PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR ANY OTHER COSTS, EXPENSES, LOSSES, DAMAGES, CLAIMS OR ACTIONS OF ANY CONCEIVABLE KIND ON ANY CONCEIVABLE THEORY, UNDER OR BY REASON OF OR IN CONNECTION WITH THE INDENTURE, THE BONDS OR ANY OTHER DOCUMENTS, EXCEPT ONLY TO THE EXTENT AMOUNTS ARE RECEIVED FOR THE PAYMENT THEREOF FROM THE BORROWER UNDER THE FINANCING AGREEMENT.

Brief descriptions of the Issuer, the Bonds, the security for the Bonds, the Borrower, the Project, the Indenture and the Financing Agreement are included in this Official Statement. All references herein to the Indenture, the Financing Agreement, the Assignment, the Credit Facility, the Regulatory Agreement, the Reimbursement Agreement, the Security Instrument and other documents and agreements are qualified in their entirety by reference to such documents and agreements, copies of which are available for inspection at the offices of the Trustee.

THIS OFFICIAL STATEMENT DESCRIBES THE BONDS, AND IS INTENDED SOLELY FOR USE WITH RESPECT TO THE BONDS.

THE ISSUER

The following information has been provided by the Issuer for use herein. While the information is believed to be reliable, none of the Trustee, the Borrower, the Underwriter, Fannie Mae, the Loan Servicer nor any of their respective counsel, members, officers or employees makes any representations as to the accuracy or sufficiency of such information.

Under Title 1, Division 7, Chapter 5 of the California Government Code (the “JPA Act”), certain California cities, counties and special districts have entered into a joint exercise of powers agreement (the “JPA Agreement”) forming the Issuer for the purpose of exercising powers common to the members and exercising the additional powers granted to the Issuer by the JPA Act and any other applicable provisions of California law. Under the JPA Agreement, the Issuer may issue bonds, notes or any other evidence of indebtedness, for any purpose or activity permitted under the JPA Act or any other applicable law.

The Issuer may sell and deliver obligations other than the Bonds. Such obligations will be secured by instruments separate and apart from the Indenture and the Financing Agreement, and the holders of such other obligations of the Issuer will have no claim on the security for the Bonds. Likewise, the holders of the Bonds will have no claim on the security for such other obligations that may be issued by the Issuer.

Neither the Issuer nor its independent contractors has furnished, reviewed, investigated or verified the information contained in this Official Statement other than the information contained in this section and the section entitled “ABSENCE OF LITIGATION — The Issuer.” The Issuer does not and will not in the future monitor the financial condition of the Borrower or otherwise monitor payment of the Bonds or compliance with the documents relating thereto. Any commitment or obligation for continuing disclosure with respect to the Bonds or the Borrower has been undertaken solely by the Borrower. See “CONTINUING DISCLOSURE” herein. In connection with the issuance of the Bonds, some or all of the fees or other compensation payable to the Issuer, the Issuer’s financial advisor, Sierra Management Group, LLC, and certain other professionals involved with the offering of the Bonds, is contingent upon the issuance and delivery of the Bonds.

THE BONDS

General

The Bonds are issued in fully registered form and are registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, Brooklyn, New York (“DTC”). DTC acts as securities depository for the Bonds. Individual purchases are made in book-entry form. Purchasers will not receive certificates representing their interest in the Bonds purchased. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bondholders or registered owners of the Bonds mean Cede & Co. and not the beneficial owners of the Bonds.

So long as Cede & Co. is the registered owner of the Bonds, principal of and interest on the Bonds are payable by the Trustee by wire transfer of New York clearing house or equivalent next-day funds, to Cede & Co., as nominee for DTC. DTC will, in turn, remit such amounts to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (“DTC Participants”) for subsequent disbursement to the beneficial owners. See “THE BONDS—Book-Entry Only System” herein.

The Bonds are initially in the minimum denomination of \$5,000 or any integral multiple of \$5,000 in excess thereof. The Bonds will mature on the date set forth on the cover page of this Official Statement.

Interest on the Bonds will be payable on an Interest Payment Date as defined in the Indenture (in each case, an “Interest Payment Date”) including each May 1 and November 1, commencing May 1, 2026*. Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Bonds shall bear interest from the Interest Payment Date next preceding the date of authentication of the Bonds. If the date of authentication is an Interest Payment Date for which interest has been paid or is after the Record Date, but prior to the next Interest Payment Date, the Bonds shall bear interest from such Interest Payment Date. If the date of authentication is prior to the Record Date for the first Interest Payment Date, the Bonds shall bear interest from the Dated Date of the Bonds. Notwithstanding the foregoing, if at the time of authentication of any Bond, interest on the Bond is in default, the Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment, or if no interest has been paid on the Bond, from the Dated Date of the Bond.

The principal of and the interest and any premium on the Bonds are payable in lawful money of the United States of America to the Registered Owners at the close of business on the applicable Record Date. Payment of interest on the Bonds shall be made on each Interest Payment Date by check drawn upon the Trustee and mailed by first class mail, postage prepaid, to the addresses of the Registered Owners as they appear on the Bond Register or to such other address as may be furnished in writing by any Registered Owner to the Trustee prior to the applicable Record Date. Payment of the principal of any Bond and premium, if any, together with interest (other than interest payable on a regularly scheduled Interest Payment Date) shall be made by check only upon presentation and surrender of the Bond on or after its Maturity Date or date fixed for redemption or other payment at the office of the Trustee designated for that purpose. Notwithstanding the foregoing, payment of principal of and interest and any premium on any Bond shall be made by wire transfer to any account within the United States of America designated by a Registered Owner owning \$1,000,000 or more in aggregate principal amount of Bonds if a written request for wire transfer in form and substance satisfactory to the Trustee is delivered to the Trustee by any such Registered Owner not less than five Business Days prior to the applicable payment date. A request for wire transfer that specifies that it is effective with respect to all succeeding payments of principal, interest and any premium will be so effective unless and until rescinded in writing by the Registered Owner at least five Business Days prior to a Record Date. If interest on the Bonds is in default, the Trustee, prior to the payment of interest, shall establish a special record date (“Special Record Date”) for such payment. A Special Record Date may not be more than 15 nor less than ten days prior to the date of the proposed payment. Payment of defaulted interest shall then be made by check or wire transfer, as permitted above, mailed or remitted to the Registered Owners in whose names the Bonds are registered on the Special Record Date.

Action Required to be taken on a Non-Business Day

If the date for making any payment or any date on which action is required to be taken is not a Business Day, then any action required to be taken or any payment required to be made may be taken or made on the following Business Day with the same force and effect as if made or taken on the date otherwise provided for in the Indenture and, in the case of any payment date, no interest will accrue for the period from and after such date.

Book-Entry-Only System

The Depository Trust Company (“DTC”), Brooklyn, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of

* Preliminary; subject to change.

DTC. One fully-registered Bond certificate will be issued for each maturity of Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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 Standard & Poor's rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the Book-Entry System for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond Documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and

transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions, and dividend payments and premium, if any, 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 payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Issuer, or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments and premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's Book-Entry System has been obtained from sources that Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

Redemption Provisions

The Bonds are subject to redemption prior to maturity only as set forth below. All redemptions must be in Authorized Denominations.

Optional Redemption. On and after November 1, 2035*, the Bonds are subject to optional redemption in whole or in part on any Business Day in connection with an optional prepayment of the Loan by the Borrower, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued interest, if any, to the Redemption Date.

* Preliminary; subject to change.

Premium from Available Moneys other than the Credit Facility. The premium, if any, payable in connection with the optional redemption of Bonds must be paid with Available Moneys other than from an Advance under the Credit Facility. Neither the Issuer, the Trustee, the Credit Provider nor the Loan Servicer shall have any obligation to provide funds to be included in any premium.

Mandatory Redemption. The Bonds are subject to mandatory redemption as provided in this section on the earliest practicable Redemption Date for which timely notice of redemption can be given pursuant under the heading, “Notice of Redemption to Registered Owners” below, following the occurrence of the event requiring such redemption. The principal of and accrued interest on any Bond being redeemed under this section shall be paid from an Advance under the Credit Facility. Bonds will be redeemed at a redemption price equal to 100% (one hundred percent) of the principal amount of such Bonds plus accrued interest to the Redemption Date. Bonds subject to mandatory redemption in part shall be redeemed in Authorized Denominations or shall be redeemed in such amounts so that the Bonds Outstanding following the redemption are in Authorized Denominations. If the Trustee receives an amount for the mandatory redemption of Bonds which is not equal to an integral multiple of the Authorized Denomination, the Trustee shall redeem Bonds in an amount equal to the next lower integral multiple of the Authorized Denomination to the amount received by the Trustee and hold any excess amount in the Redemption Account:

(a) *Casualty or Condemnation.* The Bonds will be redeemed in whole or in part in the event and to the extent that proceeds of insurance from any casualty to, or proceeds of any award from any condemnation of, or any award as part of a settlement in lieu of condemnation of, the Mortgaged Property are applied in accordance with the Security Instrument to the prepayment of the Loan.

(b) *After an Event of Default under the Reimbursement Agreement.* The Bonds will be redeemed in whole or in part in an amount specified by and at the direction of the Credit Provider requiring that the Bonds be redeemed pursuant to this subsection following any Event of Default under the Reimbursement Agreement. The Redemption Date shall be the earliest practicable date, but in no event shall such redemption occur later than two Business Days prior to the date, if any, that the Credit Facility terminates on account of the Credit Provider’s giving of direction to the Trustee pursuant to this subsection to redeem all of the Bonds.

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(c) *Sinking Fund Redemption.*

(1) The Bonds shall be redeemed at the times and in the amounts set forth in the Sinking Fund Schedule below (subject to the provisions of the Indenture permitting amounts to be credited toward part or all of any one or more Sinking Fund Payments):

<u>Date*</u>	<u>Principal*</u>
5/1/2026	\$125,000
11/1/2026	130,000
5/1/2027	135,000
11/1/2027	140,000
5/1/2028	140,000
11/1/2028	145,000
5/1/2029	150,000
11/1/2029	155,000
5/1/2030	155,000
11/1/2030	165,000
5/1/2031	165,000
11/1/2031	170,000
5/1/2032	180,000
11/1/2032	180,000
5/1/2033	185,000
11/1/2033	190,000
5/1/2034	195,000
11/1/2034	200,000
5/1/2035	210,000
11/1/2035	210,000
5/1/2036	220,000
11/1/2036	220,000
5/1/2037	230,000
11/1/2037	235,000
5/1/2038	245,000
11/1/2038	250,000
5/1/2039	255,000
11/1/2039	265,000
5/1/2040	270,000
11/1/2040	275,000
5/1/2041	285,000
11/1/2041	29,465,000

(2) If less than all of the Bonds of a specific maturity have been redeemed other than from Sinking Fund Payments applicable to such Bonds, the principal amount of the Bonds of such maturity to be redeemed in each year from Sinking Fund Payments shall be decreased pro rata

* Preliminary; subject to change.

among all Sinking Fund Payments applicable to such Bonds. Any such proportional redemption shall be confirmed in writing to the Trustee by the Loan Servicer.

(d) *Excess Loan Funds.* The Bonds shall be redeemed in whole or in part in the event and to the extent that amounts on deposit in the Loan Fund are transferred to the Redemption Account pursuant to the Indenture.

Notice of Redemption to Registered Owners

For any redemption of Bonds described under:

(1) “Optional Redemption” above or paragraphs (a) or (d) under “Mandatory Redemption” above, the Trustee shall give notice of redemption by first class mail, postage prepaid, not less than twenty (20) days prior to the specified Redemption Date, to the Registered Owner of each Bond to be redeemed at the address of such Registered Owner as shown on the Bond Register. With respect to Book-Entry Bonds, if the Trustee sends notice of redemption to the Securities Depository pursuant to the Letter of Representations, the Trustee shall not be required to give the notice set forth in the immediately preceding sentence. The Dissemination Agent shall cause a copy of the notice of redemption to be posted on the Electronic Municipal Market Access website of the Municipal Securities Rulemaking Board.

(2) paragraph (b) under the heading “Mandatory Redemption” above, the Trustee shall give immediate notice of redemption.

(3) paragraph (c) under the heading “Mandatory Redemption” above, the Trustee will give notice of redemption as provided in the Indenture.

(4) “Optional Redemption” above, the notice of redemption shall state that it is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Bonds including Available Moneys to pay any redemption premium in full (“Conditional Redemption”), and such notice and optional redemption shall be of no effect if either (i) by no later than the scheduled Redemption Date, sufficient moneys to redeem the Bonds and sufficient Available Moneys to pay any redemption premium have not been deposited with the Trustee, or if such moneys are deposited, are not available on the Redemption Date or (ii) the Trustee at the direction of the Credit Provider rescinds such notice on or prior to the scheduled Redemption Date.

The Trustee shall cause a second notice of redemption to be sent by first class mail, postage prepaid, on or within ten days after the 30th day after the Redemption Date to any Bondholder who has not submitted its Bond to the Trustee for payment. The Trustee shall provide copies of all notices given under this section and of all revocations of notices to the Credit Provider and the Loan Servicer at the same time it gives notices to Bondholders.

Each notice of redemption must state: (i) the date of the redemption notice; (ii) the Closing Date and the complete official name of the Bonds, including the series designation; (iii) for each Bond to be redeemed, the interest rate, Maturity Date and in the case of a partial redemption of Bonds, the principal amount of each Bond to be redeemed; (iv) the CUSIP numbers of all Bonds being redeemed; (v) the place or places where the Bonds to be redeemed must be surrendered for payment and where amounts due upon such redemption will be payable upon surrender of the Bonds to be redeemed; (vi) the Redemption Date and redemption price of each Bond to be redeemed; (vii) the name, address, telephone number and contact person at the office of the Trustee with respect to such redemption; (viii) that interest on all Bonds to be redeemed will not accrue from and after the Redemption Date; (ix) if a redemption is a Conditional

Redemption, that redemption is conditional upon receipt by the Trustee of sufficient moneys to redeem the Bonds including Available Moneys to pay any redemption premium and (x) that the Credit Provider may direct the Trustee to cancel such redemption on or prior to the scheduled Redemption Date.

If notice is given as stated in the Indenture, failure of any Bondholder to receive such notice, or any defect in the notice, shall not affect the redemption or the validity of the proceedings for the redemption of the Bonds.

The Trustee shall rescind any Conditional Redemption if the requirements set forth in the Indenture with respect to Available Moneys to pay any redemption premium have not been met on or before the Redemption Date, if the Trustee has not received sufficient moneys to redeem the Bonds on or before the Redemption Date, or if the Trustee has received a direction to cancel the Conditional Redemption from the Credit Provider. The Trustee shall give notice of rescission by the same means as is provided in this section for the giving of notice of redemption or by Electronic Means confirmed in writing. The optional redemption shall be canceled once the Trustee has given notice of rescission. Any Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure of funds being made available in part or in whole on or before the Redemption Date shall constitute an Event of Default. Notwithstanding notice having been given in the manner provided above, any optional redemption of Bonds shall be canceled with the consent of or at the direction of the Credit Provider if the Credit Provider has notified the Trustee in writing that an Event of Default under the Reimbursement Agreement has occurred or otherwise directs the cancellation of such optional redemption.

Redemption Payments

If notice of redemption has been given and the conditions for such redemption, if applicable, have been met, the Bonds called for redemption shall become due and payable on the Redemption Date, interest on those Bonds will cease to accrue from and after the Redemption Date and the called Bonds will no longer be Outstanding. The holders of the Bonds so called for redemption shall thereafter no longer have any security or benefit under the Indenture except to receive payment of the redemption price for such Bonds upon surrender of such Bonds to the Trustee. All moneys held by or on behalf of the Trustee for the redemption of particular Bonds will be held in trust for the account of the holders of the Bonds to be redeemed. If less than the entire principal amount of a Bond is called for redemption, the Issuer shall execute, and the Trustee shall authenticate and deliver, upon the surrender of such Bond to the Trustee, without charge by the Issuer or the Trustee to the Bondholder, in exchange for the unredeemed principal amount of such Bond, a new Bond or Bonds of the same interest rate, maturity and term, in any Authorized Denomination, in aggregate principal amount equal to the unredeemed balance of the principal amount of the Bond so surrendered.

Selection of Bonds to be Redeemed Upon Partial Redemption

If less than all of the Outstanding Bonds are called for redemption, the Trustee shall select by lot, in such manner as it determines in its discretion, the Bonds, or portions of the Bonds in Authorized Denominations, to be redeemed. The portion of any Bond to be redeemed shall be an Authorized Denomination and in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by the minimum Authorized Denomination. For the purposes of this section, Bonds which have previously been selected for redemption will not be deemed Outstanding. If for any reason the principal amount of Bonds called for redemption would result in a redemption of Bonds less than the Authorized Denomination, the Trustee, to the extent possible within the principal amount of Bonds to be redeemed, is authorized to adjust the selection of Bonds for such purpose in order to minimize any such redemption. If a portion of a Bond is called for redemption, then, upon surrender of such Bond, the Issuer shall execute and the Trustee shall authenticate

and deliver a new Bond in principal amount equal to the unredeemed portion thereof and with the same maturity, interest rate, series and tenor in any Authorized Denomination, without charge to the holder of such Bond. Notwithstanding the foregoing, the Securities Depository for Book-Entry Bonds shall select the Bonds for redemption within particular maturities according to its stated procedures.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

Under the Indenture, to secure the payment of the principal of and interest and any premium on the Bonds according to their tenor and effect, to secure, on a parity basis, all obligations owed to the Credit Provider under the Credit Facility Documents and the Loan Documents, and to secure the performance and observance by the Issuer of the covenants expressed or implied in the Indenture and in the Bonds, the Issuer absolutely and irrevocably pledges and assigns the property described in the following paragraphs (1) through (5) to the Trustee for the benefit of the Bondholders and to the Credit Provider, as their interests may appear, subject to the Assignment and the provisions of the Indenture permitting the application of such property for the purposes set forth in the Indenture:

(1) all right, title and interest of the Issuer in and to the Loan, including the Note, the Security Instrument and the other Loan Documents and in and to the Financing Agreement, reserving, however, the Reserved Rights;

(2) all rights to receive payments on the Note and under the other Loan Documents, including all proceeds of insurance or condemnation awards;

(3) all right, title and interest of the Issuer in and to the Revenues, the Net Bond Proceeds and the accrued interest, if any, derived from the sale of the Bonds, and all Funds and Accounts under the Indenture (including, without limitation, moneys, documents, securities, investments, Investment Income, instruments and general intangibles on deposit or otherwise held by the Trustee) but excluding all moneys in the Fees Account, the Rebate Fund and the Costs of Issuance Fund unless and to the extent funded with Net Bond Proceeds (including within such exclusion Investment Income retained in the Costs of Issuance Fund and the Rebate Fund);

(4) all funds, moneys and securities and any and all other rights and interests in property, whether tangible or intangible, from time to time conveyed, mortgaged, pledged, assigned or transferred by delivery or by writing of any kind to the Trustee as additional security under the Indenture for the benefit of the Bondholders and the Credit Provider; and

(5) all of the proceeds of the foregoing, including, without limitation, Investments and Investment Income (except as excluded above).

Limited Obligations

The Bonds are not general obligations of the Issuer but are special, limited obligations of the Issuer payable by the Issuer solely from the Trust Estate. The Bonds are not and will not be a debt of the State, the Issuer or of any other political subdivision of the State, and neither the State, the Issuer nor any other political subdivision of the State is or will be liable for the payment of the Bonds. Neither the faith and credit of the Issuer, the State nor of any other political subdivision of the State are not pledged to the payment of the principal of and interest and any premium on the Bonds.

NONE OF THE ISSUER, ANY ISSUER MEMBER OR ANY PERSON EXECUTING THE BONDS IS LIABLE PERSONALLY ON THE BONDS OR SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THEIR ISSUANCE. THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE UNDER THE INDENTURE. NEITHER THE ISSUER, ITS MEMBERS, THE STATE OF CALIFORNIA, NOR ANY OF ITS POLITICAL SUBDIVISIONS SHALL BE DIRECTLY, INDIRECTLY, CONTINGENTLY OR MORALLY OBLIGATED TO USE ANY OTHER MONEYS OR ASSETS TO PAY ALL OR ANY PORTION OF THE DEBT SERVICE DUE ON THE BONDS, TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE BONDS ARE NOT A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, ITS MEMBERS, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS NOR DO THEY CONSTITUTE INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION. THE ISSUER HAS NO TAXING POWER.

THE ISSUER SHALL NOT BE LIABLE FOR PAYMENT OF THE PRINCIPAL OF, AND PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR ANY OTHER COSTS, EXPENSES, LOSSES, DAMAGES, CLAIMS OR ACTIONS OF ANY CONCEIVABLE KIND ON ANY CONCEIVABLE THEORY, UNDER OR BY REASON OF OR IN CONNECTION WITH THE INDENTURE, THE BONDS OR ANY OTHER DOCUMENTS, EXCEPT ONLY TO THE EXTENT AMOUNTS ARE RECEIVED FOR THE PAYMENT THEREOF FROM THE BORROWER UNDER THE FINANCING AGREEMENT.

The Credit Facility

To provide security for the Bonds it is expected that Fannie Mae will deliver the Credit Facility to the Trustee. Upon presentation by the Trustee of documents required by the Credit Facility and subject to the terms and conditions thereof, Fannie Mae will advance funds under the Credit Facility to the Trustee with respect to the payment of: (i) the principal amount of the Bonds (other than Bonds that are Excluded Bonds) when due, or due as a result of acceleration, redemption, stated maturity (other than an acceleration of the Bonds to which Fannie Mae has not consented) and (ii) interest on the Bonds (other than Bonds that are Excluded Bonds).

The Credit Facility will expire on November 6, 2041*, unless terminated earlier in accordance with its terms, as described herein. The final advance by Fannie Mae under the Credit Facility is expected to be made on November 1, 2041*, in an amount sufficient to pay all outstanding principal and accrued but unpaid interest on the Bonds on November 1, 2041*.

THE CREDIT PROVIDER

The information under this heading has been provided solely by Fannie Mae and has not been independently verified by the Issuer, the Borrower, the Underwriter, the Loan Servicer or any of their respective counsel, members, officers or employees. No representation whatsoever as to the accuracy, adequacy or completeness of such information is made by the Issuer, the Borrower, the Underwriter, the Loan Servicer or any of their respective counsel, members, officers or employees.

General. Fannie Mae is a federally chartered corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C. 1716 et seq. Fannie Mae was originally established in 1938 by the United States government to provide supplemental liquidity to the mortgage market and

* Preliminary; subject to change.

became a stockholder-owned and privately managed corporation by legislation enacted in 1968. Fannie Mae purchases, sells, and otherwise deals in mortgages in the secondary market. Fannie Mae does not make direct mortgage loans, but instead acquires mortgage loans originated by others. In addition, Fannie Mae issues mortgage-backed securities (“MBS”) backed by pools of mortgage loans acquired from lenders. Fannie Mae receives guaranty fees for its guarantee of the timely payment of principal and interest on MBS certificates.

Conservatorship. On September 6, 2008, Fannie Mae’s safety and soundness regulator, the Federal Housing Finance Agency, or FHFA, placed Fannie Mae into conservatorship. As the conservator, FHFA succeeded to all rights, titles, powers and privileges of Fannie Mae, and of any stockholder, officer, or director of Fannie Mae with respect to Fannie Mae and the assets of Fannie Mae. On September 7, 2008, Fannie Mae, through FHFA as conservator, entered into two agreements with the U.S. Department of the Treasury (“Treasury”) – a Senior Preferred Stock Purchase Agreement (“Stock Purchase Agreement”) and a Common Stock Warrant. The Stock Purchase Agreement sets forth Treasury’s commitment (the “Commitment”) to provide funds to Fannie Mae under the terms and conditions set forth therein. Fannie Mae generally may draw funds under the Commitment on a quarterly basis if Fannie Mae’s total liabilities exceed its total assets on its consolidated balance sheet calculated in accordance with generally accepted accounting principles as of the end of a quarter. See the documents incorporated by reference below for additional information about Fannie Mae, its operation in conservatorship, and its agreements with Treasury.

Additional Information. Fannie Mae is incorporating certain documents by reference in this Official Statement that Fannie Mae files from time to time with the Securities and Exchange Commission (the “SEC”). This means that Fannie Mae is disclosing information to you by referring you to those documents, rather than providing you with separate copies. Those documents are considered part of this Official Statement, so you should read this Official Statement, and any applicable supplements or amendments, together with those documents, before making an investment decision. You should rely only on the information provided or incorporated by reference in this Official Statement and any applicable supplement, and you should rely only on the most current information.

Fannie Mae incorporates by reference the following documents that Fannie Mae has filed, or may file with the SEC: (A) its most recently filed annual report on Form 10-K, (B) all other reports filed pursuant to Section 13(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) since the end of the year covered by such Form 10-K, excluding any information “furnished” to the SEC on Form 8-K; and (C) all documents filed pursuant to Section 13(a), 13(c), or 14 of the Exchange Act after the date of this Official Statement and prior to the termination of the offering related to the Bonds, excluding any information “furnished” to the SEC on Form 8-K. Fannie Mae’s SEC filings are available at the SEC’s website at www.sec.gov, and are also available on Fannie Mae’s web site at <http://www.fanniemae.com> or from Fannie Mae at the Office of Investor Relations at 800-2FANNIE (800-232-6643).

Fannie Mae makes no representation as to the contents of this Official Statement, the suitability of the Bonds for any investor, the feasibility of performance of any project, or compliance with any securities, tax or other laws or regulations. Fannie Mae’s role with respect to the Bonds is limited to issuing and discharging its obligations under the Credit Enhancement Instrument and exercising the rights reserved to it in the Indenture, the Assignment and the Reimbursement Agreement.

PRIVATE PARTICIPANTS

The following information concerning the private participants has been provided by representatives of the private participants and has not been independently confirmed or verified by either the Underwriter or the Issuer. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

The Borrower

The borrower for the Project is Village Green Tax Credit LP, a California limited partnership (the “Borrower”). The Borrower is a single-purpose entity formed to acquire, construct, rehabilitate and operate the Project. The Borrower’s general partners are Village Green Tax Credit GP LLC, a California limited liability company, and Las Palmas Housing and Development Corporation, a California nonprofit public benefit corporation (collectively, the “General Partner”).

The Borrower has not acquired and does not intend to acquire any substantial assets or engage in any substantial business activities other than those related to the Project. However, affiliates of the Borrower may engage in the acquisition, development, ownership and management of other similar types of projects that may be competitive with the Project.

The Developer

SP Tax Credit Developer II LLC, a Washington limited liability company (the “Developer”), will act as the developer for the Project. The Developer is an affiliate of Security Properties. Security Properties and its affiliates have successfully developed over 20 LIHTC projects in 14 states. Security Properties currently owns and operates a portfolio of over 7000 affordable housing units across the country.

Investor Limited Partner

Contemporaneously with the issuance of the Bonds, Wincopin Circle LLLP, a Maryland limited liability limited partnership, as an investor limited partner (the “Investor Limited Partner”) expects to acquire a 99.98% ownership interest in the Borrower in exchange for equity contributions based primarily on the receipt of certain benefits from the Project’s federal low-income housing tax credits (the “LIHTCs”). The funding of the federal low income housing tax credit equity (the “Tax Credit Equity”) by the Investor Limited Partner is expected to total approximately \$24,888,733*. 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 varying significantly from the projections set forth above and no representation is made as to the availability of such funds.

Limited Assets and Obligation of Borrower, General Partner and Investor Limited Partner

The Borrower has no substantial assets other than the Project and does not intend to acquire any other substantial assets or to engage in any substantial business activities other than those related to the ownership of the Project. However, the member(s) of the General Partner, the Investor Limited Partner, and their affiliates are engaged in and will continue to engage in the acquisition, development, ownership and management of similar types of housing projects. They may be financially interested in, as officers,

* Preliminary; subject to change.

partners or otherwise, and devote substantial times to, business and activities that may be inconsistent or competitive with the interests of the Project.

The Borrower and its partners will not be personally liable for payments on the Note, the payments on which are to be applied to pay the principal of and interest on the Bonds; nor will the Borrower be personally liable under the other documents executed in connection with the issuance of the Bonds and the making of the Loan. Furthermore, no representation is made that the Borrower will have substantial funds available for the Project. Accordingly, neither the Borrower's financial statements nor those of its partners are included in this Official Statement.

The Architect

The architect for the Project is Basis Architecture and Consulting, Inc. (the "Architect"). The Architect is not an affiliate of the Developer. The architect started in 2007 and demonstrates considerable affordable, LIHTC, HUD and senior housing experience. The Architect has designed the new construction or renovation of many rehabilitation, civic and commercial projects, with a focus on affordable multifamily housing. The Architect's clients include community groups and nonprofit organizations whose patronage accounts for a significant percentage of the projects in its office.

The General Contractor

The general contractor for the Project is Precision General Commercial Contractors, Inc. (the "General Contractor"). The General Contractor is not an affiliate of the Developer. Based out of Novato, California, the General Contractor was formed in August 2000 and is a California-licensed contractor. Since inception, the General Contractor has built or rehabilitated over 53,000 units of affordable apartments.

The Property Manager

The Borrower has entered into a management agreement with Apartment Management Consultants LLC (the "Property Manager") to manage the day-to-day operations of the Project. The Property Manager is not an affiliate of the Developer. The Property Manager has been involved in the management of affordable housing since 2000. The Property Manager currently manages 153,380 apartment units in 26 States.

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THE PROJECT

The following information concerning the Project has been provided by representatives of the Borrower and has not been independently confirmed or verified by either the Underwriter or the Issuer. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

The Project, known as Village Green Apartments, is located in San Bernardino, California, on an approximately 20-acre site. The Project contains 184 apartment units in 38 buildings (including two manager's units) located at 2122 W Chestnut Street, San Bernardino, California. Common area improvements will include: On-site leasing office, resident lounge, computer lab, recreation building, BBQ area, dog park, fitness center and on-site laundry facilities. Unit amenities include: blinds, refrigerators, air conditioning, balcony/patios and ceiling fans. There are 248 parking spaces for resident use only.

It is anticipated that rehabilitation will commence promptly upon the issuance of the Bonds and funding of the initial installment of the Tax Credit Equity and will be completed in approximately 12 months.

The unit type, the unit mix and approximate square footage for the units of the Project will be as follows:

<u>Unit Type</u>	<u>Number</u>	<u>Approximate Square Feet</u>
2 BD	104	869
3 BD	<u>80</u>	1,030
Total	184	

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Plan of Financing

The estimated sources and uses for the Project are projected to be approximately as follows:

Sources of Funds*	
Bonds	\$35,540,000
GP Loan	3,697,000
LIHTC Equity ¹	24,751,643
Funds from Operations	3,245,981
Deferred Developer Fee	<u>3,524,884</u>
Total	<u>\$70,759,508</u>

Uses of Funds*	
Land Costs	\$3,384,141
Building Acquisition Costs	41,042,859
Hard Construction Costs	10,965,657
Construction Contingency	1,267,628
Soft Construction Costs	268,700
GC Fees	1,820,261
Construction Interest	2,745,981
Construction Loan Fees and Costs	230,235
Permanent Financing Costs	479,015
Bond Costs	327,970
LIHTC Costs	137,809
Lease-Up Costs	1,098,880
Third Party Costs	704,500
Real Estate Taxes	150,000
Insurance	216,250
Furniture, Fixtures & Equipment	50,000
Reserves	866,947
Total Developer Fee	<u>5,002,675</u>
Total	<u>\$70,759,508</u>

¹ A portion of the Tax Credit Equity is expected to be initially funded using an Equity Advance Note which will be repaid with capital contributions from the Investor Limited Partner pursuant to the first amended and restated agreement of limited partnership of the Borrower.

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

* Preliminary; subject to change.

The Mortgage Loan and the Bonds. Simultaneously with the closing and issuance of the Bonds, the Borrower will enter into a Financing Agreement with the Issuer to fund a mortgage loan with the proceeds of the Bonds (the “Loan”), and a Reimbursement Agreement with Fannie Mae to provide credit enhancement for the Bonds. The Loan will have a term of not less than 192* months, will bear interest at a rate of ____%* and will amortize over 40 years. The all-in Loan rate is ____% and includes ____% per annum for the Loan Servicer’s fee and the Fannie Mae Credit Enhancement fee. It is anticipated all of the Loan will be disbursed at closing. The Loan is subject to yield maintenance from closing through October 31, 2035* (120 months). Thereafter a 1% penalty shall apply through July 31, 2041* (69 months). Thereafter no prepayment penalty shall apply.

The GP Loan. The Project will also utilize a subordinate non-recourse loan in the principal amount of \$3,697,000* from one of its general partners (the “GP Loan”). The obligation to repay the GP Loan will be set forth in a promissory note (the “GP Note”) from the Borrower to Village Green Tax Credit GP LLC, a California limited liability company (the “GP Lender”) and will be repayable out of cash flow and other non-Project sources on the terms and conditions set forth therein. The GP Note will be secured. The GP Note will have a term of 57 years and will bear compounding interest at a rate of 8.00%* per annum, with annual principal and interest not otherwise paid, due at maturity.

The Tax Credit Equity. Contemporaneously with the issuance of the Bonds, the Investor Limited Partner expects to acquire a 99.98% ownership interest in the Borrower in exchange for equity contributions based primarily on the receipt of certain benefits from the Project’s Tax Credit Equity. In connection with such acquisition, the funding of the Tax Credit Equity will total approximately \$24,751,643* with an initial contribution of approximately \$7,848,000*, which, except for \$100, will be funded on the Closing Date as an advance on an unsecured loan from the Investor Limited Partner. The funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the projections set forth above and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

Deferred Developer Fee. The Project will also utilize a deferred developer fee in the amount of \$3,524,884* as a source of funding. The deferred developer fee will be repaid through surplus cash flow received from the operation of the Project.

The HAP Contract

The Borrower has an existing Housing Assistance Payment Contract (the “HAP Contract”) covering 65 of the 184 units at the Project that was entered into on the November 1, 2022, for a term of 20 years. The existing HAP Contract has been renewed, effective as of November 1, 2025, for an additional 20-year term, and will assist to service debt during the term of the Loan.

Funding under the HAP Contract is 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 of 1997, 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 HUD), and very low-income families (defined generally as families whose income do not exceed 50% of the AMI as

* Preliminary; subject to change.

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 sufficient to pay the principal of, and interest on, the Loan.

Project Regulation

The Borrower intends to operate the Project as a qualified residential rental project in accordance with the provisions of Section 142(d) of the Code. Concurrently with the issuance of the Bonds, the Borrower, the Trustee and the Issuer will enter into the Regulatory Agreement (as defined herein). Under the Regulatory Agreement, the Borrower will agree that, at all times during the qualified project period (as defined in the Regulatory Agreement), the Borrower will rent at least 40% of the units in the Project to persons whose adjusted family income (determined in accordance with the provisions of the Code) is no more than 60% of the area median income (adjusted for family size) (“AMI”). See “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT” herein.

The Project will be further encumbered by a tax credit restrictive covenant, to be executed by the Borrower in connection with the LIHTCs anticipated to be granted for the Project and in compliance with the requirements of Section 42 of the Code. Section 42 of the Code will restrict the income levels of 100% of the residential rental units (excluding designated manager units) in the Project (the “Tax Credit Units”).

Of the Tax Credit Units, nineteen (19) shall be held available for rental to persons whose adjusted family income is equal to or less than 30% of the AMI adjusted for family size and the rents which may be charged for occupancy of such units will be restricted to not more than 30% of 30% of AMI, adjusted for family size.

Of the Tax Credit Units, at least eighteen (18) of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 50% of the AMI adjusted for family size and the rents which may be charged for occupancy of such units will be restricted to not more than 30% of 50% of AMI, adjusted for family size.

Of the Tax Credit Units, one hundred forty-five (145) of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 60% of the AMI adjusted for family size and the rents which may be charged for occupancy of such units will be restricted to not more than 30% of 60% of AMI, adjusted for family size.

In addition to the rental restrictions imposed upon the Project by the Regulatory Agreement and the tax credit restrictive covenant as outlined above, the Project will be further encumbered by the following documents, each of which will provide additional restrictions, as described below:

(a) Regulatory Agreement and Declaration of Restrictive Covenants, dated as of May 1, 1998 (as subsequently amended and modified, the “County Regulatory Agreement”), among the County of San Bernardino (the “County”), the Trustee, and the Borrower, which requires the Borrower to rent at least 40% of the units in the Project to persons whose adjusted family income (determined in accordance with the provisions of the Code) is no more than 60% of AMI, at monthly rents that do not exceed 1/12th of 30% of 60% of AMI.

(b) Regulatory Agreement, dated as of October 14, 1999 (the “TCAC Regulatory Agreement”), between the California Tax Credit Allocation Committee (“TCAC”) and the Borrower, which requires the Borrower to rent at least 181 of the units in the Project to persons whose adjusted family income (determined in accordance with the provisions of the Code) is no more than 60% of AMI, at monthly rents that do not exceed 30% of the imputed income limitation applicable to such unit under the Code.

(c) Section 8 Use Agreement to be recorded on the Closing Date (as subsequently amended and modified, the “Section 8 Use Agreement”), between the Secretary of Housing and Urban Development (“HUD”) and the Borrower, which requires the Borrower to operate the Project pursuant to Section 8 of the United States Housing Act of 1937, as amended, and in accordance with the HAP Contract for a term of 37 years. Pursuant to the Section 8 Use Agreement and the HAP Contract, the HAP-assisted units within this Project shall be used solely as rental housing for tenants meeting the eligibility and income-targeting requirements that govern the HAP Contract. In the event the HAP Contract is terminated (e.g., because of breach or non-compliance by the Borrower, for the remainder of the term of the Section 8 Use Agreement, new tenants must have incomes at or below 80 percent of the AMI at the time of admission, applicable to all units previously covered by the HAP Contract. See “THE PROJECT – The HAP Contract.”

Finally, the Reimbursement Agreement contains conditions which govern compliance by the mortgaged property with the terms and conditions of the Federal Housing Administration (FHA) Risk Sharing Program.

THE LOAN SERVICER

Capital One, National Association (the “Loan Servicer”) will perform mortgage servicing functions with respect to the Loan pursuant to the Reimbursement Agreement and related documents on behalf of and in accordance with Fannie Mae requirements. The servicing arrangements between Fannie Mae and the Loan Servicer for servicing the Loan are solely between Fannie Mae and the Loan Servicer, and neither the Issuer nor the Trustee is deemed to be a party thereto or has any claim, right, obligation, duty or liability with respect to the servicing of the Loan.

The Loan Servicer will be obligated, pursuant to its arrangements with Fannie Mae and Fannie Mae’s servicing requirements, to perform diligently all services and duties customary to the servicing of mortgages, as well as those specifically prescribed by Fannie Mae. Fannie Mae will monitor the Loan Servicer’s performance and has the right to remove the Loan Servicer with or without cause. The duties performed by the Loan Servicer include general loan servicing responsibilities, collection and remittance of principal and interest payments, administration of mortgage escrow accounts and collection of insurance claims.

CERTAIN BONDHOLDERS' RISKS

The purchase of the Bonds will involve a number of risks. The following is a summary, which does not purport to be comprehensive or definitive, of some of such risk factors.

No Borrower Personal Liability

The Borrower has not been nor will it be (subject to certain limited exceptions to non-recourse liability set forth in the Financing Agreement, the Reimbursement Agreement and the Security Instrument) personally liable for payments on the Loan, nor under the other Bond Financing Documents. All payments on the Loan are expected to be derived from revenues generated by the Project.

Credit Facility; Primary Security

The primary security for the Bonds will be the Credit Facility delivered by Fannie Mae to the Trustee in order to pay the principal of and interest on the Bonds. Based on this expectation, no financial information as to the creditworthiness of the Borrower or the value of the Project is included herein.

It is possible, in the event of the insolvency of the Credit Provider, or the occurrence of some other event precluding the Credit Provider from honoring its obligations to make payments as stated in the Credit Facility, that the financial resources of the Borrower will be the only source of payment on the Bonds. There can be no assurance that the financial resources of the Borrower would be sufficient to pay the principal, premium if any, and interest on the Bonds in the event the Trustee needed to seek recourse against the Borrower. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

Special Limited Obligations

The Bonds are special, limited obligations of the Issuer payable solely from the Trust Estate.

NONE OF THE ISSUER, ANY ISSUER MEMBER OR ANY PERSON EXECUTING THE BONDS IS LIABLE PERSONALLY ON THE BONDS OR SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THEIR ISSUANCE. THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM AND SECURED BY THE TRUST ESTATE UNDER THE INDENTURE. NEITHER THE ISSUER, ITS MEMBERS, THE STATE OF CALIFORNIA, NOR ANY OF ITS POLITICAL SUBDIVISIONS SHALL BE DIRECTLY, INDIRECTLY, CONTINGENTLY OR MORALLY OBLIGATED TO USE ANY OTHER MONEYS OR ASSETS TO PAY ALL OR ANY PORTION OF THE DEBT SERVICE DUE ON THE BONDS, TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE BONDS ARE NOT A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, ITS MEMBERS, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS NOR DO THEY CONSTITUTE INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION. THE ISSUER HAS NO TAXING POWER.

FANNIE MAE'S OBLIGATIONS WITH RESPECT TO THE BONDS ARE SOLELY AS PROVIDED IN THE CREDIT FACILITY. THE OBLIGATIONS OF FANNIE MAE UNDER THE CREDIT FACILITY WILL BE OBLIGATIONS SOLELY OF FANNIE MAE, A FEDERALLY CHARTERED CORPORATION, AND WILL NOT BE BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA OR ANY OTHER AGENCY OR INSTRUMENTALITY OF THE UNITED

STATES OF AMERICA OR OF FANNIE MAE. THE BONDS ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

Early Redemption

Purchasers of Bonds, including those who purchase Bonds at a price in excess of their principal amount or who hold such a Bond trading at a price in excess of par, should consider the fact that the Bonds are subject to mandatory redemption at a redemption price equal to their principal amount plus accrued interest as described herein. This could occur, for example, in the event that the Loan is prepaid as a result of a casualty or condemnation award payments affecting the Project or there is a default under the Security Instrument. See “THE BONDS – Mandatory Redemption.”

No Acceleration or Redemption upon Loss of Tax Exemption

One condition to the Dated Date is that the Borrower will covenant and agree to comply with the provisions of the Code relating to the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds. The financing documents contain provisions and procedures designed to assure compliance with such covenant. However, the Borrower’s covenant to comply with the requirements of the Code is non-recourse to the Borrower, and the Borrower’s liability is limited to the revenues and assets comprising the Project. Furthermore, the Borrower’s failure to comply with such provisions will not constitute a default under the Loan and will not give rise to a redemption or acceleration of the Bonds (unless Fannie Mae determines, at its option and in its sole and absolute discretion, that such failure will constitute such a default) and is not the basis for an increase in the rate of interest payable on the Bonds. **Consequently, interest on the Bonds following the Dated Date may become includable in gross income for purposes of federal income taxation retroactive to the Dated Date by reason of the Borrower’s failure to comply with the requirements of federal tax law, and neither the Issuer, the Trustee nor the Bondholders will have remedies available to them, except as may otherwise be set forth in the Regulatory Agreement, to mitigate the adverse economic effects to the Bondholders of such inclusion by reason of the Borrower’s non-compliance.**

Economic Feasibility

The economic feasibility of the Project depends in large part upon it being substantially occupied at projected rent levels. There can be no assurance that in the future the Borrower will be able to rent the units at rates which will enable it to make timely payments on the Loan.

Enforceability and Bankruptcy

The remedies available to the Trustee and the Bondholders upon an event of default under the Financing Agreement, the Credit Facility, 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 laws and judicial decisions, the remedies provided under the aforesaid documents may not readily be available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds and the aforesaid documents will be qualified to the extent that the enforceability of certain legal rights related to the Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

Normal Risks

Normal risks attending any investment in real estate include possible adverse use of adjoining land, fire, earthquake or other casualty, condemnation, increased taxes or loss of the benefits of the PILOT agreement, changes in demand for such facilities, increases in utility rates, adverse general and local economic conditions, energy shortages, a decline in property values in the Project, increases in operating costs due to inflation, non-compliance of tenants with the terms of their leases, unfavorable governmental regulation (such as enactment of rent controls), force majeure and uninsurable risks, construction strikes and decrease in the relative popularity of real estate investments as contrasted with other investments. These risks and many others cannot be controlled by the Borrower and may have a substantial bearing on the profitability and financial feasibility of the Project, and which may affect the realizable value of the real estate and other collateral securing payment of the Bonds.

Management of the Project

The successful operation of the Project will depend, to a large extent, upon the management services provided by the manager of the Project and upon the ability of the Borrower to lease the units, keeping the Project substantially occupied through the term of the Bonds. There is no assurance that the manager will operate the Project on a profitable basis. There can be no assurance that the Project will be operated in a manner which will provide sufficient money to pay principal and interest on the Bonds and to operate and maintain the Project. See “PRIVATE PARTICIPANTS” herein.

Effect of Increases in Operating Expenses

It is impossible to predict future increases in operating expenses of the Project. Substantial increases in operating expenses will affect future net operating income of the Project and the ability of the Borrower to meet its debt service obligations on the Note.

Additional Financing

The Borrower may obtain additional financing for the Project at a future date. Such additional financing could be in the form of a conventional loan the payment obligations with respect to which would be subordinate to the Borrower’s payment obligations under the Loan. In such case, the increased repayment obligations of the Borrower could increase the likelihood of an early mandatory redemption of the Bonds. Any such mandatory redemption would be at a price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption, without premium.

Potential Impact of Pandemics or Public Health Crises

The spread of the strain of a virus and resulting disease could alter the behavior of businesses and people in a manner that could have negative effects on global, state and local economies. There can be no assurances that the spread of a pandemic would not materially impact both local and national economies and, accordingly, have a materially adverse impact on the Project’s operating and financial viability. The effects of a pandemic could include, among other things, an increase in the time necessary to complete the rehabilitation of the Project, suspension or delay of site inspections and other on-site meetings, interruption in the engagement of material participants in the Project and increased delinquencies and/or vacancies, all of which could impact the Borrower’s ability to make payments on the loans and result in a default and acceleration thereof.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Issuer (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”), except that no opinion is expressed as to the status of interest on any Bond for any period that such Bond is held by a “substantial user” of the facilities financed or refinanced by the Bonds or by a “related person” within the meaning of Section 147(a) of the Code. Bond Counsel is further of the opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership, or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix H hereto. To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each beneficial owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of beneficial owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a beneficial owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such beneficial owner. Beneficial owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Issuer and the Borrower have made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these

representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may otherwise affect a beneficial owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the beneficial owner or the beneficial owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Issuer or the Borrower, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Issuer and the Borrower have covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Issuer, the Borrower or the beneficial owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, beneficial owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Issuer or the Borrower legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the Issuer, the Borrower or the beneficial owners to incur significant expense.

Payments on the Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate beneficial owner of Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding

under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a beneficial owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain beneficial owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

CONTINUING DISCLOSURE

Prior to the issuance and delivery of the Bonds, the Borrower will enter into a Continuing Disclosure Agreement, dated as of October 1, 2025 (the "Continuing Disclosure Agreement"), with Zions Bancorporation, National Association, acting as Dissemination Agent, pursuant to which the Borrower will agree to provide ongoing disclosure pursuant to the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule"). Financial statements will be provided at least annually to the Municipal Securities Rulemaking Board (the "MSRB") and notices of certain events will be issued pursuant to the Rule. Information will be filed with the MSRB through its Electronic Municipal Market Access ("EMMA") system, unless otherwise directed by the MSRB. A form of the Continuing Disclosure Agreement is attached hereto as APPENDIX I.

A failure by the Borrower to comply with the provisions of the Continuing Disclosure Agreement will not constitute a default under the Financing 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 has not previously been subject to the continuing disclosure requirements of the Rule. As of the date of this Official Statement, certain affiliates of the Borrower have failed to comply with certain undertakings under the Rule during the five-year period prior to the date of this Official Statement, including instances of failure to timely file financial and/or operating data pursuant to the Continuing Disclosure Agreement applicable to such affiliate. However, each such affiliate promptly corrected such failures and are currently in compliance with the applicable Continuing Disclosure Agreement.

THE ISSUER IS NOT A PARTY TO THE CONTINUING DISCLOSURE AGREEMENT AND SHALL NOT BE LIABLE FOR THE SUFFICIENCY OF THE CONTINUING DISCLOSURE AGREEMENT TO SATISFY THE REQUIREMENTS OF THE RULE. IN ADDITION, THE ISSUER HAS MADE NO UNDERTAKINGS RELATING TO THE RULE IN CONNECTION WITH THE OFFERING, ISSUANCE AND SALE OF THE BONDS. THE ISSUER MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE BORROWER'S COMPLIANCE WITH THE BORROWER'S OBLIGATIONS UNDER THE CONTINUING DISCLOSURE AGREEMENT.

UNDERWRITING

Pursuant and subject to the terms and conditions set forth in the Bond Purchase Agreement (the "Bond Purchase Agreement"), among Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), the Issuer and the Borrower, the Underwriter has agreed to purchase the Bonds at the price set forth on the cover page hereof. For its services relating to the transaction, the Underwriter will receive a fee of \$ _____ plus \$ _____, payable in immediately available funds on the Closing Date, from which the Underwriter shall pay certain fees and expenses relating to the issuance of the Bonds[, plus an additional amount of \$ _____ (the "Underwriter's Advance) for initial deposits established under the Indenture]. The Underwriter's fee

shall not include the fee of its counsel. [The Borrower will reimburse the Underwriter for the Underwriter's Advance on or before the Closing Date.]

The Underwriter's obligations are subject to certain conditions precedent, and the Underwriter will purchase all the Bonds, if any are purchased. Pursuant to the Bond Purchase Agreement, the Borrower has agreed to indemnify the Underwriter and the Issuer against certain civil liabilities, including liabilities under federal securities laws. It is intended that the Bonds will be offered to the public initially at the offering prices set forth on the cover page hereof and that such offering prices subsequently may change without any requirement of prior notice. The Underwriter may offer the Bonds to other dealers at prices lower than those offered to the public.

The Underwriter does not guarantee a secondary market for the Bonds and is not obligated to make any such market in the Bonds. No assurance can be made that such a market will develop or continue. Consequently, investors may not be able to resell Bonds should they need or wish to do so for emergency or other purposes.

The Underwriter and its affiliates comprise a full-service financial institution engaged in activities which may include securities sales and trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the Issuer and/or the Borrower and to persons and entities with relationships with the Issuer and/or the Borrower, for which they received or will receive customary fees and expenses. The Underwriter is not acting as financial advisor to the Issuer or the Borrower in connection with the offer and sale of the Bonds.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Issuer and/or the Borrower (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Issuer and/or the Borrower.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer.

RATING

Moody's Investors Service, Inc., a Delaware corporation (the "Rating Agency"), has assigned to the Bonds the rating set forth on the cover page hereof. An explanation of the significance of such rating may be obtained from the Rating Agency. The rating of the Bonds reflects only the views of the Rating Agency at the time such rating was given, and neither the Issuer nor the Borrower nor the Underwriter makes any representation as to the appropriateness of the rating. The rating is not a recommendation to buy, sell, or hold the Bonds. There is no assurance that such 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 its judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

CERTAIN LEGAL MATTERS

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the Issuer. A complete copy of the proposed form of Bond Counsel opinion is contained in APPENDIX H hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the Borrower by its counsel, Downs Pham & Kuei LLP, San Francisco, California, and for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C. Payment of the fees of certain counsel to the transaction is contingent upon the issuance and delivery of the Bonds as described herein. In connection with the issuance of the Bonds, some or all of the fees or other compensation payable to the Issuer, the Issuer's financial advisor, Sierra Management Group, LLC, and certain other professionals involved with the offering of the Bonds, is contingent upon the issuance and delivery of the Bonds.

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.

ABSENCE OF LITIGATION

The Issuer

To the knowledge of the Issuer, there is no proceeding or litigation of any nature now pending or threatened against the Issuer restraining or enjoining the issuance, sale, execution or delivery of the Bonds or the Financing Documents to which the Issuer is a party, or in any way contesting or affecting the validity of the Bonds, any proceedings of the Issuer taken with respect to the issuance or sale thereof, the pledge or application of any money or security provided for the payment of the Bonds, the existence or powers of the Issuer relating to the Bonds or the title of any officers of the Issuer to their respective positions.

The Borrower

There is no legal action, suit, proceeding, investigation or inquiry at law or in equity, before or by any court, agency, arbitrator, public board or body or other entity or person, pending or, to the actual knowledge of the Borrower, threatened in writing against or affecting the Borrower or any general partner of the Borrower, in their respective capacities as such, nor, to the actual knowledge of the Borrower, any basis therefor, (i) which would restrain or enjoin the issuance or delivery of the Bonds, the use of this Official Statement in the marketing of the Bonds or the collection of revenues pledged under or pursuant to the Indenture or (ii) which would in any way contest or affect the organization or existence of the Borrower or the entitlement of any officer of the Borrower to its position or (iii) which would contest or have a material and adverse effect upon (A) the due performance by the Borrower of the transactions contemplated by this Official Statement, (B) the validity or enforceability of the Bonds or any other agreement or instrument to which the Borrower is a party and that is used or contemplated for use in the consummation of the transactions contemplated hereby and thereby, (C) the exclusion from gross income for federal income tax purposes of the interest on the Bonds or (D) the financial condition or operations of the Borrower, (iv) which contests in any way the completeness or accuracy of this Official Statement or (v) which questions the power or authority of the Borrower to carry out the transactions on its part contemplated by this Official Statement, or the power of the Borrower to own or operate the Project. The Borrower is

not subject to any judgment, decree or order entered in any lawsuit or proceeding brought against it that would have such an effect.

ENFORCEABILITY OF REMEDIES

The remedies available to the Trustee, the Issuer and the owners of the Bonds upon an Event of Default under the Indenture, the Financing Agreement, the Regulatory Agreement, the Credit Facility, if delivered, or any other document described herein are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing law and judicial decisions, the remedies provided may not be readily available or may be limited. 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 is subject to 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 equitable remedies and proceedings generally (regardless of whether such enforceability is considered in a proceeding in equity or at law).

MISCELLANEOUS

Any statements herein 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 and the purchasers or owners of any of the Bonds. The Issuer makes no representations as to the accuracy or completeness of the contents of this Official Statement except with respect to the information under the sections “THE ISSUER” and “ABSENCE OF LITIGATION – The Issuer.”

Appendices A through I are integral parts of this Official Statement and should be read in conjunction with the foregoing material.

Certain provisions of the Act, the Indenture, the Credit Facility, the Code and other provisions of law are summarized in this Official Statement. Such summaries do not purport to be comprehensive or definitive and reference is made to such documents and laws for a full and complete statement of their respective provisions. All quotations from, and summaries and explanations of, the Act, the Indenture, the Credit Facility and the Code contained herein do not purport to be complete and reference is made to said documents for full and complete statements of their provisions. Copies of the Indenture and the Credit Facility may be obtained upon request directed to the Trustee.

The information contained herein is subject to change without notice and no implication is to be derived therefrom or from the offering of the Bonds that there has been no change in such information from the date of this Official Statement.

This Official Statement is submitted in connection with the sale of the Bonds and may not be reproduced or used, in whole or in part, for any other purpose. Any statements herein involving matters of opinion or estimate, 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 and the purchasers or owners of any of the Bonds.

[Signature page to follow]

This Official Statement has been approved by the Borrower for distribution by the Underwriter to potential purchasers of the Bonds and has been duly authorized, executed and delivered by the Borrower.

VILLAGE GREEN TAX CREDIT LP,
a California limited partnership

By: Village Green Tax Credit GP LLC,
a California limited liability company,
its Administrative General Partner

By: _____
Steve TeSelle
Vice President

By: Las Palmas Housing and Development Corporation,
a California nonprofit public benefit corporation,
its Managing General Partner

By: _____
Noami Pines
Executive Vice President

APPENDIX A

DEFINITIONS OF CERTAIN TERMS

In addition to the terms defined elsewhere in this Official Statement, the following are definitions of certain terms used in this Official Statement. Terms used but not otherwise defined herein will have the meanings assigned to such terms in the Indenture or the Financing Agreement.

“Account” means an account established within a Fund.

“Act” means Chapter 5 of Division 7 of Title 1 of the California Government Code together with the provisions of Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code.

“Act of Bankruptcy” means any proceeding instituted under the Bankruptcy Code or other applicable insolvency law by or against the Issuer.

“Advance” means an advance made under the Credit Facility.

“Affiliate” as applied to any person means any other person directly or indirectly controlling, controlled by or under common control with that person. For the purposes of this definition, “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that person, whether through the ownership of voting securities, partnership interests or by contract or otherwise.

“as their interests may appear” or “as its interest may appear” means, with reference to any of the Assigned Rights, the respective interests, exclusive of the Reserved Rights of the Issuer, of Fannie Mae and of the Trustee to such documents and rights as set forth in the Assignment.

“Assigned Rights” has the meaning given to that term in the Assignment.

“Assignment” means the Assignment and Intercreditor Agreement, dated as of October 1, 2025, by and among the Issuer, the Trustee and Fannie Mae, and acknowledged and agreed to by the Borrower, as it may be amended, supplemented or restated from time to time.

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

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

“Authorized Loan Servicer Representative” means any person who, at any time and from time to time, is designated as the Loan Servicer’s authorized representative by written certificate furnished to the

Issuer, the Borrower, the Credit Provider and the Trustee containing the specimen signature of such person and signed on behalf of the Loan Servicer.

“Authorized Officer” means any member of the Board of Directors of the Issuer, the Executive Director of the Issuer and any other officer or employee of the Issuer designated by certificate of any of the foregoing as authorized by the Issuer to perform a specified act, sign a specified document or otherwise take action with respect to the Bonds.

“Available Moneys” means, as of any date of determination, any of:

- (a) the proceeds of the Bonds or any other amounts received by the Trustee from the Underwriter;
- (b) Reserved;
- (c) moneys received by the Trustee pursuant to a draw on the Credit Facility;
- (d) any other amounts, including the proceeds of refunding bonds, for which, in each case, the Trustee has received an Opinion of Counsel to the effect that the use of such amounts to make payments on the Bonds would not violate Section 362(a) of the Bankruptcy Code (or that relief from the automatic stay provisions of such Section 362(a) would be available from the bankruptcy court) or be avoidable as preferential payments under Section 544, 547 or 550 of the Bankruptcy Code should the Issuer or the Borrower become a debtor in proceedings commenced under the Bankruptcy Code;
- (e) Reserved; and
- (f) Investment Income derived from the investment of moneys described in clauses (a), (b), (c) or (d).

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

“Beneficial Owner” means, for any Bond which is held by a nominee, the beneficial owner of such Bond.

“Bond” or “Bonds” means the Issuer’s Multifamily Housing Revenue Bonds (Village Green Apartments) 2025 Series A in the original aggregate principal amount of \$35,540,000*.

“Bond Counsel” means (i) on the Closing Date, the law firm or law firms delivering the approving opinion(s) with respect to the Bonds or (ii) after the Closing Date, any law firm selected by the Issuer and acceptable to the Credit Provider, of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of the interest payable on bonds issued by states and political subdivisions.

“Bond Documents” means the Assignment, the Bonds, the Bond Purchase Agreement, the Credit Facility, the Continuing Disclosure Agreement, the Financing Agreement, the Indenture, the Regulatory Agreement (and any other agreement relating to rental restrictions on the Mortgaged Property), the Tax Certificate, and all other documents, instruments and agreements executed and delivered in connection with

* Preliminary; subject to change.

the issuance, sale or delivery, if any, of the Bonds, as each such agreement or instrument may be amended, supplemented or restated from time to time.

“Bond Purchase Agreement” means the Bond Purchase Agreement, dated October __, 2025, among the Underwriter, the Issuer and the Borrower.

“Bond Register” means the Bond Register maintained by the Trustee pursuant to the Indenture.

“Bond Resolution” means the resolution adopted by the Issuer on August 29, 2025, authorizing and approving the issuance and sale of the Bonds and the execution and delivery of the Indenture, the Assignment, the Bond Purchase Agreement, the Financing Agreement, the Regulatory Agreement and certain other documents, making certain appointments and determining certain details with respect to the Bonds.

“Bondholder,” “holder,” “Owner,” “owner,” “Registered Owner” or “registered owner” means, with respect to any Bond, the owner of the Bond as shown on the Bond Register.

“Book-Entry Bonds” means that part of the Bonds for which a Securities Depository or its nominee is the Bondholder.

“Book-Entry System” means an electronic system in which the clearance and settlement of securities transactions is made through electronic book-entry changes.

“Borrower” means Village Green Tax Credit LP, a California limited partnership, duly organized, validly existing and in good standing under the laws of the State, together with any successor to its rights, duties and obligations.

“Borrower Documents” means the Bond Documents to which the Borrower is a party, the Credit Facility Documents to which the Borrower is a party and the Loan Documents and all other documents to which the Borrower is a party and which are being executed and delivered by the Borrower in connection with the transactions provided for in the Bond Documents, the Loan Documents and the Credit Facility Documents.

“Business Day” means any day other than (a) a Saturday or a Sunday, (b) any day on which the Federal Reserve Bank of New York is not open for business, (c) any day on which banking institutions located in the City of New York, New York, are required or authorized by law or executive order to close, (d) any day on which banking institutions located in the city or cities in which the Designated Office of the Trustee is located are required or authorized by law or executive order to close, (e) a day on which banking institutions located in the city in which the Designated Office of the Loan Servicer is located are required or authorized by law or executive order to close, or (f) so long as a Credit Facility is in effect, any day on which the Credit Provider is closed. Unless specifically referred to as a “Business Day,” all references to “day” or “days” in the Indenture shall be to calendar days.

“CDLAC” means the California Debt Limit Allocation Committee, and its successors and assigns.

“Certificate of Borrower” means the Certificate of Borrower dated October __, 2025, as it may be amended, supplemented or restated from time to time.

“Closing Date” or “Dated Date” means the date on which the Bonds are issued and delivered to or upon the order of the Underwriter.

“Code” means the Internal Revenue Code of 1986, as amended; each reference to the Code is deemed to include (i) any successor internal revenue law and (ii) the applicable regulations whether final, temporary or proposed under the Code or such successor law. Any reference to a particular provision of the Code is deemed to include any successor provision of any successor internal revenue law and applicable regulations whether final, temporary or proposed under such provision or successor provision.

“Conditional Redemption” means a redemption where the Trustee has stated in the notice of redemption that the redemption is conditioned upon deposit of funds as further described in the Indenture.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement, dated as of October 1, 2025, by and between the Borrower and the Dissemination Agent.

“Costs of Issuance” means:

(a) the fees, costs and expenses of (i) the Issuer, the Issuer’s counsel and the Issuer’s financial advisor, if any, (ii) the Underwriter (including discounts to the Underwriter or other purchasers of the Bonds, other than original issue discount, incurred in the issuance and sale of the Bonds) and the Underwriter’s counsel, (iii) Bond Counsel, (iv) the Trustee and the Trustee’s counsel, (v) the Loan Servicer and the Loan Servicer’s counsel, if any, (vi) the Credit Provider and the Credit Provider’s counsel, (vii) the Borrower’s counsel and the Borrower’s financial advisor, if any, and (viii) the Rating Agency;

(b) costs of printing the offering documents relating to the sale of the Bonds; and

(c) all other fees, costs and expenses directly associated with the authorization issuance, sale and delivery of the Bonds, including printing costs, costs of reproducing documents, filing and recording fees, and any fees, costs and expenses required to be paid to the Loan Servicer in connection with the origination of the Loan.

“Costs of Issuance Deposit” means the deposit to be made by the Borrower with the Trustee on the Closing Date pursuant to the Indenture to pay all or a portion of the Costs of Issuance.

“Costs of Issuance Fund” means the Costs of Issuance Fund created by the Indenture.

“Costs of the Project” means the costs chargeable to the Mortgaged Property in accordance with generally accepted accounting principles, including, but not limited to, the costs of acquisition, construction, rehabilitation, reconstruction, restoration, repair, alteration, improvement and extension (in any of such events, “construction”) of any building, structure, facility or other improvement; stored materials for work in progress; the cost of machinery and equipment; the cost of the “Land” (as that term is defined in the Security Instrument), rights-in-lands, easements, privileges, agreements, franchises, utility extensions, disposal facilities, access roads and site development necessary or useful and convenient for the Mortgaged Property; financing costs, including, but not limited to, the Costs of Issuance, engineering and inspection costs; fees paid to the developer of the Mortgaged Property; organization, administrative, insurance, legal, operating, letter of credit and other expenses of the Borrower actually incurred prior to and during construction; and all such other expenses as may be necessary or incidental to the financing, acquisition, construction or completion of the Mortgaged Property or any part of it, including, but not limited to, the amount of interest expense incurred with respect to the Loan prior to the completion date; insurance premiums payable by the Borrower and taxes and other governmental charges levied on the Mortgaged Property.

“Credit Facility” means the Direct Pay Irrevocable Transferable Credit Enhancement Instrument, dated the Closing Date, issued by Fannie Mae to the Trustee, as such facility may be amended, supplemented or restated from time to time.

“Credit Facility Account” means the Credit Facility Account of the Revenue Fund.

“Credit Facility Documents” means the Reimbursement Agreement, the Certificate of Borrower, all Collateral Agreements (as that term is defined in the Reimbursement Agreement), and all other agreements and documents securing the Credit Provider or otherwise relating to the provision of the Credit Facility, as any such agreement may be amended, supplemented or restated from time to time.

“Credit Provider” means Fannie Mae, and its successors and assigns.

“Designated Office” of the Trustee or the Loan Servicer means, respectively, the office of the Trustee or the Loan Servicer at the respective address set forth in the Indenture or at such other address as may be specified in writing by the Trustee or the Loan Servicer, as applicable, as provided in the Indenture.

“Dissemination Agent” means initially Zions Bancorporation, National Association, and its successors and assigns.

“DTC” means The Depository Trust Company and any successor to it or any nominee of it.

“DTC Participant” has the meaning given to that term in the Indenture.

“Electronic Means” means an email or any other electronic means of communication approved in writing by the Credit Provider.

“Event of Default” means, as used in any Transaction Document, any event described in that document as an Event of Default. Any “Event of Default” as described in any Transaction Document is not an “Event of Default” in any other Transaction Document unless that other Transaction Document specifically so provides.

“Excluded Bonds” has the meaning given to that term in the Credit Facility.

“Extraordinary Items” means, with respect to the Trustee, reasonable compensation for extraordinary services and/or reimbursement for reasonable extraordinary costs and expenses including reasonable fees and expenses of its counsel.

“Fannie Mae” means Federal National Mortgage Association, a corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C. § 1716 et seq., and its successors and assigns.

“Fees Account” means the Fees Account of the Revenue Fund.

“Fees and Expenses” means the fees and expenses set forth in the Financing Agreement.

“Financing Agreement” means the Financing Agreement, dated as of October 1, 2025, among the Issuer, the Trustee and the Borrower, as amended, supplemented or restated from time to time.

“Fixed Rate” means the rate or rates of interest borne by the Bonds as set forth in accordance with the provisions of the Indenture.

“Fund” means any fund created and established by the Indenture.

“Government Obligations” means direct obligations of, and obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by, the full faith and credit of the United States of America.

“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 “Aa1” or “Aa1/VMIG 1” if rated by Moody’s or “A-1+” or “AA+” if rated by S&P.

“Indenture” means the Trust Indenture, dated as of October 1, 2025, as amended, supplemented or restated from time to time.

“Initial Interest Payment Date” means May 1, 2026*.

“Interest Account” means the Interest Account of the Revenue Fund.

“Interest Component” has the meaning given that term in the Credit Facility.

“Interest Payment Date” means (i) each May 1 and November 1, commencing on the Initial Interest Payment Date, (ii) for Bonds subject to redemption in whole or in part on any date, the date of such redemption (iii) each Maturity Date; and (iv) for all Bonds, any date determined pursuant to the “Application of Moneys” in connection with the provisions of the Indenture related to Default Provisions and Remedies.

“Interest Requirement” means for the period to and including the Initial Interest Payment Date, ___ days’ interest at the Fixed Rate and thereafter, ___ days’ interest at the Fixed Rate, calculated on the basis of a 360-day year consisting of twelve 30-day months or such other number of days as may be required by the Rating Agency.

“Investment” means any Permitted Investment and any other investment held under the Indenture that does not constitute a Permitted Investment.

“Investment Income” means the earnings, profits and accreted value derived from the investment of moneys pursuant to the Indenture.

“Investor Limited Partner” means Wincopin Circle LLLP, a Maryland limited liability limited partnership, and its successors and assigns as permitted under the Loan Documents or the Regulatory Agreement.

“Issuer” means California Municipal Finance Authority, a joint exercise of powers agency duly organized and validly existing under the laws of the State, and its successors and assigns.

“Issuer Documents” means the Assignment, the Bonds, the Financing Agreement, the Indenture, the Loan Documents to which the Issuer is a party, the Regulatory Agreement and the Tax Certificate.

* Preliminary; subject to change.

“Issuer’s Fee” means the “Issuer Annual Fee” payable by the Borrower as provided under the Regulatory Agreement.

“Letter of Representations” means when all the Bonds are Book-Entry Bonds, the Letter of Representations executed by the Issuer and delivered to the Securities Depository, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

“Loan” means the loan made by the Issuer to the Borrower pursuant to the Financing Agreement for the purpose of providing funds to the Borrower to finance the acquisition, rehabilitation, improvement and equipping of the Mortgaged Property.

“Loan Documents” means, collectively, the Note, the Security Instrument, the Assignment of HAP Contract in favor of Fannie Mae and all other documents, agreements and instruments evidencing, securing or otherwise relating to the Loan, as each such document, agreement or instrument may be amended, supplemented or restated from time to time. Neither the Financing Agreement nor the Regulatory Agreement is a Loan Document and neither document is secured by the Security Instrument.

“Loan Fund” means the Loan Fund created under the Indenture.

“Loan Servicer” means the multifamily mortgage loan servicer designated from time to time by the Credit Provider, with the initial Loan Servicer being Capital One, National Association, a national banking association, and its successors and assigns.

“Maturity Date” means the stated maturity date of any Bond.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, if such successors and assigns shall continue to perform the functions of a securities rating agency.

“Mortgaged Property” means the real property described in the Security Instrument, together with all improvements, fixtures and personal property (to the extent of the Borrower’s interest therein) and located on such real property.

“Net Bond Proceeds” means the total proceeds derived from the issuance, sale and delivery of the Bonds, representing the total purchase price of the Bonds, including any premium paid as part of the purchase price of the Bonds, but excluding the accrued interest, if any, on the Bonds paid by the initial purchaser(s) of the Bonds.

“Note” means the Multifamily Note (together with all addenda thereto) dated October __, 2025, executed by the Borrower in favor of the Issuer, as it may be amended, supplemented or restated from time to time or any mortgage note executed in substitution therefor in accordance with the Bond Documents, as such substitute note may be amended, supplemented or restated from time to time.

“Opinion of Counsel” means a written opinion of legal counsel, acceptable to the recipient(s) of such opinion. If the opinion is with respect to an interpretation of federal tax laws or regulations or bankruptcy matters, such legal counsel also must be an attorney or firm of attorneys experienced in such matters.

“Outstanding” means, when used with reference to the Bonds at any date as of which the amount of Outstanding Bonds is to be determined, all Bonds which have been authenticated and delivered under the Indenture except:

- (a) Bonds cancelled or delivered for cancellation at or prior to such date;
- (b) Bonds deemed to be paid in accordance with the Indenture; and
- (c) Bonds in lieu of which others have been authenticated and delivered under the Indenture.

In determining whether the owners of a requisite aggregate principal amount of Outstanding Bonds have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of the Indenture, Bonds which are owned or held by or for the account of the Borrower will be disregarded and deemed not to be Outstanding under the Indenture for the purpose of any such determination unless all Bonds are owned or held by or for the account of the Borrower. In determining whether the Trustee will be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which are registered in the name of or known by the Trustee to be held for the account of the Borrower will be disregarded.

“Permitted Investments” means, to the extent authorized by law for investment of moneys of the Issuer:

- (a) Government Obligations.
- (b) Direct obligations of, and obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by, any agency or instrumentality of the United States of America (other than the Federal Home Loan Mortgage Corporation) or direct obligations of the World Bank, which obligations are rated in the Highest Rating Category.
- (c) Obligations, in each case rated in the Highest Rating Category, of (i) any state or territory of the United States of America, (ii) any agency, instrumentality, authority or political subdivision of a state or territory or (iii) any public benefit or municipal corporation the principal of and interest on which are guaranteed by such state or political subdivision.
- (d) Any written repurchase agreement entered into with a Qualified Financial Institution whose unsecured short term obligations are rated in the Highest Rating Category.
- (e) Commercial paper rated in the Highest Rating Category.
- (f) Interest bearing negotiable certificates of deposit, interest bearing time deposits, interest bearing savings accounts and bankers’ acceptances, issued by a Qualified Financial Institution if either (A) the Qualified Financial Institution’s unsecured short-term obligations are rated in the Highest Rating Category or (B) such deposits, accounts or acceptances are fully insured by the Federal Deposit Insurance Corporation.
- (g) an agreement (an “investment agreement”) held by the Trustee for the investment of moneys at a guaranteed rate with (i) the Credit Provider or (ii) a Qualified Financial Institution whose unsecured long-term obligations, obligations for which a current insurer financial enhancement rating is available or obligations for which an insurer financial strength rating is available are rated in the Highest Rating Category, or whose obligations are unconditionally

guaranteed or insured by a Qualified Financial Institution whose unsecured long-term obligations, obligations for which a current insurer financial enhancement rating is available or obligations for which an insurer financial strength rating is available are rated in the Highest Rating Category, provided, however, that:

(1) the agreement is an unconditional and general obligation of the provider, and if applicable the guarantee or insurance is an unconditional and general obligation of the guarantor or insurer of the agreement, and ranks *pari passu* with all other unsecured, unsubordinated obligations of the provider, and if applicable, the guarantor or insurer of the agreement;

(2) the Trustee receives an Opinion of Counsel, which may be subject to customary qualifications, that such agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and, if applicable, an Opinion of Counsel that any guaranty or insurance policy provided by a guarantor or insurer is legal, valid, binding and enforceable upon the guarantor or insurer in accordance with its terms;

(3) the agreement provides that the invested funds will be available for withdrawal without penalty or premium, at any time that (A) the Trustee is required to pay moneys from any Fund established under the Indenture to which the agreement is applicable, or (B) subject to paragraph (4), any Rating Agency lowers, suspends or withdraws the rating on the Bonds on account of the rating of the Qualified Financial Institution providing, guaranteeing or insuring, as applicable, the agreement;

(4) the agreement provides that if during its term the rating of the Qualified Financial Institution providing, guaranteeing or insuring, as applicable, the agreement, is withdrawn, suspended by any Rating Agency or falls below the Highest Rating Category, the provider must:

(A) within five days of such withdrawal, suspension or downgrade, the provider must notify the Trustee, the Borrower and the Credit Provider; and

(B) within 15 days of such withdrawal, suspension or downgrade and at the option of the provider, either (i) collateralize the agreement (if the agreement is not already collateralized) with Permitted Investments described in paragraph (a) or (b) by depositing collateral with the Trustee or a third party custodian, such collateralization to be effected in a manner and in an amount reasonably satisfactory to the Credit Provider and sufficient to maintain the then current rating of the Bonds, or, if the agreement, is already collateralized, increase the collateral with Permitted Investments described in paragraph (a) or (b) by depositing collateral with the Trustee or a third party custodian, in an amount reasonably satisfactory to the Credit Provider and sufficient to maintain the then current rating of the Bonds or (ii) transfer the agreement, guarantee or insurance, as applicable, to a replacement provider, guarantor or insurer, as applicable, then meeting the requirements of a Qualified Financial Institution and whose unsecured long term obligations or claims paying ability are then rated in the Highest Rating Category.

(5) the agreement also provides that if during its term the rating of the Qualified Financial Institution providing, guaranteeing or insuring, as applicable, the agreement, is withdrawn, suspended by any Rating Agency or falls below the Highest Rating Category, and the provider does not satisfy the requirements of paragraph (4) above

within the required period of time, then the Trustee may or the Credit Provider may direct the Trustee to notify the provider that it intends to withdraw the entire balance of the agreement then on deposit, together with all of the accrued and unpaid earnings thereon. The provider will, if the requirements of paragraph (4) above have not been timely satisfied, repay the principal of and accrued but unpaid interest on the investment, with no penalty or premium unless required by law, to the Trustee within two (2) Business Days of receipt of such notice from the Trustee. Upon any such withdrawal the agreement shall terminate.

(h) Subject to the ratings requirements set forth in this definition, shares in any money market mutual fund (including those of the Trustee or any of its affiliates) registered under the Investment Company Act of 1940, as amended, that have been rated “AAAm” by S&P or “Aaa-mf” by Moody’s so long as the portfolio of such money market mutual fund is limited to Government Obligations and agreements to repurchase Government Obligations. If approved in writing by the Credit Provider, a money market mutual fund portfolio may also contain obligations and agreements to repurchase obligations described in paragraphs (b) or (c). If the Bonds are rated by a Rating Agency, the money market mutual fund must be rated “AAAm” by S&P, if S&P is a Rating Agency, or “Aaa-mf” by Moody’s, if Moody’s is a Rating Agency. If at any time the Bonds are not rated (and, consequently, there is no Rating Agency), then the money market mutual fund must be rated “AAAm” by S&P or “Aaa-mf” by Moody’s. If at any time (i) the Bonds are not rated, (ii) both S&P and Moody’s rate a money market mutual fund and (iii) one of those ratings is below the level required by this paragraph, then such money market mutual fund will, nevertheless, be deemed to be rated in the Highest Rating Category if the lower rating is no more than one rating category below the highest rating category of that rating agency.

(i) Any other investment authorized by the laws of the State, if such investment is approved in writing by the Credit Provider.

Permitted Investments shall not include any of the following:

(1) Except for any investment described in the next sentence, any investment with a final maturity or any agreement with a term greater than one year from the date of the investment. This exception (1) shall not apply to any obligation that provides for the optional or mandatory tender, at par, by the holder of such obligation at least once within one year of the date of purchase, Government Obligations irrevocably deposited with the Trustee for payment of Bonds pursuant to the Indenture, and Permitted Investments listed in paragraphs (g) and (i) above.

(2) Except for any obligation described in paragraph (a) or (b) above, any obligation with a purchase price greater or less than the par value of such obligation.

(3) Any asset-backed security, including mortgage backed securities, real estate mortgage investment conduits, collateralized mortgage obligations, credit card receivable asset-backed securities and auto loan asset-backed securities.

(4) Any interest-only or principal-only stripped security.

(5) Any obligation bearing interest at an inverse floating rate.

(6) Any investment which may be prepaid or called at a price less than its purchase price prior to stated maturity.

(7) Any investment the interest rate on which is variable and is established other than by reference to a single index plus a fixed spread, if any, and which interest rate moves proportionately with that index.

(8) Any investment described in paragraph (d) or (g) with, or guaranteed or insured by, a Qualified Financial Institution described in clause (iv) of the definition of Qualified Financial Institution if such institution does not agree to submit to jurisdiction, venue and service of process in the United States of America in the agreement relating to the investment.

(9) Any investment to which S&P has added an “r” or “t” highlighter.

“Person” means a natural person, estate, trust, corporation, partnership, limited liability company, association, public body or any other organization or entity (whether governmental or private).

“Potential Default” means, as used in any Transaction Document, any event that has occurred which, with the giving of notice or the passage of time or both, would constitute an Event of Default as described in that document. Any “Potential Default” as described in any Transaction Document is not a “Potential Default” in any other Transaction Document unless that other Transaction Document specifically so provides.

“Preference Claim” has the meaning given that term in the Indenture.

“Principal Amount” means \$35,540,000*, the original principal amount of the Bonds on the Closing Date.

“Principal Component” has the meaning given that term in the Credit Facility.

“Project Account” means the Project Account of the Loan Fund.

“Qualified Financial Institution” means any of: (a) bank or trust company organized under the laws of any state of the United States of America, (b) national banking association, (c) savings bank, a savings and loan association, or an insurance company or association chartered or organized under the laws of any state of the United States of America, (d) federal branch or agency pursuant to the International Banking Act of 1978 or any successor provisions of law or a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, (e) government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, (f) securities dealer approved in writing by the Credit Provider the liquidation of which is subject to the Securities Investors Protection Corporation or other similar corporation and (g) any other entity which is acceptable to the Credit Provider. With respect to an entity which provides an agreement held by the Trustee for the investment of moneys at a guaranteed rate as set out in paragraph (g) of the definition of the term “Permitted Investments” or an entity which guarantees or insures, as applicable, the agreement, a “Qualified Financial Institution” may also be a corporation or limited liability company organized under the laws of any state of the United States of America.

“Rating Agency” means any nationally recognized statistical rating agency then maintaining a rating on the Bonds.

* Preliminary; subject to change.

“Rebate Analyst” means a Person that is (a) qualified and experienced in the calculation of rebate payments under Section 148 of the Code and compliance with the arbitrage rebate regulations promulgated under the Code, (b) chosen by the Borrower, and (c) engaged for the purpose of determining the amount of required deposits, if any, to the Rebate Fund. Initially, the Rebate Analyst shall be Tiber Hudson LLC.

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

“Record Date” means, with respect to any Interest Payment Date, the first day of the month preceding the month in which the Interest Payment Date occurs.

“Redemption Account” means the Redemption Account of the Revenue Fund.

“Redemption Date” means any date upon which Bonds are to be redeemed pursuant to the Indenture.

“Regulatory Agreement” means the Regulatory Agreement and Declaration of Restrictive Covenants relating to the Mortgaged Property, dated as of October 1, 2025, by and among the Issuer, the Trustee and the Borrower, as it may be amended, supplemented or restated from time to time.

“Reimbursement Agreement” means the Reimbursement Agreement, dated as of October 1, 2025, by the Credit Provider and the Borrower, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

“Replacement Credit Facility” has the meaning given to that term in the Indenture.

“Reserved Rights” means those certain rights of the Issuer under the Financing Agreement and the Regulatory Agreement to indemnification and to payment or reimbursement of fees and expenses of the Issuer, its right to receive notices and to enforce notice and reporting requirements, its right to inspect and audit the books, records and premises of the Borrower and of the Mortgaged Property, its right to collect attorneys’ fees and related expenses, its right to specifically enforce the Borrower’s covenant to comply with applicable federal tax law and State law (including the Act and the rules and regulations of the Issuer, if any), and its right to give or withhold consent to amendments, changes, modifications and alterations to the Financing Agreement relating to the Reserved Rights, its right to enforce the Regulatory Agreement and its right to enforce venue provisions.

“Revenue Fund” means the Revenue Fund created by the Indenture.

“Revenues” means all (i) payments made under the Credit Facility, (ii) Investment Income (excluding Investment Income earned from moneys on deposit in the Rebate Fund, the Fees Account and the Costs of Issuance Fund, but including Investment Income earned on Net Bond Proceeds deposited into the Costs of Issuance Fund and Investment Income on such Investment Income), and (iii) payments made under the Note (including without limitation prepayments, insurance proceeds and condemnation proceeds).

“S&P” means S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC, and its successors and assigns, if such successors and assigns shall continue to perform the functions of a securities rating agency.

“Securities Depository” means, initially, DTC and any replacement securities depository appointed under the Indenture.

“Security” means the Trust Estate and the Credit Facility.

“Security Instrument” means the Multifamily Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of October __, 2025, together with all riders and exhibits, securing the Note and the obligations of the Borrower to the Credit Provider under the Credit Facility Documents, executed by the Borrower with respect to the Mortgaged Property, as it may be amended, supplemented or restated from time to time, or any security instrument executed in substitution therefor, as such substitute security instrument may be amended, supplemented or restated from time to time.

“Sinking Fund Payment” means, as of any particular date of calculation, the amount required to be paid by the Issuer on a single future date for the retirement of Outstanding Bonds which mature after such future date, but excluding any amount payable by the Issuer by reason of the maturity of a Bond or by optional redemption at the election of the Issuer.

“Sinking Fund Payment Date” means any of the dates on which any of the Bonds matures or is subject to redemption through the application of Sinking Fund Payments as set out in a Sinking Fund Schedule.

“Sinking Fund Schedule” means a schedule of principal amounts of Bonds to mature or be subject to redemption through the application of Sinking Fund Payments on the specified dates and/or a schedule of principal amounts of Bonds maturing as serial Bonds. The Sinking Fund Schedule for the Bonds is set forth in the Indenture.

“State” means the State of California.

“Tax Certificate” means the Tax Certificate and Agreement, dated the Closing Date, executed and delivered by the Issuer and the Borrower, as amended, supplemented or restated from time to time.

“Tax Event” has the meaning given to that term under the Indenture.

“Third Party Fees” has the meaning given to that term in the Financing Agreement.

“Transaction Documents” means the Bond Documents, the Loan Documents and the Credit Facility Documents.

“Trust Estate” means the property, interests, rights, money, securities and other amounts pledged and assigned pursuant to the Indenture and the property, rights, money, securities and other amounts pledged and assigned by the Issuer to the Trustee and the Credit Provider pursuant to the Assignment.

“Trustee” means Zions Bancorporation, National Association, duly organized and existing under the laws of the United States of America, or its successors or assigns, or any other corporation or association resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee under the Indenture.

“Trustee’s Annual Fee” means the annual continuing trust administration fee of the Trustee as provided in the Financing Agreement, payable annually in advance on each Closing Date anniversary.

“UCC” means the Uniform Commercial Code of the State as in effect now or in the future, whether or not such Uniform Commercial Code is applicable to the parties or the transactions.

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

“Wrongful Dishonor” means an uncured failure by the Credit Provider to make an Advance to the Trustee upon proper presentation of documents which conform to the terms and conditions of the Credit Facility.

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a brief summary of certain provisions of the Indenture. This summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Indenture, copies of which are on file with the Trustee.

Funds and Accounts

Creation of Funds and Accounts. The pledge and assignment of and the security interest granted in the Trust Estate pursuant to the Granting Clauses of the Indenture shall attach, be perfected and be valid and binding from and after the time of the delivery of the Bonds by the Trustee or by any Person authorized by the Trustee to deliver the Bonds. The Trust Estate so pledged and then or thereafter received by the Trustee shall immediately be subject to the lien of such pledge and security interest without any physical delivery thereof or further act, and the lien of such pledge and security interest shall be valid and binding and prior to the claims of any and all parties having claims of any kind in tort, contract or otherwise against the Issuer irrespective of whether such parties have notice thereof. The following Funds and Accounts are created with the Trustee:

- (a) the Loan Fund, and within the Loan Fund, the Project Account;
- (b) the Revenue Fund and within the Revenue Fund, the Interest Account, the Principal Account, the Credit Facility Account, the Redemption Account and the Fees Account;
- (c) the Costs of Issuance Fund; and
- (d) the Rebate Fund.

The Funds and Accounts established pursuant to the Indenture shall be maintained in the corporate trust department of the Trustee as segregated trust accounts, separate and identifiable from all other funds held by the Trustee. The Trustee shall, at the written direction of an Authorized Officer of the Issuer, and may, in its discretion, establish such additional accounts within any Fund, and subaccounts within any of the accounts, as the Issuer or the Trustee may deem necessary or useful for the purpose of identifying more precisely the sources of payments into and disbursements from that Fund and its Accounts, or for the purpose of complying with the requirements of the Code relating to arbitrage, but the establishment of any such account or subaccount shall not alter or modify any of the requirements of the Indenture with respect to a deposit or use of money in the Funds established under the Indenture, or result in commingling of funds not permitted under the Indenture.

The Loan Fund

Amounts on deposit in the Loan Fund shall be disbursed by the Trustee to fund the Loan upon satisfaction of the conditions to delivery of the Bonds as provided in the Indenture.

Transfers to Effect Certain Mandatory Redemptions of Bonds.

(1) **Excess Loan Funds.** From time to time, the Trustee shall transfer to the Redemption Account such amounts remaining on deposit in the Loan Fund, excluding from such transfer, however, any amount the Loan Servicer determines is required to pay Costs of the Project that is then not yet due and payable or which are then being contested in good faith. The Trustee

shall apply any amounts so transferred to the redemption of Bonds pursuant to the Indenture. See “THE BONDS – Redemption Provisions – Mandatory Redemption - Excess Loan Funds”.

(2) **Certain Other Mandatory Redemptions.** Immediately prior to any mandatory redemption of the Bonds in whole following casualty or condemnation or following an event of default under the Reimbursement Agreement, any amounts then remaining in the Loan Fund shall, at the written direction of the Credit Provider, be transferred to the Redemption Account to be applied to the redemption of Bonds pursuant to the applicable provision. See “THE BONDS – Redemption Provisions – Mandatory Redemption – Casualty or Condemnation,” and “– After an Event of Default under the Reimbursement Agreement”.

Revenue Fund—Interest Account and Principal Account

Interest Account. Deposits into, and disbursements from, the Interest Account shall occur as follows:

(1) ***Deposits into the Interest Account.*** The Trustee will deposit each of the following amounts into the Interest Account:

(A) moneys provided by or on behalf of the Borrower relating to an interest payment under the Note;

(B) moneys provided by or on behalf of the Borrower relating to interest paid in connection with the prepayment of the Loan;

(C) all Investment Income on the Funds and Accounts (except that Investment Income earned on amounts on deposit in the Loan Fund, the Rebate Fund, and the Costs of Issuance Fund shall be credited to and retained in those respective Funds or Accounts); and

(D) any other moneys made available for deposit into the Interest Account from any other source.

(2) ***Disbursements From the Interest Account.*** The Trustee will disburse or transfer, as applicable, moneys on deposit in the Interest Account at the following times and apply such moneys in the following manner and in the following order of priority:

(A) On each Interest Payment Date, Redemption Date and any date of acceleration of the Bonds, the Trustee shall disburse (i) to the Credit Provider, the amount of the Interest Component of any Advance under the Credit Facility for the payment of interest on the Bonds or (ii) in the event of a Wrongful Dishonor until such Wrongful Dishonor is cured, to the Bondholders, an amount equal to the interest due on the Bonds on such date;

(B) If the Credit Provider or the Loan Servicer gives a written notice to the Trustee at any time to the effect that there is any unreimbursed Advance under the Credit Facility or any other amount required to be paid by the Borrower to the Credit Provider under the Loan Documents, the Bond Documents or the Credit Facility Documents remains unpaid, then the Trustee shall transfer any Investment Income earned on the Interest Account and any Investment Income transferred to the Interest Account from any other Fund or Account from and after the preceding Interest Payment Date or the Closing Date, as applicable, to the Credit Provider but not in an amount which exceeds the amount stated

as unpaid by the Credit Provider or the Loan Servicer, as the case may be, in its notice to the Trustee (upon which the Trustee may conclusively rely); and

(C) Unless there is (i) a deficiency in the Principal Account, the Fees Account or the Rebate Fund or (ii) other than as described in paragraph (B) above, an Event of Default under the Reimbursement Agreement or any Bond Document or a default under any Loan Document has occurred and is continuing, on each Interest Payment Date the Trustee shall disburse to the Borrower the Investment Income earned on, or otherwise on deposit in, the Interest Account from and after the preceding Interest Payment Date or the Closing Date, as applicable. If a deficiency exists in the Principal Account, the Fees Account or the Rebate Fund, such Investment Income shall be transferred to the Principal Account, the Fees Account and/or the Rebate Fund, in that order of priority, prior to any payment to the Borrower.

Principal Account. Deposits into, and disbursements from, the Principal Account shall occur as follows:

(1) **Deposits into the Principal Account.** The Trustee shall deposit each of the following amounts into the Principal Account:

(A) moneys provided by or on behalf of the Borrower relating to a principal payment under the Note if such moneys have not otherwise been remitted to the Credit Provider; and

(B) any other moneys made available for deposit into the Principal Account from any other source.

(2) **Disbursements from the Principal Account.** On each Sinking Fund Payment Date, Redemption Date and any date of acceleration of the Bonds, the Trustee shall disburse (i) to the Credit Provider, if not otherwise remitted to the Credit Provider, the amount of the Principal Component of any Advance under the Credit Facility for the payment of principal on the Bonds or (ii) in the event of a Wrongful Dishonor until such Wrongful Dishonor is cured, to the Redemption Account, an amount equal to the principal due on the Bonds on such date.

Revenue Fund—Redemption Account

Deposits into the Redemption Account. The Trustee will deposit each of the following amounts into the Redemption Account:

(1) Available Moneys provided by or on behalf of the Borrower to fund the premium payable on Bonds in connection with a redemption of such Bonds which amounts shall be held in a segregated subaccount in the Redemption Account;

(2) moneys transferred from the Loan Fund pursuant to paragraph (c) under heading “Loan Fund” above;

(3) moneys provided by or on behalf of the Borrower relating to a principal payment, including any prepayment under the Note;

(4) moneys transferred from the Principal Account pursuant to the Indenture; and

(5) any other amount received by the Trustee and required by the terms of the Indenture or the Financing Agreement to be deposited into the Redemption Account.

Disbursements from the Redemption Account. On each Redemption Date, date of acceleration of the Bonds and Maturity Date, the Trustee shall disburse from the Redemption Account (i) to the Credit Provider, the amount of the Principal Component of any Advance under the Credit Facility for the payment of principal on the Bonds or (ii) in the event of a Wrongful Dishonor, to the Bondholders, an amount equal to the principal due on or Principal Component of the redemption price of the Bonds on such date. In addition, on any date on which premium payable on Bonds in connection with a redemption of such Bonds is due, the Trustee shall disburse to the Bondholders, from the segregated subaccount in the Redemption Account, Available Moneys in an amount sufficient to pay such premium.

Disbursements from the Redemption Account for Sinking Fund Payments.

(1) **Application of Moneys.** Provided that no notice of optional redemption has been sent to Bondholders on or prior to the 30th day preceding a Sinking Fund Payment Date, at the written instruction of the Issuer (acting through an Authorized Officer), at the direction of the Borrower and with the prior written consent of the Credit Provider, the Trustee shall apply any Available Moneys accumulated in the Redemption Account on or prior to the 30th day preceding such Sinking Fund Payment Date to the purchase of Bonds of the maturity for which such Sinking Fund Payment was established at prices (including any brokerage and other charges) not exceeding the redemption price for such Bonds plus accrued and unpaid interest to the date of purchase, such purchase to be made in such manner as the Trustee (after consultation with the Issuer, the Borrower and the Credit Provider) determines. The Borrower shall provide a copy of such direction to the Loan Servicer concurrently with delivery to the Trustee.

(2) **Credit Toward Sinking Fund Payment.** Upon the purchase of any Bond pursuant to paragraph (1) under heading “Revenue Fund – Redemption Account – Disbursements from the Redemption Account for Sinking Fund Payments” above, all such Bonds will be cancelled by the Trustee and an amount equal to the principal amount of the Bonds so purchased will be credited toward the Sinking Fund Payment next due with respect to the Bonds of such maturity. In the event the Trustee purchases Bonds at a price less than the redemption price at which such Bonds were to be redeemed, then, presuming no notice of redemption has been sent to Bondholders, after payment by the Trustee of the purchase price of such Bonds and after payment of any other amounts due on the due date of such Sinking Fund Payment, the Trustee shall pay an amount not greater than the difference between the amount of such purchase price and the amount of such redemption price to, or at the direction of, the Borrower.

(3) **Redemption.** As soon as practicable after the 30th day preceding the due date of any such Sinking Fund Payment, and otherwise as provided in the Indenture, the Trustee shall give notice of redemption of Bonds in such amount as is necessary to complete the retirement of a principal amount of Bonds equal to the unsatisfied balance of such Sinking Fund Payment. The Trustee shall call such Bonds for redemption whether or not it then has moneys in the Redemption Account sufficient to pay the applicable redemption price of the Bonds to be redeemed on the Redemption Date. The Trustee shall pay the amount required for the redemption of the Bonds so called for redemption from the Funds specified in the Indenture, in the order of priority indicated, and such amount will be applied by the Trustee to such redemption.

Revenue Fund—Credit Facility Account

Deposits into the Credit Facility Account. The Trustee shall deposit into the Credit Facility Account all Advances under the Credit Facility. No other moneys will be deposited into the Credit Facility Account and the Credit Facility Account shall be maintained as a segregated account and moneys therein shall not be co-mingled with any other moneys held under the Indenture. The Credit Facility Account shall be closed at such time as the Credit Provider has no continuing liability under the Credit Facility.

Transfers from the Credit Facility Account. The Trustee shall cause amounts deposited into the Credit Facility Account to be applied on the date payment is due to the payments for which the Advance was made pursuant to the Credit Facility. In no event shall amounts in the Credit Facility Account be applied to the payment of principal of and interest and any premium on Bonds known by the Trustee to be held by the Borrower or any Affiliate of the Borrower. Any amounts remaining in the Credit Facility Account after making the payment for which the Advance was made pursuant to the Credit Facility shall be immediately refunded to the Credit Provider.

Revenue Fund—Fees Account

Deposits into the Fees Account. The Trustee shall deposit into the Fees Account all:

- (1) Third Party Fees. Payments made by the Borrower under the Financing Agreement attributable to the Third Party Fees as provided in the Financing Agreement; and
- (2) Fees and Expenses. Payments made by the Borrower under the Financing Agreement attributable to the Fees and Expenses.

Disbursements from the Fees Account. On any date on which any amounts are required to pay any Third Party Fees, such amounts shall be withdrawn by the Trustee from the Fees Account for payment to the appropriate party. In the event the amount in the Fees Account is insufficient to pay such Third Party Fees, the Trustee shall make written demand on the Borrower for the amount of such insufficiency and, pursuant to the terms of the Financing Agreement, the Borrower shall be liable to promptly pay the amount of such insufficiency to the Trustee after the date of the Trustee's written demand. The Trustee will provide notice of the insufficiency to the Loan Servicer.

No Other Claims to Trust Estate. The Rebate Analyst shall not have any right to any moneys in any Fund or Account or otherwise in the Trust Estate, other than those moneys deposited as described under "Deposits into the Fees Account" above into the Fees Account specifically for the Rebate Analyst. Except as otherwise stated in the Indenture, the Issuer shall not have any right to any moneys in any Fund or Account or otherwise in the Trust Estate, other than those moneys deposited as described under "Deposits into the Fees Account" above into the Fees Account specifically for the Issuer. Except as otherwise stated in the Indenture, the Trustee shall not have any right to any moneys in any Fund or Account or otherwise in the Trust Estate other than those moneys deposited as described under "Deposits into the Fees Account" above into the Fees Account specifically for the Trustee.

Costs of Issuance Fund

Deposits into the Costs of Issuance Fund. On or before the Closing Date the Borrower shall deliver the Costs of Issuance Deposit to the Trustee. On the Closing Date, the Trustee shall deposit or transfer, as applicable, the Costs of Issuance Deposit into the Costs of Issuance Fund.

Disbursements from the Costs of Issuance Fund. The Trustee shall disburse moneys on deposit in the Costs of Issuance Fund, pursuant to requisitions in the form attached as an exhibit to the Indenture, signed by an Authorized Borrower Representative, to pay Costs of Issuance. The Trustee may conclusively rely on such requisitions for purposes of making such disbursements. Moneys on deposit in the Costs of Issuance Fund shall not be part of the Trust Estate and will be used solely to pay Costs of Issuance.

Disposition of Remaining Amounts. Any moneys remaining in the Costs of Issuance Fund six months after the Closing Date and not needed to pay still unpaid Costs of Issuance will be returned to the Borrower. Upon final disbursement, the Trustee shall close the Costs of Issuance Fund.

Rebate Fund

The Trustee shall hold and apply the Rebate Fund as provided in the Tax Certificate. Within 30 days after the end of every fifth Bond Year (as defined in the Tax Certificate), and within 55 days after the date on which no Bonds are Outstanding, the Borrower or the Trustee shall cause the Rebate Analyst to deliver to the Trustee and the Issuer a certificate stating whether any rebate payment is required to be made, as set forth in the Tax Certificate, and the Borrower shall deliver to the Trustee any amount so required to be paid. Any funds remaining in the Rebate Fund after redemption and payment of the Bonds and payment and satisfaction of any requirements for the payment of rebate under the Tax Certificate, if any, shall be remitted to the Borrower.

Nonpresentment of Bonds

In the event any Bond is not presented for payment when the principal of such Bond becomes due, either at maturity or at the date fixed for redemption of such Bond or otherwise, if amounts sufficient to pay such Bond have been deposited with the Trustee for the benefit of the owner of the Bond and have remained unclaimed for two years after such principal has become due and payable, such amounts, to the extent amounts are owed to the Credit Provider as set forth in a written statement of the Credit Provider addressed to the Trustee, will be paid to the Credit Provider, with any excess to be paid to the Borrower. Upon such payment, all liability of the Issuer and the Trustee to the holder of any Bond for the payment of such Bond will cease and be completely discharged. The obligation of the Trustee described under this paragraph to pay any such amounts to the Credit Provider or the Borrower will be subject to any provisions of law applicable to the Trustee or to such amounts providing other requirements for disposition of unclaimed property.

Investments

Permitted Investments Generally. Moneys held by the Trustee as part of any Fund or Account shall constitute trust funds for the purposes of the Indenture and shall be invested or reinvested in Permitted Investments. Permitted Investments shall have maturities corresponding to, or shall be available for withdrawal without penalty no later than, the dates upon which such moneys shall be needed for the purpose for which such moneys are held.

Certain Limitations on Permitted Investments. Moneys on deposit in the:

- (1) Interest Account and Principal Account shall be invested only in investments described in paragraphs (a), (b), (c) and (h) of the definition of Permitted Investments;
- (2) Redemption Account shall be invested only in investments described in paragraph (a) of the definition of Permitted Investments, with a term not exceeding the earlier of 30 days from

the date of investment of such moneys or the date or dates that such moneys are anticipated to be required for redemption;

(3) Credit Facility Account shall be held uninvested; and

(4) Costs of Issuance Fund, until disbursed or returned to the Borrower pursuant to the Indenture, shall be invested only in investments described in paragraph (h) of the definition of Permitted Investments.

Selection of Permitted Investments. Subject to the provisions described in “Permitted Investments Generally” and “Certain Limitations on Permitted Investments” immediately above, the Borrower may select all Permitted Investments by written direction to the Trustee; but if the Borrower fails to provide written direction to the Trustee, the Trustee shall invest such moneys in investments described in paragraph (h) of the definition of Permitted Investments or, in the case of the Redemption Account, in investments described in paragraph (a) of the definition of Permitted Investments, or, in the case of the Credit Facility Account, shall hold the moneys uninvested.

Investment Income. Permitted Investments representing an investment of money attributable to any Fund or Account shall be deemed at all times to be a part of said Fund or Account. Investment Income from moneys held in the Loan Fund, the Rebate Fund and the Costs of Issuance Fund shall remain in the respective Fund where earned. All other Investment Income from moneys held in all other Funds and Accounts, upon receipt, shall be deposited into the Interest Account.

Trustee’s Authority and Responsibilities. All Permitted Investments shall be made by the Trustee in its name, as Trustee, and shall be held by or under the control of the Trustee. The Trustee shall take such actions as shall be necessary to assure that Permitted Investments purchased by it under the Indenture are held pursuant to the terms of the Indenture and are subject to the trusts and security interests created in the Indenture. The Trustee is authorized and directed to sell and reduce to cash a sufficient amount of Permitted Investments as it deems necessary whenever the cash balance is or will be insufficient to make a requested or required payment or disbursement. The Trustee shall not be accountable for any depreciation in the value of any Permitted Investment or for any loss resulting from any investment or sale of investment made pursuant to the Indenture. The Trustee is authorized in making or disposing of any investment permitted by the Indenture to deal with itself (in its individual capacity) and its Affiliates in the purchase and sale of securities for investments, and may transact purchases and sales through its investment department or through its Affiliates. The Trustee and its Affiliates may act as principal, agent, sponsor, advisor or depository with respect to any investments. In computing the amount in any Fund or Account, Permitted Investments if purchased at par shall be valued at principal cost plus accrued interest, or, if purchased at other than par, at principal cost plus amortized discount or less amortized premium (amortization to be on a straight-line basis to the date of stated maturity without regard to redemptions or repayments of principal which may occur prior to maturity) plus accrued interest. The Issuer (and the Borrower by its execution of the Financing Agreement) acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer or the Borrower the right to receive brokerage confirmations of security transactions as they occur, the Issuer and the Borrower specifically waive receipt of such confirmations to the extent permitted by law. The parties acknowledge that the Trustee is not providing investment supervision, recommendations, or advice.

Limitations on Liability

Notwithstanding any other provision of the Indenture to the contrary:

- (a) The obligations of the Issuer with respect to the Bonds are not general obligations of the Issuer but are special, limited obligations of the Issuer payable by the Issuer solely from the Security;
- (b) Nothing contained in the Bonds or in the Indenture shall be considered as assigning or pledging any funds or assets of the Issuer other than the Trust Estate;
- (c) The Bonds are not and will not be a debt of the State, the Issuer, or of any other political subdivision of the State, and neither the State, the Issuer, nor any other political subdivision of the State is or will be liable for the payment of the Bonds;
- (d) Neither the faith and credit of the Issuer, the State nor of any other political subdivision of the State are pledged to the payment of the principal of and interest and any premium on the Bonds;
- (e) No failure of the Issuer to comply with any term, condition, covenant or agreement in the Indenture or in any document executed by the Issuer in connection with the Mortgaged Property, or the issuance, sale and delivery of the Bonds will subject the Issuer to liability for any claim for damages, costs or other charges except to the extent that the same can be paid or recovered from the Trust Estate; and
- (f) The Issuer will not be required to advance any moneys derived from any source other than the Trust Estate for any of the purposes of the Indenture, any of the other Bond Documents or any of the Loan Documents, whether for the payment of the principal or redemption price of, or interest on, the Bonds, the payment of Third Party Fees or administrative expenses or otherwise.

Credit Facility

Acceptance of the Credit Facility. The Trustee will hold the Credit Facility and will enforce in its name all rights of the Trustee and all obligations of the Credit Provider under the Credit Facility for the benefit of the Bondholders. The Trustee will not assign or transfer the Credit Facility except to a successor Trustee under the Indenture. The Issuer and the Trustee acknowledge that the obligations of Fannie Mae as the Credit Provider under the initial Credit Facility are not backed by the full faith and credit of the United States of America, but by the credit of Fannie Mae, a federally-chartered corporation.

Requests for Advances Under Credit Facility. The Trustee shall request Advances under the Credit Facility in accordance with its terms and cause the proceeds of each Advance to be applied so that full and timely payments are made on each date on which payment of principal, or interest is due on any Bond. The Trustee shall not request, and shall not apply the proceeds of, any Advance to pay (i) principal of, interest on or the purchase price of, any Bond known by the Trustee to be held by the Borrower or any Affiliate of the Borrower, (ii) premium that may be payable upon the redemption of any of the Bonds or (iii) interest that may accrue on any of the Bonds on or after the maturity of such Bond. Prior to requesting an Advance to pay principal of or interest on the Bonds on an Interest Payment Date, the Trustee shall determine the amount necessary to make such payment of principal or interest.

Limitations on Rights of Credit Provider. Notwithstanding anything contained in the Indenture to the contrary, all provisions in the Indenture regarding consents, approvals, directions, waivers, appointments, requests or other actions by the Credit Provider shall be deemed not to require or permit such consents, approvals, directions, waivers, appointments, requests or other actions and shall be read as if the Credit Provider were not mentioned in such provisions (i) if a Wrongful Dishonor has occurred and is continuing, or (ii) after the Credit Facility ceases to be valid and binding on the Credit Provider for any reason, or is declared to be null and void by final judgment of a court of competent jurisdiction; provided, however, that the Credit Provider's right to notices and the payment of amounts due to the Credit Provider shall continue in full force and effect. The foregoing shall not affect any other rights of the Credit Provider.

References to Credit Provider When No Credit Facility Is In Effect. All provisions of the Indenture relating to the rights of the Credit Provider shall be of no force and effect if both: (i) there is no Credit Facility in effect; and (ii) all amounts owing to the Credit Provider under the Credit Facility Documents have been paid. In such event, all references to the Credit Provider shall have no force or effect.

Certain Notices to the Credit Provider and the Loan Servicer. The Trustee and Issuer shall promptly notify the Borrower, the Investor Limited Partner, the Credit Provider and the Loan Servicer of any of the following as to which it has actual knowledge: (i) the occurrence of any Event of Default under the Indenture or under any of the other Transaction Documents, or any event which, with the passage of time or service of notice, or both, would constitute such an Event of Default, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect to such event, (ii) an Act of Bankruptcy or a bankruptcy filing by or against the Borrower and (iii) the making of any claim in connection with seeking the avoidance as a preferential transfer ("Preference Claim") of any payment of principal of, or interest on, the Loan.

Credit Provider to Control Insolvency Proceedings. Each Bondholder, by its purchase of Bonds, the Trustee and the Issuer agree that the Credit Provider may at any time during the continuation of an insolvency proceeding of the Issuer or the Borrower ("Insolvency Proceeding") direct all matters relating to the Bonds in any such Insolvency Proceeding, including, without limitation, (i) all matters relating to any Preference Claim, (ii) the direction of any appeal of any order relating to any Preference Claim and (iii) the posting of any surety, supersedeas or performance bond pending any such appeal. In addition, and without limitation of the foregoing, the Credit Provider shall be subrogated to the rights of the Issuer, the Trustee and the Bondholders in any Insolvency Proceeding to the extent it has performed its payment obligations under the Credit Facility, including any rights of any party to an adversary proceeding action with respect to any court order issued in connection with any such Insolvency Proceeding and rights pertaining to the filing of a proof of claim, voting on a reorganization plan (or a plan for the adjustment of debts, as applicable) and rights to payment thereunder.

Defeasance

Provision for Payment of Bonds. Any Bond will be deemed paid within the meaning of the Indenture if each of the conditions described below is satisfied. The conditions are:

- (1) The Issuer or the Borrower deposits with the Trustee (A) Available Moneys or (B) Government Obligations which are not subject to early redemption and which are purchased with Available Moneys, of such maturities and interest payment dates and bearing such interest as will be sufficient, without further investment or reinvestment of either the principal amount of such Government Obligations or the interest earnings on Government Obligations (the earnings to be held in trust also), together with any Available Moneys, for the payment on their respective Maturity Dates, or Redemption Dates prior to maturity, of the principal of such Bonds and

redemption premium, if any, and interest to accrue on such Bonds to such Maturity Dates or Redemption Dates.

(2) The Trustee receives, at the expense of the Borrower, and may rely upon: (A) a verification report of an independent certified public accountant or other firm nationally recognized in the certification of cash flow analyses; and (B) an Opinion of Bond Counsel to the effect that such deposit with the Trustee and consequent defeasance of the Bonds does not adversely affect the excludability from gross income for federal income tax purposes of the interest payable on the Bonds.

(3) All Third Party Fees due or to become due have been paid or sufficient additional moneys to make the required payments have been irrevocably deposited with the Trustee.

(4) For any such Bonds to be redeemed on any date prior to their maturity, the Trustee has received in form satisfactory to it irrevocable instructions to redeem such Bonds on a date on which the Bonds are subject to redemption, and either evidence satisfactory to the Trustee that all redemption notices required by the Indenture have been given or irrevocable power authorizing the Trustee to give such redemption notices.

The Trustee shall redeem the Bonds specified by such irrevocable instructions on the date specified by such irrevocable instructions.

Defeased Bonds No Longer Outstanding. At such times as a Bond is deemed to be paid under the Indenture, it will no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of payment in accordance with the Indenture.

Release of Certain Income. All income from all Government Obligations in the hands of the Trustee pursuant to the Indenture which is identified by an independent certified public accountant or other firm nationally recognized in the certification of cash flow analyses as not required for the payment of the Bonds and interest on such income with respect to which such moneys have been so deposited will be deposited with the Trustee as and when realized and collected for use and application as are other moneys deposited with the Trustee.

Particular Bonds. Notwithstanding any other provision of the Indenture to the contrary, all moneys or Government Obligations set aside and held in trust pursuant to the Indenture for the payment of Bonds (including accrued interest on such Bonds) shall be applied to and used solely for the payment of the particular Bonds (including interest on such Bonds) with respect to which such moneys or Government Obligations have been so set aside in trust.

Defaults Provisions and Remedies

Events of Default. Each of the following constitutes an Event of Default under the Indenture:

- (1) default in the payment when due and payable of any interest due on any Bond;
- (2) default in the payment when due and payable of the principal of or any redemption premium on any Bond at maturity or upon any redemption;
- (3) written notice to the Trustee from the Credit Provider of a default by the Issuer in the observance or performance of any covenant, agreement, warranty or representation on the part of the Issuer included in the Indenture or in the Bonds (other than an Event of Default described in

subsection (1) or (2) above) and the continuance of such default for a period of 30 days after the Trustee receives such notice;

(4) written notice to the Trustee from the Credit Provider of an Event of Default under the Reimbursement Agreement;

(5) written notice to the Trustee from the Credit Provider of an Act of Bankruptcy; or

(6) a Wrongful Dishonor.

Notwithstanding anything herein to the contrary, the Investor Limited Partner shall have the right, but not the obligation to cure an Event of Default hereunder within any applicable cure period.

Preliminary Notice. The Trustee shall immediately notify the Issuer, the Loan Servicer, the Borrower, the Investor Limited Partner and the Credit Provider after the Trustee obtains actual knowledge or receives written notice of the occurrence of an Event of Default under the Indenture or an event which would become such an Event of Default with the passage of time, the giving of notice or both, and identifying the paragraph in the Indenture under which the Event of Default has occurred or may occur.

Non-Default and Prohibition of Mandatory Redemption Upon Tax Event. The occurrence of any event ("Tax Event") which results in the interest payable on the Bonds being includable, for federal income tax purposes, in the gross income of the Bondholders, including any violation of any provision of the Regulatory Agreement or any of the other Bond Documents, shall not (i) directly or indirectly constitute an Event of Default under the Indenture or permit any party (other than the Credit Provider) to accelerate, or require acceleration of, the Loan or the Bonds, unless the Credit Provider provides written notice to the Trustee that such Tax Event constitutes a default under the Reimbursement Agreement, or (ii) give rise to a mandatory redemption of the Bonds, or (iii) give rise to the payment to the Bondholders of any amount, denoted as "supplemental interest," "additional interest," "penalty interest," "liquidated damages," "damages" or otherwise, in addition to the amounts payable to the owners of the Bonds prior to the occurrence of the Tax Event. Nothing described under this heading will be deemed to amend or supplement the terms of the Loan Documents. Promptly upon determining that a Tax Event has occurred, the Issuer or the Trustee, by notice in writing to the Credit Provider, the Loan Servicer and all Registered Owners of the Bonds, shall state that a Tax Event has occurred and whether the Tax Event is cured, curable within a reasonable period or incurable. Notwithstanding the availability of the remedy of specific performance to cure a Tax Event that is curable within a reasonable period, neither the Issuer nor the Trustee shall have, upon the occurrence of a Tax Event, any right or obligation to cause or direct acceleration of the Bonds or the Loan, to enforce the Note or to foreclose the Security Instrument, to accept a deed to the Mortgaged Property in lieu of foreclosure, or to effect any other comparable conversion of the Mortgaged Property.

Acceleration; Redemption.

The Bonds shall be subject to acceleration and redemption as set forth below.

Acceleration. Upon:

(a) the occurrence and during the continuance of a Wrongful Dishonor, the Trustee may, and, upon the written request of Bondholders owning not less than a majority in aggregate principal amount of Bonds then Outstanding, must, by written notice to the Issuer, the Borrower, the Credit Provider and the Loan Servicer, declare the principal of all Bonds and the interest accrued, and to accrue, on the Bonds to the date of payment immediately due and payable; or

(b) the occurrence of any other Event of Default under the Indenture, the Trustee may, upon receiving the prior written consent of the Credit Provider, and must, upon the written direction of the Credit Provider requiring that the Bonds be accelerated pursuant to this subsection, by written notice to the Issuer, the Borrower, the Credit Provider and the Loan Servicer, declare the principal of all Bonds and the interest accrued, and to accrue, on the Bonds to the date of declaration immediately due and payable.

Redemption. Upon the occurrence of an Event of Default described under paragraph (4) under the heading “Events of Default” above, if the Credit Provider so directs pursuant to the Indenture, the Bonds shall be redeemed in whole or in part in the amount specified by and at the direction of the Credit Provider.

Notwithstanding anything to the contrary in the Indenture, if the Credit Provider directs that the Bonds be redeemed in part, the Credit Provider may further direct on one or more other occasions as described under this subsection that the Bonds be redeemed in whole or in part.

Notice.

(1) **Acceleration.** Upon any decision to accelerate payment of the Bonds, the Trustee will notify the Bondholders of the declaration of acceleration, that, in the event of acceleration pursuant to the Indenture, interest on the Bonds will cease to accrue upon such declaration, and payment of the Bonds will be made upon presentment of the Bonds at the Designated Office of the Trustee. Such notice shall be sent by registered mail or overnight delivery service, postage prepaid, or, at the Trustee’s option, may be given by Electronic Means to each Registered Owner of Bonds at such Registered Owner’s last address appearing in the Bond Register. Any defect in or failure to give notice of such declaration will not affect the validity of such declaration.

(2) **Redemption.** Upon the direction of the Credit Provider to redeem the Bonds in whole or in part pursuant to the Indenture, immediate notice of redemption will be given.

Draw on Credit Facility. Immediately upon acceleration or mandatory redemption of the Bonds, the Trustee shall request an Advance under the Credit Facility in accordance with its terms.

Other Remedies. Upon the occurrence and continuance of an Event of Default, the Trustee may, with or without taking action to accelerate the Bonds, but only with the prior written consent of the Credit Provider, and must at the direction of the Credit Provider if the Event of Default occurs under paragraph (3), (4) or (5) under “Events of Default” above, pursue any one or more of the following remedies:

(a) an action in mandamus or other suit, action or proceeding at law or in equity (i) to enforce the payment of the principal of and interest and any premium on the Bonds, (ii) for the specific performance of any covenant or agreement contained in the Indenture, the Financing Agreement or the Regulatory Agreement or (iii) to require the Issuer to carry out any other covenant or agreement with Bondholders and to perform its duties under the Act;

(b) the liquidation of the Trust Estate; or

(c) an action or suit in equity, to enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders and to execute any other papers and documents and do and perform any and all such acts and things as may be necessary or advisable in the opinion of the Trustee in order to have the respective claims of the Bondholders against the Issuer allowed in any bankruptcy or other proceeding.

Subject to the provisions of the Indenture and the requirement, if any, that the Credit Provider consent in writing to the exercise by the Trustee of any remedy, upon the occurrence and continuance of an Event of Default under the Indenture, the Trustee shall exercise such of the rights and powers conferred by the Indenture as the Trustee, being advised by counsel, deems most effective to enforce and protect the interests of the Bondholders and, unless a Wrongful Dishonor has occurred and is continuing, the Credit Provider.

Remedies Not Exclusive; Delay or Omission

No right or remedy conferred upon or reserved to the Trustee (or to the Bondholders) by the Indenture is intended to be exclusive of any other right or remedy, but each and every such right and remedy will be cumulative and shall be in addition to any other right or remedy given to the Trustee or to the Bondholders under the Indenture or under the Financing Agreement, the Regulatory Agreement or the Credit Facility or now or later existing at law or in equity. No delay or omission to exercise any right or remedy provided in the Indenture will impair any such right or remedy or be construed to be a waiver of any Event of Default or acquiescence in it. Every such right and remedy may be exercised from time to time as often as may be deemed expedient.

Waiver

Subject to the conditions precedent set out below, (i) the Trustee may waive, (ii) the Trustee shall waive if directed to do so by the Credit Provider in writing, and (iii) Bondholders owning not less than a majority in aggregate principal amount of Bonds then Outstanding may waive, by written notice to the Trustee, any Event of Default under the Indenture and its consequences and rescind any declaration of acceleration of maturity of principal. The conditions precedent to any waiver are:

(a) unless waiver is directed by the Credit Provider, the Credit Provider consents to such waiver in writing;

(b) the principal and interest on the Bonds in arrears, together with interest thereon (to the extent permitted by law) at the applicable rate or rates of interest borne by the Bonds has been paid or provided for by the Borrower in Available Moneys or by the Credit Provider and all fees and expenses of the Trustee have been paid or provided for by the Borrower or the Credit Provider; and

(c) after the waiver, the Credit Facility remains in effect in an amount equal to the aggregate principal amount of the Bonds Outstanding plus the Interest Requirement; provided, however, that such waiver will be permitted without the Credit Facility remaining in effect if (i) the Issuer consents to the waiver, (ii) the Rating Agency then rating the Bonds is notified and the Trustee gives written notice to the Bondholders that the ratings on the Bonds may be reduced or withdrawn upon the occurrence of such waiver, and (iii) 100% of the Bondholders consent to the waiver.

Upon any such waiver, the default or Event of Default shall be deemed cured and shall cease to exist for all purposes and the Issuer, the Borrower, the Trustee and the Bondholders will be restored to their former positions and rights under the Indenture. No waiver of any default or Event of Default shall extend to or affect any subsequent default or Event of Default or shall impair any right or remedy consequent thereto.

Rights of the Credit Provider and the Bondholders to Direct Proceedings; Rights and Limitations Applicable to Bondholders, Issuer and Trustee

Rights to Direct Proceedings. Notwithstanding anything contained in the Indenture to the contrary, the Credit Provider itself or Bondholders owning not less than a majority in aggregate principal amount of Bonds then Outstanding, but only with the prior written consent of the Credit Provider, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture or any other proceedings under the Indenture; provided, however, that such direction will not be otherwise than in accordance with the provisions of law and of the Indenture, and provided that the Trustee will be indemnified to its sole and absolute satisfaction (except as otherwise provided in the Indenture).

Limitations on Bondholders' Rights. No Bondholder has or shall have the right to enforce the provisions of the Indenture or the Financing Agreement, or to institute any proceeding in equity or at law for the enforcement of the Indenture or the Financing Agreement, or to take any action with respect to an Event of Default under the Indenture or an Event of Default under the Financing Agreement, or to institute, appear in or defend any suit or other proceeding with respect to the Indenture or the Financing Agreement upon an Event of Default unless (a) such Event of Default is a Wrongful Dishonor, (b) such Bondholder has given the Trustee, the Issuer, the Credit Provider, the Loan Servicer and the Borrower written notice of the Event of Default, (c) the holders of not less than a majority in aggregate principal amount of Bonds then Outstanding have requested the Trustee in writing to institute such proceeding, (d) the Trustee has been afforded a reasonable opportunity to exercise its powers or to institute such proceeding, (e) the Trustee has been offered security or indemnity satisfactory to the Trustee (in its sole and absolute discretion), where required, and (f) the Trustee has thereafter failed or refused to exercise such powers or to institute such proceeding within a reasonable period of time. No Bondholder has or shall have any right in any manner whatever to affect, disturb or prejudice the pledge of revenues or of any other moneys, Funds, Accounts or securities under the Indenture. Except as provided in this paragraph, no Bondholder has or shall have the right, directly or indirectly, individually or as a group, to seek to enforce, collect amounts available under, or otherwise realize on, the Credit Facility.

Application of Moneys

Amounts derived from payments under the Credit Facility shall be deposited into the Credit Facility Account and applied solely to pay the principal of and interest on the Bonds. All other moneys received by the Trustee pursuant to any action taken under the Indenture will be deposited into the Interest Account and the Redemption Account, as applicable, after payment of the ordinary fees, costs and expenses of the Trustee. The balance of such moneys, less such amounts as the Trustee determines may be needed for possible use in paying future fees and expenses and for the preservation and management of the Mortgaged Property (as identified by the Credit Provider), shall be applied as set out in the following subsections.

Principal of Bonds Not Declared Due and Payable. Unless the principal of all Bonds has become or been declared due and payable, all such moneys will be applied:

FIRST, to the payment of all interest then due on the Bonds, in the order of the maturity of such interest and, if the amount available shall not be sufficient to pay in full said amount, then to the payment ratably, of the amounts due, without any discrimination or privilege;

SECOND, to the payment of the unpaid principal of any of the Bonds which have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to the Indenture), in the order of due dates, with interest upon the principal amount of the

Bonds from the respective dates upon which they become due at the rate or rates borne by the Bonds, to the extent permitted by law, and, if the amount available shall not be sufficient to pay in full the principal of such Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled to such payment without any discrimination or privilege; and

THIRD, to the payment of amounts owed to the Credit Provider under the Credit Facility Documents and the Loan Documents, and then to any amounts due to the Trustee for Extraordinary Items, for this purpose including the costs and expenses of any proceedings resulting in the collection of such moneys and of advances incurred or made by the Trustee.

Principal of Bonds Declared Due and Payable. If the principal of all the Bonds has become or been declared due and payable, all such moneys shall be applied *first*, to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably according to the amounts due respectively for principal and interest to the persons entitled to payment, until all such principal and interest has been paid; *second*, to pay the Credit Provider amounts owed to it under the Credit Facility Documents and the Loan Documents; and *third*, to any other amounts due and payable under the Indenture.

General. Whenever moneys are to be applied pursuant to this section, such moneys shall be applied at such times, and from time to time, as the Trustee determines, having due regard for the amount of such moneys available for application, the likelihood of additional moneys becoming available for such application in the future, and potential expenses relating to the exercise of any remedy or right conferred on the Trustee by the Indenture. Whenever the Trustee applies such moneys, it shall fix the date (which will be an Interest Payment Date unless it deems an earlier date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue, unless interest has already ceased to accrue in accordance with the Indenture. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the owner of any Bond until such Bond is presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Trustee

Qualification. The Trustee and any successor Trustee will at all times be a bank or trust company organized under the laws of the United States of America or any state, authorized under such laws to exercise corporate trust powers, having a combined capital stock, surplus and undivided profits of at least \$50,000,000 (or an affiliate of a corporation or banking association meeting that requirement which guarantees the obligations and liabilities of the Trustee) and subject to supervision or examination by federal or state banking authority.

Resignation or Removal of Trustee. The Trustee may resign and be discharged from its duties and obligations under the Indenture at any time by giving 60 calendar days prior written notice to the Issuer, the Credit Provider, the Loan Servicer, the Borrower and to each Registered Owner of Bonds then Outstanding as shown on the Bond Register. The Trustee may be removed at any time upon 60 calendar days prior written notice to the Trustee, (i) by the Issuer, with the prior written consent of the Credit Provider, (ii) by the owners of not less than a majority in aggregate principal amount of Bonds then Outstanding, which written instrument shall designate a successor Trustee approved by the Credit Provider, or (iii) by the Credit Provider. Such resignation or removal shall not be effective until a successor Trustee satisfying the requirements of the Indenture is appointed and has accepted its appointment.

Appointment of Successor Trustee. Upon the resignation or removal of the Trustee, a successor Trustee, satisfying the requirements of the Indenture, shall be appointed by the Borrower with the prior written consent of the Issuer, the Credit Provider and the Investor Limited Partner (unless appointed by the Bondholders as provided in the Indenture), provided, however, that if the Borrower is then in default under any Bond Document or any Loan Document or if an event has occurred and is continuing which, with notice or the passage of time or both, would constitute such a default, such appointment will be made by the Issuer with the prior written consent of the Credit Provider. If, in the case of resignation or removal of the Trustee, no successor is appointed within 30 calendar days after the notice of resignation or within 30 calendar days after removal, as the case may be, then, in the case of a resignation, the resigning Trustee shall be entitled to appoint a successor with the prior written consent of the Issuer and the Credit Provider or shall be entitled, at its sole discretion (at the sole cost and expense of the Borrower, including with respect to reasonable attorneys' fees and expenses) to apply to a court of competent jurisdiction for the appointment of a successor Trustee and for other appropriate relief, and, in the case of a removal, the Credit Provider shall have the right to appoint a successor Trustee or to apply to a court of competent jurisdiction for the appointment of a successor Trustee. The successor Trustee must accept in writing its duties and responsibilities under the Indenture, the Financing Agreement, the Assignment and the Regulatory Agreement. The successor Trustee shall give notice of such succession by first-class mail, postage prepaid, to each Bondholder, the Issuer, the Credit Provider, the Loan Servicer, the Investor Limited Partner and the Borrower.

Supplemental Indentures; Amendments

Supplemental Indentures Not Requiring Bondholder Consent. The Issuer and the Trustee, without the consent of or notice to any Bondholder, may enter into an indenture or indentures supplemental to the Indenture for one or more of the following purposes set forth below:

- (a) to cure any ambiguity or to correct or supplement any provision contained in the Indenture or in any supplemental indenture which may be defective or inconsistent with any other provision contained in the Indenture or in any supplemental indenture;
- (b) to amend, modify or supplement the Indenture in any respect if such amendment, modification or supplement is not materially adverse to the interests of the Bondholders;
- (c) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee, or to grant or pledge to the Trustee for the benefit of the Bondholders any additional security other than that granted or pledged under the Indenture;
- (d) to modify, amend or supplement the Indenture in such manner as to permit qualification under the Trust Indenture Act of 1939, as amended, or any similar federal statute then in effect, or to permit the qualification of the Bonds for sale under the securities laws of any of the States of the United States;
- (e) to appoint a successor trustee, separate trustee or co-trustee, or a separate Bond Registrar;
- (f) to make any change requested or consented to by the Credit Provider which is not materially adverse to the interests of the Bondholders, including, but not limited to, provision of a Credit Facility other than or in substitution for the initial Credit Facility, provided that the provision of such other Credit Facility does not adversely affect the rating then in effect for the Bonds;

(g) to make any changes in the Indenture or in the terms of the Bonds necessary or desirable in order to maintain the then existing rating awarded to the Bonds by the Rating Agency or otherwise to comply with requirements of any Rating Agency then rating the Bonds;

(h) to comply with the Code and the regulations and rulings issued with respect to the Code, to the extent determined as necessary in the Opinion of Bond Counsel;

(i) to subject to the lien and pledge of the Indenture additional revenues, properties or collateral;

(j) to make such additions, deletions or modifications as may be, in the opinion of Bond Counsel delivered to the Issuer, the Trustee and the Credit Provider, necessary to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds;

(k) to implement or modify any secondary market disclosure requirements; and

(l) to modify, amend, alter or supplement the Indenture in any other respect, which is not materially adverse to the holders of the Bonds to be Outstanding after the effective date of the change.

If the Trustee has received written confirmation from the Rating Agency to the effect that such supplemental indenture will not result in the suspension, withdrawal or reduction of the then current rating on the Bonds and all conditions precedent in the Indenture have been satisfied, the Trustee shall join the Issuer in the execution of any such supplemental indenture. The Trustee promptly shall furnish a copy of any such supplemental indenture to the Credit Provider, the Loan Servicer and the Borrower.

Supplemental Indentures Requiring Bondholder Consent. The Issuer and the Trustee may, with the consent of Bondholders owning not less than a majority in aggregate principal amount of Bonds then Outstanding, from time to time, execute indentures supplemental to the Indenture for the purpose of modifying or amending any of the provisions contained in the Indenture; provided, however, that nothing in this paragraph permits, or will be construed as permitting:

(a) an extension of the maturity of the principal of or interest on, or the mandatory Redemption Date of, any Bond, without the consent of the owner of such Bond;

(b) a reduction in the principal amount of, or the rate of interest on, any Bond, without the consent of the Owner of such Bond;

(c) a preference or priority of any Bond or Bonds over any other Bond or Bonds, without the consent of the Owners of all such Bonds;

(d) the creation of a lien prior to or on parity with the lien of the Indenture, without the consent of the Owners of all of the Bonds then Outstanding;

(e) a change in the percentage of Bondholders necessary to waive an Event of Default under the Indenture or otherwise approve matters requiring Bondholder approval under the Indenture, including consent to any supplemental indenture, without the consent of the Owners of all the Bonds then Outstanding;

(f) a transfer, assignment or release of the Credit Facility (or modification of the provisions of the Indenture governing such transfer, assignment or release), other than as permitted

by the Indenture or the Credit Facility, without the consent of the Owners of all of the Bonds then Outstanding;

(g) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture, without the consent of the Owners of all of the Bonds then Outstanding;

(h) the creation of any lien other than a lien ratably securing all of the Bonds at any time Outstanding under the Indenture, without the consent of the Owners of all of the Bonds then Outstanding; or

(i) the amendment of the provisions of the Indenture relating to supplemental indentures requiring bondholder consent, without the consent of the Owners of all of the Bonds then Outstanding.

The Trustee shall promptly furnish a copy of any such supplemental indenture to the Credit Provider, the Loan Servicer and the Borrower. Notice of any amendment pursuant to this section shall be given to the Bondholders promptly following the execution thereof.

No Bondholder Consent Required for Amendment to Loan Documents. Unless a Wrongful Dishonor has occurred and is continuing, the Credit Provider alone may consent to any amendment to the Loan Documents and no consent of the Bondholders is required; provided, however, that any amendment of the payment terms of the Note shall occur only following written confirmation of the Rating Agency that such amendment will not result in a reduction or withdrawal of the rating on the Bonds.

Amendments to the Credit Facility

The Credit Facility may only be amended, supplemented or otherwise changed in accordance with the following:

(a) ***Replacement Credit Facility.*** At the request of the Credit Provider, the Trustee shall exchange the Credit Facility with the Credit Provider for a new Credit Facility (a “Replacement Credit Facility”) issued by the Credit Provider, provided that there is delivered to the Trustee (i) a written confirmation from the Rating Agency to the effect that such exchange shall not adversely affect the rating then in effect for the Bonds and (ii) a written opinion of Bond Counsel to the effect that such exchange will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes. No such exchange shall require the approval of the Issuer, the Trustee or any of the Bondholders or constitute or require a modification or supplement to the Indenture.

(b) ***Amendment of the Credit Facility.*** The Trustee may consent, without the consent of the owners of the Bonds, to any amendment of the Credit Facility not addressed in subsection (a) which does not prejudice in any material respect the interests of the Bondholders.

(c) ***Other Amendments of the Credit Facility.*** Except as provided in subsections (a) and (b), the Credit Facility may be amended only with the consent of the Trustee and the owners of a majority in principal amount of all Outstanding Bonds. No amendment may be made to the Credit Facility which would reduce the amounts required to be paid under the Credit Facility or change the time for payment of such amounts; provided, however, that any such amounts may be reduced without such consent solely to the extent that such reduction represents a reduction in any fees payable from such amounts.

Notice to and Consent of Bondholders

If consent of the Bondholders is required for any supplement, amendment or modification to the Indenture or for any other similar purpose, the Trustee shall give notice of the proposed supplement, amendment or modification by first class mail, postage prepaid, to the Bondholders. Such notice will be conclusively presumed to have been duly given and received when given in such manner, whether or not any holder actually receives the notice. Such notice shall briefly set forth the nature of the proposed supplement, amendment or modification, and shall state that copies of any such supplement, amendment or modification are on file at the Designated Office of the Trustee for inspection by the Bondholders. The consent of the holder of any Bond will be binding on any transferee and successor transferees of such Bond.

Required Approvals

Subject to the provisions of the Indenture relating to limitations on rights of the Credit Provider, no amendment, supplement or modification may be made to any Transaction Document without the prior written consent of the Credit Provider. Anything in the Indenture to the contrary notwithstanding, a supplement, amendment or other document described under the provisions of the Indenture relating to supplemental indentures and amendments which materially and adversely affects any rights or obligations of the Borrower will not become effective unless and until the Borrower (if the Borrower is not then in default under any Bond Document or any Loan Document and if no event which, with notice or the passage of time or both, would constitute such a default has occurred and is continuing) has consented in writing to the execution of such supplemental indenture, amendment or other document. The Trustee shall not be required to enter into any supplement or amendment which adversely affects the Trustee's rights and duties under the Indenture.

Opinions of Counsel

The Trustee may obtain and will be fully protected in relying upon an Opinion of Counsel as conclusive evidence that any supplement or amendment to the Indenture is authorized and permitted by the Indenture and, if applicable, is not materially adverse to the interests of the Bondholders. No supplement, or amendment with respect to the Indenture shall be effective until the Issuer and the Trustee shall have received an opinion of Bond Counsel to the effect that such supplement or amendment will not adversely affect the exclusion from gross income, for federal income tax purposes, of the interest payable on the Bonds.

Volume Cap Recycling Transactions

Notwithstanding any provisions of the Indenture or the Bonds to the contrary, the Issuer shall be permitted to direct that payments representing prepayments or repayments of principal on the Note be delivered to a custodian or trustee selected by the Issuer, in lieu of application to repay a like portion of the Bonds up to an amount of \$ _____*, so long as the Issuer simultaneously causes other funds to be applied to repay such portion of the Bonds. The preceding provisions shall apply only for purposes of preserving or "recycling" private activity bond volume cap in accordance with Section 146(i)(6) of the Code.

In connection with such recycling and Bond prepayment, if so directed in a written direction of the Issuer provided to the Trustee prior to any prepayment date, the Trustee is authorized and directed by the Indenture to receive any such Bond prepayment or amounts corresponding thereto and to hold such amounts, uninvested, for such period of time and to transfer such amounts to the Issuer, or to such custodian, fiscal agent or trustee designed by the Issuer and specified in such written direction. For purposes of

* Preliminary; subject to change.

effectuating the foregoing, the Trustee is authorized and directed by the Indenture to open and create such funds or accounts, which may be temporary in nature, as may be necessary or desirable, and to close such funds or accounts following the completion of the transfers set forth in such written direction.

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENT

The following is a brief summary of certain provisions of the Financing Agreement. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Financing Agreement, copies of which are on file with the Trustee.

The provisions set forth below are applicable on and after the Dated Date.

Amount and Source of Loan

The Issuer has authorized the issuance of the Bonds in the aggregate principal amount set forth in the Financing Agreement. The Issuer agrees to make the Loan in the amount set forth in the Financing Agreement to the Borrower with the Net Bond Proceeds. Upon the issuance and delivery of the Bonds, the Issuer will deliver the Net Bond Proceeds to the Trustee. The Loan shall be deemed made in full upon deposit of the Net Bond Proceeds into the Loan Fund. The Borrower accepts the Loan from the Issuer upon the terms and conditions set forth in the Financing Agreement and the Loan Documents, subject to the Indenture, the Regulatory Agreement and the Assignment. Disbursements will be made from the Loan Fund as provided in the Indenture. The Borrower agrees to apply the proceeds of the Loan to finance the acquisition, rehabilitation, improvement and equipping of Village Green Apartments, a multifamily rental housing project located at 2122 W Chestnut Street, San Bernardino, California.

Payment of Fees, Costs and Expenses

The Borrower shall pay when due, without duplication, the fees, expenses and other sums described below.

(a) **Fees Due at Closing.** The Borrower shall pay or provide for the payment of all Costs of Issuance, on the Closing Date.

(b) **Third Party Fees.** The Borrower shall pay the Third Party Fees on a monthly basis. Each monthly payment shall be in an amount equal to the aggregate of all of the Third Party Fees prorated monthly so that the Trustee shall have the full amount of each fee available in the Fees Account to pay each Third Party Fee as it falls due without regard to whether any Third Party Fee is payable monthly, annually or on any other periodic basis. The Third Party Fees are as follows:

(1) **Issuer.** The Issuer's Fee (the "Issuer Annual Fee" payable by the Borrower as provided under Section 20 of the Regulatory Agreement) and all costs and expenses incurred by the Issuer at any time in connection with the Bonds.

(2) **Trustee.** The Trustee's (a) acceptance fee of \$3,000, which shall be paid on the Closing Date, (b) Trustee's Annual Fee equal to \$3,500 per annum payable annually by the Borrower in advance on each Closing Date anniversary, and (c) all advances, out-of-pocket expenses, fees, costs and other charges (including, without limitation, counsel fees and expenses), reasonably and necessarily incurred by the Trustee under the Indenture and the other Bond Documents, and Extraordinary Items. The terms of this section shall survive termination of the Financing Agreement and/or the earlier resignation or removal of the Trustee under the terms of the Indenture.

(3) **Rebate Analyst.** The annual or other periodic fee of the Rebate Analyst.

(c) **Fees and Expenses.** The Borrower shall pay fees and expenses as follows:

(1) **Rating Agency.** The annual rating maintenance fee of each Rating Agency.

(2) **Extraordinary Items.** The Extraordinary Items.

(3) **Bond Costs.** All costs of registering, printing, reprinting, preparing and delivering any replacement bonds required under the Indenture and in connection with the registration, printing, reprinting or transfer of Bonds.

The Borrower agrees to timely honor any demand for payment by the Trustee pursuant to the Indenture on account of any insufficiency in the Fees Account.

Obligation of the Borrower to Pay Deficiencies

The Borrower shall pay any deficiency resulting from any loss due to a default under any investment in any Fund or Account or a change in value of any investment.

Obligations of the Borrower Unconditional

To the fullest extent permitted by law, the obligations of the Borrower to make all payments and perform its other obligations under the Financing Agreement shall be absolute, unconditional and irrevocable, shall be paid and performed strictly in accordance with the applicable Transaction Documents under all circumstances, including, without limitation, the following circumstances: (i) any invalidity or unenforceability of the Credit Facility or any of the other Transaction Documents; (ii) any amendment or waiver of, or any consent to departure from, the terms of the Credit Facility or any of the other Transaction Documents, any extension of time or other modification of the terms and conditions for any act to be performed in connection with the Credit Facility or any of the other Transaction Documents; (iii) the existence of any claim, set-off, defense or other right that the Borrower may have at any time against the Issuer, the Trustee, the Credit Provider, the Loan Servicer, or any other Person, whether in connection with any of the Transaction Documents, the Mortgaged Property, or any unrelated transaction; (iv) the surrender or impairment of any security for the performance or observance of any of the agreements or terms of any of the Transaction Documents; (v) any defect in title to the Mortgaged Property, any act or circumstance that may constitute failure of consideration, destruction of, damage to or condemnation of the Mortgaged Property, commercial frustration of purpose, or any change in the tax or other laws of the United States of America or of the State or any political subdivision of either; (vi) the breach by the Issuer, the Trustee, the Credit Provider, the Loan Servicer or any other Person of any of its obligations under any Transaction Document; or (vii) any other circumstance, happening or omission whatsoever, whether or not similar to any of the foregoing.

Personal Liability of Borrower

Except as provided in the last sentence under this heading, the obligations of the Borrower under the Financing Agreement and the obligations of the Borrower under the Regulatory Agreement to pay money, including the obligations of the Borrower with respect to the Reserved Rights, shall be (i) non-recourse obligations of the Borrower, other than with respect to (A) any of the Borrower's obligations to the Issuer, the Trustee and the Rebate Analyst under the Financing Agreement; (B) the Borrower's obligations under the Regulatory Agreement; and (C) the Borrower's obligations under the Financing Agreement and the Regulatory Agreement, which shall be recourse to the Borrower personally and (ii) subordinate and junior in priority, right of payment and all other respects to any and all obligations of the Borrower under the Loan Documents and to the Credit Provider under or in respect of the Credit Facility

Documents. Nothing described under this heading shall apply to the obligations of the Borrower under any of the Loan Documents.

Obligations Unsecured

All obligations of the Borrower under the Financing Agreement and under the Regulatory Agreement, including the obligations of the Borrower with respect to the Reserved Rights, shall not be secured by the Security Instrument and shall not constitute a lien on the Mortgaged Property in any manner.

Certain Obligations Personal to the Borrower

No subsequent owner of the Mortgaged Property (including the Credit Provider as a result of a foreclosure, a deed in lieu of foreclosure or comparable conversion of the Loan) shall be liable for any breach or default of any obligation of any prior owner under the Regulatory Agreement or the Financing Agreement, including any payment or indemnification obligation. The owner of the Mortgaged Property at the time any default or breach occurs shall remain liable for any and all damages occasioned by such default or breach even after such Person ceases to be the owner. Upon seeking to collect such damages, neither the Issuer nor the Trustee shall have recourse against or the right to levy against or otherwise collect on any judgment from the Mortgaged Property.

Borrower's Obligations

The Borrower releases the Issuer, the Trustee, and their respective officers, directors, agents, officials, employees (and, as to the Issuer, members of its governing body) and any person who controls the Issuer or the Trustee within the meaning of the Securities Act of 1933, from, and covenants and agrees to indemnify, hold harmless and defend the Issuer, the Trustee, and their respective officers, directors, employees, agents, members of its governing body, officials and any person who controls such party within the meaning of the Securities Act of 1933 and employees and each of them (each an "Indemnified Party") from and against, any and all losses, claims, damages, liabilities and expenses (including attorneys' fees and expenses), taxes, causes of action, suits and judgments of any nature, joint or several, by or on behalf of any person arising out of:

- (a) the approval of financing for the Mortgaged Property or the making of the Loan;
- (b) the issuance, sale, resale or remarketing, if any, of any Bonds or any certifications or representations made by any person other than the party seeking indemnification in connection therewith, including, but not limited to, any (i) statement or information made by the Borrower with respect to the Borrower or the Mortgaged Property in any offering document or materials regarding the Bonds, the Mortgaged Property or the Borrower or in the Tax Certificate of the Borrower or in any other certificate executed by the Borrower which, at the time made, is misleading, untrue or incorrect in any material respect, (ii) untrue statement or alleged untrue statement of a material fact relating to the Borrower or the Mortgaged Property contained in any offering material relating to the sale of the Bonds, as from time to time amended or supplemented, or arising out of or based upon the omission or alleged omission to state in such offering material a material fact relating to the Borrower or the Mortgaged Property required to be stated in such offering material or necessary in order to make the statements in such offering material not misleading, (iii) failure to properly register or otherwise qualify the sale of the Bonds or failure to comply with any licensing or other law or regulation which would affect the manner in which or to whom the Bonds could be sold;
- (c) the interpretation, performance, enforcement, breach, default or amendment of the Bond Documents, the Loan Documents or any other documents relating to the Mortgaged Property

or the Bonds or in connection with any federal or state tax audit, or any questions or other matters arising under such documents;

(d) the Borrower's failure to comply with any requirement of the Financing Agreement or the Regulatory Agreement;

(e) the condition of the Mortgaged Property (environmental or otherwise), including any violation of any law, ordinance, court order or regulation affecting the Mortgaged Property or any part of it;

(f) any damage or injury, actual or claimed, of whatsoever kind, cause or character, to property (including loss of use of property) or persons, occurring or allegedly occurring in, on or about the Mortgaged Property or arising out of any action or inaction of the Borrower or any of its agents, servants, employees or licensees, whether or not related to the Mortgaged Property, or resulting from the acquisition, construction, design, rehabilitation, repair, operation, use or management of all or any part of the Mortgaged Property;

(g) the Trustee's acceptance or administration of the trusts created by, and the exercise of its powers or duties under, the Indenture or under the Financing Agreement, the Regulatory Agreement, the Credit Facility or any other agreements in connection with such agreements to which it is a party; or

(h) to the extent not mentioned in any of the preceding subsections, any cause whatsoever in connection with transactions provided for in the Financing Agreement and the other Transaction Documents or otherwise in connection with the Mortgaged Property, the Bonds or the execution or amendment of any document relating to the Bonds or the Mortgaged Property.

This indemnification shall extend to and include, without limitation, all reasonable costs, counsel fees, expenses and liabilities incurred in connection with any such claim, or proceeding brought with respect to such claim, except (i) in the case of the foregoing indemnification of the Trustee or any of the Indemnified Parties other than the Issuer, to the extent such damages are caused by the gross negligence or willful misconduct of such Person, and (ii) in the case of the foregoing indemnification of the Issuer, to the extent such damages are caused by the willful misconduct of such Person.

Nothing contained in this section shall in any way be construed to limit the indemnification rights of the Issuer contained in the Regulatory Agreement. With respect to the Issuer, the Regulatory Agreement shall control in any conflicts between the obligations of the Borrower described in this section and the indemnification rights of the Issuer contained in the Regulatory Agreement.

Events of Default

The occurrence of any one or more of the following events shall constitute an Event of Default under the Financing Agreement:

(a) The Borrower fails to pay when due any amount payable by the Borrower under the Financing Agreement.

(b) The Borrower fails to observe or perform any covenant or obligation in the Financing Agreement on its part to be observed or performed for a period of 30 days after receipt of written notice from the Trustee specifying such failure and requesting that it be remedied; provided, however, that if the failure cannot be corrected within such period, it shall not constitute an Event of Default if the failure is correctable without material adverse effect on the validity or

enforceability of the Bonds or on the exclusion from gross income, for federal income tax purposes, of the interest on the Bonds, and if corrective action is instituted by the Borrower within such period and diligently pursued until the failure is corrected, and provided further that any such failure is cured within 90 days of receipt of notice of such failure.

(c) The Credit Provider provides written notice to the Trustee of an Event of Default under the Financing Agreement by reason of the occurrence of an Event of Default under the Reimbursement Agreement. No Event of Default under the Reimbursement Agreement shall constitute a default under the Financing Agreement unless specifically declared to be so by the Credit Provider. The Credit Provider shall make such declaration by written notice to the Trustee.

Remedies Upon an Event of Default

Subject to the Assignment, whenever any Event of Default occurs and is continuing under the Financing Agreement, the Issuer may take one or any combination of the following remedial steps:

- (a) by written notice to the Borrower, declare all amounts then due and payable on the Note to be immediately due and payable;
- (b) exercise any of the rights and remedies provided in the Loan Documents; and
- (c) take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and afterward to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under the Financing Agreement.

The Investor Limited Partner shall have the right but not the obligation to cure any Event of Default, and the Issuer and the Trustee agree to accept any cure tendered by the Investor Limited Partner on behalf of the Borrower within any cure period specified in the Financing Agreement.

Amendment

No amendment to the Financing Agreement shall be binding upon the parties to the Financing Agreement until such amendment is reduced to writing and executed by such parties; provided, however, that no amendment, supplement or other modification to the Financing Agreement or any other Bond Document shall be effective without the prior written consent of the Credit Provider, subject to the provisions of the Financing Agreement.

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT

The following is a brief summary of certain provisions of the Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”). This summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Regulatory Agreement, a copy of which is on file with the Trustee.

Definitions and Interpretations

“Administrator” means the Issuer or any administrator or program monitor appointed by the Issuer to administer the Regulatory Agreement, and any successor administrator appointed by the Issuer.

“Area” means the Metropolitan Statistical Area or County, as applicable, in which the Project is located, as defined by the United States Department of Housing and Urban Development.

“Available Units” means residential units in the Project that are actually occupied and residential units in the Project that are vacant and have been occupied at least once after becoming available for occupancy, provided that (a) a residential unit that is vacant on the later of (i) the date the Project is acquired or (ii) the issue date of the Bonds is not an Available Unit and does not become an Available Unit until it has been occupied 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 occupied for the first time after the renovations are completed.

“CDLAC” means the California Debt Limit Allocation Committee, or its successors.

“CDLAC Conditions” has the meaning given such term in the Regulatory Agreement.

“CDLAC Resolution” means CDLAC Resolution No. 25-129, adopted on April 8, 2025, relating to the Project and attached as an exhibit to the Regulatory Agreement, as such resolutions may be modified or amended from time to time, including the letter dated September 22, 2025.

“Certificate of Continuing Program Compliance” means the Certificate to be filed by the Borrower with the Administrator, on behalf of the Issuer, and the Trustee pursuant to the Regulatory Agreement, which shall be substantially in the form attached as an exhibit to the Regulatory Agreement or in such other comparable form as may be provided by the Issuer to the Borrower, or as otherwise approved by the Issuer.

“City” means the City of San Bernardino, California.

“Closing Date” means the date the Bonds are issued and delivered to the initial purchaser thereof, which is expected to be October __, 2025

“County” means the County of San Bernardino, California.

“Credit Provider” means Federal National Mortgage Association, a corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C., § 1716 et seq., and its successors and assigns.

“Gross Income” means the gross income of a person (together with the gross income of all persons who intend to reside with such person in one residential unit) as calculated in the manner prescribed in under Section 8 of the Housing Act.

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

“Housing Law” means Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code, as amended.

“Income Certification” means a Tenant Income Certification and a Tenant Income Certification Questionnaire in the form attached as an exhibit to the Regulatory Agreement or in such other comparable form as may be provided by the Issuer to the Borrower, or as otherwise approved by the Issuer.

“Low Income Tenant” means a tenant occupying a Low Income Unit.

“Low Income Unit” means any Available Unit if the aggregate Gross Income of all tenants therein does not exceed limits determined in a manner consistent with determinations of “low-income families” under Section 8 of the Housing Act, provided that the percentage of median gross income that qualifies as low income hereunder shall be sixty percent (60%) of median gross income for the Area, with adjustments for family size. A unit occupied by one or more students shall only constitute a Low Income Unit if such students meet the requirements of Section 142(d)(2)(C) of the Code. The determination of an Available Unit’s status as a Low Income Unit shall be made by the Borrower upon commencement of each lease term with respect to such unit, and annually thereafter, on the basis of an Income Certification executed by each tenant.

“Project” means the 184-unit multifamily rental housing development (including two manager’s units) to be located in the City of San Bernardino, County of San Bernardino, on the real property site described in an exhibit attached to the Regulatory Agreement, consisting of those facilities, including real property, structures, buildings, fixtures or equipment situated thereon, as it may at any time exist, the acquisition, rehabilitation, improvement and equipping of which facilities is to be financed, in whole or in part, from the proceeds of the sale of the Bonds or the proceeds of any payment by the Borrower pursuant to the Financing Agreement, and any real property, structures, buildings, fixtures or equipment acquired in substitution for, as a renewal or replacement of, or a modification or improvement to, all or any part of the facilities described in the Financing Agreement.

“Qualified Project Period” means the period beginning on the Closing Date and ending on the later of the following:

- (A) the date that is fifteen (15) years after the date on which at least 50% of the units in the Project are first occupied;
- (B) the first date on which no Tax-Exempt private activity bonds with respect to the Project are Outstanding;
- (C) the date on which any assistance provided with respect to the Project under Section 8 of the Housing Act terminates; or
- (D) such later date as set forth in the Regulatory Agreement;

provided, that if at least 10% of the residential units in the Project are Available Units at all times within 60 days after the later of (1) the date the Project is acquired by the Borrower, or (2) the issue date of

the Bonds, then the Qualified Project Period shall begin on the date one year after the issue date of the Bonds and end on the later of (i) the date that is fifteen (15) years after such date or (ii) the later of the dates specified in sub-paragraphs (A), (B), (C) and (D) above.

“Regulations” means the Income Tax Regulations of the Department of the Treasury applicable under the Code from time to time.

“Regulatory Agreement” means the Regulatory Agreement and Declaration of Restrictive Covenants, as it may be supplemented and amended from time to time.

“Tax-Exempt” means with respect to interest on any obligations of a state or local government, including the Bonds, that such interest is excluded from gross income for federal income tax purposes; provided, however, that such interest may be includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax, under the Code.

“Transfer” means the conveyance, assignment, sale or other disposition of all or any portion of the Project; and shall also include, without limitation to the foregoing, the following: (1) an installment sales agreement wherein Borrower agrees to sell the Project or any part thereof for a price to be paid in installments; and (2) an agreement by the Borrower leasing all or a substantial part of the Project to one or more persons or entities pursuant to a single or related transactions.

Qualified Residential Rental Project

The Borrower acknowledges and agrees that the Project is to be owned, managed and operated as a “residential rental project” (within the meaning of Section 142(d) of the Code) for a term equal to the Qualified Project Period. To that end, and for the term of the Regulatory Agreement, the Borrower represents, covenants, warrants and agrees as follows:

(a) The Project will be acquired, rehabilitated, developed and operated for the purpose of providing multifamily residential rental property. The Borrower will own, manage and operate the Project as a project to provide multifamily residential rental property comprised of a building or structure or several interrelated buildings or structures, together with any functionally related and subordinate facilities, and no other facilities, in accordance with Section 142(d) of the Code, Section 1.103-8(b) of the Regulations and the provisions of the Act and the Housing Law, and in accordance with such requirements as may be imposed thereby on the Project from time to time.

(b) All of the dwelling units in the Project (except for not more than two units set aside for resident managers or other administrative use) will be similarly constructed units, and each dwelling unit in the Project will contain complete separate and distinct facilities for living, sleeping, eating, cooking and sanitation for a single person or a family, including a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink.

(c) None of the dwelling units in the Project will at any time be utilized on a transient basis or rented for a period of less than 30 consecutive days, or will ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home or trailer court or park; provided that the use of certain units for tenant guests on an intermittent basis shall not be considered transient use for purposes of the Regulatory Agreement.

(d) No part of the Project will at any time during the Qualified Project Period be owned by a cooperative housing corporation, nor shall the Borrower take any steps in connection with a

conversion to such ownership or use, and the Borrower will not take any steps in connection with a conversion of the Project to condominium ownership during the Qualified Project Period (except that the Borrower may obtain final map approval and the Final Subdivision Public Report from the California Department of Real Estate and may file a condominium plan with the City).

(e) All of the Available Units in the Project (except for not more than two (2) units set aside for resident managers or other administrative use) will be available for rental during the period beginning on the Closing Date and ending on the termination of the Qualified Project Period on a continuous, "first-come, first-served" basis to members of the general public; and the Borrower will not give preference to any particular class or group in renting the dwelling units in the Project, except as permitted by applicable law, including Section 1.103-8(a)(2) of the Regulations, and to the extent that dwelling units are required to be leased or rented in such a manner that they constitute Low Income Units

(f) The Project consists of a parcel or parcels that are contiguous except for the interposition of a road, street or stream, and all of the facilities of the Project comprise a single geographically and functionally integrated project for residential rental property, as evidenced by the ownership, management, accounting and operation of the Project.

(g) No dwelling unit in the Project shall be occupied by the Borrower; provided, however, that if the Project contains five or more dwelling units, this provision shall not be construed to prohibit occupancy of not more than two (2) dwelling units by resident managers or maintenance personnel, any of whom may be the Borrower.

(h) The Borrower represents that, as of the Closing Date, not less than 50% of the dwelling units in the Project are occupied and at least 10% of the residential units in the Project are expected to be Available Units at all times within 60 days after the Closing Date.

Low Income Tenants; Reporting Requirements

Pursuant to the requirements of the Code, the Borrower represents, warrants and covenants as follows:

(a) During the Qualified Project Period, no less than 40% of the total number of completed units in the Project shall at all times be Low Income Units. For the purposes of this paragraph (a), a vacant unit that was most recently a Low Income Unit is treated as a Low Income Unit until reoccupied, other than for a temporary period of not more than 31 days, at which time the character of such unit shall be redetermined.

(b) No tenant qualifying as a Low Income Tenant upon initial occupancy shall be denied continued occupancy of a unit in the Project because, after admission, the aggregate Gross Income of all tenants in the unit occupied by such Low Income Tenant increases to exceed the qualifying limit for a Low Income Unit. However, should the aggregate Gross Income of tenants in a Low Income Unit, as of the most recent determination thereof, exceed one hundred forty percent (140%) of the applicable income limit for a Low Income Unit occupied by the same number of tenants, the next available unit of comparable or smaller size must be rented to (or held vacant and available for immediate occupancy by) Low Income Tenant(s). The unit occupied by such tenants whose aggregate Gross Income exceeds such applicable income limit shall continue to be treated as a Low Income Unit for purposes of the 40% requirement of the Regulatory Agreement unless and until an Available Unit of comparable or smaller size is rented to persons other than Low Income Tenants.

(c) For the Qualified Project Period, the Borrower will obtain, complete and maintain on file Verifications of Income for each Low Income Tenant, including (i) a Verification of Income in the form attached to the Regulatory Agreement as an exhibit dated immediately prior to the initial occupancy of such Low Income Tenant in the unit and a second Verification of Income dated one year after the Low Income Tenant's initial move in date and (ii) thereafter, an annual Verification of Income in the form attached to the Regulatory Agreement as an exhibit with respect to each Low Income Tenant. In lieu of obtaining an annual Verification of Income required by clause (ii) of the preceding sentence, the Borrower may, with respect to any particular 12-month period ending July 1 of each year, deliver to the Administrator no later than fifteen (15) days after such date, a certification that as of July 1, no residential unit in the Project was occupied within the preceding twelve (12) months by a new resident whose income exceeded the limit applicable to Low Income Tenants upon admission to the Project. The Administrator may at any time and in its sole and absolute discretion notify the Borrower in writing that it will no longer accept certifications of the Borrower made pursuant to the preceding sentence and that the Borrower will thereafter be required to obtain an annual Verification of Income for tenants. The Borrower also will provide such additional information as may be required in the future by the Code, the State or the Issuer, as the same may be amended from time to time, or in such other form and manner as may be required by applicable rules, rulings, policies, procedures, Regulations or other official statements now or thereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service with respect to Tax-Exempt obligations. Upon request of the Administrator or the Issuer, copies of Verification of Income for Low Income Tenants commencing or continuing occupation of a Low Income Unit shall be submitted to the Administrator or the Issuer, as requested.

(d) The Borrower shall make a good faith effort to verify that the income information provided by an applicant in a Verification of Income is accurate by taking one or more of the following steps as a part of the verification process: (1) obtain pay stubs for the three most recent pay periods, (2) obtain an income tax return for the most recent tax year, (3) obtain a credit report or conduct a similar type credit search, (4) obtain an income verification from the applicant's current employer, (5) obtain an income verification from the Social Security Administration and/or the California Department of Social Services if the applicant receives assistance from either of such agencies, or (6) if the applicant is unemployed and does not have an income tax return, obtain another form of independent verification reasonably acceptable to the Issuer.

(e) The Borrower will maintain complete and accurate records pertaining to the Low Income Units and will permit any duly authorized representative of the Issuer, the Trustee, the Department of the Treasury or the Internal Revenue Service to inspect the books and records of the Borrower pertaining to the Project, including those records pertaining to the occupancy of the Low Income Units.

(f) The Borrower will prepare and submit to the Administrator, on behalf of the Issuer, annually, on or before February 1 of each year, or such other date as shall be specified by the Issuer in writing, a Certificate of Continuing Program Compliance executed by the Borrower in substantially the form attached to the Regulatory Agreement as an exhibit; provided, however, at the direction of the Issuer, the Borrower will prepare and submit to the Administrator, on behalf of the Issuer, quarterly, on or before January 1, April 1, July 1 and October 1 of each year, a Certificate of Continuing Program Compliance executed by the Borrower in substantially the form attached to the Regulatory Agreement as an exhibit. During the Qualified Project Period, the Borrower shall submit a completed Internal Revenue Code Form 8703 or such other annual certification as required by the Code with respect to the Project, to the Secretary of the Treasury on or before March 31 of each year (or such other date as may be required by the Code). Upon the written request of the Issuer, the Borrower agrees to provide such information or reports as are necessary, in the

reasonable opinion of the Issuer, to enable the Issuer to respond to reporting requirements imposed on the Issuer by the Internal Revenue Service, CDLAC or other authorities having regulatory authority with respect to the Bonds.

(g) For the Qualified Project Period, all tenant leases or rental agreements shall be subordinate to the Regulatory Agreement and the Deed of Trust. All leases pertaining to Low Income Units shall contain clauses, among others, wherein each tenant who occupies a Low Income Unit: (i) certifies the accuracy of the statements made by such tenant in the Verification of Income; (ii) agrees that the family income and other eligibility requirements shall be deemed substantial and material obligations of the tenancy of such tenant, that such tenant will comply promptly with all requests for information with respect thereto from the Borrower, the Issuer or the Administrator on behalf of the Issuer, and that the failure to provide accurate information in the Verification of Income or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of the tenancy of such tenant; (iii) acknowledges that the Borrower and the Issuer are relying on the statements made by such tenant in the Verification of Income and supporting information supplied by the Low Income Tenant in determining qualification for occupancy of a Low Income Unit, and that any material misstatement in such certification (whether or not intentional) will be cause for immediate termination of such lease or rental agreement; and (iv) agrees that the tenant's income is subject to annual certification in accordance with the Regulatory Agreement and that if upon any such certification the aggregate Gross Income of tenants in such unit exceeds the applicable income limit under the Regulatory Agreement, the unit occupied by such tenant may cease to qualify as a Low Income Unit and such unit's rent may be subject to increase.

For Purposes of this section, no unit occupied by a residential manager shall be treated as a rental unit during the time of such occupation.

Tax-Exempt Status of the Bonds

The Borrower and the Issuer, as applicable, each represents, warrants and agrees as follows:

(a) The Borrower and the Issuer will not knowingly take or permit, or omit to take or cause to be taken, as is appropriate, any action that would adversely affect the Tax-Exempt nature of the interest on the Bonds and, if either of them should take or permit, or omit to take or cause to be taken, any such action, it will take all lawful actions necessary to rescind or correct such actions or omissions promptly upon obtaining knowledge thereof.

(b) The Borrower and the Issuer will file of record such documents and take such other steps as are necessary, in the written opinion of Bond Counsel filed with the Issuer and the Trustee (with a copy to the Borrower), in order to insure that the requirements and restrictions of the Regulatory Agreement will be binding upon all owners of the Project, including, but not limited to, the execution and recordation of the Regulatory Agreement in the real property records of the County.

Requirements of the Housing Law

In addition to the other requirements set forth in the Regulatory Agreement, the Borrower agrees that it shall comply with each of the requirements of Section 52080 of the Housing Law, including the following:

(a) Not less than 40% of the total number of units in the Project shall be Low Income Units. The units made available to meet this requirement shall be of comparable quality and offer a range of sizes and numbers of bedrooms comparable to the units that are available to other tenants in the Project.

(b) The monthly Rental Payments for the Low Income Units paid by the tenants thereof (excluding any supplemental rental assistance from the State, the federal government or any other public agency to those tenants or on behalf of those units) shall not exceed one-twelfth (1/12th) of thirty percent (30%) of an amount equal to sixty percent (60%) of the median adjusted Gross Income for the Area.

(c) The Borrower shall accept as tenants, on the same basis as all other prospective tenants, low-income persons who are recipients of federal certificates or vouchers for rent subsidies pursuant to the existing program under Section 8 of the Housing Act. The Borrower shall not permit any selection criteria to be applied to Section 8 certificate or voucher holders that is more burdensome than the criteria applied to all other prospective tenants.

(d) The units reserved for occupancy as required by the Regulatory Agreement shall remain available on a priority basis for occupancy at all times on and after the Closing Date and continuing through the Qualified Project Period.

(e) During the three (3) years prior to the expiration of the Qualified Project Period, the Borrower shall continue to make available, to eligible households, Low Income Units that have been vacated to the same extent that nonreserved units are made available to noneligible households.

(f) Following the expiration or termination of the Qualified Project Period, except in the event of foreclosure and redemption of the Bonds, deed in lieu of foreclosure, eminent domain, or action of a federal agency preventing enforcement, units reserved for occupancy as required under the Regulatory Agreement shall remain available to any eligible tenant occupying a reserved unit at the date of such expiration or termination, at the rent determined by subsection (b) above, until the earliest of (1) the household's income exceeds 140% of the maximum eligible income specified above, (2) the household voluntarily moves or is evicted for good cause, as defined in the Housing Law, and (3) 30 years after the date of the commencement of the Qualified Project Period or (4) the Borrower pays the relocation assistance and benefits to households as provided in Section 7264(b) of the California Government Code.

(g) Except as set forth in the Regulatory Agreement under the headings "Transfer of the Project" and "Term," the covenants and conditions of the Regulatory Agreement shall be binding upon successors in interest of the Borrower.

(h) The Regulatory Agreement shall be recorded in the office of the County recorder, and shall be recorded in the grantor-grantee index under the name of the Borrower as grantor and under the name of the Issuer as grantee.

Requirements of the Issuer

In addition to other requirements set forth in the Regulatory Agreement and to the extent not prohibited by the requirements set forth under headings “Low Income Tenants; Reporting Requirements,” “Tax-Exempt Status of the Bonds” and “Requirements of the Housing Law,” above, the Borrower agrees to comply with each of the requirements of the Issuer set forth in this section, as follows:

(a) For the duration of the Qualified Project Period, notwithstanding any retirement of the Bonds or termination of the Financing Agreement, the Borrower will pay to the Issuer all of the amounts required to be paid by the Borrower under the Regulatory Agreement and the Financing Agreement and will indemnify the Issuer and the Trustee as provided in the Regulatory Agreement.

(b) All tenant lists, applications and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of the Borrower and shall be maintained as required by the Issuer, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the Issuer upon reasonable advance notice to the Borrower.

(c) The Borrower acknowledges that the Issuer may appoint an Administrator to administer the Regulatory Agreement and to monitor performance by the Borrower of the terms, provisions and requirements of the Regulatory Agreement. The Borrower shall comply with any reasonable request made by the Administrator or the Issuer to deliver to the Administrator, in addition to or instead of the Issuer, any reports, notices or other documents required to be delivered pursuant to the Regulatory Agreement, and to make the Project and the books and records with respect thereto available for inspection by the Administrator as an agent of the Issuer. The fees and expenses of the Administrator shall be paid by the Issuer.

(d) For purposes of clause (b) under heading “Requirements of the Housing Law,” above, the base rents shall be adjusted for household size, to the extent permitted by law.

(e) The Borrower represents and warrants, and agrees that at all times the Project shall be managed by a property manager that has at least three (3) years’ experience in the ownership, operation and management of similar size rental housing projects, and at least one year’s experience in the ownership, operation and management of rental housing projects containing income or rent restricted units, without any record of material violations of discrimination restrictions or other state or federal laws or regulations or local governmental requirements applicable to such projects.

(f) No later than September 30 of each calendar year (commencing September 30, 2026), the Borrower agrees to provide to the Issuer the annual report information required by Section 8855(k)(1) of the California Government Code in such format as may be reasonably requested by Issuer. The Issuer shall submit the annual report required by said Section 8855(k)(1). This covenant shall remain in effect until the later of the date (i) the Bonds are no longer outstanding or (ii) the proceeds of the Bonds have been fully spent.

Any of the foregoing requirements of the Issuer contained in this heading “Requirements of the Issuer” may be expressly waived by the Issuer, in its sole discretion, in writing, but (i) no waiver by the Issuer of any requirement of this heading “Requirements of the Issuer” shall, or shall be deemed to, extend to or affect any other provision of the Regulatory Agreement except to the extent the Issuer has received an opinion of Bond Counsel that any such provision is not required by the Act and the Housing Law and may be waived without adversely affecting the exclusion from gross income of interest on the Bonds for federal income tax purposes; and (ii) any requirement of this heading “Requirements of the Issuer” shall be void

and of no force and effect if the Issuer and the Borrower receive a written opinion of Bond Counsel to the effect that compliance with any such requirement would cause interest on the Bonds to cease to be Tax-Exempt or to the effect that compliance with such requirement would be in conflict with the Act, the Housing Law or any other state or federal law.

Transfer of the Project

For the Qualified Project Period, the Borrower shall not Transfer the Project, in whole or in part, without the prior written consent of the Issuer, which consent shall not be unreasonably withheld or delayed if the following conditions are satisfied: (A) the receipt by the Issuer of evidence acceptable to the Issuer that (1) the Borrower shall not be in default under the Regulatory Agreement or the Financing Agreement, if in effect (which may be evidenced by a Certificate of Continuing Program Compliance), or the transferee undertakes to cure any defaults of the Borrower to the reasonable satisfaction of the Issuer; (2) the continued operation of the Project shall comply with the provisions of the Regulatory Agreement; (3) either (a) the transferee or its Manager has at least three years' experience in the ownership, operation and management of similar size rental housing projects, and at least one year's experience in the ownership, operation and management of rental housing projects containing below-market-rate units, without any record of material violations of discrimination restrictions or other state or federal laws or regulations or local governmental requirements applicable to such projects, or (b) the transferee agrees to retain a Manager with the experience and record described in subclause (a) above, or (c) the transferring Borrower or its management company will continue to manage the Project, or another management company reasonably acceptable to the Issuer will manage, for at least one year following such Transfer and, if applicable, during such period the transferring Borrower or its management company will provide training to the transferee and its manager in the responsibilities relating to the Low Income Units; and (4) the person or entity that is to acquire the Project does not have pending against it, and does not have a history of significant and material building code violations or complaints concerning the maintenance, upkeep, operation, and regulatory agreement compliance of any of its projects as identified by any local, state or federal regulatory agencies; (B) the execution by the transferee of any document reasonably requested by the Issuer with respect to the assumption of the Borrower's obligations under the Regulatory Agreement and the Financing Agreement (if then in effect), including without limitation an instrument of assumption thereof, and delivery to the Issuer of an opinion of such transferee's counsel to the effect that each such document and the Regulatory Agreement are valid, binding and enforceable obligations of such transferee, subject to bankruptcy and other standard limitations affecting creditor's rights; (C) receipt by the Issuer and the Trustee of an opinion of Bond Counsel to the effect that any such Transfer will not adversely affect the Tax-Exempt status of interest on the Bonds; (D) receipt by the Issuer of all fees and/or expenses then currently due and payable to the Issuer by the Borrower; and (E) receipt by the Issuer of evidence of satisfaction of compliance with the provisions of Section 28(d)(i) related to notice to CDLAC of transfer of the Project.

It is expressly stipulated and agreed that any Transfer of the Project in violation of this section shall be null, void and without effect, shall cause a reversion of title to the Borrower, and shall be ineffective to relieve the Borrower of its obligations under the Regulatory Agreement. The written consent of the Issuer to any Transfer of the Project shall constitute conclusive evidence that the Transfer is not in violation of this section. Nothing in this section shall affect any provision of any other document or instrument between the Borrower and any other party which requires the Borrower to satisfy certain conditions or obtain the prior written consent of such other party in order to Transfer the Project. Upon any Transfer that complies with the Regulatory Agreement, the Borrower shall be fully released from its obligations thereunder to the extent such obligations have been fully assumed in writing by the transferee of the Project.

The foregoing notwithstanding, the Project may be transferred pursuant to a foreclosure, exercise of power of sale or deed in lieu of foreclosure or comparable conversion under the Deed of Trust without the consent of the Issuer or compliance with the provisions of this section. The Issuer approves (i) the

transfer of direct or indirect limited partnership interests in the Borrower in accordance with the Partnership Agreement, and (ii) with 30 days prior written notice to the Issuer, the removal of one or more general partners of the Borrower and replacement thereof, which complies with the Partnership Agreement and the Tax Certificate.

For the Qualified Project Period, the Borrower shall not: (1) encumber any of the Project or grant commercial leases of any part thereof, or permit the conveyance, transfer or encumbrance of any part of the Project, except for (A) Permitted Encumbrances (as defined in the Deed of Trust) or (B) a Transfer in accordance with the terms of the Regulatory Agreement, in each case upon receipt by the Issuer and the Trustee of an opinion of Bond Counsel to the effect that such action will not adversely affect the Tax-Exempt status of interest on the Bonds (provided that such opinion will not be required with respect to any encumbrance, lease or transfer relating to a commercial operation or ancillary facility that will be available for tenant use and is customary to the operation of multifamily housing developments similar to the Project); (2) demolish any part of the Project or substantially subtract from any real or personal property of the Project, except to the extent that what is demolished or removed is replaced with comparable property or such demolition or removal is otherwise permitted by the Financing Agreement or the Deed of Trust; or (3) permit the use of the dwelling accommodations of the Project for any purpose except rental residences.

Term

The Regulatory Agreement and all and several of the terms of the Regulatory Agreement shall become effective upon its execution and delivery, and shall remain in full force and effect for the period provided in the Regulatory Agreement and shall terminate as to any provision not otherwise provided with a specific termination date and shall terminate in its entirety at the end of the Qualified Project Period, it being expressly agreed and understood that the provisions of the Regulatory Agreement are intended to survive the retirement of the Bonds and discharge of the Indenture and the Financing Agreement.

The terms of the Regulatory Agreement to the contrary notwithstanding, the requirements of the Regulatory Agreement shall terminate and be of no further force and effect in the event of involuntary noncompliance with the provisions of the Regulatory Agreement caused by fire or other casualty, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in a federal law or an action of a federal agency after the Closing Date, which prevents the Issuer and the Trustee from enforcing such provisions, or condemnation or a similar event, but only if, within a reasonable period, either the Bonds are retired or amounts received as a consequence of such event are used to provide a project that meets the requirements of the Regulatory Agreement; provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained in the Regulatory Agreement shall be reinstated if, at any time subsequent to the termination of such provisions as the result of the foreclosure or the delivery of a deed in lieu of foreclosure or a similar event, the Borrower or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for federal income tax purposes. The Borrower agrees that, following any foreclosure, transfer of title by deed in lieu of foreclosure or similar event, neither the Borrower nor any such related person as described above will obtain an ownership interest in the Project for federal tax purposes.

Notwithstanding any other provision of the Regulatory Agreement, the Regulatory Agreement may be terminated upon agreement by the Issuer, the Trustee and the Borrower, with the consent of CDLAC, upon receipt by the Issuer and the Trustee of an opinion of Bond Counsel to the effect that such termination will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes. Upon the termination of the terms of the Regulatory Agreement, the parties to the Regulatory Agreement agree 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

shall not be necessary or a prerequisite to the termination of the Regulatory Agreement in accordance with its terms.

Covenants to Run With the Land

Notwithstanding Section 1461 of the California Civil Code, the Borrower subjects the Project to the covenants, reservations and restrictions set forth in the Regulatory Agreement. The Issuer and the Borrower declare their express intent that the covenants, reservations and restrictions set forth in the Regulatory Agreement shall be deemed covenants running with the land and shall pass to and be binding upon the Borrower's successors in title to the Project; provided, however, that on the termination of the Regulatory Agreement said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument executed after the Regulatory Agreement covering or conveying the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

Default; Enforcement

If the Borrower defaults in the performance or observance of any covenant, agreement or obligation of the Borrower set forth in the Regulatory Agreement, and if such default remains uncured for a period of 60 days after notice thereof shall have been given by the Issuer, the Trustee or the Credit Provider to the Borrower (with a copy to the Investor Limited Partner), or for a period of 60 days from the date the Borrower should, with reasonable diligence, have discovered such default, then the Issuer or the Trustee shall declare an "Event of Default" to have occurred under the Regulatory Agreement; provided, however, that if the default is of such a nature that it cannot be corrected within 60 days, such default shall not constitute an Event of Default under the Regulatory Agreement so long as (i) the Borrower institutes corrective action within said 60 days and diligently pursues such action until the default is corrected, and (ii) in the opinion of Bond Counsel, the failure to cure said default within 60 days will not adversely affect the Tax-Exempt status of interest on the Bonds. The Issuer and the Trustee shall have the right to enforce the obligations of the Borrower under the Regulatory Agreement within shorter periods of time than are otherwise provided in the Regulatory Agreement if necessary to insure compliance with the Housing Law or the Code.

Following the declaration of an Event of Default under the Regulatory Agreement, the Issuer or the Trustee, at the written direction of the Issuer subject to the terms of the Indenture, may take any one or more of the following steps, in addition to all other remedies provided by law or equity:

- (i) by mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require the Borrower to perform its obligations and covenants under the Regulatory Agreement or enjoin any acts or things that may be unlawful or in violation of the rights of the Issuer or the Trustee under the Regulatory Agreement;
- (ii) have access to and inspect, examine and make copies of all of the books and records of the Borrower pertaining to the Project;
- (iii) take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Borrower under the Regulatory Agreement;
- (iv) with the consent of the Credit Provider, which consent shall not be unreasonably withheld, declare a default under the Financing Agreement, as applicable, and proceed with any remedies provided therein; and

(v) order and direct the Borrower in writing to terminate the Manager and to select a replacement Manager meeting the requirements of the Regulatory Agreement within 60 days of such written direction, and to notify the Issuer in writing of the identity of the replacement Manager and that certify that such replacement manager satisfies the requirements of the Regulatory Agreement.

The Borrower agrees that specific enforcement of the Borrower's agreements contained in the Regulatory Agreement is the only means by which the Issuer may fully obtain the benefits of the Regulatory Agreement made by the Borrower therein, and the Borrower therefore agrees to the imposition of the remedy of specific performance against it in the case of any Event of Default by the Borrower under the Regulatory Agreement.

The Trustee shall have the right, in accordance with this section and the provisions of the Indenture, without the consent or approval of the Issuer, but with the consent of the Credit Provider, which consent shall not be unreasonably withheld, to exercise any or all of the rights or remedies of the Issuer under the Regulatory Agreement; provided that prior to taking any such action the Trustee shall give the Issuer written notice of its intended action. After the Indenture has been discharged, the Issuer may act on its own behalf to declare an "Event of Default" to have occurred and to take any one or more of the steps specified above to the same extent and with the same effect as if taken by the Trustee.

The Issuer and the Trustee agree that cure of any Event of Default made or tendered by any partner of the Borrower (which shall be the option of such partner and not an obligation) shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

All reasonable fees, costs and expenses (including reasonable attorney's fees) of the Trustee and the Issuer incurred in taking any action pursuant to this section shall be the sole responsibility of the Borrower.

Notwithstanding any other provision of the Regulatory Agreement, no Event of Default or other breach thereunder shall defeat, impair or otherwise affect the lien of a deed of trust, mortgage or similar encumbrance that is given in good faith and for value.

Fannie Mae Rider

The Fannie Mae Rider to the Regulatory Agreement (the "Rider") is attached to and forms a part of the Regulatory Agreement. The Rider shall amend and supplement the Regulatory Agreement. In the event any provision of the Rider conflicts with the Regulatory Agreement, the Rider shall supersede the conflicting provision of the Regulatory Agreement, and none of the Issuer, the Trustee or any Person under their control shall exercise any remedies or direct any proceedings under the Regulatory Agreement without the prior written consent of Fannie Mae other than to enforce rights of specific performance or injunctive relief under the Regulatory Agreement.

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE ASSIGNMENT AND INTERCREDITOR AGREEMENT

The Issuer, the Trustee and Fannie Mae have agreed in the Assignment and Intercreditor Agreement (the “Assignment”) upon their respective rights arising from an Event of Default under any of the Assigned Documents (defined below). The following is a brief summary of certain provisions of the Assignment. Capitalized terms used in this Appendix E and not otherwise defined will have the meanings given them in the Assignment and the Indenture. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the full text of the Assignment, a copy of which is on file with the Trustee.

In the Assignment, the Issuer irrevocably and absolutely assigns, transfers, conveys and delivers to Fannie Mae and the Trustee (individually, an “Assignee” and together, the “Assignees”), but without recourse to the Issuer, all of the Issuer’s right, title and interest in and to (i) the Note, the Security Instrument, each of the other Loan Documents, and the Financing Agreement (collectively, “Assigned Documents”), (ii) all the real and personal property described in the Assigned Documents and (iii) all proceeds, products, substitutions, additions and replacements of any collateral now or hereafter mortgaged, assigned or pledged under any of the Assigned Documents; in all cases whether now existing or arising in the future; provided, however, that the Reserved Rights of the Issuer are excepted from such assignment and transfer (collectively, “Assigned Rights”). In the Assignment, each Assignee acknowledges receipt of, and accepts, and shall hold, the Assigned Rights, as its interest may appear.

In the Assignment, the Borrower, the Issuer, Fannie Mae and the Trustee specifically agree that the Regulatory Agreement is not an Assigned Document; provided, however, that Fannie Mae, as a third-party beneficiary, shall have the right to enforce the Regulatory Agreement in accordance with the provisions of the Regulatory Agreement.

From and after the effective date of the Assignment, the Issuer shall not have, except with respect to the Reserved Rights, any right, power or authority to exercise any of the Assigned Rights or take any other action with respect to the Assigned Documents or the Assigned Rights, including waiving or releasing the Borrower from any default under any of the Assigned Documents, consenting to any amendment, supplement to, or restatement of any Loan Document and accelerating or otherwise enforcing payment or seeking other remedies with respect to the Loan.

In the event that, following a default under the Loan, the (i) Mortgaged Property is acquired by either or both of the Assignees, or their nominees, as a result of a foreclosure or the acceptance of a deed in lieu of foreclosure or comparable conversion of the Loan or other enforcement provisions of the Security Instrument, (ii) the Bonds are not redeemed with funds provided under the Credit Enhancement Instrument and (iii) Fannie Mae has any obligation under the Credit Enhancement Instrument and no Wrongful Dishonor exists, the Mortgaged Property shall be conveyed to Fannie Mae or its nominee, and all decisions thereafter with respect to the Mortgaged Property (including, without limitation, all decisions with respect to the management, operation, maintenance and sale of the Mortgaged Property — and the price and terms of such sale — the payment or contesting of real estate taxes, rebuilding or restoration after damage, destruction or taking, alterations, improvements, insurance coverage, litigation and conversion to a cooperative or condominium), shall be made solely by Fannie Mae.

If either (i) Fannie Mae has no further obligation under the Credit Enhancement Instrument and all obligations of the Borrower to Fannie Mae under the Credit Facility Documents and the other Borrower Documents have been satisfied in full; or (ii) a Wrongful Dishonor occurs and continues for more than five

Business Days after the Issuer or the Trustee gives written notice of such Wrongful Dishonor specifying such failure and requesting that it be remedied, the Assigned Rights shall transfer automatically to the Trustee, without any further action on the part of the Trustee or Fannie Mae. Fannie Mae shall promptly transfer possession of the original Note and the recorded Security Instrument and the other Assigned Documents to the Trustee. Fannie Mae shall also take such action and execute and deliver and facilitate the filing and recordation of such documents provided to Fannie Mae as may be reasonably necessary to evidence the transfer of the Assigned Rights to the Trustee and the assignment of the Assigned Documents to the Trustee. Fannie Mae's assignments to the Trustee pursuant to this section of the Assignment shall be without recourse or warranty except that Fannie Mae shall represent and warrant in connection therewith (i) that Fannie Mae has not previously endorsed or assigned any such documents or instruments and (ii) that Fannie Mae has authority to endorse and assign such documents and instruments.

As per the terms of the Assignment, each of Fannie Mae, the Loan Servicer, the Borrower's Investor Limited Partner and the Trustee shall have the right, but not the obligation, to cure any default by the Borrower under the Regulatory Agreement. Such cure may be made even after the Issuer's notice of declaration of an Event of Default under the Regulatory Agreement, provided, however, such cure right shall not affect any requirements of the Code and the Act. Fannie Mae shall have the additional right, but not the obligation, to cure any violation of the Regulatory Agreement by assumption of the management and operation of the Mortgaged Property, directly or through any Fannie Mae approved seller-servicer or a receiver under the Security Instrument. Any operation of the Mortgaged Property by Fannie Mae or its successors or assigns shall be in accordance with the Regulatory Agreement, but only so long as the Regulatory Agreement remains in effect.

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APPENDIX F

SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENT

The following statements are a brief summary of certain provisions of the Reimbursement Agreement. The summary does not purport to be complete, and reference is made to the Reimbursement Agreement for a full and complete statement of the provisions thereof. In addition, Fannie Mae shall have the right without the consent of, or notice to, the Trustee, the Issuer or the Bondholders, to amend, modify, change, add to or delete any of the provisions of the Reimbursement Agreement. Capitalized terms used in this Appendix F and not otherwise defined will have the meanings given them in the Reimbursement Agreement.

The Credit Facility is issued pursuant to the Reimbursement Agreement. The Reimbursement Agreement obligates the Borrower, among other things, to reimburse Fannie Mae for funds advanced by Fannie Mae under the Credit Facility and to pay various fees and expenses. The Reimbursement Agreement sets forth various affirmative and negative covenants of the Borrower, some of which are more restrictive with respect to the Borrower than similar covenants contained in the Financing Agreement. The Reimbursement Agreement also includes various Events of Default, including, but not limited to, payment defaults, covenant defaults and cross-defaults to other documents, including in some cases other indebtedness.

Upon the occurrence of an Event of Default under the Reimbursement Agreement, Fannie Mae may, among other things, accelerate the Bonds and/or exercise any other rights or remedies available under any Transaction Document or take any other action, whether at law or in equity, without notice or demand, as it deems advisable to protect and enforce its rights.

The Reimbursement Agreement may be amended, supplemented, restated or terminated only by a written instrument or written instruments signed by the Borrower and Fannie Mae, and without receiving the consent of, or providing notice to, the Trustee, the Issuer or the Bondholders. Fannie Mae shall have the right, in its sole discretion, to waive any Event of Default under any Transaction Document. Unless such waiver expressly provides to the contrary, any waiver so granted shall extend only to the specific event or occurrence which gave rise to the Event of Default so waived and not to any other similar event or occurrence which occurs subsequent to the date of such waiver.

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APPENDIX G

FORM OF FANNIE MAE CREDIT ENHANCEMENT INSTRUMENT

DIRECT PAY IRREVOCABLE TRANSFERABLE CREDIT ENHANCEMENT INSTRUMENT

(VILLAGE GREEN APARTMENTS)

October __, 2025

Zions Bancorporation, National Association, as Trustee
601 Union Street, Suite 3600
Seattle, WA 98101

At the request of Village Green Tax Credit LP, a California limited partnership (“**Borrower**”), Fannie Mae (“**Fannie Mae**”) issues this Direct Pay Irrevocable Transferable Credit Enhancement Instrument (“**Credit Enhancement Instrument**”) to Zions Bancorporation, National Association (“**Trustee**”), not in its individual or corporate capacity but solely as Trustee for the owners of \$35,540,000 aggregate principal amount of California Municipal Finance Authority Multifamily Housing Revenue Bonds (Village Green Apartments) 2025 Series A (“**Bonds**”) issued pursuant to the Trust Indenture (“**Indenture**”), dated as of October 1, 2025, between California Municipal Finance Authority, a joint exercise of powers agency duly organized and validly existing under the laws of the State of California (“**Issuer**”) and the Trustee.

1. Definitions. Capitalized terms used in this Credit Enhancement Instrument have the meanings given to those terms in this Section 1 or elsewhere in this Credit Enhancement Instrument.

“**Advance**” means a Debt Service Advance.

“**Affiliate**” as applied to any person, means any other person directly or indirectly controlling, controlled by, or under common control with, that person. For the purposes of this definition, “control” (including with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that person, whether through the ownership of voting securities, partnership interests or by contract or otherwise.

“**Amount Available**” has the meaning given that term in Section 2 of this Credit Enhancement Instrument.

“**Assignment**” means the Assignment and Intercreditor Agreement, dated as of October 1, 2025, by and among the Issuer, Fannie Mae and the Trustee, as their interests may appear, and acknowledged by the Borrower, as it may be amended, supplemented or restated from time to time.

“**Business Day**” means any day other than:

- (a) a Saturday or a Sunday;

- (b) any day on which the Federal Reserve Bank of New York is not open for business;
- (c) any day on which banking institutions located in the City of New York, New York, are required or authorized by law or executive order to close;
- (d) any day on which banking institutions located in the city or cities in which the Designated Office (as that term is defined in the Indenture) of the Trustee or the Loan Servicer is located are required or authorized by law or executive order to close; or
- (e) any day on which Fannie Mae is closed.

“Certificate” means any Electronic Certificate or Physical Certificate submitted to Fannie Mae pursuant to this Credit Enhancement Instrument.

“Covered Draw” means a Debt Service Advance.

“Credit Enhancement Advance” means a Debt Service Advance.

“Credit Enhancement Expiration Date” means, subject to Section 7(c) of this Credit Enhancement Instrument, the date the obligation of Fannie Mae to make Credit Enhancement Advances expires as provided in Section 7(a) of this Credit Enhancement Instrument, if not earlier terminated.

“Credit Enhancement Instrument” means this Direct Pay Irrevocable Transferrable Credit Enhancement Instrument as the same may be amended, supplemented or restated from time to time.

“Credit Enhancement Termination Date” means, subject to Section 7(c) of this Credit Enhancement Instrument, the date on which the obligation of Fannie Mae to make Credit Enhancement Advances terminates as provided in Section 7(b) of this Credit Enhancement Instrument.

“Debt Service Advance” has the meaning given that term in Section 3 of this Credit Enhancement Instrument.

“Electronic Certificate” means the electronic certificate to be submitted to Fannie Mae pursuant to the Electronic Submission System in order to request or demand a Covered Draw. Each Electronic Certificate submitted to Fannie Mae must be authenticated as required by the Electronic Submission System.

“Electronic Submission System” means the on line system operated by Fannie Mae to receive and process Electronic Certificates as such system may be enhanced or otherwise changed by Fannie Mae from time to time upon at least 30 days’ notice to the Trustee (or such shorter notice period as shall be satisfactory to the Trustee). As of the date of this Credit Enhancement Instrument, Fannie Mae’s Electronic Submission System is CESIR (Credit Enhancement Servicing and Investor Reporting) and the Electronic Submission System is represented by the manuals, instructions and other documentation provided by Fannie Mae to the Trustee from time to time with respect to the Electronic Submission System.

“Excluded Bond” means any Bond which is not Outstanding (as that term is defined in the Indenture), any Bond registered in the name of or otherwise owned, directly or indirectly, by the Borrower or any Affiliate of the Borrower.

“Initial Interest Payment Date” means May 1, 2026.

“Interest Component” means the amount of an Advance which is made on account of interest on the Bonds.

“Interest Portion” has the meaning given that term in Section 2(b) of this Credit Enhancement Instrument.

“Interest Rate” has the meaning given that term in Section 2(b) of this Credit Enhancement Instrument.

“Loan” means the mortgage loan made by the Issuer to the Borrower with Bond proceeds.

“Loan Servicer” means initially Capital One, National Association, a national banking association, or any other entity approved by Fannie Mae in its discretion as the servicer of the Loan, and any permitted successors or assigns.

“Note” means the Multifamily Note (together with all addenda thereto) dated the date hereof, executed by the Borrower in favor of the Issuer, as the same may be amended, supplemented or restated from time to time or any mortgage note executed in substitution therefor in accordance with the terms of the Bond Documents, as such substitute note may be amended, supplemented or restated from time to time.

“Note Maturity Date” means November 1, 2041.

“Physical Certificate” means any certificate in the forms attached to this Credit Enhancement Instrument as an exhibit or such other form as provided in Section 3 of this Credit Enhancement Instrument which is not to be delivered to Fannie Mae as an Electronic Certificate. Each Physical Certificate must be signed by one who purports to be an authorized signatory of the Trustee.

“Presentation Protocol” means an agreement between Fannie Mae and the Trustee regarding one or more media through which the Trustee may present Certificates to Fannie Mae under this Credit Enhancement Instrument, as such agreement may be amended, supplemented or restated from time to time.

“Principal Component” means the amount of an Advance which is made on account of the payment of principal of any of the Bonds.

“Principal Portion” has the meaning given that term in Section 2(a) of this Credit Enhancement Instrument.

“Reimbursement Agreement” means the Reimbursement Agreement, dated as of October 1, 2025, between Fannie Mae and the Borrower, as such agreement may be amended, supplemented or restated from time to time.

“Trustee” means Zions Bancorporation, National Association, not in its individual or corporate capacity, but solely as trustee under the Indenture, or any permitted successor trustee under the Indenture.

2. Amount Available. Subject to the terms and conditions of this Credit Enhancement Instrument, Fannie Mae irrevocably authorizes the Trustee to draw on Fannie Mae, from time to time, from and after the date of this Credit Enhancement Instrument to, and including, the earlier of the Credit Enhancement Expiration Date or the Credit Enhancement Termination Date, a maximum aggregate amount not exceeding \$_____ until and including the Initial Interest Payment Date and thereafter, \$_____ (as such amount may

be reduced or reinstated from time to time in accordance with Section 9 of this Credit Enhancement Instrument (“**Amount Available**”), of which:

(a) up to \$35,540,000.00 (“**Principal Portion**”) may be drawn with respect to the unpaid principal of the Bonds; and

(b) (i) For the period to and including the Initial Interest Payment Date, up to \$_____ or _____ days’ interest on the Bonds (calculated at a rate of ____% per annum) (the “**Interest Rate**”) on the basis of a three hundred sixty (360) day year consisting of twelve 30-day months, and (ii) for any period after the Initial Interest Payment Date, (“**Interest Portion**”), up to \$_____ or _____ days’ interest on the Bonds (calculated at the Interest Rate) on the basis of a three hundred sixty (360) day year consisting of twelve 30-day months, may be drawn with respect to interest actually accrued on the Bonds.

3. Advances. Each demand for an Advance shall be made by the Trustee’s presentation to Fannie Mae of a Certificate in accordance with this Section 3. Advances made to pay (i) principal of any Bond (other than Excluded Bonds) when due, or due as a result of acceleration, defeasance, redemption, stated maturity and on the Note Maturity Date and/or (ii) interest on any Bond (other than Excluded Bonds) on or prior to their stated maturity date (“**Debt Service Advance**”), are Covered Draws.

In no event shall the Principal Portion payable pursuant to this Section 3 exceed the original Principal Portion less the sum of the principal component of all Debt Service Advances paid by Fannie Mae under this Credit Enhancement Instrument.

In no event shall the Interest Portion payable pursuant to this Section 3 exceed the original Interest Portion less the aggregate of (A) the Interest Component of all Debt Service Advances which have not been reinstated in accordance with this Credit Enhancement Instrument, subject to the reinstatement of such amounts as set forth in this Credit Enhancement Instrument; and (B) all reductions of the Interest Portion due to any permanent reduction of the Principal Portion of the Amount Available.

Except when a Debt Service Advance may be presented to Fannie Mae in the form of a Physical Certificate as set out in Section 4(a)(3) of this Credit Enhancement Instrument, demands for Debt Service Advances must be made in the form of an Electronic Certificate. If a Debt Service Advance may be made in the form of a Physical Certificate, the demand must be made in the form of Exhibit A.

Any Certificate submitted to Fannie Mae by the Trustee shall have all blanks appropriately completed, applicable boxes checked and shall be signed or authenticated by one who states therein that he or she is an authorized signatory of the Trustee.

Neither demands for Advances, nor Advances, may be made under this Credit Enhancement Instrument to pay (i) principal of, or interest on any Excluded Bond, (ii) premium that may be payable upon the redemption of any of the Bonds, or (iii) interest that may accrue on any of the Bonds on or after the maturity of such Bond.

4. Demand for an Advance. Each demand for an Advance shall be made as set forth below.

(a) **Covered Draws.**

(1) Each demand for a Covered Draw must be made:

(A) through Fannie Mae’s Electronic Submission System; or

(B) such other medium as Fannie Mae and the Trustee may agree in a Presentation Protocol from time to time.

(2) The submission via Fannie Mae's Electronic Submission System constitutes the official submission by the Trustee of a request or demand for funds for a Covered Draw hereunder.

(3) A Covered Draw may be made by submitting a signed Physical Certificate only if, and to the extent that:

(A) Fannie Mae's Electronic Submission System is unavailable to the Trustee (i) during the entire Business Day immediately prior to the day when the submission via Fannie Mae's Electronic Submission System is due to be presented to Fannie Mae for timely payment by Fannie Mae of a Covered Draw under the terms of this Credit Enhancement Instrument; or (ii) if Fannie Mae's Electronic Submission System is unavailable at any time on the Business Day when the submission via Fannie Mae's Electronic Submission System is due to be presented to Fannie Mae for timely payment by Fannie Mae of a Covered Draw under the terms of this Credit Enhancement Instrument; or

(B) Fannie Mae otherwise consents in writing; or

(C) the Trustee and Fannie Mae agree to such other medium of presentation in a Presentation Protocol from time to time.

(4) A Presentation Protocol may provide that the Trustee may not make a submission via Fannie Mae's Electronic Submission System after a stated date or may only submit Certificates by a stated electronic means after a certain date with the prior written permission of Fannie Mae.

(5) By making a submission via Fannie Mae's Electronic Submission System, the Trustee represents and warrants to Fannie Mae with respect to such submission that:

(A) the Trustee is the Trustee under the Indenture for the holders of the Bonds;

(B) the Advance requested by submission via Fannie Mae's Electronic Submission System is a Covered Draw;

(C) upon receipt by the Trustee of the Advance, (A) the Trustee will apply the same directly for the purpose of the Covered Draw and (B) no portion of said amount shall be applied by the Trustee for any purpose other than for the Covered Draw;

(D) the amount of the Advance (A) does not exceed the maximum obligation of Fannie Mae then outstanding under this Credit Enhancement Instrument to pay principal and/or interest, as the case may be, on the date of submission and (B) was computed in accordance with the Bonds and the Indenture; and

(E) the proceeds of the Advance demanded by the submission will not be applied to defease, redeem or pay (whether at stated maturity or by acceleration) any Excluded Bond.

(6) Fannie Mae will notify the Trustee in writing if Fannie Mae's Electronic Submission System is no longer available for submission of Advances or if the email address for submission of Physical Certificates changes. Any such written notice shall be effective upon receipt by the Trustee.

(b) **Physical Certificates** (Covered Draws Submitted Pursuant to Section 4(a)(3) of this Credit Enhancement Instrument).

(1) Each Physical Certificate must be given to Fannie Mae by:

(A) Telecopy to telecopy number (240) 699-3897 or (240) 699-3899 and email to MF_Bond_Credit_Enhancement_Team@fanniemae.com, immediately followed by telephonic notice to the Director, Multifamily Operations - Direct Pay Bonds at telephone number (703) 833-3438 (which telephonic notice shall not be a condition to a Certificate conforming to the terms and conditions of this Credit Enhancement Instrument for purposes of Section 5 of this Credit Enhancement Instrument); or

(B) Such other medium as Fannie Mae and the Trustee may agree in a Presentation Protocol from time to time.

(2) Fannie Mae will notify the Trustee in writing of any change in telecopy number to which Physical Certificates must be delivered or of any change relating to the person, if any, to be called for telephonic notices confirming telecopy communications. Any such written notice shall be effective upon receipt by the Trustee.

(3) Fannie Mae may amend the form of any Physical Certificate or delete any of the information, statements and certifications set out in the form of any Physical Certificate to accommodate the sending of such Physical Certificate by a medium pursuant to a Presentation Protocol. No such amendment may (i) require any additional information, statement or certification than that required by such form of certificate attached to this Credit Enhancement Instrument on the date of issuance, or (ii) modify the timing for the presentation of such Certificate, and the payment thereof. No personal delivery of any Physical Certificate to Fannie Mae is permitted unless Fannie Mae otherwise agrees in writing.

5. Fannie Mae's Engagement. Upon due receipt by Fannie Mae of a Certificate conforming to the terms and conditions of this Credit Enhancement Instrument, Fannie Mae will honor payment of the amount specified in such Certificate if presented as specified below on or before the earlier of the Credit Enhancement Expiration Date or the Credit Enhancement Termination Date:

(a) If a presentation in respect of a Debt Service Advance is made on or before the earlier of the Credit Enhancement Expiration Date or the Credit Enhancement Termination Date:

(1) at or prior to 12:00 noon Eastern time on a Business Day, payment shall be made to the Trustee in the amount specified no later than 1:00 p.m. Eastern time on the next following Business Day.

(2) after 12:00 noon Eastern time on a Business Day, payment shall be made to the Trustee in the amount specified no later than 1:00 p.m. Eastern time on the second following Business Day.

6. Nonconforming Tender. If a demand for payment under this Credit Enhancement Instrument made by the Trustee does not conform to the terms and conditions of this Credit Enhancement Instrument, Fannie Mae will notify the Trustee of such lack of conformity within a reasonable time after delivery of such demand for payment, such notice to be promptly confirmed in writing to the Trustee, and Fannie Mae shall hold all documents at the Trustee's disposal or, at the Trustee's option, return the same to the Trustee.

7. Expiration and Termination: Credit Enhancement Advances.

(a) **Credit Enhancement Expiration.** Subject to subparagraph (c), the obligation of Fannie Mae to make Credit Enhancement Advances under this Credit Enhancement Instrument shall expire at 4:00 p.m. Eastern time on November 6, 2041 (the “**Credit Enhancement Expiration Date**”).

(b) **Termination Before Credit Enhancement Expiration Date.** Subject to subparagraph (c), the obligation of Fannie Mae to make Credit Enhancement Advances under this Credit Enhancement Instrument shall automatically terminate prior to the Credit Enhancement Expiration Date on the first to occur of: (i) the making by Fannie Mae of an Advance that automatically and permanently reduces the Principal Portion to zero and (ii) Fannie Mae’s receipt of a Certificate in the form of Exhibit B (which shall be conclusive evidence of the matters set forth therein). The date determined in the preceding sentence is the “**Credit Enhancement Termination Date**.”

(c) **Business Day Convention.** In the event that any date on which the Credit Enhancement Expiration Date or the Credit Enhancement Termination Date would otherwise occur is not a Business Day, such date shall be 4:00 p.m. Eastern time on the next following Business Day.

8. Expiration and Termination: Credit Enhancement Instrument.

(a) **Expiration.** This Credit Enhancement Instrument shall expire upon the Credit Enhancement Expiration Date.

(b) **Termination Before Credit Enhancement Expiration Date.** This Credit Enhancement Instrument shall automatically terminate prior to the Credit Enhancement Expiration Date on the Credit Enhancement Termination Date.

(c) **Delivery.** Upon the Credit Enhancement Expiration Date or the Credit Enhancement Termination Date, whichever first occurs, the Trustee shall deliver this Credit Enhancement Instrument to Fannie Mae for cancellation.

9. Reduction and Reinstatement of Amount Available. The Amount Available shall be reduced or reinstated from time to time in accordance with this Section 9.

(a) **Automatic Reduction on Making any Advance.** The Amount Available shall be reduced automatically by the amount of each Advance paid by Fannie Mae, notwithstanding any act or omission, whether authorized or unauthorized, of the Trustee or any officer, director, employee or agent of the Trustee in connection with any Advance or the proceeds of such Advance or otherwise in connection with this Credit Enhancement Instrument. Each reduction shall be permanent or subject to reinstatement as provided in this Section 9. Such reduction shall be applied to the Principal Portion and the Interest Portion as appropriate for the Advance to which the reduction relates.

(b) **Permanent Reduction for Principal Component of Debt Service Advance.** The Principal Portion and Interest Portion shall be reduced automatically and permanently upon the making of any Debt Service Advance as follows:

(1) the Principal Portion will be reduced by the amount of the principal component of the Debt Service Advance; and

(2) the Interest Portion will be reduced by an amount equal to ___ days of interest (calculated at the rate of ___ % per annum on the basis of a three hundred sixty (360) day year consisting of twelve 30-day months) on the amount of the related permanent reduction of the Principal Portion.

(c) **Permanent Reduction on Notice from the Trustee.** The Amount Available shall be reduced automatically by the amounts specified in any Certificate in the form of Exhibit C which is delivered to Fannie Mae. Such reduction shall be applied to the Principal Portion and the Interest Portion as set out in the Certificate.

(d) **Reinstatement of Interest Portion for Debt Service Advance.** Except for a permanent reduction of the Interest Portion under subsection (b)(2) or subsection (c) of this Section 9, the amount of the Interest Portion reduced by the Interest Component of a Debt Service Advance shall be reinstated immediately and automatically.

The Amount Available shall be reduced automatically by the amount of each Advance paid by Fannie Mae, notwithstanding any act or omission, whether authorized or unauthorized, of the Trustee or any officer, director, employee or agent of the Trustee in connection with any Advance or the proceeds of such Advance or otherwise in connection with this Credit Enhancement Instrument. Each reduction shall be permanent or subject to reinstatement as provided in this Section 9.

Upon any permanent reduction of the Amount Available, Fannie Mae may deliver to the Trustee a substitute Credit Enhancement Instrument in exchange for this Credit Enhancement Instrument, in an amount available equal to the then current Amount Available, but otherwise having terms identical to this Credit Enhancement Instrument.

10. Discharge of Obligations. Only the Trustee may demand an Advance under this Credit Enhancement Instrument. Upon payment to the Trustee of the amount specified in any Certificate presented under this Credit Enhancement Instrument, Fannie Mae shall be fully discharged of its obligation under this Credit Enhancement Instrument with respect to such Certificate and Fannie Mae shall not thereafter be obligated to make any further payment to the Trustee or any other person in respect of such Certificate for payment of principal of or interest on any Bond.

11. Nature of Fannie Mae's Obligations. Fannie Mae's obligation to make Advances to the Trustee upon the proper presentation of documents which conform to the terms and conditions of this Credit Enhancement Instrument is absolute, unconditional and irrevocable, shall be fulfilled strictly in accordance with this Credit Enhancement Instrument, and shall not be affected by any right of set-off, recoupment or counterclaim Fannie Mae might otherwise have against the Issuer, the Trustee, the Borrower, the Loan Servicer or any other person.

Fannie Mae's obligations under this Credit Enhancement Instrument are primary obligations and shall not be affected by the performance or non-performance by the Issuer under the Indenture or the Bonds or by the Borrower under the Note or the Reimbursement Agreement or by the performance or non-performance of any party under any other agreement between or among any of the Issuer, the Trustee, the Borrower or Fannie Mae.

12. Transfer. This Credit Enhancement Instrument may be successively transferred in whole only to each successor Trustee under the Indenture. Any such transfer shall be effective upon receipt by Fannie Mae of a signed copy of the instrument effecting such transfer signed by the transferor and by the transferee in the form attached as Exhibit D (which shall be conclusive evidence of such transfer). In each such case, the transferee instead of the transferor shall, without the necessity of further action, be entitled to all the benefits of and rights under this Credit Enhancement Instrument in the transferor's place.

13. Notices and Deliveries. All documents, notices and other communications, other than Certificates, shall be in writing and personally delivered to Fannie Mae at the address (and to the attention of the party) set out in the Indenture or may be sent to Fannie Mae by telecopy immediately followed by telephonic notice as set out in Section 4(b) of this Credit Enhancement Instrument, as such address, telephone and telecopy numbers and parties to whom such notices are sent are changed by Fannie Mae pursuant to Section 4 of this Credit Enhancement Instrument.

14. Governing Law. This Credit Enhancement Instrument shall be governed by the laws of the District of Columbia, including the Uniform Commercial Code as in effect in the District of Columbia, and by the laws of the United States of America, to the extent applicable.

15. Entire Credit Enhancement Instrument. This Credit Enhancement Instrument sets forth in full the terms of Fannie Mae's undertaking and shall not in any way be amended, amplified or limited by reference to any document, instrument or agreement referred to in this Credit Enhancement Instrument (including, without limitation, the Bonds) or in which this Credit Enhancement Instrument is referred to or to which this Credit Enhancement Instrument relates, except for (i) the Exhibits referred to in this Credit Enhancement Instrument and (ii) any Presentation Protocol, all of which shall be deemed fully incorporated into this Credit Enhancement Instrument as if fully set forth herein.

FANNIE MAE:

FANNIE MAE, the corporation duly organized under the Federal National Mortgage Association Charter Act, as amended, 12 U.S.C. §1716 et seq., and duly organized and existing under the laws of the United States

By: _____
Name: _____
Title: _____

Exhibit A
FORM OF
CERTIFICATE FOR DEBT SERVICE ADVANCE
DIRECT PAY

Fannie Mae
1100 15th Street, NW
Washington, DC 20005
Attention: Director, Multifamily Operations - Direct Pay Bonds

Re: Credit Enhancement Instrument relating to Loan No. _____ (“**Credit Enhancement Instrument**”)

\$35,540,000 aggregate principal amount of California Municipal Finance Authority Multifamily Housing Revenue Bonds (Village Green Apartments) 2025 Series A (“**Bonds**”)

The undersigned, a duly authorized signatory of the Trustee named below (“**Trustee**”), certifies to Fannie Mae, with reference to the Credit Enhancement Instrument, that:

(1) **Demand for Advance.** The Trustee demands an Advance in the amount of \$_____. This demand is composed of:

(Trustee: check applicable box or boxes)

- ☐ **Interest Component:** \$_____ under the Interest Portion of the Amount Available to be used to pay interest on the Bonds (other than Excluded Bonds) when due, or due as a result of the acceleration, defeasance, redemption, or stated maturity of the Bonds.
- ☐ **Principal Component:** \$_____ under the Principal Portion of the Amount Available to be used to pay principal of the Bonds (other than Excluded Bonds) when due, or due as a result of the acceleration, defeasance, redemption, or stated maturity of the Bonds.

(2) **When the Advance Must be Made.** If this demand for Advance is made:

(a) at or prior to 12:00 noon Eastern time on a Business Day, you must pay the Advance no later than 1:00 p.m. Eastern time on the next following Business Day.

(b) after 12:00 noon Eastern time on a Business Day, you must pay the Advance no later than 1:00 p.m. Eastern time on the second following Business Day.

(3) **Where the Advance Must be Made.** Please pay the Advance demanded by this Certificate to the Trustee at _____[specify account].

(4) **Other Matters.**

(a) The Trustee is the Trustee under the Indenture for the holders of the Bonds.

(b) Upon receipt by the Trustee of the Advance, (i) the Trustee will apply the same directly for the purpose specified in Paragraph 1, and (ii) no portion of said amount shall be applied by the Trustee for any purpose other than as set forth in Paragraph 1.

(c) The proceeds of the Advance demanded by this Certificate will not be used to pay any Excluded Bond.

(5) **Amount Available.** (Trustee: Complete this Paragraph 5 only if this Certificate requests an Advance under the Principal Portion of the Amount Available.) Upon the payment of the Advance:

(a) The Amount Available shall be reduced automatically and permanently by \$[insert amount of reduction] of which:

(i) \$_____ is attributable to the Principal Portion; and

(ii) \$_____ is attributable to the Interest Portion[.][and]

(b) **New Amount Available.** The Amount Available will be \$_____, of which:

(i) \$_____ will be the Principal Portion; and

(ii) \$_____ will be the Interest Portion.

(c) The amount of the Advance demanded in Paragraph 1 for the Principal Component does not exceed the Principal Portion of the Amount Available on the date of this Certificate and (2) was computed in accordance with the Bonds, the Indenture and this Credit Enhancement Instrument.

(d) The amount of the Advance demanded in Paragraph 1 for the Interest Component does not exceed the Interest Portion of the Amount Available on the date of this Certificate and (2) was computed in accordance with the Bonds, the Indenture and this Credit Enhancement Instrument.

Any capitalized, but undefined, term used in this Certificate is used as defined in the Credit Enhancement Instrument.

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the ____ day of _____, 20__.

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION**, as Trustee

By: _____

Exhibit B
FORM OF
CERTIFICATE OF TERMINATION

Fannie Mae
1100 15th Street, NW
Washington, DC 20005
Attention: Director, Multifamily Operations - Direct Pay Bonds

Re: \$35,540,000 aggregate principal amount of California Municipal Finance Authority Multifamily Housing Revenue Bonds (Village Green Apartments) 2025 Series A (“**Bonds**”)

The undersigned, a duly authorized signatory of the undersigned as trustee (“**Trustee**”), certifies to Fannie Mae, with respect to the Credit Enhancement Instrument, that the Trustee is authorized to file this notice pursuant to the Indenture. Any capitalized, but undefined, term used in this Certificate is used as defined in the Credit Enhancement Instrument.

The undersigned certifies to Fannie Mae that none of the Bonds are Outstanding under the Indenture.

Pursuant to the Indenture, we enclose the Credit Enhancement Instrument for cancellation.

Very truly yours,

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION,**
as Trustee

By: _____
Authorized Signatory

Dated: _____

By its execution hereof, Village Green Tax Credit LP, a California limited partnership ("**Borrower**"), hereby certifies to Fannie Mae that all conditions precedent to the cancellation of the Credit Enhancement Instrument and hereby joins in the Trustee's instructions to Fannie Mae to cancel the same.

VILLAGE GREEN TAX CREDIT LP,
a California limited partnership

By: Village Green Tax Credit GP LLC,
a California limited liability company,
its Administrative General Partner

By: _____
Steve TeSelle
Vice President

By: Las Palmas Housing and Development Corporation,
a California nonprofit public benefit corporation,
its Managing General Partner

By: _____
Noami Pines
Executive Vice President

Exhibit C
FORM OF
CERTIFICATE OF REDUCTION

Fannie Mae
1100 15th Street, NW
Washington, DC 20005
Attention: Director, Multifamily Operations - Direct Pay Bonds

Re: Credit Enhancement Instrument relating to Loan No. _____ (“**Credit Enhancement Instrument**”)

\$35,540,000 aggregate principal amount of California Municipal Finance Authority Multifamily Housing Revenue Bonds (Village Green Apartments) 2025 Series A (“**Bonds**”)

The undersigned, a duly authorized signatory of the Trustee named below (“**Trustee**”), certifies to Fannie Mae, with reference to the Credit Enhancement Instrument, as follows:

- (1) The Trustee is the Trustee under the Indenture for the holders of the Bonds.
- (2) The aggregate principal amount of Bonds outstanding has been reduced to \$_____.
- (3) Effective on [insert date]:

(a) the Amount Available shall be reduced by \$_____, of which (i) \$_____ is a reduction of the Principal Portion and (ii) \$_____ is a reduction of the Interest Portion; and

(b) after such reduction, the Amount Available will be \$_____, of which (i) \$_____ will be the Principal Portion and (ii) \$_____ will be the Interest Portion.

By its execution hereof, Village Green Tax Credit LP, a California limited partnership (“**Borrower**”), certifies to Fannie Mae that the Trustee is authorized to deliver this Certificate to Fannie Mae. The Borrower and the Trustee further certify that the amounts specified in Paragraph 3 have been determined in accordance with the terms and conditions of the Indenture and the Reimbursement Agreement.

Any capitalized, but undefined, term used in this Certificate is used as defined in the Credit Enhancement Instrument.

IN WITNESS WHEREOF, the Trustee and the Borrower have executed and delivered this Certificate as of the ____ day of _____, 20__.

ZIONS BANCORPORATION,
NATIONAL ASSOCIATION, as
Trustee

By: _____
Authorized Officer

VILLAGE GREEN TAX CREDIT LP,
a California limited partnership

By: Village Green Tax Credit GP LLC,
a California limited liability company,
its Administrative General Partner

By: _____
Steve TeSelle
Vice President

By: Las Palmas Housing and Development Corporation,
a California nonprofit public benefit corporation,
its Managing General Partner

By: _____
Noami Pines
Executive Vice President

Exhibit D
FORM OF
CERTIFICATE FOR SUCCESSOR TRUSTEE

Fannie Mae
1100 15th Street, NW
Washington, DC 20005
Attention: Director, Multifamily Operations - Direct Pay Bonds

Re: Credit Enhancement Instrument relating to Loan No. _____ (“**Credit Enhancement Instrument**”)

\$35,540,000 aggregate principal amount of California Municipal Finance Authority Multifamily Housing Revenue Bonds (Village Green Apartments) 2025 Series A (“**Bonds**”)

The undersigned, a duly authorized signatory of the Trustee named below (“**Trustee**”), certifies to Fannie Mae, with reference to the Credit Enhancement Instrument, as follows:

The Trustee transfers all rights in the Credit Enhancement Instrument to _____, subject to the terms and conditions of the Credit Enhancement Instrument. The Trustee certifies that the transferee is the successor Trustee under the Indenture referred to in the Credit Enhancement Instrument and such successor Trustee has been approved in writing by Fannie Mae. The transferee acknowledges below that it is the successor Trustee. Such successor Trustee has entered into a written agreement to be bound by the Assignment.

By this transfer, all rights of the undersigned Trustee in the Credit Enhancement Instrument are transferred to the transferee and the transferee shall have the sole rights as the beneficiary, including sole rights relating to any amendments, whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised direct to the transferee without necessity of any consent of or notice to the undersigned.

Dated: _____

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION,**
as Trustee

By: _____
Authorized Officer

The above signature of an officer or other authorized representative conforms to that on file with us. Said officer or representative is authorized to sign for said party.

By: _____
Authorized Officer

_____ acknowledges that it is the successor to _____ as Trustee under the Indenture.

By: _____
Authorized Officer

APPENDIX H

FORM OF OPINION OF BOND COUNSEL

October __, 2025

California Municipal Finance Authority
Carlsbad, California

California Municipal Finance Authority
Multifamily Housing Revenue Bonds
(Village Green Apartments) 2025 Series A
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to California Municipal Finance Authority (the “Issuer”) in connection with issuance of \$[Par] aggregate principal amount of California Municipal Finance Authority Multifamily Housing Revenue Bonds (Village Green Apartments) 2025 Series A (the “Bonds”). The Bonds are issued pursuant to the provisions of Chapter 5 of Division 7 of Title 1 of the California Government Code, together with the provisions of Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code, as amended (collectively, the “Act”), and a Trust Indenture, dated as of October 1, 2025 (the “Indenture”), between the Issuer and Zions Bancorporation, National Association, as trustee (the “Trustee”). The Indenture provides that the Bonds are issued for the stated purpose of making a loan of the proceeds thereof to Village Green Tax Credit LP, a California limited partnership (the “Borrower”) pursuant to a Financing Agreement, dated as of October 1, 2025 (the “Financing Agreement”), among the Issuer, the Trustee and the Borrower. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Indenture, the Financing Agreement, the Regulatory Agreement, the Tax Certificate and Agreement, dated the date hereof (the “Tax Certificate”), between the Issuer and the Borrower, certificates of the Issuer, the Borrower, the Trustee and others, opinions of counsel to the Issuer, the Borrower, the Trustee and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery of each such document by each party thereto other than Issuer and that each such document constitutes a valid and binding agreement of such party. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture, the Financing Agreement, the Regulatory Agreement and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions,

omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Indenture, the Financing Agreement, the Regulatory Agreement and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against governmental entities such as the Issuer in the State of California (the "State"). We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the real or personal property described in or as subject to the lien of the Indenture or the Financing Agreement or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no view with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Issuer is a joint exercise of powers agency, duly organized and validly existing under the laws of the State, and has lawful authority to issue the Bonds.
2. The Bonds constitute the valid and binding limited obligations of the Issuer, payable solely from the Trust Estate and other amounts pledged therefor under the Indenture.
3. The Indenture has been duly executed and delivered by, and constitutes the valid and binding agreement of, the Issuer. The Indenture creates a valid pledge, to secure the payment of the principal of, premium, if any, and interest on the Bonds, of the Trust Estate, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.
4. The Bonds do not constitute a debt or liability of the Issuer, the State or of any political subdivision thereof, or a pledge of the faith and credit of the State or any such political subdivision, other than the Issuer to the extent provided in the Indenture.
5. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") except that no opinion is expressed as to the exclusion from gross income of interest on the Bonds for any period during which such Bonds are held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of the facilities with respect to which the proceeds of the Bonds were used or is a "related person" within the meaning of Section 147(a) of the Code. Interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Interest on the Bonds is exempt from State of California personal income taxes. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

APPENDIX I

FORM OF CONTINUING DISCLOSURE AGREEMENT

\$35,540,000*

**California Municipal Finance Authority
Multifamily Housing Revenue Bonds
(Village Green Apartments) 2025 Series A**

This Continuing Disclosure Agreement, dated as of October 1, 2025 (this “Continuing Disclosure Agreement”), is executed and delivered by Village Green Tax Credit LP, a California limited partnership (the “Borrower”), and Zions Bancorporation, National Association, as dissemination agent (the “Dissemination Agent”), for the above-captioned bonds (the “Bonds”). The Bonds are being issued pursuant to a Trust Indenture, dated as of October 1, 2025 (the “Indenture”), between California Municipal Finance Authority (the “Issuer”) and Zions Bancorporation, National Association, as trustee (the “Trustee”). Pursuant to the Indenture and the Financing Agreement, dated as of October 1, 2025, among the Issuer, the Trustee and the Borrower (the “Financing Agreement”), the Dissemination Agent and the Borrower covenant and agree as follows:

Section 1. Purpose of this Continuing Disclosure Agreement. This Continuing Disclosure Agreement is being executed and delivered by the Borrower and the Dissemination Agent for the benefit of the holders of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (defined below). The Borrower and the Dissemination Agent acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Continuing Disclosure Agreement, and has no liability to any person, including any holder of the Bonds or Beneficial Owner, with respect to any such reports, notices or disclosures.

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

“*Annual Report*” shall mean any Annual Report provided by the Borrower pursuant to, and as described in, Sections 3 and 4 of this Continuing Disclosure Agreement.

“*Audited Financial Statements*” means, in the case of the Borrower, the annual audited financial statements prepared in accordance with generally accepted accounting principles, if any.

“*Beneficial Owner*” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“*Disclosure Representative*” shall mean the administrator of the Project or his or her designee, or such other person as the Borrower shall designate in writing to the Dissemination Agent from time to time.

“*Dissemination Agent*” shall mean Zions Bancorporation, National Association, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Borrower and which has filed with the Trustee a written acceptance of such designation.

* Preliminary; subject to change.

“*Listed Events*” shall mean any of the events listed in Section 5(a) of this Continuing Disclosure Agreement.

“*MSRB*” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934. All documents provided to the MSRB shall be in an electronic format and accompanied by identifying information, as prescribed by the MSRB. Initially, all document submissions to the MSRB pursuant to this Continuing Disclosure Agreement shall use the MSRB’s Electronic Municipal Market Access (EMMA) system at www.emma.msrb.org.

“*Participating Underwriter*” means Stifel, Nicolaus & Company, Incorporated, and its successors and assigns.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Borrower will, or will cause the Dissemination Agent to, not later than 180 days following the end of the Borrower’s fiscal year, commencing with the fiscal year ending on December 31, 2026, provide to the MSRB an Annual Report which is consistent with the requirements described below. No later than 15 Business Days prior to said date, the Borrower will provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may cross reference other information, provided that the audited financial statements for the prior calendar year of the Borrower may be submitted separately from the balance of the Annual Report.

(b) If by 15 Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent will contact the Disclosure Representative to determine if the Borrower is in compliance with subsection (a).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent will send in a timely manner a notice to the MSRB in substantially the form attached as Exhibit B to this Continuing Disclosure Agreement.

(d) The Dissemination Agent will file a report with the Borrower and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to this Continuing Disclosure Agreement, and stating the date it was provided.

Section 4. Content of Annual Reports. The Borrower’s Annual Report will contain or incorporate by reference the financial information with respect to the Project, provided at least annually, of the type included in Exhibit A hereto, which Annual Report may, but is not required to, include Audited Financial Statements. If the Borrower’s Audited Financial Statements are not available by the time the Annual Report is required to be filed, the Annual Report will contain unaudited financial statements, and the Audited Financial Statements will be filed in the same manner as the Annual Report when and if they become available.

Any or all of the items described in Exhibit A may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Borrower is an “Obligated

Person” (as defined by the Rule), which have been filed with the MSRB. The Borrower will clearly identify each such other document so incorporated by reference.

Each annual report submitted hereunder shall be in readable portable document format (“PDF”) or other acceptable electronic form.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events (each, a “Listed Event”):

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulty;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulty;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Borrower. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or paying agent or the change of the name of a trustee or paying agent, if material;

(xv) Incurrence of a financial obligation of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borrower, any of which affect security holders, if material;

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Borrower, any of which reflect financial difficulties;

(xvii) The Project's being placed in service for purposes of qualifying the property for low income housing tax credits. Notice of the Project's being placed in service from the Borrower to the Dissemination Agent shall be in the form attached as Exhibit D hereto or such other form as may be approved by the Dissemination Agent. Notice of the Project being placed in service from the Dissemination Agent to the Municipal Securities Rulemaking Board shall be in the form attached as Exhibit C hereto or such other form as may be approved by the Dissemination Agent.

For purposes of clauses (xv) and (xvi) of this Section 5(a), "financial obligation" is as contemplated by Exchange Act Release No. 34-83885; File No. S7-01-17 (the "Adopting Release").

(b) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any potential Listed Event, pursuant to subsection (c) of this Section 5 or otherwise, provide the Disclosure Representative with notice (by email). While the Dissemination Agent is also the Trustee, the Dissemination Agent shall be deemed to have actual knowledge of those items listed in clauses (i), (iii) (solely with respect to funds held by the Trustee), (iv), (v), (vii), (viii), (ix), (x) (xiv) and (xviii) above without the Dissemination Agent's having received notice of such event. While the Dissemination Agent is not also the Trustee, the Dissemination Agent shall not be deemed to have actual knowledge of any items listed in clauses (i) - (xix) above without the Dissemination Agent having received written notice of such event. For purposes of providing notice to the Disclosure Representative, the Dissemination Agent shall assume that the unscheduled draws described in clauses (iii) and (iv) reflect financial difficulty.

(c) Whenever the Borrower obtains knowledge of the occurrence of a potential Listed Event, the Borrower shall, within five (5) Business Days of obtaining such knowledge and in any event no more than eight (8) Business Days after the occurrence of such event, determine if such event is in fact a Listed Event that is required by the Rule to be disclosed and provide the Dissemination Agent with notice and instructions pursuant to subsection (d) below.

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

(e) If the Dissemination Agent has been provided with a written notice describing a Listed Event pursuant to subsection (c) of this Section 5 or otherwise, and is instructed by the Borrower to report the occurrence of such Listed Event, the Dissemination Agent shall, within two (2) Business Days of its receipt of such written notice and in any event no more than ten (10) Business Days after the occurrence of the Listed Event, file the notice with the MSRB and send a copy to the Borrower.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Borrower and the Dissemination Agent may amend this Continuing Disclosure Agreement (and the Dissemination Agent will agree to any amendment so requested by the Borrower unless such amendment adversely affects its rights, duties, protections, immunities, indemnities or standard of care, as determined by the Dissemination Agent) and any provision of this Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions described under paragraph (a) under “Provision of Annual Reports,” “Contents of Annual Reports” or paragraph (a) under “Reporting of Listed Events,” it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of an Obligated Person (as defined in the Rule) with respect to the Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the Borrower will describe such amendment in the next Annual Report and will include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information being presented by the Borrower. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change will be given in the same manner as for a Listed Event under Section 5(e) hereof and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Default. In the event of a failure of the Borrower or the Dissemination Agent to comply with any provision of this Continuing Disclosure Agreement and such failure to comply continues beyond a period of thirty (30) days following written notice to the Borrower, the Borrower or any Holder or Beneficial Owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Borrower or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement will not be deemed an Event of Default under the Indenture or the Financing Agreement, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Borrower or the Dissemination Agent to comply with this Continuing Disclosure Agreement will be an action to compel performance.

Section 8. Beneficiaries. This Continuing Disclosure Agreement will inure solely to the benefit of the Borrower, the Dissemination Agent, the Participating Underwriter and Holders from time to time of the Bonds and will create no rights in any other person or entity.

Section 9. Reserved.

Section 10. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Borrower chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the Borrower shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Borrower has provided such information to the Dissemination Agent as required by this Continuing Disclosure Agreement. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any information, disclosures or notices provided to it by the Borrower and shall not be deemed to be acting in any fiduciary capacity for the 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 Listed Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Borrower has complied with this Continuing Disclosure Agreement. The Dissemination Agent may conclusively rely upon Certifications of the Borrower at all times.

The obligations of the Borrower under this Section 11 shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Borrower.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Continuing Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

Section 12. Notices. All notices, requests, demands or other communications to or upon the respective parties hereto shall be deemed to have been duly given or made when delivered personally or by mail (including electronic mail) to the party to which such notice, request, demand or other communication is required or permitted to be given or made under this Continuing Disclosure Agreement and addressed as set forth below, with confirmation of transmission, indicated below:

If to the Borrower:

Village Green Tax Credit LP
Security Properties
2315 4th Ave, Suite 400
Seattle, WA 98121
Attention: Steve TeSelle
Email: stevet@secprop.com

If to the Dissemination Agent:

Zions Bancorporation, National Association
601 Union Street, Suite 3600
Seattle, WA 98101
Attention: Anna McCully
Email: anna.mccully@zionsbank.com

If to the Investor Limited Partner:

Wincopin Circle LLLP
c/o Enterprise Community Asset Management, Inc.
11000 Broken Land Parkway, Suite 700
Columbia, MD 21044
Attention: General Counsel

Section 13. Governing Law. This Continuing Disclosure Agreement shall be governed by the laws of the State of California.

Section 14. Termination of this Continuing Disclosure Agreement. The Borrower or the Dissemination Agent may terminate this Continuing Disclosure Agreement by giving written notice to the other party at least 30 days prior to such termination. The Dissemination Agent shall be fully discharged at the time any such termination is effective. The Borrower's and the Dissemination Agent's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption, tender, conversion or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Borrower shall give notice of such termination in a filing with the MSRB.

Section 15. 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.

IN WITNESS WHEREOF, the parties hereto have caused this Continuing Disclosure Agreement to be executed by their duly authorized representatives as of the date set forth above.

VILLAGE GREEN TAX CREDIT LP,
a California limited partnership

By: Village Green Tax Credit GP LLC,
a California limited liability company,
its Administrative General Partner

By: _____
Steve TeSelle
Vice President

By: Las Palmas Housing and Development Corporation,
a California nonprofit public benefit corporation,
its Managing General Partner

By: _____
Noami Pines
Executive Vice President

[Signatures continue on following page]

[Counterpart Signature Page to Continuing Disclosure Agreement]

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION,**
as Dissemination Agent

By: _____
Authorized Officer

EXHIBIT A

ANNUAL REPORT

\$35,540,000*

**California Municipal Finance Authority
Multifamily Housing Revenue Bonds
(Village Green Apartments) 2025 Series A**

CUSIP: _____

Annual report for the period ending December 31, _____

THE PROJECT

Name of the Project:	Village Green Apartments
Address:	2122 W Chestnut Street, San Bernardino, CA 92410
Number of Units:	184

INFORMATION ON THE BONDS

Original principal amount of Bonds:	
Outstanding principal amount of Bonds:	

OPERATING HISTORY OF THE PROJECT

The tables set forth below offer a summary of the operating results of the Project for fiscal year ended December 31, 20__, as derived from the Borrower's audited financial statements [or unaudited financial statements].

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

¹ Excludes depreciation and other non-cash expenses.

Occupancy Results for Fiscal Year Ending December 31, _____	
Physical Occupancy	_____%
Economic Occupancy ¹	_____%

¹ The physical occupancy rate is the proportion of units that are occupied or leased by tenants. The economic occupancy rate is the proportion of the gross potential rent that is actually collected. As such, the economic occupancy takes into consideration items such as model units, employee units, discounted units, rent incentives, loss to lease and bad debt expense.

* Preliminary; subject to change.

AUDITED FINANCIAL STATEMENTS

_____ Attached

_____ Audited financial statements of the Borrower for the period ending December 31, 20__ are not yet completed; therefore, no audited financial statements of the Borrower are being filed herewith. Unaudited financial statements for such period are attached in lieu of audited financial statements. Audited financial statements will be filed when available.

_____ No audited financial statements of the Borrower were prepared for the period ending December 31, 20__; therefore, no audited financial statements of the Borrower are being filed herewith. Unaudited financial statements for such period are attached in lieu of audited financial statements.

EXHIBIT B

**NOTICE OF FAILURE TO
FILE ANNUAL DISCLOSURE REPORT**

Name of Issuer: California Municipal Finance Authority

Name of Bond Issue: Multifamily Housing Revenue Bonds (Village Green Apartments) 2025 Series A

Name of Borrower: Village Green Tax Credit LP

CUSIP: _____

Date of Issuance: October __, 2025

NOTICE IS HEREBY GIVEN that the above-referenced borrower (the “Borrower”) has not provided an Annual Report with respect to the above-named Bonds as required by its Continuing Disclosure Agreement. The undersigned has been informed by the Borrower that it anticipates that Annual Report will be filed by _____.

DATED: _____

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION,**
as Dissemination Agent

By: _____
Authorized Officer

cc: Borrower

EXHIBIT C

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF
PROJECT PLACED IN SERVICE**

Name of Issuer: California Municipal Finance Authority

Name of Bond Issue: Multifamily Housing Revenue Bonds (Village Green Apartments) 2025 Series A

Name of Borrower: Village Green Tax Credit LP

Name of Project: Village Green Apartments

Address of Project: 2122 W Chestnut Street, San Bernardino, CA 92410

Date of Issuance: October __, 2025

NOTICE IS HEREBY GIVEN as per the requirements of the Continuing Disclosure Agreement, dated as of October 1, 2025, between the above-referenced borrower (the “Borrower”) and Zions Bancorporation, National Association, as Dissemination Agent, that the Borrower has certified that the above-referenced project (the “Project”) is complete and placed in service by the Borrower as evidenced by a certificate from the Borrower confirming that the Project is placed in service for purposes of Section 42 of the Code.

Dated:

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION,**
as Dissemination Agent

By: _____
Authorized Officer

cc: Borrower

EXHIBIT D

FORM OF NOTICE OF PLACED IN SERVICE

\$35,540,000*

**California Municipal Finance Authority
Multifamily Housing Revenue Bonds
(Village Green Apartments) 2025 Series A**

The undersigned hereby provides notice to Zions Bancorporation, National Association, a national banking association, as dissemination agent (the “Dissemination Agent”) that the multifamily rental housing facility known as Village Green Apartments (the “Project”) has been placed in service in accordance with the Trust Indenture, dated as of October 1, 2025, between California Municipal Finance Authority (the “Issuer”) and Zions Bancorporation, National Association, a national banking association, as trustee (the “Trustee”), pursuant to which the above-captioned bonds were issued, as further evidenced by the attached Certificate of Occupancy.

VILLAGE GREEN TAX CREDIT LP,
a California limited partnership

By: Village Green Tax Credit GP LLC,
a California limited liability company,
its Administrative General Partner

By: _____
Steve TeSelle
Vice President

By: Las Palmas Housing and Development Corporation,
a California nonprofit public benefit corporation,
its Managing General Partner

By: _____
Noami Pines
Executive Vice President

* Preliminary; subject to change.

ATTACHMENT

Certificate of Occupancy