

**PRELIMINARY OFFICIAL STATEMENT DATED MARCH 6, 2026**

**NEW ISSUE -- 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."*

**\$22,650,000\***  
**California Housing Finance Agency**  
**Limited Obligation Multifamily Housing Tax-Exempt Bonds**  
**(Fannie Mae MBS-Secured) 2026 Issue A**  
**(Napa Creek Manor)**

**Dated: March \_\_, 2026**  
**Interest Rate: \_\_%**  
**Offering Price: 100.00%**

**Bond Maturity Date: May 1, 2043\***  
**CUSIP: \_\_\_\_\_**

The California Housing Finance Agency Limited Obligation Multifamily Housing Tax-Exempt Bonds (Fannie Mae MBS-Secured) 2026 Issue A (Napa Creek Manor) (the "Bonds") will be issued under and pursuant to an Indenture of Trust, dated as of March 1, 2026 (the "Indenture"), between the California Housing Finance Agency (the "Issuer") and U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

The Bonds are issuable only as fully registered bonds without coupons and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), Brooklyn, New York. DTC will act as securities depository of the Bonds. Individual purchases will be made in book-entry form only, in the denominations of \$5,000 or any integral multiple of \$5,000 in excess thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. Principal of and interest on the Bonds are payable by the Trustee to DTC, which will be responsible for remitting such principal and interest to its Participants, which will be responsible for remitting such principal and interest to the Beneficial Owners of the Bonds, as described under "APPENDIX F — BOOK-ENTRY SYSTEM" herein.

The Bonds will be issued to finance the acquisition, construction, rehabilitation and equipping of a multifamily rental housing development through the purchase by the Trustee of a single mortgage pass-through certificate (the "MBS") guaranteed as to timely payment of principal and interest by the Federal National Mortgage Association, if and when issued. It is anticipated that, prior to the MBS Delivery Date (as defined herein), the Bonds will be secured by, and the principal of and interest thereon will be paid from, amounts on deposit in the Revenue Fund and the Collateral Proceeds Fund along with the investment earnings thereon. See "SECURITY FOR AND SOURCES OF PAYMENT FOR THE BONDS" herein.

The aggregate principal amount, maturity date, interest rate and delivery date for the Bonds shall be as set forth in the Indenture and shall be described on the cover page hereof.

The MBS is expected to be delivered by the MBS Delivery Date Deadline, initially defined as April 25, 2026\*. From and after the MBS Delivery Date, the Bonds will be secured by, and the principal of and interest thereon will be paid from, payments made on the MBS. Principal and interest on the Bonds will be payable semiannually on the 1st day of each May and November, or the next succeeding Business Day if such 1st day is not a Business Day, commencing November 1, 2026\*.

**THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE UNDER THE INDENTURE. NEITHER THE ISSUER, THE STATE, NOR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE ISSUER, TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE) NOR ANY PUBLIC AGENCY SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM (IF ANY) OR INTEREST ON THE BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER EXCEPT AS SET FORTH IN THE INDENTURE, AND NONE OF THE BONDS OR ANY OF THE ISSUER'S AGREEMENTS OR OBLIGATIONS SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT OF OR A MORAL OBLIGATION OF ANY OF THE FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. THE ISSUER HAS NO TAXING POWER.**

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, Bond Counsel. Certain legal matters will be passed upon for the Borrower by its counsel, Rodriguez Wright LLP, Sausalito, 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 March \_\_, 2026.

**STIFEL**

Dated: March \_\_, 2026

\* Preliminary; subject to change.

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

*No dealer, broker, salesman or other person has been authorized by the Issuer or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall 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.*

*Prospective purchasers must read this entire Official Statement (including the cover page and all appendices hereto) to obtain all of the information essential to the making of an informed investment decision.*

*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. Neither the Issuer nor the Underwriter has verified the accuracy or completeness of the information contained in website addresses set forth in this Official Statement or verified that such information is accurate and complete as of the date of this Official Statement. Investors reviewing such information must rely on the providers of such information for its accuracy and completeness in making any investment decisions regarding the Bonds. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.*

*The information set forth herein has been obtained from the Borrower, the Issuer and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Borrower, the Issuer or any other parties described herein since the date as of which such information is presented.*

*In connection with this offering, the Underwriter may over-allot or effect transactions which stabilize or maintain the market price of the Bonds offered hereby at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.*

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

*Fannie Mae has not reviewed or undertaken to determine the accuracy of any of the information contained in this Official Statement, other than providing a link to the template Fannie Mae MBS Prospectus in Appendix A and the Additional Disclosure Addendum in Schedule I to Appendix A, and makes no representation or warranty, express or implied, as to any of the other matters contained in this Official Statement, including, but not limited to (i) the accuracy or completeness of such information, (ii) the suitability of the Bonds for any investor, (iii) the feasibility or performance of any project, (iv) the structure, provisions or terms of the Bonds and any cash flows related thereto, or (v) compliance with any securities, tax or other laws or regulations including but not limited to the validity of the Bonds and the tax-exempt status of the Bonds. Fannie Mae's role with respect to the Bonds is limited to issuing and discharging its obligations under the MBS if and when delivered.*

*No registration statement relating to the Bonds has been filed with the United States Securities and Exchange Commission (the "Commission") or with any state securities agency. The Bonds have not been approved or disapproved by the Commission or any state securities agency, nor has the Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.*

*CUSIP data herein are provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Issuer and are included solely for the convenience of the holders of the Bonds. The Issuer is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions.*

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## OFFICIAL STATEMENT

relating to

**\$22,650,000\***

**California Housing Finance Agency  
Limited Obligation Multifamily Housing Tax-Exempt Bonds  
(Fannie Mae MBS-Secured) 2026 Issue A  
(Napa Creek Manor)**

### INTRODUCTION

This Official Statement (which includes the cover page and appendices hereto) provides certain information in connection with the issuance and sale of the \$22,650,000\* California Housing Finance Agency Limited Obligation Multifamily Housing Tax-Exempt Bonds (Fannie Mae MBS-Secured) 2026 Issue A (Napa Creek Manor) (the “Bonds”) issued by the California Housing Finance Agency (the “Issuer”). The Bonds will be issued pursuant to the Zenovich-Moscone-Chacon Housing and Home Finance Act, consisting of Parts 1 through 4 of Division 31 of the California Health and Safety Code (the “Act”), and a resolution of the Board of Directors of the Issuer adopted on March 20, 2025 (the “Resolution”) and secured by an Indenture of Trust, dated as of March 1, 2026 (the “Indenture”), between the Issuer and U.S. Bank Trust Company, National Association, as trustee (in such capacity, the “Trustee”). Pursuant to the Indenture and the Financing Agreement, dated as of March 1, 2026 (the “Financing Agreement”), among the Issuer, the Trustee and Napa Creek Manor Housing Partners, LP, a California limited partnership (the “Borrower”), the Issuer is issuing the Bonds to provide financing for a certain multifamily rental housing development known as Napa Creek Manor (the “Project”) in the County of Napa, California (the “State”), and to facilitate the delivery of the MBS (as defined below) guaranteed by the Federal National Mortgage Association (“Fannie Mae”).

All capitalized terms used in this Official Statement that are defined in the Indenture shall have the respective meanings set forth in the Indenture. See “APPENDIX B — DEFINITIONS OF CERTAIN TERMS.”

The Issuer, the Borrower, Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) and the Honorable Fiona Ma, Treasurer of the State of California (the “Treasurer”), solely in her capacity as agent for sale for the Issuer have entered into a Bond Purchase Agreement (the “Bond Purchase Agreement”), pursuant to which the Issuer and the Treasurer will agree to sell the Bonds to the Underwriter. The transaction entered into under the Bond Purchase Agreement will provide for the issuance and sale to the Underwriter of the Bonds in a specified principal amount, with a specified interest rate, on a specified date and at a specified price. The delivery of the Bonds is subject to the satisfaction of a number of conditions set forth in the Bond Purchase Agreement.

The Bonds will be issued to finance the Project through the purchase of a single mortgage pass-through certificate (the “MBS”) guaranteed as to principal and interest by Fannie Mae, if and when issued. The MBS will not be available for purchase on the date of issuance of the Bonds (the “Closing Date”) but is expected to be available for acquisition by the Trustee on or prior to the MBS Delivery Date Deadline (as defined herein). The MBS will be backed by a 17\*-year, fixed-rate mortgage loan (the “Mortgage Loan”) to be evidenced by a multifamily note (the “Mortgage Note”), secured by a deed of trust constituting a first lien on the Project (as further defined herein, the “Mortgage”). The Mortgage Loan will be made to the Borrower as mortgagor and owner of the Project on the Closing Date. See “THE MORTGAGE LOAN” herein and “APPENDIX A — FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM” attached hereto.

On the Closing Date, and prior to the date of delivery by Fannie Mae of the MBS (the “MBS Delivery Date”), the Bonds will be secured by (i) the proceeds of the Mortgage Loan equal to the principal amount of the Bonds delivered to the Trustee and deposited into the Collateral Proceeds Fund established under the Indenture and (ii) Eligible Funds, delivered to the Trustee and deposited into the Negative Arbitrage Account of the Revenue Fund established under the Indenture, in an amount at least equal to the interest on the Bonds at the rate set forth on the cover page hereof from the Bond Dated Date to, but not including, the date that is five (5) calendar days after the MBS Delivery Date Deadline (collectively, the “Cash Collateral”). Prior to the MBS Delivery Date, the Bonds will be

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\* Preliminary; subject to change.

secured by, and the principal of, premium, if any, and interest thereon will be paid from amounts on deposit in the Revenue Fund and the Collateral Proceeds Fund along with the investment earnings thereon. From and after the MBS Delivery Date, the Bonds will be secured by, and the principal of and interest thereon will be paid from, payments made on the MBS. See “SECURITY FOR AND SOURCES OF PAYMENT FOR THE BONDS” herein.

On the MBS Delivery Date, amounts on deposit in the Collateral Proceeds Fund and the Revenue Fund will be used by the Trustee to purchase the MBS, which will then secure the payment of the Bonds. On or prior to the Closing Date, Fannie Mae will enter into a commitment with Berkadia Commercial Mortgage LLC, a Delaware limited liability company (the “Lender”), the Fannie Mae-approved lender of the Mortgage Loan, to deliver the MBS to the Trustee for purchase. The commitment to deliver the MBS is subject to the satisfaction of certain requirements and preconditions and does not extend to the benefit of any other third party, including the beneficial owners of the Bonds, the Issuer or the Trustee. No representations or assurances can be provided as to whether or not such conditions can or will be satisfied.

If the MBS is not delivered on or before the MBS Delivery Date Deadline, as such date may be extended pursuant to the terms of the Indenture, then funds then on deposit in the Collateral Proceeds Fund and the Revenue Fund will be used to redeem the Bonds as set forth in the Indenture. The Bonds are also subject to mandatory redemption in whole or in part as further described herein. See “DESCRIPTION OF THE BONDS—Redemption of Bonds” herein.

The Bonds shall bear interest on the outstanding principal amount thereof at the interest rate set forth on the cover page hereof. The MBS is expected to be delivered by the MBS Delivery Date Deadline, initially defined as April 25, 2026\*. Principal and interest on the Bonds will be payable semiannually on the 1st day of each May and November, or the next succeeding Business Day if such 1st day is not a Business Day, commencing November 1, 2026\*. Following the delivery of the MBS, MBS payments will be made monthly on the 25th of each month (beginning with the month following the month in which the MBS is issued and delivered to the Trustee), or if such 25th day is not a Business Day, the following Business Day. Fannie Mae’s role with respect to the Bonds is limited to issuing and discharging its obligations under the MBS if and when delivered. Fannie Mae has no responsibility for the structuring and timing of Bond payments from MBS Revenues. Principal and interest on the Bonds are payable by the Trustee to DTC, which will be responsible for remitting such principal and interest to its Participants, which will be responsible for remitting such principal and interest to the Beneficial Owners of the Bonds. The payment of interest on each Payment Date shall relate to the interest accrued during the preceding six calendar months; provided that the payment of interest on the Initial Payment Date shall relate to the interest accrued on the Bonds from the Closing Date to but not including such Initial Payment Date.

On or after the Closing Date, the Borrower, the Lender and Fannie Mae, collectively, have the ability to increase the amount of debt on the Project to exceed the outstanding principal amount of the Bonds. Although such additional debt is not guaranteed to be either supportable by the Project or approved by the Lender or Fannie Mae, any security instrument issued in connection therewith will not relate to or serve as additional security for the Bonds.

The Bonds are limited obligations of the Issuer, payable solely from and secured by the pledge pursuant to the Indenture of the Trust Estate, consisting of revenues (the “MBS Revenues”) from the MBS, if issued and delivered to the Trustee, and other funds pledged therefor under the Indenture. See “SECURITY FOR AND SOURCES OF PAYMENT FOR THE BONDS.”

**THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE UNDER THE INDENTURE. NEITHER THE ISSUER, THE STATE, NOR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE ISSUER, TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE) NOR ANY PUBLIC AGENCY SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM (IF ANY) OR INTEREST ON THE BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER EXCEPT AS SET FORTH IN THE INDENTURE, AND NONE OF THE BONDS OR ANY OF THE ISSUER’S AGREEMENTS OR OBLIGATIONS SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT**

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\* Preliminary; subject to change.

**OF OR A MORAL OBLIGATION OF ANY OF THE FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. THE ISSUER HAS NO TAXING POWER.**

Descriptions, certain definitions and final terms of the Bonds, the Borrower, the Project, the Mortgage Loan and the MBS, are included herein. All summaries or descriptions herein of documents and agreements are qualified in their entirety by reference to such documents and agreements and all summaries herein of the Bonds are qualified in their entirety by reference to the Indenture and the provisions with respect thereto included in the aforesaid documents and agreements. Copies of the Indenture and the Financing Agreement are available for inspection at the office of the Trustee. The Borrower will provide certain information on an ongoing basis to the Municipal Securities Rulemaking Board (the “MSRB”). For a description of the Borrower’s undertaking with respect to ongoing disclosure, see “CONTINUING DISCLOSURE” herein.

**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, the Lender, Fannie Mae nor any of their respective counsel, members, officers or employees makes any representations as to the accuracy or sufficiency of such information.*

The Issuer was created in 1975 by the Act as a public instrumentality and a political subdivision of the State of California (the “State”) for the primary purpose of meeting the housing needs of persons and families of low or moderate income and exists within the Department of Housing and Community Development, which is part of the Business, Consumer Services and Housing Agency of the State. The Issuer is authorized to issue its bonds, notes and other obligations for a variety of purposes, including (1) making development loans, construction loans, mortgage loans and property improvement loans to qualified borrowers to finance housing developments and other residential structures; (2) purchasing such loans through qualified mortgage lenders; and (3) making loans to qualified mortgage lenders under terms and conditions requiring the proceeds thereof to be used for certain loans.

The Issuer has sold and delivered obligations other than the Bonds, which other obligations are and will be secured by instruments separate and apart from the Indenture and the Bonds. The holders of such obligations of the Issuer have no claim on the security for the Bonds, and the owners of the Bonds will have no claim on the security for such other obligations issued by the Issuer.

The Issuer has not reviewed any appraisal for the Project or any feasibility study or other financial analysis of the Project and has not undertaken to review or approve expenditures for the Project, to supervise any development or construction of the Project, or to obtain any financial statements of the Borrower.

THE ISSUER HAS NOT REVIEWED THIS OFFICIAL STATEMENT AND IS NOT RESPONSIBLE FOR ANY INFORMATION CONTAINED HEREIN, EXCEPT FOR THE INFORMATION IN THIS SECTION AND UNDER THE CAPTION “NO LITIGATION — THE ISSUER” HEREIN.

**DESCRIPTION OF THE BONDS**

**General**

The Bonds will be issued in the denominations of \$5,000 or any integral multiple of \$5,000 in excess thereof. The Bonds are issuable only as fully registered bonds without coupons and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), Brooklyn, New York. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only. Purchasers will not receive bonds representing their interest in the Bonds purchased. See “APPENDIX F — BOOK-ENTRY SYSTEM.”

The Bonds will be dated March \_\_, 2026 (the “Closing Date”) and have maturity dates and final payment dates as identified on the cover page hereof. The Bonds shall bear interest on the outstanding principal amount thereof at the interest rate set forth on the cover page hereof. Interest on the Bonds shall be computed on the basis of a 360-

day year under the assumption that all months regardless of length, are comprised of exactly 30 calendar days (“30/360”).

Interest on the Bonds will be payable on each Payment Date to the Bondholders of record as of the applicable Record Date. Interest payable on the Bonds, if the Bonds are redeemed as described under the headings “Mandatory Redemption in Whole Upon Failure to Purchase the MBS by the MBS Delivery Date Deadline” and “Mandatory Redemption in Part on the MBS Delivery Date” herein, will be paid on the redemption date.

All payments of interest with respect to the Bonds will be paid to the Bondholders by the Trustee from funds held in the Revenue Fund under the Indenture. All payments of principal and interest with respect to the Bonds will be paid to the Bondholders in proportion to the principal amount of each Bond owned by each such owner as set forth on the records of the Trustee as of the applicable Record Date.

So long as Cede & Co. or another nominee designated by DTC is the registered owner of the Bonds, principal and interest on the Bonds are payable by the Trustee to DTC, which will be responsible for remitting such principal and interest to its Participants, which will be responsible for remitting such principal and interest to the Beneficial Owners of the Bonds. See “APPENDIX F — BOOK-ENTRY SYSTEM.” *So long as Cede & Co. is the registered owner of the Bonds, all references in this Official Statement to the owners or holders of the Bonds, means Cede & Co. and not the Beneficial Owners of the Bonds.*

### **Transfer of Bonds**

While DTC is securities depository for book-entry Bonds, the transfer of beneficial ownership of Bonds shall take place as described in “APPENDIX F — BOOK-ENTRY SYSTEM.” If DTC were to terminate its status as securities depository for the Bonds and, as a result, the Bonds were no longer book-entry securities, no transfer of a Bond will be made unless made upon the records of the Issuer kept for that purpose at the corporate trust office of the Trustee, by the registered owner of the Bond or by its attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee. Upon the transfer of any such Bond, the Issuer shall issue and the Trustee shall authenticate and deliver to and in the name of the transferee a new fully registered Bond, of the same series, aggregate principal amount, interest rate, maturity and other terms as the surrendered Bond.

At all times, the Issuer and the Trustee may deem and treat the person in whose name any Bond shall be registered in the Bond Register as the absolute owner of such Bond, whether such Bond shall be a book-entry security or not, for the purpose of receiving payment of, or on account of, the principal of, premium, if any, and interest on such Bond and for all other purposes and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

### **Redemption of Bonds**

The Bonds shall be subject to mandatory redemption prior to maturity as follows:

Mandatory Sinking Fund Redemption Prior to MBS Delivery Date. On any Payment Date that occurs prior to or during the month in which the MBS is delivered to the Trustee, the Bonds are subject to mandatory redemption as shown in the sinking fund schedule below, payable with respect to principal first, from money on deposit in the Collateral Proceeds Fund and with respect to interest, and premium, if any, from money on deposit in the Revenue Fund or other Eligible Funds.

Mandatory Redemption in Whole Upon Failure to Purchase the MBS by the MBS Delivery Date Deadline. The Bonds are subject to mandatory redemption in whole five (5) calendar days after the MBS Delivery Date Deadline at a Redemption Price equal to 100% of the Outstanding principal amount thereof, plus interest accrued but unpaid from the first day of the month in which the last Payment Date occurred (or, if no Payment Date has occurred, from the Bond Dated Date) to, but not including, such redemption date, if the MBS Delivery Date has not occurred on or prior to the MBS Delivery Date Deadline, payable with respect to principal first, from money on deposit in the

Collateral Proceeds Fund, and with respect to premium, if any, and interest, from money on deposit in the Revenue Fund or other Eligible Funds.

**Mandatory Redemption in Part on the MBS Delivery Date.** The Bonds are subject to mandatory redemption in part on the MBS Delivery Date at a Redemption Price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued but unpaid from the first day of the month in which the last Payment Date occurred to, but not including, the MBS Delivery Date, in an amount equal to the difference between (i) the principal amount of the MBS purchased on the MBS Delivery Date and (ii) the aggregate principal amount of the Bonds Outstanding as of the first day of the month in which the MBS Delivery Date occurred, payable with respect to principal first, from money on deposit in the Collateral Proceeds Fund, and with respect to interest and premium, if any, from money on deposit in the Revenue Fund or other Eligible Funds.

**Mandatory Sinking Fund Redemption\*.** The Bonds are subject to mandatory redemption on the respective dates set forth in the schedule below at the Redemption Price equal to the principal amount thereof, plus accrued interest to, but not including, the redemption date:

<b><u>Sinking Fund Payment Date</u></b>	<b><u>Amount</u></b>	<b><u>Sinking Fund Payment Date</u></b>	<b><u>Amount</u></b>
11/1/2026	\$85,000	5/1/2035	\$130,000
5/1/2027	90,000	11/1/2035	135,000
11/1/2027	90,000	5/1/2036	140,000
5/1/2028	95,000	11/1/2036	140,000
11/1/2028	95,000	5/1/2037	145,000
5/1/2029	100,000	11/1/2037	150,000
11/1/2029	100,000	5/1/2038	150,000
5/1/2030	105,000	11/1/2038	155,000
11/1/2030	105,000	5/1/2039	160,000
5/1/2031	110,000	11/1/2039	165,000
11/1/2031	110,000	5/1/2040	165,000
5/1/2032	115,000	11/1/2040	170,000
11/1/2032	115,000	5/1/2041	175,000
5/1/2033	120,000	11/1/2041	180,000
11/1/2033	120,000	5/1/2042	185,000
5/1/2034	125,000	11/1/2042	190,000
11/1/2034	130,000	5/1/2043	18,305,000
Average Life	15.713705		

Any scheduled principal payments made pursuant to the Mortgage Loan Amortization Schedule shall be retained by the Trustee and used to make sinking fund payments as set forth in the Indenture.

**Mandatory Redemption Following Unscheduled Prepayment of the Mortgage Loan\*.** The Bonds are subject to mandatory redemption in whole or in part one Business Day after the date on which any unscheduled MBS principal payment or prepayment is received by the Trustee, at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest and premium, if any, received pursuant to the MBS.

\* Preliminary; subject to change.

\* A portion of the prepayment premium on the Mortgage Loan, if collected, may be passed through as a payment on the MBS under the circumstances described in “YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS—Maturity and Prepayment Considerations—Prepayment of a Mortgage Loan” in the Fannie Mae MBS Prospectus. Fannie Mae does not guarantee to any trust the payment of any prepayment premiums. See “APPENDIX A – Fannie Mae Mortgage-Backed Securities Program.”

Selection of Bonds for Redemption. In the event the Bonds are redeemed in part and not in whole other than pursuant to the heading “Mandatory Sinking Fund Redemption” above, the Bonds shall be redeemed by lot across all maturities and the scheduled principal payments on the Bonds to remain outstanding and the mandatory redemption requirements for each maturity described in the Indenture shall be adjusted so that the resulting debt service on the Bonds (including scheduled mandatory redemption payments) during each six-month period commencing on each Payment Date is proportional, as nearly as practicable, to the payments on the MBS during each such six-month period, without exceeding the amount available from MBS payments, and other available funds under the Indenture that may be used to pay debt service on the Bonds, during each such six-month period. All Bonds to be redeemed within the same maturity shall be selected by lot. Any such redemption in part shall be in Authorized Denominations and the Lender shall furnish the Trustee with a revised Mortgage Loan Amortization Schedule in connection with such redemption in part, other than pursuant to mandatory sinking fund redemption.

Except as otherwise described above, any Bonds to be called for redemption shall be selected by the Trustee ratably among maturities and by lot within a maturity, such selection to be made prior to the date on which notice of such redemption must be given and Bonds shall be redeemed as soon as practicable after an event causing a redemption shall have occurred. The Trustee shall have no liability for such selections made without gross negligence or willful misconduct.

If it is determined that less than all of the principal amount represented by any Bond is to be called for redemption, then, following notice of intention to redeem such principal amount, the holder thereof shall surrender such Bond to the Trustee on or before the applicable redemption date for (a) payment on the redemption date to such Bondholder of the Redemption Price of the amount called for redemption and (b) delivery to such Bondholder of a new Bond or Bonds in an aggregate principal amount equal to the unredeemed balance of such Bond. A new Bond representing the unredeemed balance of such Bond shall be issued to the registered owner thereof, without charge therefor. If the registered owner of any Bond selected for redemption shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the amount called for redemption (and to that extent only).

## **THE MORTGAGE LOAN**

### **General**

The Indenture authorizes the Issuer to issue the Bonds to finance a portion of the cost of the acquisition, rehabilitation and equipping of the Project through the acquisition of the MBS and to pay certain additional costs related thereto. The Bonds will be secured initially by the Cash Collateral, and then by the MBS, if issued and delivered to the Trustee. Fannie Mae is expected to deliver the MBS to the Trustee on or before the MBS Delivery Date Deadline to be purchased by the Trustee with the Cash Collateral on deposit under the Indenture. The Mortgage Note, executed by the Borrower in favor of the Lender and secured by the Multifamily Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the “Mortgage”). The Borrower is required under the Mortgage Note to make monthly payments sufficient in the aggregate to pay debt service on the Mortgage Loan.

The Lender has undertaken to certify that, if the MBS is issued by Fannie Mae and delivered to the Trustee pursuant to the Indenture, it shall be guaranteed by its terms as to timely payment of interest at the applicable Pass-Through Rate on the unpaid principal balance of the Mortgage Loan evidenced by the Mortgage Note pertaining to the MBS, and guaranteed by its terms as to timely payment of principal in accordance with the terms of the principal amortization schedule of the Mortgage Loan evidenced by the Mortgage Note.

### **MBS Payments**

Following the MBS Delivery Date, if such date occurs, payments on the MBS will be made on the 25th day of each month (beginning with the month following the month in which the MBS is issued and delivered to the Trustee), or, if such 25th day is not a Business Day, on the first Business Day next succeeding such 25th day. With respect to the MBS, Fannie Mae will distribute to the Trustee an amount equal to the total of (i) the principal due on the Mortgage Loan underlying the MBS during the period beginning on the second day of the month prior to the month of such distribution and ending on the first day of such month of distribution, (ii) the stated principal balance of the Mortgage Loan that was prepaid in full during the calendar month next preceding the month of such distribution

(including as prepaid for this purpose at Fannie Mae's election the Mortgage Loan after it is delinquent, in whole or in part, with respect to four consecutive installments of principal and interest; or because of Fannie Mae's election to repurchase the Mortgage Loan under certain other circumstances), (iii) the amount of any partial prepayment of the Mortgage Loan received in the calendar month next preceding the month of distribution, and (iv) one month's interest at the MBS pass-through rate on the principal balance of the MBS as reported to the Trustee (assuming the Trustee is the registered holder) in connection with the previous distribution (or, respecting the first distribution, the principal balance of the MBS on its issue date). For purposes of distribution, the Mortgage Loan will be considered to have been prepaid in full if, in Fannie Mae's reasonable judgment, the full amount finally recoverable on account of the Mortgage Loan has been received, whether or not such full amount is equal to the stated principal balance of the Mortgage Loan. See also "APPENDIX A — FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM."

## FANNIE MAE

The MBS, if issued by Fannie Mae and acquired by the Trustee as described herein, will be an obligation of Fannie Mae. **The securities of Fannie Mae, including the MBS, if issued, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any agency or instrumentality thereof other than Fannie Mae.**

Information on Fannie Mae and its financial condition are contained in periodic reports that are filed with the U.S. Securities and Exchange Commission (the "SEC"). Fannie Mae's SEC filings are available at the SEC's website at [www.sec.gov](http://www.sec.gov) and are also available on Fannie Mae's website at <http://www.fanniemae.com> or from Fannie Mae at the Office of Investor Relations at 202-752-7115.

## SECURITY FOR AND SOURCES OF PAYMENT FOR THE BONDS

In order to secure the payment of the principal of, premium, if any, and interest on the Bonds, the Issuer has pledged to the Trustee the Trust Estate for the Bonds, subject to terms and provisions of the Indenture, the following:

- (i) All right, title and interest of the Issuer in and to (a) amounts on deposit in the Collateral Proceeds Fund (as defined in the Indenture), to be funded on the Closing Date in an amount equal to the principal amount of the Bonds, and (b) Eligible Funds on deposit in the Revenue Fund (including but not limited to the Negative Arbitrage Account thereof);
- (ii) (a) 100% of the beneficial ownership interest in the MBS, if the MBS is issued by Fannie Mae and acquired by the Trustee, and (b) all MBS Revenues;
- (iii) All right, title and interest of the Issuer now owned or hereafter acquired in, to and under the Financing Agreement (except Reserved Rights) and the Regulatory Agreement (as defined in the Indenture); and;
- (iv) All other funds, accounts and property which by the express provisions of the Indenture are required to be subject to the lien of the Indenture, and any additional property that from time to time, by delivery or by writing of any kind, may be subjected to the lien of the Indenture, by the Issuer or by anyone on its behalf (and the Trustee is authorized by the Indenture to receive the same at any time as additional security under the Indenture; provided, however, that the Trust Estate shall not include amounts on deposit in the Rebate Fund or the Rehabilitation Fund).

The foregoing pledge is made for the equal and proportionate benefit, security and protection of the registered owners from time to time of any of the Bonds authenticated and delivered under the Indenture and issued by the Issuer and Outstanding, without preference, priority or distinction as to lien, or otherwise of any one Bond over any other Bond by reason of priority in the issue, sale or negotiation thereof, or of any other cause, and for the benefit of Fannie Mae as provided in the Indenture.

Prior to the delivery of the MBS, the Bonds will be secured by the deposit with the Trustee of the proceeds of the Mortgage Loan and other Eligible Funds held under the Indenture by the Trustee in an aggregate amount equal

to the outstanding principal amount of the Bonds. The Trustee will use Eligible Funds held under the Indenture along with interest earnings thereon to (a) pay principal, premium, if any, and interest on the Bonds when due, and (b) acquire, if and when issued, the MBS, upon satisfaction of the conditions set forth in the Indenture and upon satisfaction of the conditions precedent to the issuance of the MBS and compliance with the commitment between Fannie Mae and the Lender.

It is anticipated that if the conditions to the issuance of the MBS are satisfied, the MBS will be available for acquisition by the Trustee on or before the MBS Delivery Date Deadline, as such date may be extended as provided in the Indenture. Following the delivery of the MBS to the Trustee, if delivered, payments of principal and interest on the Bonds will be payable from principal and interest payments received by the Trustee on the MBS as provided in the Indenture.

If the MBS is not acquired by the Trustee on or prior to the MBS Delivery Date Deadline (as such date may be extended pursuant to the Indenture), the Bonds will be redeemed from Eligible Funds held under the Indenture as set forth in “DESCRIPTION OF THE BONDS — Redemption of Bonds — Mandatory Redemption in Whole Upon Failure to Purchase the MBS by the MBS Delivery Date Deadline” hereto.

## **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 is Napa Creek Manor Housing Partners, 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 Managing General Partner is Hearthstone CA Properties V, LLC, a California limited liability company (the “Managing General Partner”). The Borrower’s Administrative General Partner is Napa Creek Manor Housing Management, LLC, a California limited liability company (the “Administrative General Partner”). The limited partners of the Borrower are the Investor Limited Partners as described below.

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**

The co-developers of the Project are DAL Development, LLC, CR Real Estate Development, LLC, Haeling Holdings, LLC, and Sinergia Housing, LLC, each a California limited liability company (collectively, the “Developer”), located in San Diego, California. The co-developers began doing business together in 2011 but individually, have more than 65 years of combined experience in various fields within the industry of acquiring, developing, owning, and managing affordable housing. The Developer has developed 3,000+ units in more than seven states.

### **Investor Limited Partner**

Shortly after the issuance of the Bonds, the Borrower expects to admit Garnet LIHTC Fund XX, LLC, a Delaware limited liability company, as an investor limited partner to the Borrower with a 99.98% ownership interest in the Borrower, whose interest in the Borrower will be transferred to Aegon LIHTC Fund 71, LLC, or an affiliate thereof, shortly after the issuance of the Bonds, and expects to admit Transamerica Affordable Housing Inc., a California corporation, as an investor limited partner to the Borrower with a 0.00% ownership interest in the Borrower (the “Special Limited Partner,” and together with Garnet LIHTC Fund XX, LLC, the “Investor Limited Partner”), in

exchange for equity contributions based primarily on the receipt of certain benefits from the Project's federal low-income housing tax credits.

The funding of the federal low-income housing tax credit equity by the Investor Limited Partner is expected to total approximately \$10,529,971\*. 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, Managing General Partner, the Administrative 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 Managing General Partner, the Administrative 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, 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 is Westberg + White, Inc. (the "Architect"). The Architect is not an affiliate of the Developer. The Architect has been a licensed architect for 39 years and has been the principal architect for approximately five multifamily developments with an excess of 300 units throughout California.

### **The General Contractor**

The general contractor for the project is Graves Construction Group Services, Inc. (the "General Contractor"). The General Contractor is not an affiliate of the Developer. Headquartered in Foothill Ranch, California, the General Contractor was formed in the State of California and is a California-licensed contractor. Since inception, the General Contractor has built or rehabilitated over 750 units of affordable apartments.

### **The Property Manager**

The Borrower has entered into a management agreement with Arrowhead Housing, Inc. (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 1998. The Property Manager currently manages 3,400 apartment units in California and Oregon.

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\* Preliminary; subject to change.

## 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 Napa Creek Manor, is located in Napa, California, on an approximately 1.73-acre site. The Project contains 84 apartment units in one building located at 1300 Jefferson Street, Napa, CA 94559. Common area improvements include upgrades to or the replacement of the management office, elevators, interior walls, lighting, flooring, kitchen, bathrooms, trash and storage facilities, in addition to a new service coordinator office for resident services. Unit amenities include air conditioning, electric stoves, refrigerators, and with the completion of the planned renovation, new countertops, cabinets and appliances. Additionally, there are 19 resident parking spaces.

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 nine\* months. The unit type, the unit mix and approximate square footage for the units of the Project will be as follows:

The unit mix of the Project is as follows:

<u>Unit Type</u>	<u>Number</u>	<u>Approximate Square Feet</u>
1 BD	84	539
<b>Total</b>	<b>84 (including one manager's unit)</b>	

### Plan of Financing

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

<b>Sources of Funds*</b>	
Bond Proceeds	\$22,650,000
Tax Credit Equity <sup>1</sup>	10,626,094
Replacement Reserves	<u>891,000</u>
<b>Total</b>	<b><u>\$34,167,094</u></b>
 <b>Uses of Funds</b>	
Acquisition	\$23,820,000
Construction	5,040,000
Hard Cost Contingency	584,920
GC General Requirement	282,000
GC Overhead & Profit	376,000
Construction Soft Costs	756,187
Transaction Soft Costs	621,410
Financing Costs	901,004
Temporary Relocation Costs	463,836
Acquisition Broker Fee	500,000
Tax Credit & Syndication Costs	70,905
Reserves	<u>750,832</u>
<b>Total</b>	<b><u>\$34,167,094</u></b>

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

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\* Preliminary; subject to change.

*The Mortgage Loan and the Bonds.* The Project will utilize a mortgage loan (the “Mortgage Loan”) from Berkadia Commercial Mortgage LLC (the “Lender”). The obligation to repay the Mortgage Loan will be set forth in a promissory note (the “Mortgage Note”) from the Borrower to the Lender, which Mortgage Note will have a term of not less than 204\* months, will bear interest at a rate of \_\_\_% and will amortize over 40\* years. The principal amount of the Bonds will be equal to the principal amount of the Mortgage Loan. Following the MBS Delivery Date, payments on the Bonds will be payable by the Trustee from payments received by the Trustee pursuant to the MBS.

*The Tax Credit Equity.* Simultaneously with the issuance of the Bonds, the Borrower expects to offer the Investor Limited Partner 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. Pursuant to the sale, the funding of the Tax Credit Equity will total approximately \$10,415,854\* with an initial contribution of approximately \$2,083,171\*, which will be funded on the Closing Date. The funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the projections set forth above and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

### **The HAP Contract**

The Borrower has an existing Housing Assistance Payment Contract (the “HAP Contract”) covering 83 of the 84 units at the Project that was entered into on June 1, 2009, for a term of twenty (20) years. The existing HAP Contract will be renewed for an additional twenty (20) year term in order to service debt during the term of the Mortgage 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 Housing Mortgage and Assistance Restructuring Act, as amended (“MAHRA”). The Section 8 Program authorizes housing assistance payments to owners of qualified housing for the benefit of low-income families (defined generally as families whose incomes do not exceed 80% of the area median income (“AMI”) for the area as determined by HUD), and very low-income families (defined generally as families whose income do not exceed 50% of the AMI as determined by HUD). Section 8 housing assistance payments generally represent the difference between the “contract rent” for the unit approved by HUD and the eligible tenant’s contribution, which is generally 30% of income, as adjusted for family size and certain expenses, subject to a minimum rent contribution. The rents approved by HUD for the Project, as they may be adjusted from time to time with procedures set forth in MAHRA and the HAP Contract, are the “contract rents” for the Project. The HAP Contract will require the Borrower to maintain the Project in decent, safe and sanitary condition and to comply with other statutory and regulatory requirements governing the operation of the Project, use of project funds, and other matters. If the Borrower fails to comply with the terms of the HAP Contract, HUD or the contract administrator could seek to abate or terminate the payments under the HAP Contract, or take other sanctions. MAHRA requires that upon the request of the Borrower, HUD shall renew the HAP Contract under the Section 8 Program. However, because the HAP Contract is subject to receipt of annual appropriations by Congress, there is no assurance that the HAP Contract will be renewed or replaced upon its expiration. Funding for HAP contracts is appropriated by Congress on an annual basis, and there is no assurance that adequate funding will be appropriated each year during the term of the HAP Contract. Since payments received under the HAP Contract constitute a primary source of revenues for the Project, the expiration of the HAP Contract, or the failure of Congress to appropriate funds sufficient to fund the HAP Contract during each year of its term, would have a material adverse effect on the ability of the Project to generate revenues sufficient to pay the principal of and interest of the Loan.

### **Project Regulation**

In order to obtain low income housing tax credits, the Project will be operated as a qualified residential rental project with 100% of the residential units in the Project occupied by qualified tenants during the Qualified Project

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\* Preliminary; subject to change.

Period, in accordance with Section 142(d) of the Code. See “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT” herein.

In addition to the rental restrictions imposed upon the Project by the Regulatory Agreement (defined herein), the Project will be further encumbered by a tax credit restrictive covenant, to be executed by the Borrower in connection with the low-income housing tax credits (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 units in the Project (the “Tax Credit Units”). Within the Project, (a) 42 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 and (b) 41 of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 30% of the AMI adjusted for family size 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.

### **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.*

#### **Limited Security; Investment of Funds**

The Bonds are special limited obligations of the Issuer payable solely from the Trust Estate, which includes certain funds pledged to and held by the Trustee pursuant to the Indenture.

The Bonds are offered solely on the basis of the amounts pledged to and held by the Trustee under the Indenture, together with investment earnings thereon, and the MBS, if issued and delivered to the Trustee, and are not offered on the basis of the credit of the Borrower, the feasibility of the Project or any other security. As a consequence, limited information about the Project and no information about the financial condition or results of operations of the Borrower is included in this Official Statement. The Bonds are offered only to investors who, in making their investment decision, rely solely on the amounts held under the Indenture, together with investment earnings thereon, and not on the credit of the Borrower, the feasibility of the Project or any other security.

The principal of and interest on the Bonds are payable from and secured by certain revenues and funds pledged thereto under the Indenture, and, from and after the MBS Delivery Date, from payments on the MBS. On the date of delivery of the Bonds, an amount equal to the principal amount of the Bonds is to be deposited into the Collateral Proceeds Fund. The Trustee is required to invest amounts held in the Collateral Proceeds Fund and the Revenue Fund in Eligible Investments, as defined in the Indenture. See “APPENDIX C — SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Investment of Funds.” Failure to receive a return on the amounts so invested could affect the ability to pay the principal of and interest on the Bonds.

#### **No Acceleration or Early Redemption Upon Loss of Tax Exemption on the Bonds**

The Borrower will covenant and agree, pursuant to a Regulatory Agreement and Declaration of Restrictive Covenants by and among the Issuer, the Trustee and the Borrower (the “Regulatory Agreement”), 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. In particular, the Borrower is required to rent at least forty percent (40%) of the Project apartment units to certain qualified tenants whose income does not exceed sixty percent (60%) of the area average median income where the Project is located. The Borrower’s failure to comply with such provisions will not constitute a default under the Bonds and will not give rise to a redemption or acceleration of the Bonds and is not the basis for an increase in the rate of interest payable on the Bonds. Furthermore, the Borrower’s failure to comply with the Regulatory Agreement will not give rise to a prepayment or acceleration of amounts due under the MBS or the Mortgage, unless directed by Fannie Mae in its sole discretion. Consequently, interest on the Bonds may become includable in gross income for purposes of federal income taxation retroactive to the date of issuance of the Bonds by reason of the Borrower’s failure to comply with the requirements of federal tax law.

### **Payments Prior to MBS Delivery Date**

Prior to the MBS Delivery Date, payment of principal and interest, and the Borrower's obligations with respect to principal and interest on the Bonds, will be primarily secured by and payable from Mortgage Loan proceeds held in the Collateral Proceeds Fund and moneys deposited into the Revenue Fund, including the Negative Arbitrage Account therein. It is not expected, prior to the MBS Delivery Date, that any revenues from the Project or other amounts, except moneys on deposit in the Collateral Proceeds Fund and the Revenue Fund, will be available to satisfy that obligation. Prior to the MBS Delivery Date, moneys on deposit in the Collateral Proceeds Fund and the Negative Arbitrage Account of the Revenue Fund, and the interest earnings thereon, will be sufficient to pay the debt service on the Bonds.

### **Redemption of Bonds Prior to Maturity**

Pursuant to the Indenture, under certain circumstances, the Bonds may be subject to redemption prior to maturity. Please see "DESCRIPTION OF THE BONDS — Redemption of Bonds" herein.

### **Eligible Investments**

Proceeds of the Mortgage Loan deposited into the Collateral Proceeds Fund are required to be invested in Eligible Investments. See "APPENDIX B — DEFINITIONS OF CERTAIN TERMS" hereto for the definition of Eligible Investments. There can be no assurance that there will not be a loss resulting from any investment held for the credit of the Collateral Proceeds Fund, and any failure to receive a return of the amounts so invested could affect the ability to pay the principal of and interest on the Bonds.

### **Rating**

Prior to the MBS Delivery Date, the rating on the Bonds is based on the investment in Eligible Investments of amounts on deposit in the Collateral Proceeds Fund and the Revenue Fund. If one or more of such investments fail to meet the rating standards for Eligible Investments after their acquisition and prior to maturity, such a change may result in a downgrade or withdrawal of the rating on the Bonds. Following the MBS Delivery Date, the rating on the Bonds is based primarily on the credit rating of Fannie Mae. If any event occurs that causes an adverse change to the credit rating of Fannie Mae, such a change may result in a downgrade or withdrawal of the rating on the Bonds. If any event occurs that causes a positive change to the credit rating of Fannie Mae, there can be no assurance that such a change would result in an upgrade of the rating on the Bonds.

### **Repayment of Mortgage Loan**

The ability of the Borrower to pay the Mortgage Loan is dependent on the revenues derived from the Project. Due to the inherent uncertainty of future events and conditions, no assurance can be given that revenues generated by the Project will be sufficient to pay expenses of the Project, including without limitation, debt service on the Mortgage Loan, operating expenses, servicing fees, fees due to Fannie Mae, Trustee fees, and fees owed to the Issuer. The ability of the Project to generate sufficient revenues may be affected by a variety of factors including, but not limited to, completion of repairs to such Project, the maintenance of a sufficient level of occupancy, the ability to achieve increases in rents, the level of operating expenses, project management, adverse changes in applicable laws and regulations, general economic conditions and other factors in the surrounding market area for the Project. The Borrower intends to rent all of the units in the Project to persons or families of moderate and low income and the amount of rent that may be charged for such units may be materially less than market rates. In addition to these factors, other adverse events may occur from time to time which may have a negative impact on the occupancy level and rental income of the Project.

Failure of the Borrower to make payments when due under the Mortgage Loan, including payments under the Mortgage Note, will result in an event of default under the Mortgage Loan and the Financing Agreement and may result in a mandatory prepayment of all or a portion of the Bonds. The Mortgage Loan will not be accelerated unless directed by Fannie Mae in its sole discretion in which case the Bonds will remain outstanding and will remain secured by the MBS guaranteed as to timely payment of principal and interest by Fannie Mae. See "SECURITY FOR AND

SOURCES OF PAYMENT FOR THE BONDS” herein. If Fannie Mae accelerates the Mortgage Loan as a result of any event of default under the Mortgage Loan, the Mortgage Loan will be paid in full, and the stated principal balance of the MBS will be passed through to the holder of the MBS. In this case, no yield maintenance or other prepayment premiums will be payable to the Trustee as holder of the MBS.

The Mortgage Loan is a non-recourse obligation of the Borrower with respect to which neither the Borrower nor its partners have personal liability and as to which the Borrower and its partners have not pledged for the benefit of the Lender any of their respective assets, other than the Project and its rents, profits and proceeds.

### **Payments on the Bonds Made From Payments Received on MBS**

As described elsewhere herein, following the MBS Delivery Date, principal and interest on the Bonds will be paid to registered owners thereof from principal and interest payments received by the Trustee pursuant to the MBS. Although interest accrues on the MBS during a calendar month, the Trustee will not receive such payment on the MBS until the 25th day in the following calendar month, or the next succeeding Business Day if such day is not a Business Day.

### **MBS Certificate**

If the MBS is issued by Fannie Mae and acquired by the Trustee as collateral for the Bonds, Fannie Mae’s obligations will be solely as provided in the MBS and in the Fannie Mae MBS Prospectus and the related form of Prospectus Supplement for MBS Certificate. The obligations of Fannie Mae under the MBS 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 and will not be 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 and will not be guaranteed by the full faith and credit of Fannie Mae or the United States of America.

It is possible, in the event of the insolvency of Fannie Mae, or the occurrence of some other event precluding Fannie Mae from honoring its obligations to make payments with respect to the MBS, if issued, 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 will be sufficient to pay the principal of, premium if any, and interest on the Bonds in the event the Trustee is forced to seek recourse against the Borrower. See “SECURITY FOR AND SOURCES OF PAYMENT FOR THE BONDS” herein.

### **Performance of the Project and Estimated Rental Revenue Vacancies**

The economic feasibility of the Project depends in large part upon the Project’s being substantially occupied at rentals adequate to maintain substantial occupancy throughout the term of the Bonds at sufficient rents and to cover all operating expenses of the Project and debt service on the Mortgage Loan. Although representatives of the Borrower believe, based on surveys of the area where the Project is located, that a substantial number of persons currently need housing facilities such as the Project, occupancy of the Project may be affected by competition from existing housing facilities or from housing facilities which may be constructed in the area served by the Project. While the Borrower believes the Project is needed, there may be difficulties in keeping it substantially occupied. Furthermore, no assurance can be given that the low-income tenants are able to afford the rental rates of the Project, notwithstanding the below-market rental rates. Restrictions imposed under the Code on tenant income and the rent that can be charged could have an adverse effect on the Borrower’s ability to satisfy its obligations under the Financing Agreement, especially if operating expenses should increase beyond what was anticipated.

### **Limited Liability of Issuer**

Notwithstanding anything in the Indenture or in the Bonds, the Issuer shall not be required to advance any money derived from any source other than the Trust Estate, consisting of MBS Revenues and other assets pledged under the Indenture for any of the purposes of the Indenture.

No agreements or provisions contained in the Indenture, nor any agreement, covenant or undertaking by the Issuer contained in any document executed by the Issuer in connection with the Project, or the issuance, sale and delivery of the Bonds shall give rise to any pecuniary liability of the Issuer or a charge against its general credit, or shall obligate the Issuer financially in any way except from the application of the Trust Estate, consisting of MBS Revenues and other proceeds pledged to the payment of the Bonds and the proceeds of the Bonds. 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 Project, or the issuance, sale and delivery of the Bonds shall subject the Issuer to liability for any claim for damages, costs or other financial and pecuniary charge except to the extent that the same can be paid or recovered from the Financing Agreement or the Trust Estate, consisting of MBS Revenues and other assets pledged to the payment of the Bonds or the proceeds of the Bonds. THE ISSUER HAS NO TAXING POWER.

### **Secondary Markets and Prices**

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

### **Future Legislation; IRS Examination**

The Project, its operation and the treatment of interest on the Bonds are subject to various laws, rules and regulations adopted by the local, State and federal governments and their agencies. There can be no assurance that relevant local, State or federal laws, rules and regulations will not be amended or modified or interpreted in the future in a manner that could adversely affect the Bonds, the Trust Estate created under the Indenture, the Project, or the financial condition of or ability of the Borrower to comply with its obligations under the various transaction documents.

In recent years, the Internal Revenue Service (the “IRS”) has increased the frequency and scope of its examination and other enforcement activity regarding tax exempt bonds. Currently, the primary penalty available to the IRS under the Code is a determination that interest on bonds is subject to federal income taxation. Such event could occur for a variety of reasons, including, without limitation, failure to comply with certain requirements imposed by the Code relating to investment restrictions, periodic payments of arbitrage profits to the United States of America, the timely and proper use of Bond proceeds and the facilities financed therewith and certain other matters. See “TAX MATTERS” herein. No assurance can be given that the IRS will not examine the Issuer, the Borrower, the Project or the Bonds. If the Bonds are examined, it may have an adverse impact on their price and marketability.

### **Potential Impact of Pandemics or Public Health Crises**

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

### **Limitation of Remedies**

Remedies available under the Indenture, the Financing Agreement, and the Regulatory Agreement are limited in certain respects. See “ENFORCEABILITY OF REMEDIES” herein.

## Summary

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement and the Appendices hereto.

## 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 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 I 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, the 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.

## NO 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 best knowledge of the Borrower, threatened against or affecting the Borrower or any partner of the Borrower, in their respective capacities as such, nor, to the 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.

## CERTAIN LEGAL MATTERS

The validity of the Bonds and certain other legal matters are subject to an 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 I 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, Rodriguez Wright LLP, Sausalito, 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.

## 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, the Honorable Fiona Ma, Treasurer of the State of California, solely in her capacity as agent for sale for 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.

## **CONTINUING DISCLOSURE**

The Borrower, as the only "obligated person" with respect to the Bonds, will enter into a Continuing Disclosure Agreement, dated as of March 1, 2026 (the "Continuing Disclosure Agreement"), with U.S. Bank Trust Company, 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 G.

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.

## **THE TRUSTEE**

*The information under this heading has been provided solely by the Trustee and is believed to be reliable, but has not been verified independently by the Issuer or the Underwriter. No representation whatsoever as to the accuracy, adequacy or completeness of such information is made by the Issuer or the Underwriter.*

The Issuer has appointed U.S. Bank Trust Company, National Association as Trustee under the Indenture. The Trustee is a national banking association organized and existing under the laws of the United States of America, having all of the powers of a bank, including fiduciary powers, and is a member of the Federal Deposit Insurance Corporation and the Federal Reserve System.

The Trustee is to carry out such duties as are assigned to it under the Indenture, the Financing Agreement, and the other Financing Documents. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the nature, contents, accuracy or completeness of the information set forth in this Official Statement or for the recitals contained in the Indenture or the Bonds (except for the certificate of authentication on each Bond), or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application of any of the Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Bonds. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds, the technical or financial feasibility of the expected uses of proceeds of the Bonds or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

## **ENFORCEABILITY OF REMEDIES**

The remedies available to the Trustee, the Issuer and the Bondholders upon an Event of Default under the Indenture, the Financing Agreement or the Regulatory Agreement are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing law and judicial decisions, including specifically the Federal Bankruptcy Code, the remedies provide for under the Indenture, the Financing Agreement or the Regulatory Agreement may not be readily available or may be limited.

In addition, the Financing Agreement provides that the payment obligations of the Borrower contained therein (other than certain obligations to the Issuer and the Trustee) will be limited obligations payable solely from the income and assets of the Borrower, and that no partner of the Borrower will have any personal liability for the satisfaction of any payment obligation of the Borrower under such agreements or of any claim against the Borrower arising out of such agreements or the Indenture.

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

## **RELATIONSHIP AMONG PARTIES**

In connection with the issuance of the Bonds, the Issuer, the Borrower, and the Underwriter are being represented by the attorneys or law firms identified herein. In other transactions not related to the Bonds, each of these attorneys or law firms may have acted as bond counsel or represented the Issuer, the Underwriter, the Borrower, or their affiliates, in capacities different from those described herein, and there will be no limitations imposed as a result of the issuance of the Bonds on the ability of any of those attorneys or firms to act as bond counsel or represent any of these parties in any future transactions. Potential purchasers of the Bonds should not assume that the Issuer, the Underwriter, the Borrower, or their respective counsel or Bond Counsel have not previously engaged in, or will

not after the issuance of the Bonds engage in, other transactions with each other or with affiliates of any of them, and no assurance can be given that there are or will be no past or future relationships or transactions between or among any of these parties or these attorneys or law firms.

### **ADDITIONAL INFORMATION**

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Issuer and the purchasers or holders of any of the Bonds.

The summaries and explanation of, or references to, the Act, the Indenture and the Bonds included in this Official Statement do not purport to be comprehensive or definitive. Such summaries, explanations and references are qualified in their entirety by reference to each such document, copies of which are on file with the Trustee.

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

The information contained in this Official Statement is subject to change without notice and no implication shall be derived therefrom or from the sale of the Bonds that there has been no change in the affairs of the Issuer, the Borrower or the Project from the date hereof.

This Official Statement has been deemed final in accordance with the Rule. The execution and delivery of this Official Statement has been duly authorized by the Borrower.

[Signature page to follow]

IN WITNESS WHEREOF, the foregoing Official Statement has been executed by the undersigned as of the date first written above.

**NAPA CREEK MANOR HOUSING PARTNERS, LP,**  
a California limited partnership

By:     Hearthstone CA Properties V, LLC,  
          a California limited liability company,  
          its Managing General Partner

By:     Hearthstone Housing Foundation,  
          a California nonprofit public benefit corporation,  
          its Sole Member and Manager

By:     \_\_\_\_\_  
          Socorro Vasquez  
          Executive Director

By:     Napa Creek Manor Housing Management, LLC,  
          a California limited liability company,  
          its Administrative General Partner

By:     Sinergia Housing, LLC,  
          a California limited liability company,  
          its Manager

By:     \_\_\_\_\_  
          Tim Walsh  
          Manager

**APPENDIX A  
FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM\***

*This summary of the Fannie Mae Mortgage Backed Securities Program, the Fannie Mae Certificates and the documents referred to herein has not been provided or approved by Fannie Mae, does not purport to be comprehensive and is qualified in its entirety by reference to the Fannie Mae MBS Prospectus (Multifamily Fixed-Rate Yield Maintenance) for Guaranteed Mortgage Pass-Through Certificates (the “Fannie Mae MBS Prospectus”) which will be available and can be found if and when the MBS is issued, by inputting the CUSIP for the MBS into Fannie Mae’s multifamily disclosure system, DUS Disclose (<https://mfdusdisclose.fanniemae.com/#/home>). The template for the Fannie Mae MBS Prospectus, as of the date of this Official Statement, can be found at <https://capitalmarkets.fanniemae.com/media/26581/display>. The template for the Fannie Mae MBS Prospectus may change from time to time. The Fannie Mae MBS Prospectus, if and when available, will consist of the template for the Fannie Mae MBS Prospectus applicable at the time of the issuance of the MBS with the cover page completed with the MBS-specific information, an Additional Disclosure Addendum substantially in the form attached as Schedule I to this Appendix A, and an Annex A containing information substantially consistent with the Term Sheet attached hereto as Appendix H.*

Security..... Guaranteed Mortgage Pass-Through Certificates (Multifamily Residential Mortgage Loans).

General ..... Fannie Mae is a government-sponsored enterprise that was established by the U.S. Congress in 1938 under the name “Federal National Mortgage Association” to support liquidity and stability in the secondary mortgage market, where existing mortgage loans are purchased and sold. The address of its principal office is 1100 15th Street, NW, Washington, DC 20005; the telephone number is 800-2FANNIE (800-232-6643).

Fannie Mae has been under conservatorship since September 6, 2008. The conservator, the Federal Housing Finance Agency (“FHFA”), succeeded to all rights, titles, powers and privileges of Fannie Mae and of any shareholder, officer or director of the company with respect to the company and its assets. For additional information on the conservatorship, see “**FANNIE MAE — Regulation and Conservatorship**” in the Fannie Mae MBS Prospectus.

Fannie Mae’s regulators include FHFA, the U.S. Department of Housing and Urban Development (“HUD”), the Securities and Exchange Commission (the “SEC”), and the U.S. Department of the Treasury (the “Treasury”). The Office of Federal Housing Enterprise Oversight, the predecessor of FHFA, was Fannie Mae’s safety and soundness regulator prior to enactment of the Federal Housing Finance Regulatory Reform Act of 2008.

On September 7, 2008, Fannie Mae entered into a senior preferred stock purchase agreement with the Treasury pursuant to which Fannie Mae issued to it one million shares of senior preferred stock and a warrant to purchase, for a nominal price, shares of common stock equal to 79.9% of the outstanding common stock of Fannie Mae. **Nevertheless, Fannie Mae alone is responsible for making payments under its guaranty. The MBS if issued by Fannie Mae and acquired by the Trustee and payments of principal and interest on the MBS will not be guaranteed by the United States and do not constitute a debt or obligation of the United States or any of its agencies or instrumentalities other than Fannie Mae.**

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\* References to the cover page and dates in this Appendix A are to the applicable Fannie Mae Prospectus.

Sponsor and Depositor.....	Fannie Mae is the sponsor of this offering of certificates and the depositor of the mortgage loans into the trust.
Description of MBS.....	The MBS if issued by Fannie Mae and acquired by the Trustee will represent a pro rata undivided beneficial ownership interest in (i) the Mortgage Loan or (ii) the pool of mortgage loan participation interests that comprise the trust. See “THE MORTGAGE LOAN” in the Official Statement. Fannie Mae will issue the MBS in book-entry form on the book-entry system of the U.S. Federal Reserve Banks. The book-entry MBS will not be convertible into physical certificates.
Minimum Denomination.....	Fannie Mae will issue the MBS in minimum denominations of \$1,000, with additional increments of \$1.
Issue Date .....	The date specified on the cover page, which is the first day of the month in which the MBS is issued.
Settlement Date.....	The date specified on the cover page, which is a date no later than the last business day of the month in which the issue date occurs.
Distribution Date.....	The “Distribution Date” is the 25th day of each month which is the date designated for payments to the Trustee as holder of the MBS, if issued. If that day is not a Business Day, payments will be made on the next Business Day. The first Distribution Date for the MBS will occur in the month following the month in which the MBS is issued. For example, if the issue date is September 1, the distribution date is October 25 or, if October 25 is not a Business Day, the first Business Day following October 25.
Maturity Date.....	The date specified on the front cover page, which is the date that the final payment is due on the last mortgage loan remaining in the pool.
Use of Proceeds.....	The MBS is backed by a pool of one or more mortgage loans that Fannie Mae recently acquired or already owned. Fannie Mae is issuing the MBS either in exchange for the recently acquired mortgage loans or for cash proceeds that are generally used for purchasing other mortgage loans or for general corporate purposes.
Interest.....	On each Distribution Date, Fannie Mae will pass through on the MBS, if issued, one month’s interest at the fixed “Pass-Through Rate”.
	Because Fannie Mae’s guaranty requires it to supplement amounts received by the trust as required to permit timely payment of interest, the amount of interest distributed to certificateholders on a Distribution Date will not be affected by any loss mitigation measure, taken with respect to, or other loan modification made to, the Mortgage Loan while it remains in the trust.

As described under the caption “**MATERIAL FEDERAL INCOME TAX CONSEQUENCES**” which can be found at <https://capitalmarkets.fanniemae.com/media/26581/display>, the MBS and payments on the MBS, including interest payments thereon, are subject to federal income taxation. Such interest payments only become excluded from gross income for federal income tax purposes and excludable from taxation by the State, to the extent described elsewhere herein, when applied by the Trustee to pay interest due on the Bonds. See “TAX MATTERS” in the Official Statement herein.

Principal.....

Fannie Mae will receive collections on the Mortgage Loan on a monthly basis. The period Fannie Mae uses to differentiate between collections in one month and collections in another month is called the due period. The due period is the period from and including the second calendar day of the preceding month in which the Distribution Date occurs to and including the first calendar day of the month in which the Distribution Date occurs.

On each Distribution Date, Fannie Mae will pass through principal of the MBS, if issued, as follows:

- the aggregate amount of the scheduled principal due on the Mortgage Loan in the pool during the related due period; and
- the aggregate amount of all unscheduled principal payments received as specified below:
  - the stated principal balance of the Mortgage Loan as to which prepayments in full were received during the calendar month immediately preceding the month in which that Distribution Date occurs;
  - the stated principal balance of the Mortgage Loan if it was purchased from the pool during the calendar month immediately preceding the month in which that Distribution Date occurs; and
  - the amount of any partial prepayments on the Mortgage Loan that were received during the calendar month immediately preceding the month in which that Distribution Date occurs.

Because Fannie Mae’s guaranty requires it to supplement amounts received by the trust as required to permit timely payment of the principal amounts specified above, the amount of principal distributed to certificateholders on a Distribution Date will **not** be affected by any loss mitigation measure, taken with respect to, or other loan modification made to, the Mortgage Loan while it remains in the trust.

Fannie Mae may treat a prepayment in full received on the first Business Day of a month as if the prepayment were received on the last Business Day of the preceding month. If Fannie Mae does so, it passes through these prepayments on the Distribution Date in the same month in which the prepayment actually was received. For example, if a prepayment on the Mortgage Loan in full is actually received on the first Business Day of September, it would be treated as if it had been received on the last Business Day of August and, therefore, would be passed through on September 25 (or the next Business Day, if September 25 is not a Business Day).

The Mortgage Loan permits the reamortization of principal after a permitted voluntary prepayment or an involuntary partial prepayment caused by the receipt of proceeds from insurance or condemnation. A reamortization of the Mortgage Loan will cause a change in the amount of principal that is passed through to holders of the MBS.

Monthly Pool Factors ..... On or about the fourth Business Day of each month, Fannie Mae publishes the monthly pool factor for each issuance of its certificates. If an investor multiplies the monthly pool factor by the original principal balance of the MBS, the investor will obtain the current principal balance of the MBS, after giving effect to the monthly principal payment to be passed through on the Distribution Date in that month. The most current pool factor is generally available through DUS Disclose on Fannie Mae’s website at <https://mfdusdisclose.fanniemae.com/#/home>.

Guaranty ..... Fannie Mae guarantees to each trust that on each Distribution Date it will supplement amounts received by the trust as required to permit payments on the MBS in an amount equal to:

- the aggregate amounts of scheduled and unscheduled principal payments described in “—Principal” above, and
- an amount equal to one month’s interest on the MBS, as described in “—Interest” above.

In addition, Fannie Mae guarantees to the related trust that it will supplement amounts received by the trust as required to make the full and final payment of the unpaid principal balance of the related certificates on the Distribution Date in the month of the maturity date specified in the prospectus supplement.

Certificateholders have certain limited rights to bring proceedings against the Treasury if Fannie Mae fails to pay under its guaranty. The total amount that may be recovered from the Treasury is subject to limits imposed in the senior preferred stock purchase agreement. For a description of certificateholders’ rights to proceed against Fannie Mae and the Treasury, see “**FANNIE MAE—Certificateholders’ Rights Under the Senior Preferred Stock Purchase Agreement**” in the Fannie Mae MBS Prospectus.

Prepayments.....	A borrower may voluntarily prepay the loan in full. Except during the open period, each mortgage loan in the pool requires payment of a prepayment premium if the loan is prepaid voluntarily, as disclosed on Annex A. A portion of the prepayment premium, if collected, may be shared with certificateholders under the circumstances described in “ <b>YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS—Maturity and Prepayment Considerations—Prepayment of a Mortgage Loan</b> ” in the Fannie Mae MBS Prospectus. <b>Fannie Mae does not guarantee to any trust the payment of any prepayment premiums.</b>
Master Servicing/Servicing.....	Fannie Mae is responsible as master servicer for certain duties. Fannie Mae has contracted with the mortgage servicer identified on Annex A to perform servicing functions for us subject to our supervision. Fannie Mae refers to this servicer or any successor servicer as its primary servicer. In certain limited circumstances, Fannie Mae may act as primary servicer. For a description of Fannie Mae’s duties as master servicer and the responsibilities of its primary servicer, see “ <b>THE TRUST DOCUMENTS — Collections and Other Servicing Practices</b> ” and “ <b>FANNIE MAE PURCHASE PROGRAM — Servicing Arrangements</b> ” in the Fannie Mae MBS Prospectus.
Business Day.....	Any day other than a Saturday or Sunday, a day when the fiscal agent or paying agent is closed or is authorized or obligated by law or executive order to remain closed, a day when the Federal Reserve Bank of New York is closed or is authorized or obligated by law or executive order to remain closed, or, for purposes of withdrawals from a certificate account, a day when the Federal Reserve Bank is closed or is authorized or obligated by law or executive order to remain closed in the district where the certificate account is maintained if the related withdrawal is being made from that certificate account.
Trust Documents.....	If issued, the MBS will be issued pursuant to the applicable trust agreement relating to the MBS issued at that time, as supplemented by a trust issue supplement for that issuance. Certain pertinent provisions of the trust agreement in the Fannie Mae MBS Prospectus will apply. Investors should refer to the trust agreement and the related trust issue supplement for a complete description of their rights and obligations as well as those of Fannie Mae in its various capacities. The current form of the trust agreement, as of the date hereof, may be found on Fannie Mae’s website: <a href="http://www.fanniemae.com">http://www.fanniemae.com</a> .
Trustee.....	Fannie Mae serves as the trustee for the trust pursuant to the terms of the trust agreement and the related trust issue supplement.
Paying Agent.....	An entity designated by Fannie Mae to perform the functions of a paying agent. The Federal Reserve Bank of New York currently serves as Fannie Mae’s paying agent for certificates such as the MBS.
Fiscal Agent.....	An entity designated by Fannie Mae to perform certain administrative functions for the trust. The Federal Reserve Bank of New York currently serves as Fannie Mae’s fiscal agent for certificates such as the MBS.

Multifamily Mortgage Loan Pool. Each mortgage loan in the pool is a fixed-rate loan included in one of the following categories:

- Fixed-rate loans with monthly payments of interest only during their entire loan terms, with a balloon payment of all outstanding principal at maturity;
- Fixed-rate loans with monthly payments of interest only during specified initial periods, followed by monthly payments of principal and interest for their remaining loan terms, with a balloon payment of all outstanding principal at maturity;
- Fixed-rate loans with monthly payments of interest only during specified initial periods, followed by monthly payments of principal and interest that fully amortize over their remaining loan terms;
- Fixed-rate loans with monthly payments of interest and principal during their entire loan terms, with a balloon payment of all outstanding principal at maturity; and
- Fixed-rate loans with monthly payments of interest and principal that fully amortize over their loan terms.

Multifamily Mortgage Loans ..... Each mortgage loan in the pool was acquired from a multifamily mortgage loan seller that Fannie Mae has approved. A mortgage loan may have been originated by the seller or may have been acquired by the seller from the originator of the loan, which may or may not be an approved mortgage loan seller. Each mortgage loan that Fannie Mae acquires either meets its published standards or is reviewed by Fannie Mae before delivery to determine its suitability. Fannie Mae may modify its standards or permit waivers on specific transactions from time to time.

Types of Property..... Each mortgage loan in the pool is secured by a lien on one or more of the following types of property:

- Multifamily residential properties;
- Cooperative housing projects;
- Dedicated student housing;
- Manufactured housing communities;
- Military housing; or
- Seniors housing

Annex A discloses the type of property securing each mortgage loan in the pool and the priority of each lien. Any type of property may also be considered affordable housing; Annex A discloses certain affordable housing characteristics.

Termination..... The trust will terminate when the certificate balance of the certificates has been reduced to zero, and all required distributions have been passed through to certificateholders. Fannie Mae has no unilateral option to cause an early termination of the trust other than by purchasing a mortgage loan from the pool for a reason permitted by the trust documents.

Federal Income Tax Consequences.....	The mortgage pool will be classified as a fixed investment trust. Unless otherwise disclosed in the Additional Disclosure Addendum, Fannie Mae will file an election to treat the mortgage pool as a being included in the assets of a real estate mortgage investment conduit (“REMIC”). In that case, for federal income tax purposes the related certificate will represent ownership of a REMIC regular interest and an interest in any associated prepayment premiums, in each case, in respect of each mortgage loan in the pool. See “ <b>MATERIAL FEDERAL INCOME TAX CONSEQUENCES</b> ” in the Fannie Mae MBS Prospectus.
Whole Pool Certificates.....	Fannie Mae’s counsel, Katten Muchin Rosenman LLP, has advised Fannie Mae that certificates issued under the trust documents that represent 100% of the beneficial interests in a pool of mortgage loans (or participation interests therein) held in the related trust and with respect to which REMIC elections are made will qualify as “whole pool certificates” to the same extent as certificates that represent 100% of the beneficial interests in a pool of mortgage loans (or participation interests therein) held in a trust with respect to which no REMIC elections are made.
Resecuritization.....	Following the assignment of mortgage loans to a trust, the related certificates upon issuance will represent the initial securitization of the mortgage loans. Any further assignment of the certificates to a REMIC trust or other issuance vehicle will represent the initial resecuritization of the mortgage loans. Certificates backed by mortgage loans with respect to which a REMIC election is made may be resecuritized to the same extent as, and may be commingled freely with, certificates backed by mortgage loans with respect to which no REMIC election is made.
Legal Investment Considerations.	Under the Secondary Mortgage Market Enhancement Act of 1984, the certificates offered by this prospectus will be considered “securities issued or guaranteed by ... the Federal National Mortgage Association.” Nevertheless, investors should consult their own legal advisor to determine whether and to what extent the certificates of an issuance constitute legal investments for them.
ERISA Considerations.....	For the reasons discussed in “ERISA CONSIDERATIONS” in the Fannie Mae MBS Prospectus, an investment in the certificates by a plan subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), will not cause the assets of the plan to include the mortgage loans underlying the certificates or the assets of Fannie Mae under the fiduciary provisions of ERISA or the prohibited transaction provisions of ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended (the “Code”). Nevertheless, fiduciaries of such plan investors should consult with counsel regarding the applicability of the provisions of ERISA and Section 4975 of the Code before purchasing the certificates.

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## SCHEDULE I

### FORM OF ADDITIONAL DISCLOSURE ADDENDUM

*The following information supplements the information in the Fannie Mae MBS Prospectus. In the event of any inconsistency between the information provided in this Addendum and the information in the Fannie Mae MBS Prospectus, the information in this Addendum shall prevail.*

The mortgage loan is an affordable housing loan and, accordingly, the mortgaged property is subject to affordable housing regulatory agreements that impose income and rent restrictions on tenants of the mortgaged property. See “THE MORTGAGE LOANS — Affordable Housing Loans”; “RISK FACTORS — RISKS RELATING TO YIELD AND PREPAYMENT — Prepayments Relating to Specific Types of Mortgage Loans and Mortgaged Properties — The successful operation of a mortgaged property securing an affordable housing mortgage loan may depend upon additional factors” and “RISK FACTORS — RISKS RELATING TO YIELD AND PREPAYMENT — Prepayments Relating to Specific Types of Mortgage Loans and Mortgaged Properties — An affordable housing mortgage loan may be secured by a mortgaged property that has received an allocation of low-income housing tax credits but that fails to remain in compliance with the requirements for maintaining eligibility to receive the tax credits due to operations of the property or a casualty on the property” in the Fannie Mae MBS Prospectus for additional information.

The borrower has covenanted to execute and cause the mortgaged property to be subject to an additional regulatory agreement that imposes income and rent restrictions on tenants in accordance with the requirements imposed by the tax credit agency. The income and rent restrictions included in the additional regulatory agreement are expected to be more restrictive than the existing agreements. Such additional regulatory agreement would restrict the income levels of all residential units in the mortgaged property so that (a) 42 of the units must be held available for rental to persons whose adjusted family income is equal to or less than 60% of the Area Median Income (“AMI”) adjusted for family size and the rents for such units will be restricted to not more than 30% of 60% of AMI, adjusted for family size, and (b) 41 of the units must 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 for such units will be restricted to not more than 30% of 30% of AMI, adjusted for family size. The additional regulatory agreement is associated with an allocation of low-income housing tax credits and the property owner has not selected the occupancy option under the Consolidated Appropriations Act of 2018 referred to as “income averaging.” The borrower has also covenanted to meet all requirements necessary to cause issuance and completion of IRS Form(s) 8609 for the mortgaged property in a timely fashion and in compliance with Section 42(1) of the Internal Revenue Code.

Failure to comply with the covenants described in the preceding paragraphs is an event of default under the loan agreement. See “THE MORTGAGE LOANS — Affordable Housing Loans”; “RISK FACTORS — RISKS RELATING TO YIELD AND PREPAYMENT — Prepayments Relating to Specific Types of Mortgage Loans and Mortgaged Properties—The successful operation of a mortgaged property securing an affordable housing mortgage loan may depend upon additional factors” and “RISK FACTORS — RISKS RELATING TO YIELD AND PREPAYMENT — Prepayments Relating to Specific Types of Mortgage Loans and Mortgaged Properties — An affordable housing mortgage loan may be secured by a mortgaged property that has received an allocation of low-income housing tax credits but that fails to remain in compliance with the requirements for maintaining eligibility to receive the tax credits due to operations of the property or a casualty on the property” in the Fannie Mae MBS Prospectus for additional information.

The MBS certificates will serve as collateral for a tax-exempt issue of multifamily housing bonds (the “Bonds”) issued by the California Housing Finance Agency (the “Issuer”) pursuant to and secured by an indenture of trust between the Issuer and U.S. Bank Trust Company, National Association, as trustee. The mortgage loan documents provide that the mortgage loan is cross-defaulted with certain agreements relating to the Bonds entered into at the time of the issuance of the Bonds, including but not limited to the indenture authorizing the Bonds and any housing regulatory agreements that limit rents, impose income restrictions or otherwise restrict the use of the property.

The borrower has represented that the mortgaged property qualifies for an exemption from property taxes pursuant to the California Welfare Tax Exemption under Section 214(g) of the California Revenue and Taxation Code. This representation is based in part on the fact that the mortgaged property is an affordable property that has a non-

profit entity within the borrower's ownership structure. The mortgage loan documents require the borrower to apply for, and obtain, the exemption within six months of the origination date of the mortgage loan. An event of default may occur under the mortgage loan if the tax exemption is not obtained within such time period. See "THE MORTGAGE LOANS — Characteristics of Multifamily Properties — Mortgage Loan Secured by Property Receiving Real Estate Tax Benefits under a Tax Relief Program" and "RISK FACTORS — RISKS RELATING TO YIELD AND PREPAYMENT — Prepayments Relating to Specific Types of Mortgage Loans and Mortgaged Properties — A mortgaged property may benefit from a state or local property tax exemption or tax abatement that requires the borrower and the property to maintain compliance with specific requirements. The failure to meet those requirements may be an event of default under the mortgage loan" in the Fannie Mae MBS Prospectus for additional information.

If the tax exemption is obtained, any (a) termination, substantial reduction, or material modification of the tax exemption that would become effective prior to the date that is five (5) years after the mortgage loan maturity date (an "Adverse Tax Abatement Event") caused by the action or inaction of borrower, (b) failure by borrower to comply with the terms of the loan agreement relating to compliance with the tax exemption program that continues beyond the expiration of any applicable cure period afforded to borrower under the tax exemption program, or (c) transfer of the mortgaged property, any interest in the mortgaged property, or any interest in the borrower that would cause an Adverse Tax Abatement Event is an event of default under the loan agreement. See "THE MORTGAGE LOANS — Characteristics of Multifamily Properties — Mortgage Loan Secured by Property Receiving Real Estate Tax Benefits under a Tax Relief Program" and "RISK FACTORS — RISKS RELATING TO YIELD AND PREPAYMENT — Prepayments Relating to Specific Types of Mortgage Loans and Mortgaged Properties — A mortgaged property may benefit from a state or local property tax relief program that subjects the borrower and the property to specific requirements. These requirements may become applicable subsequent to issuance of the certificates. The failure to meet these requirements may be an event of default under the mortgage loan" in the Fannie Mae MBS Prospectus for additional information.

Because the mortgage loan documents provide that the mortgage loan is cross-defaulted with certain of the agreements entered into at the time of the issuance of the Bonds, a default under any of the cross-defaulted documents may trigger an event of default on the mortgage loan. If Fannie Mae accelerates the mortgage loan as a result of any event of default under the mortgage loan, the mortgage loan will be paid in full, and the stated principal balance of the MBS certificates will be passed through to the holder of the MBS certificates. In this case, no yield maintenance or other prepayment premiums will be payable to the holder of the MBS certificates.

The borrower may obtain a supplemental loan secured by a lien on the mortgaged property. Any such supplemental loan is expected to be subordinate to the mortgage loan. Generally, however, the supplemental loan will be cross-defaulted with the mortgage loan. As a result, an event of default on the supplemental loan may cause an event of default on the mortgage loan, which may result in acceleration of the mortgage loan. See "THE MORTGAGE LOANS — General Characteristics of the Mortgage Loans — Existing and Future Supplemental Mortgage Loans — Future Supplemental Mortgage Loans" and "— Cross Default; Existing Mortgage Loans; Future Supplemental Mortgage Loans" in the Fannie Mae MBS Prospectus for additional information.

In addition to the matters described above, the eligible multifamily lender originating the mortgage loan may request the disclosure of additional matters relating to the mortgage loan or, upon delivery of the mortgage loan to Fannie Mae, in Fannie Mae's discretion, it may determine that matters identified in the Term Sheet attached as APPENDIX H hereto or otherwise may need to be disclosed in the Additional Disclosure Addendum provided in connection with the issuance of the MBS certificates.

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**APPENDIX B**  
**DEFINITIONS OF CERTAIN TERMS**

*Certain capitalized terms used in this Official Statement are defined below. The following is subject to all the terms and provisions of the Indenture, to which reference is hereby made and copies of which are available from the Issuer or the Trustee.*

“30/360” means a computation of interest accrual on the basis of a three hundred sixty (360) day year under the assumption that all months, regardless of length, are comprised of exactly 30 calendar days.

“Act” means the Zenovich-Moscone-Chacon Housing and Home Finance Act, consisting of Parts 1 through 4 of Division 31 of the California Health and Safety Code.

“Authorized Borrower Representative” means any person who, at any time and from time to time, is designated as the Borrower’s authorized representative by written certificate furnished to the Issuer and the Trustee 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) a written certificate revoking such person’s authority to act in such capacity. The initial Authorized Borrower Representative is Jay Reinhard.

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

“Authorized Officer” means, as applicable, (a) with respect to the Issuer, individually or collectively, the Executive Director, the Chief Deputy Director, the Director of Financing, the Director of Multifamily Programs, or a duly designated delegate in writing for such purpose by the Executive Director of the Issuer, or such other authorized delegate under the prevailing resolution of the Issuer providing for such authority, and (b) with respect to the Trustee, any Vice President or Assistant Vice President of the Trustee having regular responsibility for corporate trust matters.

“Bankruptcy Code” means the Federal Bankruptcy Code, Title 11 of the United States Code.

“Beneficial Owner” means the owner of a beneficial interest in the Bonds.

“Bond” or “Bonds” means the California Housing Finance Agency Limited Obligation Multifamily Housing Tax-Exempt Bonds (Fannie Mae MBS-Secured) 2026 Issue A (Napa Creek Manor) in the principal amount of \$22,650,000\* authorized under and secured by the Indenture and issued pursuant to the Indenture.

“Bond Counsel” means an attorney at law or a firm of attorneys of recognized expertise in the field of federal income tax matters relating to municipal securities selected by the Issuer and acceptable to the Trustee.

“Bond Dated Date” means March \_\_, 2026.

“Bond Maturity Date” means the applicable maturity date for each Bond as set forth in the Indenture and the cover of this Official Statement.

“Bond Purchase Agreement” means the Bond Purchase Agreement, dated March \_\_, 2026, among the Underwriter, the Issuer, the Borrower and the Treasurer of the State of California, as agent for sale for the Issuer.

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\* Preliminary; subject to change.

“Bond Register” means the registration books of the Issuer maintained by the Trustee as provided in the Indenture on which registration and transfer of the Bonds is to be recorded.

“Bondholder” or “holder” or “owner” of any Bond or any similar term shall mean the person in whose name any Bond is registered.

“Book-Entry Bonds” means the Bonds for which a Depository or its Nominee is the Bondholder.

“Borrower” means Napa Creek Manor Housing Partners, LP, a California limited partnership and any permitted successors or assigns of such entity.

“Business Day” means any day other than a Saturday or Sunday, a day when the fiscal agent or paying agent for the MBS is closed, a day when the Federal Reserve Bank of New York is closed, or a day when the Federal Reserve Bank is closed in a district where a securities account is located if the related withdrawal is being made from that securities account, and, with respect to the Bonds, any such day that is also a day on which the Trustee is open for business.

“Cash Flow Projection” means cash flow projections prepared by an independent firm of certified public accountants, a financial advisory firm, a law firm or other independent third party qualified and experienced in the preparation of cash flow projections for structured finance transactions similar to the Bonds, establishing, to the satisfaction of the Rating Agency, as applicable, (i) that following the release of Excess Funds from the Revenue Fund pursuant to the Indenture, there will remain on deposit in the Revenue Fund sufficient funds (without consideration of investment income or Eligible Funds not currently on deposit therein) together with scheduled MBS Payments coming due prior to the next Payment Date, to make the Bond payment on such next Payment Date; and (ii) confirming that the subsequent scheduled MBS Payments will be sufficient, together with any unreleased funds that are retained in the Revenue Fund, to pay the Bonds in the amount due on each subsequent Bond Payment Date. The cost and expense of obtaining such cash flow projections shall be the sole responsibility of the Borrower.

“Closing Date” means March \_\_, 2026.

“Code” means the United States Internal Revenue Code of 1986, as amended, and the Regulations thereunder, or any successor statute, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the Treasury Department or Internal Revenue Service of the United States.

“Collateral Proceeds Fund” means the Fund of that name created and so designated pursuant to the Indenture.

“Costs of Issuance” means costs to the extent incurred in connection with, and allocable to, the issuance of the Bonds within the meaning of Section 147(g) of the Code, including but not limited to the following costs, but only to the extent incurred in connection with, and allocable to, the borrowing, and payable from proceeds of the Bonds up to 2% of the principal amount thereof or as otherwise limited by the Tax Certificate: Underwriter’s fee; counsel fees; financial advisory fees; fees paid to an organization to evaluate the credit quality of an issue; trustee fees; paying agent fees; registrar, certification and authentication fees; accounting fees; printing costs for Bonds and offering documents; public approval process costs; engineering and feasibility study costs; guarantee fees, other than qualified guarantees; and similar costs.

“Costs of Issuance Deposit” means the amount deposited on the Closing Date into the Costs of Issuance Fund.

“Costs of Issuance Fund” means the Fund created and so designated in the Indenture.

“Counsel’s Opinion,” “Opinion of Counsel,” or “Opinion” means a written opinion, including opinions supplemental thereto, signed by an attorney or firm of attorneys (who may be counsel for the Issuer, the Borrower or Fannie Mae) acceptable to the recipient thereof.

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

“Dissemination Agent” means U.S. Bank Trust Company, National Association, and its successors and assigns as dissemination agent under the Continuing Disclosure Agreement.

“DTC” means The Depository Trust Company, Brooklyn, New York.

“Electronic Means” means a facsimile transmission or any other Electronic Notice approved in writing by Fannie Mae.

“Electronic Notice” shall mean any of the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services under the Indenture.

“Eligible Funds” means:

- (a) the proceeds of the Bonds or any other amounts received by the Trustee from the Underwriter;
- (b) moneys drawn on a letter of credit;
- (c) any amounts received by the Trustee representing advances to the Borrower of proceeds of the Mortgage Loan;
- (d) any other amounts for which 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 547 or 550 of the Bankruptcy Code should the Borrower become a debtor in proceedings commenced under the Bankruptcy Code;
- (e) any payments held by the Trustee for a continuous period of 123 days, provided that no act of bankruptcy with respect to the Borrower has occurred during such period; and
- (f) investment income derived from the investment of the money described in (a) through (e) above.

“Eligible Investments” means any of the following investments which at the time are legal investments for moneys of the Issuer which are then proposed to be invested therein and each of which investments must mature or be guaranteed to be able to be tendered at a price of par at such time or times as to enable timely disbursements to be made from the fund in which such investment is held or allocated in accordance with the terms of the Indenture:

- (a) Government Obligations; and
- (b) to the extent permitted herein, shares or units in any money market mutual fund rated “Aaa-mf” by Moody’s (or the equivalent Highest Rating Category given by the Rating Agency for that general category of security) (including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund and receives reasonable compensation therefor) that are registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of direct obligations of the government of the United States of America.

“Event of Default” means any occurrence or event specified in the Indenture as constituting an Event of Default thereunder.

“Excess Funds” means an amount in excess of \$\_\_\_\_\_, or such other amount approved by the Rating Agency as calculated by a Cash Flow Projection.

“Extension Deposit” means the deposit of Eligible Funds described in the Indenture.

“Extraordinary Issuer Fees and Expenses” means the expenses and disbursements payable to the Issuer under the Indenture for Extraordinary Services and Extraordinary Expenses, including extraordinary fees, costs and expenses incurred by the Issuer, Bond Counsel and counsel to the Issuer which are to be paid by the Borrower pursuant to the Financing Agreement.

“Extraordinary Services” and “Extraordinary Expenses” mean all services rendered and all reasonable expenses properly incurred by the Trustee or the Issuer under the Indenture or the Financing Agreement, other than Ordinary Services and Ordinary Expenses. Extraordinary Services and Extraordinary Expenses shall specifically include but are not limited to services rendered or expenses incurred by the Trustee or the Issuer in connection with, or in contemplation of, an Event of Default.

“Extraordinary Trustee Fees and Expenses” means the expenses and disbursements payable to the Trustee under the Indenture for Extraordinary Services and Extraordinary Expenses, including extraordinary fees, costs and expenses incurred by the Trustee and the Trustee’s counsel which are to be paid by the Borrower pursuant to the Financing Agreement.

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

“Fannie Mae Certificate” means a guaranteed mortgage pass-through Fannie Mae mortgage backed security issued by Fannie Mae in book-entry form, recorded in the name of the Trustee or its nominee, guaranteed as to timely payment of principal of and interest by Fannie Mae, and backed by the Mortgage Loan.

“Financing Agreement” means the Financing Agreement dated as of March 1, 2026, among the Issuer, the Borrower and the Trustee.

“Financing Documents” means the Financing Agreement, the Regulatory Agreement, the Tax Certificate, the Indenture and the Bond Purchase Agreement.

“Fund” or “Account” means a fund or account created by or pursuant to the Indenture.

“Government Obligations” means (i) noncallable, non-redeemable direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged, and (ii) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the full and timely payment of the principal of, premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (i) or (ii) issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par at the option of anyone other than the holder thereof.

“Ground Lease” means that certain Ground Lease, dated as of March \_\_\_, 2026, between Napa Housing Foundation, a California nonprofit public benefit corporation, as ground lessor, and the Borrower, as ground lessee, as originally executed and as may be amended from time to time.

“Highest Rating Category” means, with respect to an Eligible Investment or the Bonds, that the Eligible Investment or the Bonds, as applicable, are 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 Indenture of Trust dated as of March 1, 2026, by and between the Issuer and the Trustee, as it may from time to time be amended, modified or supplemented by Supplemental Indentures.

“Initial Payment Date” means November 1, 2026\*, on which date interest shall be due and payable for the period from the Closing Date to, but not including, November 1, 2026\*.

“Investor Limited Partner” means (A) as of the Closing Date, (i) Garnet LIHTC Fund XX, LLC, a Delaware limited liability company and (ii) Transamerica Affordable Housing, Inc., a California corporation, and each of their successors and/or assigns, and (B) shortly after the Closing Date, (i) Aegon LIHTC Fund 71, LLC, a Delaware limited liability company and (ii) Transamerica Affordable Housing, Inc., a California corporation, and each of their successors and/or assigns

“Issuer” means the California Housing Finance Agency, a public instrumentality and political subdivision of the State of California (the “State”) created by the Zenovich-Moscone-Chacon Housing and Home Finance Act.

“Issuer Fees and Expenses” means, collectively, the Ordinary Issuer Fees and Expenses and the Extraordinary Issuer Fees and Expenses. The Issuer Fees and Expenses shall be payable by the Borrower, and not from funds pledged to the benefit of the Trust Estate.

“Lender” means Berkadia Commercial Mortgage LLC, a Delaware limited liability company, and any successors and assigns of such entity.

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

“MBS” shall mean the Fannie Mae Certificate identified in the Indenture that, from and after the MBS Delivery Date, is pledged by the Issuer to the Trustee pursuant to the Indenture.

“MBS Dated Date” means the 1<sup>st</sup> day of the month in which the MBS is delivered.

“MBS Delivery Date” means the date on which the Trustee receives the MBS backed by the Mortgage Loan, which shall occur not later than the MBS Delivery Date Deadline.

“MBS Delivery Date Deadline” means April 25, 2026\*, or, if such day is not a Business Day, the following Business Day, as such date may be extended pursuant to the Indenture.

“MBS Maturity Date” means April 1, 2043\*.

“MBS Purchase Price” means the principal amount outstanding on the Mortgage Loan as of the MBS Delivery Date plus accrued interest on the MBS from the MBS Dated Date to the MBS Delivery Date at the Pass-Through Rate.

“MBS Revenues” means all payments made under and pursuant to the MBS.

“Moody’s” means Moody’s Investors Service, Inc., a Delaware corporation, and its successors and assigns, or if it is dissolved or no longer assigns credit ratings, then any other nationally recognized statistical rating agency, designated by Fannie Mae, that assigns credit ratings.

“Mortgage” means the Multifamily Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of the Closing Date, together with all riders and exhibits, securing the Mortgage Loan, executed by the Borrower for the benefit of the Lender, as the same may be amended from time to time.

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\* Preliminary; subject to change.

“Mortgage Loan” means the interest-bearing loan for multifamily housing in the aggregate principal amount of \$22,650,000\* funded by the Lender and evidenced by the Mortgage Note and secured by the Mortgage and the Multifamily Loan and Security Agreement.

“Mortgage Loan Amortization Schedule” means the mortgage loan amortization schedule delivered to the Trustee on the Closing Date with respect to the Mortgage Note, as the same may be replaced by an amended mortgage loan amortization schedule delivered to the Trustee pursuant to the Financing Agreement.

“Mortgage Loan Documents” means, collectively, the Mortgage Note, the Mortgage, the Multifamily Loan and Security Agreement and all other documents, agreements and instruments evidencing, securing or otherwise relating to the Mortgage 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 Mortgage Loan Document and neither document is secured by the Mortgage.

“Mortgage Note” means the Multifamily Note dated the Closing Date from the Borrower payable to the order of the Lender evidencing the Borrower’s obligation to repay the Mortgage Loan, as the same may be amended from time to time.

“Multifamily Loan and Security Agreement” means the Multifamily Loan and Security Agreement dated the Closing Date, executed by the Borrower and the Lender.

“Negative Arbitrage Account” means the Negative Arbitrage Account of the Revenue Fund created pursuant to the Indenture.

“Negative Arbitrage Deposit” means Eligible Funds in the amount of \$ \_\_\_\_\_ to be deposited on the Closing Date into the Negative Arbitrage Account and as otherwise set forth in the Indenture.

“Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to the Indenture.

“Ordinary Issuer Fees and Expenses” means the fees and expenses due to the Issuer set forth in the Regulatory Agreement. The Ordinary Issuer Fees and Expenses and all amounts due to the Issuer for Extraordinary Services and all Extraordinary Expenses of the Issuer will be paid directly by the Borrower pursuant to the Financing Agreement.

“Ordinary Services” and “Ordinary Expenses” mean those services normally rendered, and those expenses normally incurred, by an issuer or a trustee under instruments similar to the Indenture.

“Ordinary Trustee Fees and Expenses” means amounts due to the Trustee for the Ordinary Services and the Ordinary Expenses of the Trustee incurred in connection with its duties under the Indenture, payable annually in advance on the Closing Date and on each anniversary thereof in the amount of \$4,000 (together with an acceptance fee of \$2,500 and a Trustee’s counsel fee of \$2,500 each payable upon execution of the Indenture), as well as the annual sum of \$800 in connection with its duties as Dissemination Agent under the Continuing Disclosure Agreement. The Ordinary Trustee Fees and Expenses and all amounts due to the Trustee for Extraordinary Services and all Extraordinary Expenses of the Trustee will be paid directly by the Borrower pursuant to the Financing Agreement.

“Outstanding” means, when used with respect to the Bonds and as of any date, all Bonds theretofore authenticated and delivered under the Indenture except:

- (a) any Bond cancelled by the Trustee or delivered to the Trustee for cancellation;
- (b) any Bond for the payment or redemption of which either (i) moneys equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, or (ii) specified types of Eligible Investments or moneys in the amounts, of the maturities and otherwise

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\* Preliminary; subject to change.

as described and required under the Indenture, shall have theretofore been deposited with the Trustee in trust (whether upon or prior to maturity or the redemption date of such Bond) and, except in the case of a Bond to be paid at maturity, as to which a redemption notice shall have been given or provided for in accordance with the Indenture; and

(c) any Bond in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to the Indenture.

“Participant” means a member of, or a participant in, the Depository.

“Pass-Through Rate” means \_\_\_\_% per annum.

“Payment Date” means (i) with respect to interest, May 1 and November 1 of each year, commencing on the Initial Payment Date, and (ii) with respect to principal and interest, the stated maturity date for any of the Bonds or any earlier date of redemption of any of the Bonds.

“Project” means the multifamily rental housing development, known as Napa Creek Manor, located in Napa County, California, on the site described in the Mortgage (subject to the Ground Lease).

“Project Costs” means the following costs of the Project, subject to the limitations set forth in the Tax Certificate:

(a) Costs incurred directly or indirectly for or in connection with the acquisition of a fee simple interest, rehabilitation and/or construction, improvement and equipping of the Project, including costs incurred in respect of the Project for preliminary planning and studies; architectural, legal, engineering, accounting, consulting, supervisory and other services; labor, services and materials; and recording of documents and title work and insurance.

(b) Premiums attributable to any surety bonds and insurance required to be taken out and maintained during the construction or rehabilitation period with respect to the Project.

(c) Taxes, assessments and other governmental charges in respect of the Project that may become due and payable during the construction or rehabilitation period.

(d) Costs incurred directly or indirectly in seeking to enforce any remedy against any contractor or subcontractor in respect of any actual or claimed default under any contract relating to the Project.

(e) Costs of Issuance, including, financial, legal, accounting, cash flow verification, printing and engraving fees, charges and expenses, and all other such fees, charges and expenses incurred in connection with the authorization, sale, issuance and delivery of the Bonds, including, without limitation, the fees and expenses of the Trustee properly incurred under the Indenture that may become due and payable during the construction or rehabilitation period.

(f) Any other costs, expenses, fees and charges properly chargeable to the cost of acquisition, construction, rehabilitation, improvement and equipping of the Project.

(g) Payment of interest on the Bonds during the construction or rehabilitation period.

“Rating Agency” means Moody’s, S&P or any other nationally recognized securities rating agency rating the Bonds, or such rating agency’s successors or assigns, and initially means Moody’s so long as Moody’s is rating the Bonds.

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

“Rebate Fund” means the Fund created and so designated in the Indenture.

“Record Date” means the close of business on the last day of the calendar month prior to the calendar month in which a payment occurs.

“Redemption Price” means the amount required to be delivered to pay principal of, interest on, and redemption premium, if any, in connection with a redemption of the Bonds in accordance with the provisions of the Indenture.

“Regulations” means the Income Tax Regulations promulgated or proposed under the Code by the Department of the Treasury, as the same may hereafter be amended, including without limitation regulations promulgated by the Department of the Treasury to implement the requirements of Section 148 of the Code.

“Regulatory Agreement” means the Regulatory Agreement and Declaration of Restrictive Covenants relating to the Project, dated as of March 1, 2026, by and among the Issuer, the Trustee and the Borrower, as it may be amended, supplemented or restated from time to time.

“Rehabilitation Fund” means the Fund created and so designated pursuant to the Indenture.

“Representation Letter” has the meaning given to such term in the Indenture.

“Reserved Rights” means those certain rights of the Issuer under the Financing Documents to which the Issuer is a party to indemnification and to payment or reimbursement of fees and expenses of the Issuer, its right to receive notices and to enforce venue, notice and reporting requirements, its right to inspect and audit the books, records and premises of the Borrower and of the Project, 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 Documents relating to the Reserved Rights.

“Resolution” means the authorizing resolution of the Board of Directors of the Issuer authorizing the issuance and sale of the Bonds.

“Revenue Fund” means the Fund created and so designated in the Indenture.

“S&P” means S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC, and its successors and assigns, or if it is dissolved or no longer assigns credit ratings, then any other nationally recognized statistical rating agency, designated by Fannie Mae, that assigns credit ratings.

“State” means the State of California.

“Substitute Depository” means a securities depository appointed as successor to DTC under the Indenture.

“Supplemental Indenture” means any indenture hereafter duly authorized and entered into between the Issuer and the Trustee amending or supplementing the Indenture in accordance with the provisions thereof.

“Tax Certificate” means the Tax Certificate and Agreement executed by the Issuer and the Borrower, as amended, supplemented or otherwise modified from time to time.

“Trust Estate” means all the property, rights, moneys, securities and other amounts pledged and assigned to the Trustee pursuant to the Indenture.

“Trustee” means U.S. Bank Trust Company, National Association, a national banking association.

“Trustee Fees and Expenses” means, collectively, the Ordinary Trustee Fees and Expenses and the Extraordinary Trustee Fees and Expenses.

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

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**APPENDIX C**  
**SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE**

*The following is a summary of certain provisions of the Indenture which are not described elsewhere in the Official Statement. This summary does not purport to be comprehensive, and reference should be made to the Indenture for a full and complete statement of its provisions.*

**Authorization, Transfer and Registration, and Terms of Bonds**

Authorization of Bonds. Bonds of the Issuer, to be entitled Limited Obligation Multifamily Housing Tax-Exempt Bonds (Fannie Mae MBS-Secured) 2026 Issue A (Napa Creek Manor) are authorized by the Indenture to be issued in an aggregate principal amount set forth in the Indenture and subject to the terms, conditions and limitations established in the Indenture. The Bonds shall be issued initially as Book-Entry Bonds. The Bonds may be executed by or on behalf of the Issuer, authenticated by the Trustee and delivered or caused to be delivered by the Trustee to the original purchasers thereof upon compliance with the requirements set forth in the Indenture.

Terms of Bonds. The Bonds shall be dated as of the Bond Dated Date and shall be payable on each Payment Date. Interest shall be calculated on the basis of three hundred sixty (360) day year under the assumption that all months, regardless of length, are comprised of exactly 30 calendar days (“30/360”). Except in connection with a redemption of Bonds described under the heading “DESCRIPTION OF THE BONDS — Redemption of Bonds — Mandatory Sinking Fund Redemption,” the payment of interest on a Payment Date shall be in an amount equal to the interest accrued during the preceding six calendar months; provided that the payment of interest on the Initial Payment Date shall relate to the interest accrued from the Bond Dated Date to and including the calendar day immediately preceding the Initial Payment Date. Interest payable on the Bonds, if the Bonds are redeemed as described in “DESCRIPTION OF THE BONDS — Redemption of Bonds — Mandatory Redemption in Whole Upon Failure to Purchase the MBS by the MBS Delivery Date Deadline” and “— Mandatory Redemption in Part on the MBS Delivery Date” below, will be paid on the redemption date.

The Bonds shall be issued as registered bonds without coupons in Authorized Denominations.

The Bonds shall mature (subject to prior redemption as set forth in the Indenture) on the dates, and shall bear interest at the rates per annum (not to exceed the Maximum Rate), set forth in the Indenture.

On each Payment Date, payment of the principal of and interest or premium, if any, on any Bond shall be made to the person appearing on the Bond Register as the registered owner thereof on the applicable Record Date. The principal of and the interest on the Bonds shall be payable in coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts of the United States of America. Unless the Bonds are Book-Entry Bonds, the principal of the Bonds shall be payable to the registered owners thereof upon presentation (except in connection with a redemption of Bonds described under the heading “DESCRIPTION OF THE BONDS — Redemption of Bonds — Mandatory Sinking Fund Redemption” herein and a maturity of Bonds pursuant to the Indenture) at the designated corporate trust office of the Trustee or its successors. Unless the Bonds are Book-Entry Bonds, payments of interest on the Bonds and redemption of the Bonds described under the heading “DESCRIPTION OF THE BONDS — Redemption of Bonds — Mandatory Sinking Fund Redemption” herein shall be paid by check or draft mailed to the registered owner thereof at such owner’s address as it appears on the registration books maintained by the Trustee on the applicable Record Date or at such other address as is furnished to the Trustee in writing by such owner. The Trustee shall cause CUSIP number identification with appropriate dollar amounts for each CUSIP number to accompany all payments of interest, principal or Redemption Price made to such owners, whether such payment is made by check or wire transfer. All payments of principal of and interest on Book-Entry Bonds shall be made and given at the times and in the manner set out in the Representation Letter, as more fully specified in the Indenture.

The Bonds shall be subject to redemption prior to maturity as provided in the Indenture and as described in “DESCRIPTION OF THE BONDS — Redemption of Bonds”.

The date of authentication of each Bond shall be the date such Bond is registered.

Execution; Limited Obligation. The Bonds shall be signed by, or bear the facsimile or manual signature of, the Executive Director or Director of Financing of the Issuer, and attested to by the manual or facsimile signature of the Secretary of the Board of Directors of the Issuer. In case any one or more of the officers of the Issuer who shall have signed any of the Bonds or whose signature appears on any of the Bonds shall cease to be such officer before the Bonds so signed shall have been actually authenticated or delivered or caused to be delivered by the Trustee or issued by the Issuer, such Bonds may, nevertheless, be authenticated by the Trustee and issued and, upon such authentication, delivery and issue, shall be as binding upon the Issuer as if the persons who signed such Bonds or whose signatures appear on any of the Bonds had not ceased to hold such office until such delivery. Any Bond may be signed on behalf of the Issuer by such persons as at the actual time of execution of the Bonds shall be duly authorized or hold the proper office in the Issuer, although at the date of issuance and delivery of the Bonds such persons may not have been so authorized or have held such office.

Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Issuer, at the expense of the owner of such Bond shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled by it and delivered to, or upon the order of, the Issuer. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence shall be satisfactory to it and indemnity satisfactory to the Trustee shall be given, the Issuer, at the expense of the owner of such Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Bond authenticated and delivered under this section and of the expenses which may be incurred by the Issuer and the Trustee in connection therewith. Any Bond authenticated and delivered under the provisions of this section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Issuer whether or not the Bond so alleged to be lost, destroyed or stolen shall be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of the Indenture with all other Bonds secured by the Indenture. If any such Bond shall have matured, or is about to mature, instead of issuing a new Bond the Trustee may pay the same without surrender thereof upon receipt of the aforementioned indemnity.

Registration, Transfer and Exchange of Bonds; Persons Treated as Owners. The Issuer shall cause books for the registration, transfer and exchange of the Bonds as provided in the Indenture to be kept by the Trustee, which under the Indenture is constituted and appointed the bond registrar with respect to the Bonds (the "Bond Registrar"). At reasonable times and under reasonable regulations established by the Trustee, said books may be inspected and copied by the Issuer or by owners (or a designated representative thereof) of a majority in aggregate principal amount of the Bonds then Outstanding. The Trustee is also appointed as paying agent for the Bonds under the Indenture.

The registration of each Bond is transferable by the registered owner thereof in person or by its attorney duly authorized in writing at the designated corporate trust office of the Trustee. Upon surrender for registration of transfer of any Bond at such office, the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond of the same maturity or maturities and in Authorized Denominations for the same aggregate principal amount. Bonds to be exchanged shall be surrendered at said designated corporate trust office of the Trustee, and the Trustee shall authenticate and deliver in exchange therefor a Bond of equal aggregate principal amount of the same maturity and in Authorized Denominations.

All Bonds presented for registration of transfer, exchange or payment (if so required by the Issuer or the Trustee) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Trustee, duly executed by the registered owner or by its duly authorized attorney.

The Issuer, the Bond Registrar and the Trustee shall not be required (i) to issue, register the transfer of or exchange any Bonds during a period beginning at the Trustee's opening of business on the applicable Record Date and ending at the Trustee's close of business on the applicable Payment Date; or (ii) to register the transfer of or exchange any Bond selected, called or being called for redemption as provided in the Indenture. No charge shall be made to any Bondholder for the privilege of registration of transfer as provided in the Indenture, but any Bondholder requesting any such registration of transfer shall pay any tax or governmental charge required to be paid therefor.

New Bonds delivered upon any registration of transfer or exchange shall be valid obligations of the Issuer, evidencing the same debt as the Bonds surrendered, shall be secured by the Indenture and shall be entitled to all of the security and benefits of the Indenture to the same extent as the Bonds surrendered.

The person in whose name any Bond is registered shall be deemed the owner thereof by the Issuer and the Trustee, and any notice to the contrary shall not be binding upon the Issuer or the Trustee. Notwithstanding anything in the Indenture to the contrary, to the extent the Bonds are Book-Entry Bonds, the provisions of the Indenture shall govern the exchange and registration of Bonds.

### **Notice of Redemption**

Anytime the Bonds are subject to redemption in whole or in part pursuant to “DESCRIPTION OF THE BONDS — Redemption of Bonds — Mandatory Redemption in Whole Upon Failure to Purchase the MBS by the MBS Delivery Date Deadline” and “— Mandatory Redemption in Part on the MBS Delivery Date,” the Trustee, in accordance with the provisions of the Indenture, shall give at least five (5) calendar days’ notice, in the name of the Issuer, of the redemption of the Bonds, which notice shall specify the following: (i) the maturity and principal amounts of the Bonds to be redeemed; (ii) the CUSIP number, if any, of the Bonds to be redeemed; (iii) the date of such notice; (iv) the issuance date for such Bonds; (v) the interest rate on the Bonds to be redeemed; (vi) the redemption date; (vii) any conditions to the occurrence of the redemption; (viii) the place or places where amounts due upon such redemption will be payable; (ix) the Redemption Price; (x) the Trustee’s name and address with a contact person and a phone number; and (xi) that on the redemption date, the Redemption Price shall be paid. Notice delivered as required under “DESCRIPTION OF THE BONDS — Redemption of Bonds — Mandatory Redemption in Whole Upon Failure to Purchase the MBS by the MBS Delivery Date Deadline,” may be rescinded and annulled on or before the redemption date set forth in such notice if (i) the MBS is delivered on or prior to such redemption date or (ii) the MBS Delivery Date Deadline is extended pursuant to the Indenture. Neither the giving of such notice by the Trustee nor the receipt of such notice by the Bondholders shall be a condition precedent to the effectiveness of any such redemption. Notwithstanding anything in the Indenture to the contrary, no notice of redemption shall be required with respect to redemptions described under “DESCRIPTION OF THE BONDS — Redemption of Bonds — Mandatory Sinking Fund Redemption Prior to MBS Delivery Date,” “— Mandatory Sinking Fund Redemption,” and “— Mandatory Redemption Following Unscheduled Prepayment of the Mortgage Loan” herein.

The Bonds to be redeemed in part pursuant to the Indenture will be selected in accordance with the operational arrangements of DTC or any successor Substitute Depository, and any partial prepayments pursuant thereto shall be made in accordance with the applicable procedures of DTC or any successor Substitute Depository.

In the event that the MBS has not been purchased by, and delivered to, the Trustee ten (10) Business Days prior to the MBS Delivery Date Deadline (as such date may be extended under the Indenture), the Trustee shall provide to the Borrower, the Lender, the Investor Limited Partner and the Underwriter, ten (10) Business Days prior to the MBS Delivery Date Deadline, written notice of such non-purchase.

Notwithstanding this section, no prior notice shall be a prerequisite to the effectiveness of any redemption under the heading “DESCRIPTION OF THE BONDS — Redemption of Bonds” which redemption shall occur and be effective irrespective of whether the Trustee fulfills its obligation to provide the notice described under this heading “Notice of Redemption.”

### **Payment of Redemption Price**

With respect to any redemption pursuant to the heading “Redemption of Bonds” above, notice having been given in the manner provided in the heading “Notice of Redemption” above (or not required to be given as a result of a redemption under “DESCRIPTION OF THE BONDS — Redemption of Bonds — Mandatory Sinking Fund Redemption Prior to MBS Delivery Date,” “Mandatory Sinking Fund Redemption” and “Mandatory Redemption Following Unscheduled Prepayment of the Mortgage Loan” above), and all conditions to the redemption contained in such notice, if applicable, having been met, the Bonds so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price specified in the heading “Redemption of Bonds” above, and, except in the case of a redemption as described under the headings “Mandatory Sinking Fund Redemption Prior to MBS Delivery Date,” “Mandatory Sinking Fund Redemption,” and “Mandatory Redemption Following Unscheduled

Prepayment of the Mortgage Loan” above, upon presentation and surrender thereof at the offices specified in such notice, together with, in the case of Bonds presented by other than the registered owner, a written instrument of transfer duly executed by the registered owner or its duly authorized attorney; provided, however, that so long as the Bonds are registered in the name of the Depository, payment for such redeemed Bonds shall be made in accordance with the Representation Letter of the Issuer. If, on the redemption date, moneys for the redemption of all of the Bonds or the Bonds to be redeemed, together with all accrued interest on such Bonds, which shall equal all interest accrued on the MBS, if delivered, to the redemption date, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date, interest on the Bonds so called for redemption shall cease to accrue.

### **Extension of MBS Delivery Date Deadline**

At any time prior to the MBS Delivery Date Deadline, the Borrower may extend the MBS Delivery Date Deadline by (i) providing to the Trustee, the Lender, the Issuer, the Rating Agency and the Underwriter written notice of any extension of the MBS Delivery Date Deadline, (ii) depositing with the Trustee Eligible Funds for the credit of the Negative Arbitrage Account of the Revenue Fund in an amount, taking into account amounts already on deposit therein, sufficient to pay interest due on the Bonds to the date that is five (5) calendar days after the extended MBS Delivery Date Deadline (the “Extension Deposit”), and (iii) delivering to the Trustee and the Rating Agency a Cash Flow Projection establishing the sufficiency of the Extension Deposit. Extension Deposits may continue to be made by or on behalf of the Borrower until the MBS Delivery Date occurs or the Borrower declines to make an Extension Deposit resulting in the mandatory redemption pursuant to the heading “Mandatory Redemption in Whole Upon Failure to Purchase the MBS by the MBS Delivery Date Deadline” above; provided, however, the MBS Delivery Date Deadline may not be extended to a date that is later than the third anniversary of the Bond Dated Date unless, prior to any extension beyond such date, there shall be filed with the Trustee and the Issuer an opinion of Bond Counsel to the effect that such extension will not, in and of itself, adversely affect the exclusion of interest on the Bonds from gross income for Federal income tax purposes. The cost of such opinion shall be the sole responsibility of the Borrower.

### **Delivery of MBS**

The obligation of the Trustee to purchase the MBS on the MBS Delivery Date shall be subject to receipt by the Trustee of written notification from the Lender upon which the Trustee may rely and act without further investigation certifying that the MBS duly executed by Fannie Mae is available for purchase by the Trustee at the MBS Purchase Price and such other information relating to the MBS as may be reasonably requested by the Trustee, and the Trustee shall confirm that such MBS meets the following requirements:

- (a) the MBS shall bear interest at the Pass-Through Rate payable on the 25th day of each month, commencing on the 25th day of the month following the month in which the Trustee purchases the MBS, or if any such 25th day is not a Business Day, the next succeeding Business Day, and shall mature on the MBS Maturity Date; and
- (b) the MBS shall be acquired by the Trustee on behalf of the Issuer, shall be held at all times by the Trustee in trust for the benefit of the Bondholders and shall be held only in book-entry form through the United States Federal Reserve Bank book-entry system, pursuant to which the MBS shall have been registered on the records of the Federal Reserve Bank in the name of the Trustee.

The MBS shall be registered in the name of the Trustee or its designee. Upon purchase of the MBS on the MBS Delivery Date, the Trustee shall post a notification to this effect on the Electronic Municipal Market Access website of the Municipal Securities Rulemaking Board.

### **Pledge of Trust Estate**

The pledge and assignment of and the security interest granted in the Trust Estate pursuant to the granting clauses of the Indenture for the payment of the principal of, premium, if any, and interest on the Bonds, in accordance with their terms and provisions, and for the payment of all other amounts due under 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.

### **Establishment of Funds**

The Trustee shall establish, maintain and hold in trust the following funds, each of which shall be maintained by the Trustee as a separate and distinct fund or account, and each of which shall be disbursed and applied only as authorized in the Indenture:

- (a) Revenue Fund, including therein a Negative Arbitrage Account;
- (b) Costs of Issuance Fund;
- (c) Collateral Proceeds Fund;
- (d) Rehabilitation Fund; and
- (e) Rebate Fund.

The Trustee shall, at the written direction of an Authorized Borrower Representative 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, 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 respective Funds, or result in commingling of funds not permitted thereunder.

### **Application of Funds on MBS Delivery Date**

On the MBS Delivery Date, the Trustee shall remit to the Lender, from amounts on deposit in the Collateral Proceeds Fund, as payment for the MBS, an amount equal to the aggregate principal amount of the MBS, plus, from the Revenue Fund (and, to the extent amounts in the Revenue Fund, other than amounts in the Negative Arbitrage Account therein, are insufficient for such purposes, from the Negative Arbitrage Account therein), accrued and unpaid interest on the MBS at the Pass-Through Rate from the first of the month in which the MBS was delivered to, but not including, the MBS Delivery Date.

### **Revenue Fund**

(a) There shall be deposited into the Negative Arbitrage Account of the Revenue Fund as and when received, (i) the Negative Arbitrage Deposit and (ii) any Extension Deposit.

(b) There shall be deposited into the Revenue Fund, as and when received, (i) following the MBS Delivery Date all moneys received by the Trustee representing principal payments or repayments, and premium, if any, under the MBS, together with all other amounts required pursuant to the Indenture to be deposited therein, (ii) any other amounts specified in the Indenture, and (iii) all moneys received by the Trustee representing interest payments under the MBS, to be held therein pending application in accordance with the terms of the Indenture.

(c) On the MBS Delivery Date, the Trustee shall remit from the Revenue Fund (and, to the extent amounts in the Revenue Fund, other than amounts in the Negative Arbitrage Account therein, are insufficient for such purposes, from the Negative Arbitrage Account therein) to the Lender accrued and unpaid interest on the MBS at the Pass-Through Rate from and including the first calendar day of the month in which the MBS was delivered to, but not including, the MBS Delivery Date.

(d) On any Payment Date that occurs prior to or during the month in which the MBS is delivered to the Trustee, the Trustee shall disburse from the Revenue Fund (and, to the extent amounts in the Revenue Fund, other than amounts in the Negative Arbitrage Account therein, are insufficient for such purposes, from the Negative Arbitrage Account therein), an amount equal to the amount of principal, if any, and interest due on the Bonds on such Payment Date. On the first Business Day following the first Payment Date following the MBS Delivery Date, the Trustee shall release to the Borrower any remaining balance in the Revenue Fund (including the Negative Arbitrage Account therein) that exceeds a total of \$20,000.

(e) On each Payment Date, the Trustee shall pay to the Bond owners, from the Revenue Fund, the amount listed in the applicable maturity, sinking fund and interest payment schedule set forth in the Indenture. All payments of principal and interest shall be paid to Bond owners in proportion to the principal amount of Bonds owned by each Bond owner as set forth on the records of the Trustee at the close of business on the applicable Record Date.

(f) If the Trustee does not receive a scheduled payment on the MBS by 5:00 p.m. Eastern Time on the 25th day of any month (or the next succeeding Business Day if such day of the month is not a Business Day), the Trustee shall promptly notify Fannie Mae and promptly demand payment under the terms of the guaranty thereof.

(g) Following the MBS Delivery Date, the Trustee is authorized to release Excess Funds from the Revenue Fund to or upon the direction of the Borrower, upon receipt by the Trustee of (1) a written notice from the Borrower to the Trustee to release such Excess Funds, and (2) a Cash Flow Projection.

#### **Rebate Fund**

The Rebate Fund shall not be subject to the lien or encumbrance of the Indenture, but shall be held in trust for the benefit of the United States of America, and shall be subject to the claim of no other person, including that of the Trustee and Bondholders. The interest on any Eligible Investments representing an investment of moneys in the Rebate Fund and any profit arising from the sale thereof shall be retained in the Rebate Fund. Any moneys deposited therein in accordance with the provisions of the Indenture shall be used for no other purpose than to make payments to the United States Treasury, at the time and in the manner and amount specified in the Indenture.

#### **Costs of Issuance Fund**

On or before the Closing Date, the Borrower shall deliver to the Trustee the Costs of Issuance Deposit, from amounts other than Bond proceeds, to be deposited to the Costs of Issuance Fund to pay Costs of Issuance incurred in connection with the issuance of Bonds. The Trustee shall use amounts in the Costs of Issuance Fund on the Closing Date or as soon as practicable thereafter in accordance with written instructions to be given to the Trustee by the Borrower, upon delivery to the Trustee of appropriate invoices for such expenses. Any unexpended amounts attributable to deposits made by the Borrower (not constituting proceeds of the Bonds) remaining on deposit in the Costs of Issuance Fund on \_\_\_\_\_, 2026 shall be returned to the Borrower promptly thereafter and the Costs of Issuance Fund shall be closed.

#### **Collateral Proceeds Fund**

Amounts deposited into the Collateral Proceeds Fund shall be used by the Trustee on the MBS Delivery Date to pay the principal portion of the MBS Purchase Price as set forth under the heading "Application of Funds on MBS Delivery Date," above. All investment earnings from amounts on deposit in the Collateral Proceeds Fund shall be transferred to the Revenue Fund.

#### **Rehabilitation Fund**

The Trustee shall establish, create and maintain a Rehabilitation Fund under the Indenture and moneys shall be held in the Rehabilitation Fund for reasons of convenience and tax accounting only. On the Closing Date, the Underwriter shall deliver the Bond proceeds to the Trustee for deposit into the Rehabilitation Fund. The Rehabilitation Fund shall not be a part of the Trust Estate. Amounts on deposit in the Rehabilitation Fund shall be disbursed by the Trustee to fund the Project Costs pursuant to requisitions executed by the Borrower and approved by the Lender in

the form attached to the Indenture as an exhibit. The moneys in the Rehabilitation Fund shall, pending disbursement to the Borrower at the written direction of the Lender, pursuant to the terms of the Multifamily Loan and Security Agreement, be pledged by the Borrower to the Lender until the MBS Delivery Date, and thereafter to Fannie Mae. The Trustee shall hold such funds as custodian for Lender as the pledgee and not for the Bondholders.

### **Investment of Funds**

The moneys held by the Trustee shall constitute trust funds for the purposes of the Indenture. Any moneys attributable to each of the Funds and Accounts under the Indenture shall be invested by the Trustee at the written direction or telephonic direction (promptly confirmed in writing) of the Borrower in Eligible Investments which mature or are redeemable at par, without penalty, on or before the date on which such funds are expected to be needed for the purposes for which they are held. Notwithstanding anything in the Indenture to the contrary except as otherwise set forth in this sentence, (i) prior to the MBS Delivery Date, all amounts in the Collateral Proceeds Fund and the Revenue Fund shall be invested solely in Eligible Investments, and (ii) following the MBS Delivery Date, payments received with respect to the MBS shall be invested solely in Eligible Investments. All investment earnings from amounts on deposit in the Collateral Proceeds Fund and the Revenue Fund shall be credited to the Revenue Fund. If the Trustee does not receive written direction or telephonic directions (promptly confirmed in writing) from the Borrower regarding the investment of funds, the Trustee shall invest solely in Eligible Investments described in clause (b) of the definition of Eligible Investments, which shall mature or be redeemable at par without penalty at the times set forth in this section. The Trustee may make any and all such investments through its own banking department or the banking department of any affiliate.

Eligible Investments representing an investment of moneys attributable to any Fund or Account shall be deemed at all times to be a part of such Fund. Such investments shall be sold at the best price obtainable (at least par) whenever it shall be necessary to do so in order to provide moneys to make any transfer, withdrawal, payment or disbursement from such Fund. In the case of any required transfer of moneys to another such Fund, such investments may be transferred to that Fund in lieu of the required moneys if permitted by the Indenture as an investment of moneys in that Fund.

All Eligible Investments acquired by the Trustee pursuant to the Indenture shall be purchased in the name of the Trustee and shall be held for the benefit of the Bondholders pursuant to the terms of the Indenture. The Trustee shall take such actions as shall be necessary to ensure that such Eligible Investments are held pursuant to the terms of the Indenture and are subject to the trust and security interest created in the Indenture.

The Trustee shall not be liable or responsible for any loss resulting from any investment made in accordance with the Indenture. The Trustee or its affiliates may act as sponsor, principal or agent in the acquisition or disposition of investments. The Trustee may commingle investments made under the Funds and Accounts established under the Indenture but shall account for each separately.

In computing for any purpose under the Indenture the amount in any Fund or Account on any date, obligations so purchased shall be valued at the lower of cost or par exclusive of accrued interest and may be so valued as of any time within four days prior to such date.

The Issuer acknowledges that regulations of the Comptroller of the Currency grant the Borrower the right to receive brokerage confirmations of the security transactions as they occur. The Borrower specifically waives such notification to the extent permitted by law and will receive periodic cash transaction statements that will detail all investment transactions.

### **Particular Covenants**

Payment of Bonds. Subject to the other provisions of the Indenture, the Issuer shall duly and punctually pay or cause to be paid, solely, from amounts available in the Trust Estate the principal of, premium, if any, and interest on the Bonds, at the dates and places and in the manner described in the Bonds, according to the true intent and meaning thereof. The Bonds are not a general obligation of the Issuer, and are payable solely from the Trust Estate.

The payment and other obligations of the Issuer with respect to the Bonds are intended to be, and shall be, independent of the payment and other obligations of the issuer or maker of the Mortgage Note and the MBS.

Tax Covenants. The Issuer shall not take any action that will cause the interest paid on the Bonds to be includable in gross income for federal income tax purposes or to be subject to personal income taxation by the State. In furtherance of the foregoing covenant, the Issuer particularly covenants and agrees with the Bondholders as follows:

(a) No part of the proceeds of the Bonds or any other funds of the Issuer shall be used by the Issuer at any time directly or indirectly to acquire securities or obligations, the acquisition of which, or which in any other manner, would cause any Bond to be an arbitrage bond as defined in Section 148 of the Code and any applicable Regulations promulgated thereunder.

(b) The Issuer will not knowingly take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code and any applicable Regulations promulgated thereunder.

In the event of a conflict between the provisions under this heading “Tax Covenants” and the Tax Certificate, the provisions of the Tax Certificate shall control.

Extension of Payment of Bonds. The Issuer shall not directly or indirectly extend or assent to the extension of the maturity of the principal due on any of the Bonds or the time of payment of interest due on the Bonds, and if the time for payment of any such claims for interest shall be extended through any other means, such Bonds or claims for interest shall not be entitled in case of any default under the Indenture to any payment out of the Trust Estate or the funds (except funds held in trust for the payment of particular Bonds pursuant to the Indenture) held by the Trustee, except subject to the provisions of the Indenture and subject to the prior payment of the principal of all Bonds issued and Outstanding the maturity of which has occurred and has not been extended and of such portion of the accrued interest on the Bonds which is not represented by such extended claims for interest.

If an Extension Deposit has not been made pursuant to the Indenture, such that the aggregate balance in the Collateral Proceeds Fund and the Revenue Fund is equal to 100% of the principal amount of the Bonds plus interest accrued on the Bonds to the date which is five (5) calendar days following the MBS Delivery Date Deadline (as such date may be extended under the Indenture), then the Bonds shall be subject to mandatory redemption described in “DESCRIPTION OF THE BONDS — Redemption of Bonds — Mandatory Redemption in Whole Upon Failure to Purchase the MBS by the MBS Delivery Date Deadline.”

## **Discharge of Indenture**

### Defeasance.

(a) If all Bonds shall be paid and discharged as provided in this section, then all obligations of the Trustee and the Issuer under the Indenture with respect to all Bonds shall cease and terminate, except only (i) the obligation of the Trustee to pay or cause to be paid to the owners thereof all sums due with respect to the Bonds and to register, transfer and exchange Bonds pursuant to the Indenture, (ii) the obligation of the Issuer to pay the amounts owing to the Trustee under the Indenture from the Trust Estate, and (iii) the obligation of the Issuer to comply with the Indenture. Any funds held by the Trustee at the time of such termination which are not required for payment to Bondholders or for payment to be made by the Issuer, shall be paid as provided in the Indenture.

Any Bond or portion thereof in an Authorized Denomination shall be deemed no longer Outstanding under the Indenture if paid or discharged in any one or more of the following ways:

(i) by well and truly paying or causing to be paid the principal of, premium, if any, and interest on such Bond which have become due and payable; or

(ii) by depositing with the Trustee, in trust, cash which, together with the amounts then on deposit in the Revenue Fund and dedicated to this purpose, is fully sufficient to pay when due all principal of, and premium, if any, and interest on such Bond to the maturity or earlier redemption date thereof; or

(iii) by depositing with the Trustee, in trust, any investments listed under the definition of Eligible Investments in the Indenture, or a combination of cash and such investments, in such amount as in the written opinion of a certified public accountant or nationally recognized verification agent will, together with the interest to accrue on such Eligible Investments without the need for reinvestment, be fully sufficient to pay when due all principal of, and premium, if any, and interest on such Bond to the maturity or earlier redemption date thereof, notwithstanding that such Bond shall not have been surrendered for payment.

(b) Notwithstanding the foregoing, no deposit under clauses (ii) and (iii) of subsection (a) above shall be deemed a payment of such Bond until the earlier to occur of:

(i) if such Bond is by its terms subject to redemption within 45 days, proper notice of redemption of such Bond shall have been previously given in accordance with the Indenture to the holder thereof or, in the event such Bond is not by its terms subject to redemption within 45 days of making the deposit under clauses (ii) and (iii) of subsection (a) above, the Issuer shall have given the Trustee irrevocable written instructions to mail by first-class mail, postage prepaid, notice to the holder of such Bond as soon as practicable stating that the deposit required by clauses (ii) or (iii) of subsection (a) above, as applicable, has been made with the Trustee and that such Bond is deemed to have been paid and further stating such redemption date or dates upon which money will be available for the payment of the principal and accrued interest thereon; or

(ii) the maturity of such Bond.

(c) The Trustee shall be entitled to receive and rely upon a report from a nationally recognized accounting firm or other nationally recognized verification agent to provide for the payment of all Bonds to be defeased pursuant to this section.

#### **Default Provisions and Remedies of Trustee and Bondholders**

Events of Default. Each of the following events shall constitute an Event of Default under the Indenture:

(a) On and after the MBS Delivery Date, failure by Fannie Mae to pay principal, interest or premium, if any, due under the MBS (upon such failure, the Trustee shall notify Fannie Mae not later than the next Business Day (all such notices to be promptly confirmed in writing) and require the failure to be remedied);

(b) Failure to pay the principal, interest or premium, if any, on the Bonds when the same shall become due; or

(c) Default in the observance or performance of any other covenant, agreement or condition on the part of the Issuer in the Indenture and the continuation of such default for a period of 90 days after written notice to the Issuer from the Trustee or the registered owners of not less than 75% in aggregate principal amount of the Bonds Outstanding at such time specifying such default and requiring the same to be remedied.

The Trustee will promptly notify in writing the Issuer, the Bondholders, the Investor Limited Partner, the Lender and Fannie Mae after an Authorized Officer of the Trustee obtains actual knowledge or receives written notice of the occurrence of an Event of Default or an event which would become an Event of Default with the passage of time or the giving of notice, or both.

Acceleration; Rescission of Acceleration.

(a) Upon the occurrence of an Event of Default under item (a) or, prior to the delivery of the MBS, item (b) under the heading “Default Provisions and Remedies of Trustee and Bondholders – Events of Default,” above, or the Trustee may, and upon the written request of the holders of not less than seventy-five percent (75%) in aggregate principal amount of the Bonds Outstanding, shall declare (and shall deliver written notice of such declaration to the Issuer, the Lender, the Borrower and Fannie Mae) the principal of all Bonds Outstanding, premium, if any, and the interest accrued thereon immediately due and payable.

(b) An Event of Default under item (b) under the heading “Default Provisions and Remedies of Trustee and Bondholders – Events of Default,” above following the delivery of the MBS or under item (c) under the heading “Default Provisions and Remedies of Trustee and Bondholders – Events of Default,” above shall not give rise to an acceleration pursuant to item (a) under the heading “Default Provisions and Remedies of Trustee and Bondholders – Events of Default,” above, provided, however, that following such an Event of Default, the holder of one hundred percent (100%) of the Bonds Outstanding may direct the Trustee in writing to transfer the MBS to such holder or the designee of such holder, in which case, the Trustee shall transfer and deliver to such requesting holder or designee the Trustee’s beneficial ownership interest in the MBS. The transfer described in this paragraph (b) shall take effect as set forth in, and shall be governed by, the following terms:

(i) The Trustee shall transfer and deliver to such requesting owner the Trustee’s beneficial ownership interest in the MBS promptly following (i) delivery to the Trustee (via DTC withdrawal the Bonds being exchanged, and (ii) payment by the requesting holder of the Trustee’s exchange fee (\$1,000 or such other amount pursuant to the Trustee’s then-applicable fee schedule) with respect to such Bonds;

(ii) The MBS will be in book-entry form;

(iii) Transfers of the MBS will be made in accordance with current market practices, including the applicable provisions of the SIFMA’s Uniform Practices for the Clearance and Settlement of Mortgage Backed Securities and Other Related Securities;

(iv) Upon receipt of the Bonds from the requesting holder, the Trustee shall promptly cancel the Bonds, which will not be reissued;

(v) The MBS delivered in such an exchange shall not be exchangeable for Bonds;

(vi) The MBS delivered in such an exchange will also be subject to any applicable disclosure requirements concerning MBSs that have been issued in connection with the multifamily mortgage lending program of a governmental housing finance agency and financed by tax-exempt obligations; and

(vii) Interest on the MBS is not excludable from gross income for federal income tax purposes.

(c) The acceleration of the Bonds will not constitute a default under, or by itself cause the acceleration of, the MBS. If at any time after the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or entered, the Issuer, the Borrower, or Fannie Mae, as applicable, shall pay to or deposit with the Trustee a sum sufficient to pay all principal of the Bonds then due (other than solely by reason of such declaration) and all unpaid installments of interest (if any) on all the Bonds then due with interest at the rate borne by the Bonds on such overdue principal and (to the extent legally enforceable) on such overdue installments of interest, and the reasonable expenses of the Trustee shall have been made good or cured or adequate provisions shall have been made therefor, and all other defaults under the Indenture have been made good or cured or waived in writing by the holders of a majority in principal amount of the Bonds Outstanding, then and in every case, the Trustee on behalf of the holders of all the Bonds shall rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent Event of Default, nor shall it impair or exhaust any right or power consequent thereon.

Other Remedies; Rights of Bondholders. Subject to the Indenture, upon the happening and continuance of an Event of Default, the Trustee in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the holders of all Bonds, may also proceed to protect and enforce any rights of the Trustee and, to the full extent that the holders of such Bonds themselves might do, the rights of such Bondholders under the laws of the State or under the Indenture by such of the following remedies as the Trustee shall deem most effectual to protect and enforce such rights:

(a) By pursuing any available remedies under the Financing Agreement, the Regulatory Agreement or the MBS;

(b) Upon an Event of Default under paragraph (a) under the heading “Events of Default” above only, by realizing or causing to be realized through sale or otherwise upon the security pledged under the Indenture (including the sale or disposition of the MBS); and

(c) By 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.

If an Event of Default shall have occurred, and if requested by the holders of not less than 75% (or 100% as set forth in paragraph (b) under “Acceleration; Rescission of Acceleration” above) ) in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction, the Trustee shall be obligated to exercise one or more of the rights and powers conferred by the Indenture as the Trustee, being advised by counsel, shall deem to be in the best interests of the Bondholders subject to the limitations set forth above and in the Indenture.

No right or remedy by the terms of the Indenture conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other right or remedy, but each and every such right and remedy shall be cumulative and shall be in addition to any other right or remedy given to the Trustee or to the Bondholders under the Indenture, the Financing Agreement, the Regulatory Agreement or the MBS or now or thereafter existing at law or in equity.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein and every such right and power may be exercised from time to time as often as may be deemed expedient.

No waiver of any default or Event of Default under the Indenture, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

Waivers of Events of Default. The Trustee shall waive any Event of Default under the Indenture and its consequences and rescind any declaration of maturity of principal of, premium, if any, and interest on the Bonds upon the written request of the holders of a majority in aggregate principal amount of all Bonds then Outstanding with respect to which there is an Event of Default; provided, however, that there shall not be waived (a) any default in the payment of the principal amount of any Bonds at the date of maturity specified therein or upon proceedings for mandatory redemption, or (b) any default in the payment when due of the interest or premium, if any, on any such Bonds, unless prior to such waiver or rescission all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such Event of Default shall have occurred on overdue installments of interest or all arrears of payments of principal or premium, if any, when due (whether at the stated maturity thereof or upon proceedings for mandatory redemption) as the case may be, and all expenses of the Trustee in connection with such monetary default, shall have been paid or provided for, and in case of any such waiver or rescission, the Issuer, the Borrower, the Trustee and the Bondholders shall be restored to their former positions and rights under the Indenture respectively.

No such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereto; and no delay or omission of the Trustee or of any Bondholders to exercise any right or power accruing upon any Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default, or acquiescence therein.

Termination of Proceedings. In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason or determined adversely to the Trustee, then in every such case the Issuer, the Borrower, the Trustee and the Bondholders shall be restored to their former positions and rights under the Indenture, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

### **Concerning the Trustee**

Acceptance of Trusts. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Indenture by executing the Indenture, and agrees to perform said trusts, but only upon and subject to the Indenture's express terms and conditions and no implied covenants or conditions shall be read into the Indenture against the Trustee.

Fees, Charges and Expenses of Trustee. Notwithstanding any provision to the contrary in the Indenture, but subject to the limitations set forth in the definition of Extraordinary Trustee Fees and Expenses as defined in the Indenture, the Trustee shall be entitled to payment for reasonable fees for its services rendered under the Indenture and the Financing Documents and reimbursement for all advances, counsel fees and other expenses reasonably made or incurred by the Trustee (including any co-Trustee) in connection with such services which shall be paid from time to time as provided in the Financing Agreement; provided that no such amounts shall be paid to the Trustee from the proceeds of the MBS or MBS Revenues. Prior to the MBS Delivery Date, upon an Event of Default under paragraph (b) under the heading "Events of Default" above, or after the MBS Delivery Date, upon an Event of Default under paragraph (a) under the heading "Events of Default" above as a result of a failure by Fannie Mae to make payment under the MBS, but only upon such an Event of Default, the Trustee shall have a lien upon the Trust Estate for extraordinary fees, charges and expenses incurred by it. The Issuer shall require the Borrower to indemnify and save harmless the Trustee against any liabilities which the Trustee may incur in the exercise and performance of its powers and duties under the Indenture, the Financing Agreement and the Regulatory Agreement which are not due to its own negligence or willful misconduct, and to reimburse the Trustee for any fees and expenses of the Trustee (including counsel fees and expenses) to the extent they exceed funds available under the Indenture for the payment thereof, subject only to the right of the Borrower to contest the reasonableness of any such fees or the necessity for any such expenses. The Trustee shall continue to perform its duties and obligations under the Indenture until such time as its resignation or removal is effective pursuant to the Indenture.

Merger or Consolidation of Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto shall be and become successor Trustee under the Indenture and vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties to the Indenture, anything in the Indenture to the contrary notwithstanding.

Resignation by Trustee. The Trustee and any successor Trustee may at any time resign from the trusts created by the Indenture by giving 30 calendar days' written notice to the Issuer and Fannie Mae, and such resignation shall only take effect upon the appointment, pursuant to the Indenture, of, and acceptance by, a successor Trustee. The successor Trustee shall give notice of such succession by first class mail, postage prepaid, to each Bondholder at the address of such Bondholder shown on the Bond Register.

Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee and to Fannie Mae, and signed by the Issuer (or if an Event of Default shall have occurred and be continuing, by the owners of a majority in aggregate principal amount of the Bonds then Outstanding, in which event such instrument or instruments in writing shall also be delivered to the Issuer) provided that such removal shall not take effect until the appointment of a successor Trustee by the Issuer (or by the Bondholders).

Appointment of Successor Trustee. In case at any time the Trustee or any successor thereto shall resign or shall be removed or shall become incapable of acting, or shall be adjudged as bankrupt or insolvent, or if a receiver, liquidator or conservator of such Trustee or of its property shall be appointed, or if any public officer shall take charge or control of such Trustee or of its property or affairs, a successor may be appointed by the Issuer with the approval of Fannie Mae (if it is not in default in its obligations under the MBS), or if Fannie Mae does not approve a successor the Issuer proposes to appoint, or if the Issuer is in default under the Indenture, by the holders of a majority in aggregate principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Issuer, by an instrument or concurrent instruments in writing signed by such Bondholders, or their attorneys duly authorized in writing, and delivered to such successor Trustee, notification thereof being given to the Issuer, Fannie Mae, the Borrower, the Investor Limited Partner, and the predecessor Trustee. If in a proper case no appointment of a successor Trustee shall have been made pursuant to the foregoing provisions of this section within 45 days after the Trustee shall have given to the Issuer written notice as provided in the Indenture or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Bondholder may, at the expense of the Borrower, apply to any court of competent jurisdiction to appoint a successor. The court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any Trustee appointed under the provisions of this section shall be a bank, trust company or national banking association, having a designated office within the State, having trust powers, with prior experience as trustee under indentures under which multifamily housing revenue bonds of public agencies or authorities are issued, and having a capital and surplus acceptable to the Issuer, the Lender and Fannie Mae, willing and able to accept the office on reasonable and customary terms in light of the circumstances under which the appointment is tendered and authorized by law to perform all the duties imposed upon it by the Indenture, if there be such an institution meeting such qualifications willing to accept such appointment.

Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under the Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Issuer and Fannie Mae, and any Bondholder which shall request the same, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if named in the Indenture as such Trustee, but the Trustee ceasing to act shall nevertheless, on the written request of the Issuer, Fannie Mae or the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as reasonably may be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any properties held by it under the Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions set forth in the Indenture. Should any deed, conveyance or instrument in writing from the Issuer be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such moneys, estates, properties, rights, powers and duties, any and all such deeds, conveyances and instruments in writing, on request, and so far as may be authorized by law, shall be executed, acknowledged and delivered by the Issuer.

Collection of MBS Payments. The Trustee shall cause the MBS to be registered in the name of the Trustee or in the name of the nominee of the Trustee with such additional recitals as appropriate to indicate that the MBS is to be held by the Trustee in its capacity as Trustee under the Indenture subject to the provisions of the Indenture. In the event that any amount payable to the Trustee under the MBS is not received by the Trustee within one Business Day of the date such payment is due, the Trustee shall notify Fannie Mae or (if directed by Fannie Mae) the paying agent for the MBS by telephone (such notification to be immediately confirmed by Electronic Means) that such payment has not been received in a timely manner and request that such payment be made by wire transfer of immediately available funds to the account of the Trustee or such custodian, as the case may be.

Requests from Rating Agency. The Trustee shall promptly respond in writing, or in such other manner as may be reasonably requested, to requests from the Rating Agency for information deemed necessary by the Rating Agency in order to maintain the rating assigned thereby to the Bonds. The Trustee shall promptly furnish any such requested information in its possession to the Rating Agency and shall, as may be reasonably requested by the Rating Agency, assist in efforts to obtain any necessary information from the Issuer or the Borrower or Fannie Mae as applicable.

## Supplemental Indentures

Supplemental Indentures Effective upon Acceptance. For any one or more of the following purposes and at any time or from time to time, the Issuer and the Trustee may enter into a Supplemental Indenture which, upon the execution and delivery thereof by the Issuer and by the Trustee, and with the prior written consent of Fannie Mae, but without the necessity of consent of the Bondholders, shall be fully effective in accordance with its terms:

- (a) To add to the covenants or agreements of the Issuer contained in the Indenture other covenants or agreements to be observed by the Issuer or to otherwise revise or amend the Indenture in a manner which are/is not materially adverse to the interests of the Bondholders;
- (b) To add to the limitations or restrictions contained in the Indenture other limitations or restrictions to be observed by the Issuer which are not contrary to or inconsistent with the provisions of the Indenture as theretofore in effect;
- (c) To surrender any right, power or privilege reserved to or conferred upon the Issuer in the Indenture, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Issuer contained in the Indenture and is not materially adverse to the interests of the Bondholders;
- (d) To confirm, as further assurance, any pledge of the Trust Estate under the Indenture and the subjection to any lien on or pledge of the Trust Estate created or to be created by the Indenture;
- (e) To appoint a co-trustee or successor Trustee or successor co-trustee;
- (f) To cure any ambiguity, supply any omission or cure or correct any defect or inconsistent provision in the Indenture; and
- (g) To insert such provisions clarifying matters or questions arising under the Indenture as are necessary or desirable and are not materially adverse to the interests of the Bondholders.

Supplemental Indentures Requiring Consent of Bondholders. In addition to those amendments to the Indenture which are authorized under the heading “Supplemental Indentures Effective Upon Acceptance” above, any modification or amendment of the Indenture may be made by a Supplemental Indenture with the written consent, given as hereinafter provided under the heading “Consent of Bondholders” below, of Fannie Mae and the holders of at least two thirds in aggregate principal amount of the Bonds Outstanding at the time such consent is given; provided, however, that no such modification or amendment shall (a) permit a change in the terms of redemption or maturity of the principal amount of any Outstanding Bond or an extension of the date for payment of any installment of interest thereon or a reduction in the principal amount of, premium, if any, or the rate of interest on any Outstanding Bond without the consent of the holder of such Bond, (b) reduce the proportion of Bonds the consent of the holders of which is required to effect any such modification or amendment or to effectuate an acceleration of the Bonds prior to maturity, (c) permit the creation of a lien on the Trust Estate pledged under the Indenture prior to or on a parity with the lien of the Indenture, (d) deprive the holders of the Bonds of the lien created by the Indenture upon the Trust Estate (except as expressly provided in the Indenture), without (with respect to (b) through (d)) the consent of the holders of all Bonds then Outstanding, or (e) change or modify any of the rights or obligations of the Trustee without the written consent thereto of the Trustee.

Consent of Bondholders. The Issuer and the Trustee may, at any time, execute and deliver a Supplemental Indenture making a modification or amendment permitted by the provisions under the heading “Supplemental Indentures Requiring Consent of Bondholders” above, to take effect when and as provided in this section. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in a form approved by the Trustee), together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Trustee to the Bondholders. Such Supplemental Indenture shall not be effective unless there shall have been filed with the Trustee (a) the written consents of Fannie Mae and the holders of the proportion of Outstanding Bonds specified under the heading “Supplemental Indentures Requiring Consent of Bondholders” above, and (b) an opinion

of Bond Counsel stating that such Supplemental Indenture has been duly and lawfully entered into by the Issuer in accordance with the provisions of the Indenture, is authorized or permitted by the provisions of the Indenture, and, when effective, will be valid and binding upon the Issuer. Each such consent of the Bondholders shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by the Indenture. A certificate or certificates by the Trustee that it has examined such proof and that such proof is sufficient under the provisions of the Indenture shall be conclusive that the consents have been given by the holders of the Bonds described in such certificate or certificates. Any such consent shall be binding upon the holder of the Bonds giving such consent and upon any subsequent holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent holder thereof has notice thereof). At any time after the holders of the required proportion of Bonds shall have filed their consents to such Supplemental Indenture, the Trustee shall make and file with the Issuer a written statement that the holders of such required proportion of Bonds have filed and given such consents. Such written statement shall be conclusive that such consents have been so filed and have been given. Within 90 days after filing such statement, the Trustee shall mail to the Bondholders a notice stating in substance that such Supplemental Indenture (which may be referred to as a Supplemental Indenture executed by the Issuer on a stated date, a copy of which is on file with the Trustee) has been consented to by the holders of the required proportion of Bonds and will be effective as provided in this section, but failure to mail such notice shall not prevent such Supplemental Indenture from becoming effective and binding as provided in this section. The Trustee shall file with the Issuer proof of the mailing of such notice to the Bondholders. A record, consisting of the papers required or permitted by this section to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Indenture making such modification or amendment shall be deemed conclusively binding upon the Issuer, the Trustee and the holders of all Bonds upon the execution thereof and the filing by the Trustee with the Issuer of the statement that the required proportion of Bondholders have consented thereto.

The Issuer may conclusively rely upon the Trustee's determination that the requirements of this section have been satisfied.

Modification By Unanimous Consent. Notwithstanding anything contained in the foregoing provisions of the Indenture, the terms and provisions of the Indenture and the rights and obligations of the Issuer and the Bondholders under the Indenture, in any particular, may be modified or amended in any respect upon execution and delivery of a Supplemental Indenture by the Issuer and the Trustee making such modification or amendment and the consent to such Supplemental Indenture of Fannie Mae and the holders of all of the Bonds then Outstanding, such consent to be given and proved as provided under the heading "Consent of Bondholders" above except that no notice to Bondholders shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of the Trustee without the written assent thereto of the Trustee, in addition to the consent of the Bondholders.

### **Miscellaneous Provisions**

No Recourse on Bonds. All covenants, stipulations, promises, agreements and obligations of the Issuer contained in the Indenture shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any of its officers or employees or members of its governing body, past, present or future, in his or her individual capacity, and no recourse shall be had for the payment of the principal of, premium, if any, or Redemption Price or purchase price of or interest on the Bonds or for any claim based thereon or on the Indenture or any other Issuer Document or the Financing Documents against any such member, officer, employee or agent of the Issuer, past present or future, or any natural person executing the Bonds.

Volume Cap Recycling at Closing. Notwithstanding any provision of the Indenture or the Bonds to the contrary, for purposes of "recycling" private activity bond volume cap on the Closing Date in accordance with Section 146(i)(6) of the Code, if so directed in a written direction of the Issuer provided to the Trustee prior to the Closing Date, the Trustee is authorized and directed to receive any such amounts corresponding thereto and to hold such amounts, uninvested, for such period of time and to transfer corresponding amounts to or at the direction of the Issuer, or to such custodian, fiscal agent or trustee designed by the Issuer and specified in such written direction, and/or to make such deposits as shall be specified in such written direction including initial deposits to be made in accordance with the Indenture. For purposes of effectuating the foregoing, the Trustee is authorized and directed 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.

As more fully described in the Tax Certificate, a portion of the Bonds in the amount set forth in the Indenture is being issued using recycled private activity bond volume cap.

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**APPENDIX D**  
**SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENT**

*The following is a summary of certain provisions of the Financing Agreement which are not described elsewhere in the Official Statement. This summary does not purport to be comprehensive, and reference should be made to the Financing Agreement for a full and complete statement of its provisions.*

**Definitions**

Capitalized terms used but not defined herein shall have the meanings given them in the Indenture and the Financing Agreement.

**General Terms of the Financing**

The Issuer has authorized the issuance of the Bonds in the aggregate principal amount set forth in the Financing Agreement and Bonds in such amount shall be issued and Outstanding as of the Closing Date. The obligations of the Issuer, the Trustee and the Borrower under the Financing Agreement are expressly conditioned upon (i) the sale, issuance and delivery of the Bonds, (ii) receipt by the Trustee of the amounts set forth in the Indenture, and (iii) the making of the Mortgage Loan by the Lender. None of the Issuer, the Lender, the Trustee or Fannie Mae shall have any liability for any fees, costs or expenses, including, without limitation, issuance costs relating to the Bonds; all of such fees, costs and expenses shall be paid by the Borrower.

**Sources, Deposits and Uses**

Upon the issuance and delivery of the Bonds, the Lender will make the Mortgage Loan to the Borrower. The Underwriter will deliver proceeds of the Bonds to the Trustee for deposit into the Rehabilitation Fund to be applied by the Borrower to pay Project Costs pursuant to the Indenture. The Lender shall deliver to the Trustee proceeds of the Mortgage Loan in an amount equal to the principal amount of the Bonds and the Trustee shall apply such proceeds as provided in the Indenture (i) to secure the Bonds until the MBS Delivery Date and (ii) to purchase the MBS on the MBS Delivery Date. The Borrower accepts the Mortgage Loan from the Lender, upon the terms and conditions set forth in the Financing Agreement, in the Mortgage Loan Documents and in the Indenture, and subject to the terms and conditions of the Regulatory Agreement. The Issuer has caused the proceeds of the Bonds to be provided to the Trustee for deposit to the Rehabilitation Fund. The Borrower acknowledges its obligation to pay all amounts necessary to pay principal of, premium, if any, and interest on the Bonds as provided in the Indenture. The Borrower has made arrangements for the delivery to the Trustee of the MBS and of certain other Eligible Funds as contemplated in the Financing Agreement and in the Indenture. Payments on the MBS received by the Trustee shall be credited to amounts due from the Borrower for payment of principal of, premium, if any, and interest on the Bonds.

**Notification of Prepayment of Mortgage Note**

The Lender shall notify the Trustee promptly of the receipt of any prepayment of the Mortgage Note, whether upon acceleration, by reason of application of insurance or condemnation proceeds, optional prepayment or otherwise. If such prepayment results in revisions to the amortization schedule, the Lender shall provide the revised amortization schedule to the Trustee.

**Events of Default**

Each of the following shall constitute an event of default under the Financing Agreement, and the term “Event of Default” shall mean, whenever used in the Financing Agreement, any one or more of the following events:

- (i) Failure by the Borrower to pay any amounts due under the Financing Agreement at the times and in the amounts required by the Financing Agreement; or
- (ii) Failure by the Borrower to observe or perform any covenants, agreements or obligations in the Financing Agreement on its part to be observed or performed (other than as provided in clause (i))

above) for a period of thirty (30) days after receipt of written notice specifying such failure and requesting that it be remedied, given to the Borrower by any party to the Financing Agreement; provided, however, that if said failure shall be such that it 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 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 shall have been cured within ninety (90) days of receipt of notice of such failure; or

(iii) Breach of any of the covenants, agreements or obligations of the Borrower under or the occurrence of a default which is continuing under the Regulatory Agreement (after taking into account any applicable notice and cure period), including any exhibits to any of the foregoing; or

(iv) The occurrence of an Event of Default caused by the Borrower under and as defined in the Indenture or under any of the other Financing Documents.

Nothing contained in this section is intended to amend or modify any of the provisions of the Mortgage Loan Documents or to bind the Borrower, the Lender or Fannie Mae to any notice and cure periods other than as expressly set forth in the Mortgage Loan Documents.

### **Remedies Upon an Event of Default**

(a) Subject to subsection (d) below, whenever any Event of Default shall have occurred and be continuing, the Issuer or the Trustee may take any one or more of the following remedial steps:

(i) By any suit, action or proceeding, pursue all remedies now or thereafter existing at law or in equity to collect all amounts then due and thereafter to become due under the Financing Agreement, to enforce the performance of any covenant, obligation or agreement of the Borrower under the Financing Agreement (subject to the nonrecourse provisions of the Financing Agreement and the Regulatory Agreement) or to enjoin acts or things which may be unlawful or in violation of the rights of the Issuer or the Trustee.

(ii) Take whatever other action at law or in equity may appear necessary or desirable to enforce any monetary obligation of the Borrower under the Financing Agreement or to enforce any other covenant, obligation or agreement of the Borrower under (1) the Financing Agreement or (2) the Regulatory Agreement.

(iii) Have access to and inspect, examine, audit and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Borrower.

(b) The provisions of subsection (a) above are subject to the condition that if, after any Event of Default, except a default under the Regulatory Agreement, (i) all amounts which would then be payable under the Financing Agreement by the Borrower if such Event of Default had not occurred and was not continuing shall have been paid by or on behalf of the Borrower, and (ii) the Borrower shall have also performed all other obligations in respect of which it is then in default under the Financing Agreement and shall have paid the reasonable charges and expenses of the Issuer and the Trustee, including reasonable attorney fees and expenses paid or incurred in connection with such default, then and in every such case, such Event of Default may be waived and annulled by the Trustee, but no such waiver or annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

(c) Subject to the limitations of the Regulatory Agreement and the Financing Agreement, the Issuer, without the consent of the Trustee, but only after written notice to the Trustee, the Borrower, the Investor Limited Partner, the Lender and Fannie Mae, may take whatever action at law or in equity may appear necessary or desirable to enforce performance and observance of any Reserved Right of the Issuer; provided that, the Issuer may not (i) terminate the Financing Agreement or cause the Mortgage Loan to become due and payable, (ii) cause the Trustee to declare the principal of all Bonds then Outstanding and the interest accrued thereon to be immediately due and payable,

or cause the Trustee to accelerate, foreclose or take any other action or seek other remedies under the Financing Documents, the Mortgage Loan Documents or any other documents contemplated thereby or by the Financing Agreement to obtain such performance or observance, (iii) cause the acceleration, foreclosure or taking of any other action or the seeking of any remedies under the Mortgage Loan Documents, (iv) initiate or take any action which may have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal, interest and other amounts due under the Mortgage Loan, or (v) interfere with or attempt to influence the exercise by Fannie Mae of any of its rights under the Financing Documents or the Mortgage Loan Documents.

(d) Except as required to be deposited in the Rebate Fund pursuant to the Financing Documents any amounts collected pursuant to action taken under this section shall, after the payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, the Issuer, the Lender or Fannie Mae and their respective counsel, be applied in accordance with the provisions of the Indenture. No action taken pursuant to this section shall relieve the Borrower from the Borrower's obligations pursuant to the Financing Agreement.

(e) No remedy conferred upon or reserved to the Issuer or the Trustee in the Financing Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy now or thereafter existing pursuant to any other agreement at law or in equity or by statute.

(f) Notwithstanding any other provision of the Financing Agreement to the contrary, from and after the MBS Delivery Date, so long as Fannie Mae is not in default under the MBS, none of the Issuer, the Trustee or any Person under their control shall exercise any remedies or direct any proceedings under the Financing Agreement or the Mortgage Loan Documents, other than to (i) enforce rights under the MBS, (ii) enforce the Issuer's Reserved Rights, (iii) enforce the tax covenants in the Indenture and the Financing Agreement, or (iv) enforce rights of specific performance under the Regulatory Agreement; provided, however, that any enforcement under (ii), (iii) or (iv) above shall not include seeking monetary damages, but may, subject to (A) the last paragraph of the "Payment of Fees and Expenses" section of the Financing Agreement and (B) subsection (c) above, include the enforcement of the Borrower's obligation to pay the costs, fees and expenses owed to the Issuer and the Trustee.

#### **Notice of Default: Rights To Cure**

The Issuer and the Trustee shall each give notice to the other and the Trustee shall give notice to the Investor Limited Partner and the Lender of the occurrence of any Event of Default by the Borrower under the Financing Agreement of which it has actual knowledge. The Lender and the Investor Limited Partner shall each have the right, but not the obligation, to cure any such default by the Borrower, and upon performance by the Lender or the Investor Limited Partner to the satisfaction of the Issuer and the Trustee of the covenant, agreement or obligation of the Borrower with respect to which an Event of Default has occurred, the parties to the Financing Agreement shall be restored to their former respective positions, it being agreed that the Lender and the Investor Limited Partner shall each have the right to repayment from the Borrower of moneys it has expended and any other appropriate redress for actions it has taken to cure any default by the Borrower; provided that the Borrower's reimbursement obligation shall be non-recourse to the same extent as the underlying obligation is non-recourse to the Borrower.

#### **Amendment**

The Financing Agreement and all other documents contemplated by the Financing Agreement to which the Issuer is a party may be amended or terminated only if permitted by the Indenture, and no amendment to the Financing Agreement shall be binding upon, any party to the Financing Agreement until such amendment is reduced to writing and executed by the parties thereto; provided that no amendment, supplement or other modification to the Financing Agreement or any other Financing Document shall be effective without the prior written consent of Fannie Mae.

#### **Limited Liability of the Issuer**

The Issuer shall not be obligated to pay the principal (or Redemption Price) of or interest on the Bonds, except from the Trust Estate. Neither the faith and credit nor the taxing power of the State or any political subdivision

thereof, nor the faith and credit of the Issuer or any member is pledged to the payment of the principal (or Redemption Price) of, premium, if any, or interest on the Bonds. The Issuer shall not be liable for any 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 Financing Agreement, the Bonds or the Indenture, except only to the extent amounts are received for the payment thereof from the Borrower under the Financing Agreement or from the MBS.

The Borrower acknowledges that the Issuer's sole source of moneys to repay the Bonds will be provided by the Trust Estate, and agrees that if the payments to be made under the Financing Agreement shall ever prove insufficient to pay all principal (or Redemption Price) of, premium, if any, and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise), then upon notice from the Trustee, the Borrower shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal (or Redemption Price) of, premium, if any, or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Trustee, the Borrower, the Issuer or any third party, subject to any right of reimbursement from the Trustee, the Issuer or any such third party, as the case may be, therefor.

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**APPENDIX E**  
**SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT**

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

**Definitions and Interpretations**

“Act” means the Zenovich-Moscone-Chacon Housing and Home Finance Act, consisting of Parts 1 through 4 of Division 31 of the California Health and Safety Code.

“Agency” or “Issuer” means the California Housing Finance Agency, a public instrumentality and political subdivision of the State created by the Zenovich-Moscone-Chacon Housing and Home Finance Act.

“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 Closing Date 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.

“Bond Counsel” means an attorney at law or firm of attorneys selected by the Agency, of nationally recognized standing in matters pertaining to the federal tax exemption of interest on bonds issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America or the District of Columbia, initially Orrick, Herrington & Sutcliffe LLP.

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

“CDLAC Conditions” has the meaning given such term set forth under the caption, “Requirements of CDLAC.”

“CDLAC Resolution” means CDLAC Resolution No. 25-262 attached to the Regulatory Agreement as an exhibit adopted on December 10, 2025, and relating to the Project, as such resolution may be modified or amended from time to time.

“Certificate of Continuing Program Compliance” means the Certificate to be filed by the Owner with the Program Monitor, on behalf of the Agency, 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 Agency to the Owner, or as otherwise approved by the Agency.

“City” means the City of Napa, California.

“Closing Date” means the date the Bonds are issued and delivered to the initial purchaser thereof, which is expected to be on or about March \_\_, 2026.

“County” means the County of Napa, California.

“Deed of Trust” means the “Mortgage” (as such term is defined in the Indenture), as the same may be modified, amended or supplemented from time to time, or any deed of trust (or similar security instrument) containing a power of sale clause reflecting a valid, perfected first priority lien on the fee interest in the Project delivered by the Owner to secure the Owner’s obligations to a third-party lender.

“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 under HUD Section 8.

“Ground Lease” means that certain Ground Lease, dated as of March \_\_\_, 2026, between the Ground Lessor and the Owner, as ground lessee, as originally executed and as may be amended from time to time.

“Ground Lessor” means Napa Housing Foundation, a California nonprofit public benefit corporation, as ground lessor under the Ground Lease, together with its permitted successors under the Ground Lease.

“Housing Act” means the United States Housing Act of 1937 (42 U.S.C. Section 1437(f)), as amended, or its successor.

“HUD Section 8” unless otherwise indicated, means project based rent subsidy assistance provided by the U.S. Department of Housing and Urban Development pursuant to Section 8 of the Housing Act.

“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 Agency to the Owner, or as otherwise approved by the Agency.

“Investor Limited Partner” means (A) as of the Closing Date, (i) Garnet LIHTC Fund XX, LLC, a Delaware limited liability company and (ii) Transamerica Affordable Housing, Inc., a California corporation, and each of their successors and/or assigns, and (B) shortly after the Closing Date, to the extent permitted by the Partnership Agreement, (i) Aegon LIHTC Fund 71, LLC, a Delaware limited liability company and (ii) Transamerica Affordable Housing, Inc., a California corporation, and each of their successors and/or assigns.

“Law” means Chapter 6.7 of the Act, as amended.

“Lender” means, initially Fannie Mae, and any successor under a Deed of Trust.

“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 under the Regulatory Agreement 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 Owner 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.

“Owner” means Napa Creek Manor Housing Partners, LP, a California limited partnership, together with any successor to its rights, duties and obligations under the Regulatory Agreement, and as owner of the Project.

“Partnership Agreement” means the Amended and Restated Limited Partnership Agreement of the Owner, dated as the March \_\_\_, 2026, as the same may be amended from time to time in accordance with its terms.

“Program Monitor” means the Agency or any administrator or program monitor appointed by the Agency to administer the Regulatory Agreement, and any successor administrator appointed by the Agency.

“Program Report” means the report to be filed by the Owner with the Program Monitor 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 Agency to the Owner, or as otherwise approved by the Agency.

“Project” means the 84-unit multifamily rental housing project known as Napa Creek Manor (including one manager’s unit) located in the City of Napa, County of Napa, California on the real property site described in an exhibit 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 and development 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 Owner 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 fifty percent (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 HUD Section 8 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 Owner, or (2) the Closing Date, then the Qualified Project Period shall begin on the date one year after the Closing Date 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.

“Rental Payments” means the rental payments paid by the occupant of a unit, excluding any supplemental rental assistance to the occupant from the State, the federal government, or any other public agency, but including any mandatory fees or charges imposed on the occupant by the Owner as a condition of occupancy of the unit.

“Tax Certificate” means the Tax Certificate and Agreement in respect of the Bonds dated the Closing Date executed and delivered by the Agency and the Owner, as the same may be amended, supplemented or restated 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 Owner agrees to sell the Project or any part thereof for a price to be paid in installments; and (2) an agreement by the Owner leasing all or a substantial part of the Project to one or more persons or entities pursuant to a single or related transactions.

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

“Very 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 “very low-income families” (based upon 50% of Area median income) under HUD Section 8, with adjustments for family size. A unit occupied by one or more students shall only constitute a Very 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 Very Low Income Unit shall be made by the Owner 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.

### **Qualified Residential Rental Project**

The Owner 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 Owner represents, covenants, warrants and agrees by the Regulatory Agreement as follows:

(a) The Project will be acquired, rehabilitated, developed and operated for the purpose of providing multifamily residential rental property. The Owner 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 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 one unit set aside for a resident manager 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 Owner take any steps in connection with a conversion to such ownership or use, and the Owner will not take any steps in connection with a conversion of the Project to condominium ownership during the Qualified Project Period (except that the Owner 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 one unit set aside for a resident manager 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 Owner 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 or Very Low Income Units, as applicable.

(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 Owner; 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 one dwelling unit by a resident manager or maintenance personnel, any of whom may be the Owner.

(h) The Owner 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 and Very Low Income Tenants; Reporting Requirements**

Pursuant to the requirements of the Code, the Owner 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, and no less than one half of such units (i.e., 20%) shall at all times be Very Low Income Units. For the purposes of this paragraph (a), a vacant unit that was most recently a Low Income Unit or Very Low Income Unit, as applicable, is treated as a Low Income Unit or Very Low Income Unit, as applicable, 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 or Very Low Income Tenant, as applicable, 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 or Very Low Income Tenant, as applicable, increases to exceed the qualifying limit for a Low Income Unit or Very Low Income Unit, as applicable. However, should the aggregate Gross Income of tenants in a Low Income Unit or Very Low Income Unit, as applicable, as of the most recent determination thereof, exceed one hundred forty percent (140%) of the applicable income limit for a Low Income Unit or Very 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) or Very Low Income Tenant(s), as applicable. 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 or Very Low Income Unit, as applicable, for purposes of the respective 40% requirement and 20% requirement of subsection (a) above, unless and until an Available Unit of comparable or smaller size is rented to persons other than Low Income Tenants or Very Low Income Tenants, as applicable.

(c) For the Qualified Project Period, the Owner shall obtain from a third party provider (which may be the property manager) an Income Certification for each Low Income Tenant and Very Low Income Tenant, including (i) an Income Certification dated immediately prior to the initial occupancy of such Low Income Tenant and Very Low Income Tenant in the unit, and (ii) thereafter, an annual Income Certification with respect to each Low Income Tenant and Very Low Income Tenant on or about June 30th of each year. The Owner will also obtain and provide such additional information as may be required in the future by the Code, the State or the Agency, 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. Copies of Income Certifications for Low Income Tenants and Very Low Income Tenants shall be sent to the Agency, and shall be retained in the Owner's files for a period of three (3) years and shall be available for inspection by the Agency or its agents upon request.

On or before August 15th of each year, the Owner shall file with the Agency a report on a form approved by the Agency specifying the total number of dwelling units in the Project and the number of units occupied by Low Income Tenants and Very Low Income Tenants as of June 30th of such year.

(d) The Owner shall make a good faith effort to verify that the income information provided by an applicant in an Income Certification is accurate by taking one or more of the following steps as a part of the verification process: (1) obtain pay stubs for the 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 of 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 Agency.

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

(f) The Owner will prepare and submit to the Program Monitor, on behalf of the Agency, not less than annually, commencing not less than three months after the Closing Date, a Certificate of Continuing Program Compliance executed by the Owner in substantially the form attached as an exhibit to the Regulatory Agreement and a Program Report in substantially the form attached as an exhibit to the Regulatory Agreement; provided, if required by the Program Monitor, the Owner shall submit such information in electronic form to such party as may be specified by the Program Monitor. During the Qualified Project Period, the Owner 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).

(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 and Very Low Income Units shall contain clauses, among others, wherein each tenant who occupies a Low Income Unit and a Very Low Income Unit: (i) certifies the accuracy of the statements made by such tenant in the Income Certification; (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 Owner, the Trustee, the Agency or the Program Monitor on behalf of the Agency, and that the failure to provide accurate information in the Income Certification 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 Owner has relied on the statements made by such tenant in the Income Certification and supporting information supplied by the Low Income Tenant and Very Low Income Tenant in determining qualification for occupancy of a Low Income Unit and a Very 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 subsection (c) above and that if upon any such certification the aggregate Gross Income of tenants in such unit exceeds the applicable income limit under subsection (b) above, the unit occupied by such tenant may cease to qualify as a Low Income Unit and a Very 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 occupancy.

### **Tax-Exempt Status of Bonds**

The Owner and the Agency, as applicable, each represents, warrants and agrees as follows:

(a) The Owner and the Agency 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 Owner and the Agency will file of record such documents and take such other steps as are necessary, in the written opinion of Bond Counsel filed with the Agency (with a copy to the Owner and

the Trustee), in order to ensure 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 Law**

In addition to the other requirements set forth in the Regulatory Agreement, the Owner agrees that it shall comply with each of the requirements of Section 51335 of the California Health and Safety Code, including the following:

(a) Not less than 20% of the total number of units in the Project shall be for occupancy on a priority basis by “lower income households,” as defined by Section 51335 of the California Health and Safety Code, and not less than one-half of such minimum restricted units (i.e., 10% of the total number of units in the Project) shall be for occupancy on a priority basis for Very Low Income Tenants.

(b) The units made available to meet the requirement of paragraph (a) 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.

(c) The monthly Rental Payments for the Low Income Units and Very 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 sixty percent (60%) or of fifty percent (50%) of area median income, respectively, as published by the Department of Housing and Community Development or the U.S. Department of Housing and Urban Development.

(d) If the Owner elects to establish a base rent for all or part of the units for lower income households, the Low Income Units and the Very Low Income Units, the base rents shall be adjusted for household size.

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

(f) The units reserved for occupancy as required under subsection (a) under the heading “Low Income Tenants and Very Low Income Tenants; Reporting Requirements,” above and subsection (a) under the heading “Requirements of the Law,” above 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.

(g) Except as set forth under the heading “Term,” below, the covenants and conditions of the Regulatory Agreement shall be binding upon successors in interest of the Owner.

(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 Owner as grantor and under the name of the Agency as grantee.

### **Requirements of the Agency**

In addition to other requirements set forth in the Regulatory Agreement and to the extent not prohibited by the requirements set forth under the headings “Low Income Tenants and Very Low Income Tenants; Reporting

Requirements” and “Requirements of the Law,” above, the Owner agrees by the Regulatory Agreement to comply with each of the requirements of the Agency 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 Owner will pay to the Agency all of the amounts required to be paid by the Owner under the Financing Agreement and will indemnify the Agency 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 Owner and shall be maintained as required by the Agency, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the Agency, the Trustee or the Program Monitor upon reasonable advance notice to the Owner.

(c) The Owner acknowledges that the Agency has appointed the Program Monitor to administer the Regulatory Agreement and to monitor performance by the Owner of the terms, provisions and requirements of the Regulatory Agreement. The Owner shall comply with any reasonable request made by the Program Monitor or the Agency to deliver to any such Program Monitor, in addition to or instead of the Agency, 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 Program Monitor as an agent of the Agency. The fees and expenses of the Program Monitor shall be paid by the Agency.

(d) Unless otherwise approved by the Agency, rental charges to tenants of units for lower income households, Low Income Units and Very Low Income Units shall include all utilities except telephone and cable television, and any utility allowance shall be determined in accordance with applicable federal and State law and Agency requirements.

(e) *Non-Discrimination and Equal Opportunity.* The Owner shall not unlawfully discriminate with respect to occupancy of the Project because of a person’s race, sex, sexual orientation, marital status, familial status, age (except for senior citizen housing pursuant to California and federal law), color, religion, disability, source of income, national origin, ancestry, or any other characteristic listed or defined in Section 12955 of the California Government Code or Section 51 of the California Civil Code as such section applies to housing accommodations, or any other basis prohibited by applicable state or federal law. The Owner shall require that its officers, agents, employees, management agent, contractors, subcontractors, and employees associated with the Project provide equal opportunity for employment and that they shall not engage in any unlawful discriminatory conduct. In addition, the Owner agrees to conduct its own affirmative marketing programs as approved by the Agency.

(f) Low Income Unit and Very Low Income Unit Rental Limits Increase Procedure.

(i) The Agency will, from time to time, revise the maximum rental limits applicable to dwelling units reserved for Low Income Tenants and Very Low Income Tenants by a percentage equal to any percentage change in the County median income. Until such time as the Agency mails a notice of such change of rent limits to the Owner (or such change is posted on the Agency’s website), the previously existing charges shall apply.

(ii) Upon receipt of new rental limit schedules, the Owner may increase, and shall, if necessary, decrease the rental charges. Any increase in rental charges must comply with the terms of the lease as to the time and manner of such changes, provided that (A) no Low Income Tenant or Very Low Income Tenant shall have a rent increase sooner than one (1) year after initial occupancy, (B) unless otherwise approved by the Agency, rental charges shall not be increased in excess of the percentage increase permitted by California Civil Code Section 1947.12 in effect as of the Closing Date, notwithstanding any exceptions therein, but in no case more than 5 percent plus the percentage change in the cost of living, or 10 percent whichever is lower, of the lowest rental rate charged for that dwelling or unit at any time during the twelve (12) months prior to the effective date of the

increase, and (C) the Owner shall notify Low Income Tenants and Very Low Income Tenants of any increase in their rental charges, with no less notice than as required by California Civil Code Section 827.

(g) Low Income Units and Very Low Income Units which are assisted by HUD Section 8 assistance shall be rented at approved HUD Section 8 rents.

(h) No later than January 31 of each calendar year (commencing January 31, 2027), the Owner, on behalf of the Agency, agrees to provide to the California Debt and Investment Advisory Commission, by any method approved by the California Debt and Investment Advisory Commission, with a copy to the Agency, the annual report information required by Section 8855(k)(1) of the California Government Code. 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.

(i) The occupancy assumptions for the lower income households, the Low Income Units and the Very Low Income Units shall be one person for zero bedroom (studio) units, and for any unit that has one or more separate bedrooms, 1.5 persons for each bedroom.

Any of the foregoing requirements of the Agency contained in this section may be expressly waived by the Agency, in its sole discretion, in writing, but (i) no waiver by the Agency of any requirement of this section shall, or shall be deemed to, extend to or affect any other provision of the Regulatory Agreement except to the extent the Agency has received an opinion of Bond Counsel that any such provision is not required by the Act and the 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 section shall be void and of no force and effect if the Agency receives a written opinion of Bond Counsel, with copies delivered to the Owner and the Trustee, 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 Law or any other state or federal law.

### **Transfer of the Project**

For the Qualified Project Period, the Owner shall not Transfer the Project, in whole or in part, without the prior written consent of the Agency, which consent shall not be unreasonably withheld or delayed if the following conditions are satisfied: (A) the receipt by the Agency of evidence acceptable to the Agency that (1) the Owner shall not be in default under the Regulatory Agreement or under 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 Owner to the reasonable satisfaction of the Agency; (2) the continued operation of the Project shall comply with the provisions of the Regulatory Agreement; (3) either (a) the transferee or its property 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 property manager with the experience and record described in subclause (a) above, or (c) the transferring Owner or its management company will continue to manage the Project, or another management company reasonably acceptable to the Agency will manage, for at least one year following such Transfer and, if applicable, during such period the transferring Owner or its management company will provide training to the transferee and its property manager in the responsibilities relating to the Low Income Units or Very 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 Agency with respect to the assumption of the Owner's obligations under the Regulatory Agreement and the Financing Agreement (if then in effect), including without limitation an instrument of assumption of the Regulatory Agreement and thereof, and delivery to the Agency 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 Agency 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 Agency of all fees and/or expenses then currently due

and payable to the Agency by the Owner; and (E) receipt by the Agency of evidence of satisfaction of compliance with the provisions under clause (i) of subsection (d) under the heading "Requirements of CDLAC," below related to notice to CDLAC of transfer of the Project.

It is expressly stipulated and agreed by the Regulatory Agreement 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 Owner, and shall be ineffective to relieve the Owner of its obligations under the Regulatory Agreement. The written consent of the Agency 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 Owner and any other party that requires the Owner to satisfy certain conditions or obtain the prior written consent of such other party to Transfer the Project. Upon any Transfer that complies with the Regulatory Agreement, the Owner shall be fully released from its obligations under the Regulatory Agreement 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 Agency or compliance with the provisions of this section.

Notwithstanding the foregoing, no approval shall be needed for (i) the transfer of limited partnership interests in the Owner to affiliates of the Investor Limited Partner, including, without limitation, the transfer of partnership interests in the Owner from the Investor Limited Partner, (ii) the transfer of non-managing membership interests in the limited partner of the Owner, in accordance with the terms of the Partnership Agreement, (iii) with prior written notice to the Agency, the removal of the managing general partner and/or administrative general partner of the Owner and replacement with an affiliate of the Investor Limited Partner in accordance with the Partnership Agreement, provided that such replacement is on a temporary basis and the replacement of a permanent managing general partner and/or administrative general partner of the Owner shall be subject to the prior consent of the Agency, which shall not be unreasonably withheld, and (iv) with the consent of the Agency, which consent shall not be unreasonably withheld, the removal of the managing general partner and/or administrative general partner of the Owner and the replacement with a party selected by the Investor Limited Partner that is not an affiliate of the Investor Limited Partner.

For the Qualified Project Period, the Owner shall not: (1) encumber any of the Project or grant commercial leases of any part thereof (other than laundry, cable or other utility leases entered into in the ordinary course of business), or permit the conveyance, transfer or encumbrance of any part of the Project, except for (A) encumbrances permitted under the Deed of Trust, or (B) a Transfer in accordance with the terms of the Regulatory Agreement, in each case upon receipt by the Agency 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.

Except as provided in the Regulatory Agreement, the Agency shall be under no obligation (including following the repayment in full of the Bonds) to consider or approve any requests to subordinate all or any portion of the Regulatory Agreement.

## **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 payment in full of the Bonds and discharge of the Indenture and the Financing Agreement.

The terms of the Regulatory Agreement 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 Agency 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 Owner 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 Owner agrees by the Regulatory Agreement that, following any foreclosure, transfer of title by deed in lieu of foreclosure or similar event, neither the Owner 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 Agency, the Trustee and the Owner, or the replacement of the Regulatory Agreement by the Agency, each with the consent of CDLAC, upon receipt by the Agency of an opinion of Bond Counsel (with a copy to the Trustee) 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 Owner subjects the Project to the covenants, reservations and restrictions set forth in the Regulatory Agreement. The Agency and the Owner 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 Owner'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 Owner defaults in the performance or observance of any covenant, agreement or obligation of the Owner 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 Agency or the Trustee or the Program Monitor, on behalf of the Agency, to the Owner (with a copy to the Trustee), or for a period of 60 days from the date the Owner should, with reasonable diligence, have discovered such default, then the Agency 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 Owner 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 Agency and the Trustee shall have the right to enforce the obligations of the Owner under the Regulatory Agreement within shorter periods of time than are otherwise provided in the Regulatory Agreement if necessary to ensure compliance with the Law or the Code.

Following the declaration of an Event of Default under the Regulatory Agreement, the Agency or the Trustee, at the written direction of the Agency, 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 Owner 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 Agency 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 Owner 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 Owner under the Regulatory Agreement; and

(iv) with the consent of the Trustee, which consent shall not be unreasonably withheld, declare a default under the Financing Agreement, as applicable, and proceed with any remedies provided therein.

The Owner agrees by the Regulatory Agreement that specific enforcement of the Owner's agreements contained in the Regulatory Agreement is the only means by which the Agency may fully obtain the benefits of the Regulatory Agreement made by the Owner in the Regulatory Agreement, and the Owner therefore agrees to the imposition of the remedy of specific performance against it in the case of any Event of Default by the Owner 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 Agency, to exercise any or all of the rights or remedies of the Agency under the Regulatory Agreement; provided that prior to taking any such action the Trustee shall give the Agency written notice of its intended action. After the Indenture has been discharged, the Agency 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 in the Regulatory Agreement to the same extent and with the same effect as if taken by the Trustee.

The Agency and the Trustee agree by the Regulatory Agreement that cure of any Event of Default made or tendered by any partner of the Owner shall be deemed to be a cure by the Owner and shall be accepted or rejected on the same basis as if made or tendered by the Owner.

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

### **Requirements of CDLAC**

In addition to other requirements set forth in the Regulatory Agreement and to the extent not prohibited by the requirements set forth under the captions "Low Income Tenants and Very Low Income Tenants; Reporting Requirements," "Tax-Exempt Status of the Bonds," and "Requirements of the Law," the Owner agrees to comply with each of the requirements of CDLAC set forth in this section, as follows:

(a) The Owner shall comply with the CDLAC Resolution attached to the Regulatory Agreement as an exhibit to the Regulatory Agreement and the CDLAC Conditions set forth as an exhibit to the CDLAC Resolution (collectively, the "CDLAC Conditions"), which conditions are incorporated in the Regulatory Agreement by reference and made a part of the Regulatory Agreement. The Owner will prepare and submit to the Agency, not later than February 1 of each year, until the Project is completed, and on February 1 every three years thereafter until the end of the Qualified Project Period, a Certificate of Compliance II for Qualified Residential Rental Projects, in substantially the form required or otherwise provided by CDLAC from time to time, executed by an authorized representative of the Owner. Such Certificate of Compliance II for Qualified Residential Rental Projects shall be prepared pursuant to the terms of the CDLAC Conditions. Additionally, the Owner will prepare and submit to the Agency a Certificate of Completion in substantially the form required or otherwise provided by CDLAC from time to time, executed by an authorized representative of the Owner certifying among other things to the substantial completion of the Project. Following the submission of the Certificate of Completion, the Owner will prepare and submit to the Agency, not later than February 1 every three years thereafter until the end of the Qualified Project Period, a California Tax Credit Allocation Committee Project Status Report or equivalent documentation in substantially the form required or otherwise provided by CDLAC from time to time. Compliance with the

terms of the CDLAC Conditions not contained within the Regulatory Agreement, but referred to in the CDLAC Conditions are the responsibility of the Owner to report to the Agency.

(b) The Owner acknowledges that the Agency and the Program Monitor shall monitor the Owner's compliance with the terms of the CDLAC Conditions. The Owner acknowledges that the Agency will prepare and submit to CDLAC, not later than March 1 of each year, until the Project is completed, and on March 1 every three years thereafter until the end of the Qualified Project Period, a Self-Certification Certificate in the form provided by CDLAC. The Owner will cooperate fully with the Agency in connection with such monitoring and reporting requirements.

(c) Except as otherwise provided in the Regulatory Agreement, the Regulatory Agreement shall terminate on the date 55 years after the date on which at least fifty percent (50%) of the units in the Project are first occupied or otherwise after the commencement of the Qualified Project Period.

(d) The Owner shall notify CDLAC in writing of: (i) any change in ownership of the Project, (ii) any change in the Agency, (iii) any change in the name of the Project or the manager; (iv) any material default under the Indenture, the Financing Agreement or the Regulatory Agreement, including, but not limited to, such defaults associated with the Tax-Exempt status of the Bonds, and the income and rental requirements as provided in the captions, "Low Income Tenants and Very Low Income Tenants; Reporting Requirements," "Requirements of the Law," and the CDLAC Conditions; or (v) termination of the Regulatory Agreement.

(e) CDLAC shall have the right, but not the obligation, to deliver revised CDLAC Conditions to the Owner after the Closing Date, at any time; that are not more restrictive than the original CDLAC Conditions; provided however, that, with the prior written consent of the Fannie Mae, which will not be unreasonably withheld: (i) any changes in the terms and conditions of the CDLAC Conditions prior to the recordation against the Project in the real property records of the County of a regulatory agreement between Owner and the California Tax Credit Allocation Committee ("TCAC Regulatory Agreement") shall be limited to such changes as are necessary to correct any factual errors or to otherwise conform the CDLAC Conditions to any change in facts or circumstances applicable to the Owner or the Project; and (ii) after recordation of the TCAC Regulatory Agreement, any changes in the terms and conditions of the CDLAC Conditions shall be limited to such changes as are necessary to conform Items 1, 6, 7, 10, 11, 12, 14, 15, 16, 18, 19, 20, 21, 22, 23, 24, 25, 26 and/or 37 of Exhibit A to the CDLAC Conditions to any change in terms and conditions requested by Owner and approved by CDLAC. The Agency may, in its sole and absolute discretion, require the Owner to enter into an amendment to the Regulatory Agreement reflecting the revised CDLAC Conditions, which amendment shall be executed by the parties to the Regulatory Agreement or their successor in title and duly recorded in the real property records of the County. The Owner shall pay any costs and pay any expenses in connection therewith. The Owner shall provide CDLAC with a copy of that recorded amendment reflecting the revised CDLAC Conditions.

Any of the foregoing requirements of CDLAC contained in this section may be expressly waived by CDLAC, in its sole discretion, in writing, but (i) no waiver by CDLAC of any requirement of this section shall, or shall be deemed to, extend to or affect any other provision of the Regulatory Agreement except to the extent the Agency has received an opinion of Bond Counsel that any such provision is not required by the Act 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 section shall be void and of no force and effect if the Agency and the Owner receive a written opinion of Bond Counsel substantially to the effect that compliance with any such requirement would, in and of itself, 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 or any other state or federal law.

### **Fannie Mae Rider**

Pursuant to the requirements of Fannie Mae, the Fannie Mae Rider is set forth as an exhibit to the Regulatory Agreement and is made a part of the Regulatory Agreement. Without limiting the foregoing, the Issuer and the Trustee acknowledge and agree that 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 prior written consent of Fannie Mae

other than to enforce rights of specific performance or injunctive relief under the Regulatory Agreement or to fulfill reporting obligations to the Internal Revenue Service.

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## **APPENDIX F BOOK-ENTRY SYSTEM**

*The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer and the Borrower believe to be reliable, but neither the Issuer, the Underwriter nor the Borrower take responsibility for the accuracy thereof.*

The Depository Trust Company ("DTC"), Brooklyn, New York will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or held by the Trustee.

DTC, the world's largest 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"). 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 owner 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 records 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 transaction 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 a maturity are being redeemed, the amount of the interest of each Direct Participant in such issue to be redeemed shall be determined in accordance with the applicable procedures of DTC.

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 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).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer, 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 or its nominee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer, 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. Under such circumstances, in the event that a successor depository is not obtained, bonds are required to be printed and delivered.

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

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

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**APPENDIX G**  
**FORM OF CONTINUING DISCLOSURE AGREEMENT**

**\$22,650,000\***

**California Housing Finance Agency**  
**Limited Obligation Multifamily Housing Tax-Exempt Bonds**  
**(Fannie Mae MBS-Secured) 2026 Issue A**  
**(Napa Creek Manor)**

This Continuing Disclosure Agreement, dated as of March 1, 2026 (this “Continuing Disclosure Agreement”), is executed and delivered by Napa Creek Manor Housing Partners, LP, a California limited partnership (the “Borrower”), and U.S. Bank Trust Company, National Association, as dissemination agent (the “Dissemination Agent”). The above-captioned bonds (the “Bonds”) are being issued pursuant to an Indenture of Trust, dated as of March 1, 2026 (the “Indenture”), between the California Housing Finance Agency (the “Issuer”) and U.S. Bank Trust Company, National Association (the “Trustee”). Pursuant to the Indenture and Financing Agreement, dated as of March 1, 2026, 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 U.S. Bank Trust Company, 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.

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

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

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\* Preliminary; subject to change.

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

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

### **Section 3. Provision of Annual Reports.**

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

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

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent will send in a timely manner a notice to the MSRB in 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, 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)    Delivery of the MBS and/or the Pool Number from Fannie Mae and any extension of the MBS Delivery Date Deadline; and
- (xviii)   The Project being placed in service for purposes of qualifying the property for low income housing tax credits. Notice of the Project being placed in service from the Borrower to the Dissemination Agent shall be in the form attached as Exhibit F 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 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 facsimile transmission confirmed by telephone or 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) and (xiv) above without the Dissemination Agent 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) - (xiv) above without the Dissemination Agent's 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, or specific performance by court order, to cause the Borrower or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement will not be deemed an Event of Default under the Indenture or the 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. 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 10. 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 10 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 11. Notices.** All notices, requests, demands or other communications to or upon the respective parties hereto shall be deemed to have been duly given or made when delivered personally or by mail (including electronic mail) to the party to which such notice, request, demand or other communication is required or permitted to be given or made under this Continuing Disclosure Agreement and addressed as set forth below or telecopied to the telecopier number of the recipient, with confirmation of transmission, indicated below:

*If to the Borrower:*

Napa Creek Manor Housing Partners, LP  
4142 Adams Avenue, #103-250  
San Diego, CA 92116  
Attention: Tim Walsh  
Email: Tim@rahdgroup.com

*If to the Dissemination Agent:*

U.S. Bank Trust Company, National Association  
One California Street, Suite 1000  
San Francisco, CA 94111  
Attention: Global Corporate Trust  
Email: andrew.fung@usbank.com

**Section 12. Governing Law.** This Continuing Disclosure Agreement shall be governed by the laws of the State of California.

**Section 13. 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 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 14. 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.

[Signature pages to follow]

IN WITNESS WHEREOF, the parties hereto have caused this Continuing Disclosure Agreement to be executed by their duly authorized representatives as of the date set forth above.

**NAPA CREEK MANOR HOUSING PARTNERS, LP,**  
a California limited partnership

By:     Hearthstone CA Properties V, LLC,  
          a California limited liability company,  
          its Managing General Partner

By:     Hearthstone Housing Foundation,  
          a California nonprofit public benefit corporation,  
          its Sole Member and Manager

By:     \_\_\_\_\_  
          Socorro Vasquez  
          Executive Director

By:     Napa Creek Manor Housing Management, LLC,  
          a California limited liability company,  
          its Administrative General Partner

By:     Sinergia Housing, LLC,  
          a California limited liability company,  
          its Manager

By:     \_\_\_\_\_  
          Tim Walsh  
          Manager

[Signatures continue on following page]

[Dissemination Agent's Signature Page to Continuing Disclosure Agreement]

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

By: \_\_\_\_\_  
Larry Swift  
Assistant Vice President

**EXHIBIT A**

**ANNUAL REPORT**

**\$22,650,000\***

**California Housing Finance Agency  
Limited Obligation Multifamily Housing Tax-Exempt Bonds  
(Fannie Mae MBS-Secured) 2026 Issue A  
(Napa Creek Manor)**

**CUSIP: \_\_\_\_\_**

**Annual report for the period ending December 31, \_\_\_\_\_**

**THE PROJECT**

Name of the Project:	Napa Creek Manor
Address:	1300 Jefferson Street, Napa, CA 94559
Number of Units:	84

**INFORMATION ON THE BONDS AND THE MBS**

Original principal amount of Bonds:	
Outstanding principal amount of Bonds:	
MBS Pool Number:	
MBS CUSIP Number:	
Original principal amount of the MBS:	
Outstanding principal amount of the MBS:	

**OPERATING HISTORY OF THE PROJECT**

The tables set forth below offer a summary of the operating results of the Project for fiscal year ended December 31, \_\_\_\_\_, as derived from the Borrower's audited financial statements [or unaudited financial statements].

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

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

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

<sup>1</sup> The physical occupancy rate is the proportion of units that are occupied or leased by tenants. The economic occupancy rate is the proportion of the gross potential rent that is actually collected. As such, the economic occupancy takes into consideration items such as model units, employee units, discounted units, rent incentives, loss to lease and bad debt expense.

\* Preliminary, subject to change.

## AUDITED FINANCIAL STATEMENTS

\_\_\_\_\_ Attached

\_\_\_\_\_ Audited financial statements of the Borrower for the period ended 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 ended 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 Housing Finance Agency  
Name of Issue: Limited Obligation Multifamily Housing Tax-Exempt Bonds (Fannie Mae MBS-Secured)  
2026 Issue A (Napa Creek Manor)  
Name of Borrower: Napa Creek Manor Housing Partners, LP  
CUSIP: \_\_\_\_\_  
Date of Issuance: March \_\_, 2026

NOTICE IS HEREBY GIVEN that the above-referenced borrower (the "Borrower") has not provided an Annual Report with respect to the above-named Bonds as required by its Continuing Disclosure Agreement. The undersigned has been informed by the Borrower that it anticipates that Annual Report will be filed by \_\_\_\_\_.

DATED: \_\_\_\_\_

**U.S. BANK TRUST COMPANY, 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 Housing Finance Agency  
Name of Bond Issue: Limited Obligation Multifamily Housing Tax-Exempt Bonds (Fannie Mae MBS-Secured)  
2026 Issue A (Napa Creek Manor)  
Name of Borrower: Napa Creek Manor Housing Partners, LP  
Name of Project: Napa Creek Manor  
Address of Project: 1300 Jefferson Street, Napa California 94559  
Date of Issuance: March \_\_, 2026

NOTICE IS HEREBY GIVEN as per the requirements of the Continuing Disclosure Agreement, dated as of March 1, 2026, between the above-referenced borrower (the “Borrower”) and U.S. Bank Trust Company, 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:

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

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

cc: Borrower

**EXHIBIT D**

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF  
EXTENSION OF MBS DELIVERY DATE DEADLINE**

Name of Issuer: California Housing Finance Agency  
Name of Bond Issue: Limited Obligation Multifamily Housing Tax-Exempt Bonds (Fannie Mae MBS-Secured)  
2026 Issue A (Napa Creek Manor)  
Name of Borrower: Napa Creek Manor Housing Partners, LP  
Date of Issuance: March \_\_, 2026  
Original MBS Delivery Date Deadline: April 25, 2026\*  
Extended MBS Delivery Date Deadline:

NOTICE IS HEREBY GIVEN as per the requirements of the Continuing Disclosure Agreement, dated as of March 1, 2026, between the above-referenced borrower (the “Borrower”) and U.S. Bank Trust Company, National Association, as Dissemination Agent, that the Borrower has extended the MBS Delivery Date Deadline from the Original MBS Delivery Date Deadline to the Extended MBS Delivery Date Deadline, pursuant to the Indenture of Trust, dated as of March 1, 2026, between the Issuer and U.S. Bank Trust Company, National Association, as trustee.

Dated:

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

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

cc: Borrower

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\* Preliminary; subject to change.

**EXHIBIT E**

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF  
DELIVERY OF THE MBS**

Name of Issuer: California Housing Finance Agency  
Name of Bond Issue: Limited Obligation Multifamily Housing Tax-Exempt Bonds (Fannie Mae MBS-Secured)  
2026 Issue A (Napa Creek Manor)  
Name of Borrower: Napa Creek Manor Housing Partners, LP  
Name of Project: Napa Creek Manor  
Address of Project: 1300 Jefferson Street, Napa California 94559  
Date of Issuance: March \_\_, 2026

NOTICE IS HEREBY GIVEN as per the requirements of the Continuing Disclosure Agreement, dated as of March 1, 2026, between the above-referenced borrower (the "Borrower") and U.S. Bank Trust Company, National Association, as Dissemination Agent, that the Borrower has certified that the MBS related to the above-referenced Bond Issue has been delivered by Fannie Mae to U.S. Bank Trust Company, National Association, as Trustee.

Dated:

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

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

cc: Borrower

**EXHIBIT F**

**FORM OF NOTICE OF PLACED IN SERVICE**

\$22,650,000\*

California Housing Finance Agency  
Limited Obligation Multifamily Housing Tax-Exempt Bonds  
(Fannie Mae MBS-Secured) 2026 Issue A  
(Napa Creek Manor)

The undersigned hereby provides notice to U.S. Bank Trust Company, National Association, a national banking association, as dissemination agent (the “Dissemination Agent”) that the multifamily rental housing development known as the Napa Creek Manor (the “Project”) has been placed in service in accordance with the Indenture of Trust, dated as of March 1, 2026, between the California Housing Finance Agency (the “Issuer”) and U.S. Bank Trust Company, National Association as Trustee (the “Trustee”), pursuant to which the above-captioned bonds were issued, as further evidenced by the attached Certificate of Occupancy (or comparable governmental evidence of completion).

**NAPA CREEK MANOR HOUSING PARTNERS, LP,**  
a California limited partnership

By:     Hearthstone CA Properties V, LLC,  
          a California limited liability company,  
          its Managing General Partner

By:     Hearthstone Housing Foundation,  
          a California nonprofit public benefit corporation,  
          its Sole Member and Manager

By:     \_\_\_\_\_  
          Socorro Vasquez  
          Executive Director

By:     Napa Creek Manor Housing Management, LLC,  
          a California limited liability company,  
          its Administrative General Partner

By:     Sinergia Housing, LLC,  
          a California limited liability company,  
          its Manager

By:     \_\_\_\_\_  
          Tim Walsh  
          Manager

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\* Preliminary; subject to change.

**ATTACHMENT**  
**Certificate of Occupancy**

**APPENDIX H  
TERM SHEET\***

*This Term Sheet assumes the related Mortgage Loan is originated in an amount equal to the maximum amount available under the Lender Commitment and that all the conditions to delivery of the MBS have been satisfied and have not been waived or modified. See “Multifamily Schedule of Loan Information” herein.*

<b>\$22,650,000</b> <b>California Housing Finance Agency</b> <b>Limited Obligation Multifamily Housing Tax-Exempt Bonds</b> <b>(Fannie Mae MBS-Secured) 2026 Issue A</b> <b>(Napa Creek Manor)</b> <b>POOL STATISTICS (AS OF CLOSING DATE)</b>	
<b>TAX-EXEMPT BOND AND MBS INFORMATION</b> <i>(Information provided by Issuer for this Official Statement)</i>	
BOND ISSUER NAME	California Housing Finance Agency (“Issuer”)
BOND ISSUE SERIES	Limited Obligation Multifamily Housing Tax-Exempt Bonds (Fannie Mae MBS-Secured) 2026 Issue A (Napa Creek Manor)
BOND ISSUE PAR	\$22,650,000
BOND DATED DATE	March __, 2026
BOND MATURITY DATE	May 1, 2043
BOND ISSUE TAX STATUS	See “TAX MATTERS” in the Official Statement.
BOND ISSUE CUSIP	_____
BLOOMBERG SERIES NAME	_____
COLLATERAL FOR THE BOND ISSUE	Fannie Mae DUS MBS (see pool info below)
MBS DELIVERY DATE DEADLINE	April 25, 2026, or, if such day is not a Business Day, the following Business Day, which may be extended in accordance with terms of the Indenture
BOND ISSUE CREDIT RATING	Moody’s “Aa1”
BOND CLOSING DATE	March __, 2026
BOND PAYMENT DATES	May 1 and November 1
BOND FIRST PAYMENT DATE	November 1, 2026
BOND INTEREST-ONLY PERIOD	N/A
BOND FIRST PRINCIPAL PAYMENT DATE	November 1, 2026, or, if such day is not a Business Day, the next Business Day.
BOND FINAL PAYMENT DATE	May 1, 2043
BOND INTEREST ACCRUAL	30/360
BOND PREPAYMENT TERMS	See “DESCRIPTION OF THE BONDS —Redemption of Bonds” in the Official Statement.
BOND OFFERING PRICE	100%
BOND UNDERWRITER	Stifel, Nicolaus & Company, Incorporated

\* Preliminary; subject to change.

MANDATORY REDEMPTION OF BONDS	See “DESCRIPTION OF THE BONDS —Redemption of Bonds” in the Official Statement.
OPTIONAL REDEMPTION OF BONDS	The Bonds are not subject to optional redemption other than in connection with a prepayment of the Mortgage Loan.
BOND EXCHANGE FEATURE	N/A
BOND TRUSTEE	U.S. Bank Trust Company, National Association
<b>UNDERLYING FANNIE MAE POOL STATISTICS (AS OF ISSUE DATE)</b> <i>(Information provided by Lender for this Official Statement)</i>	
NOTE RATE	___ %
POOL/LOAN MATURITY DATE	April 1, 2043
EXPECTED MBS DELIVERY DATE	April 25, 2026
NUMBER OF LOANS	1
POOL SECURITY FUNDS TRANSFER TYPE	Fed Wire
TRANSACTION TYPE	DUS
POOL FIRST PAYMENT DATE	25 <sup>th</sup> day of the month following the month in which the MBS is delivered, or the following Business Day if such day is not a Business Day
POOL FINAL PAYMENT DATE	April 25, 2043, or the following Business Day if such day is not a Business Day
SECURITY TYPE	Fannie Mae MBS
SELLER NAMES	Berkadia Commercial Mortgage LLC
SERVICER NAME	Berkadia Commercial Mortgage LLC
POOL NUMBER	_____
% OF INITIAL POOL BALANCE	100%
POOL PREFIX	TBD
<b>MULTIFAMILY SCHEDULE OF LOAN INFORMATION</b> <i>(Information provided by Lender for this Official Statement)</i>	
FANNIE MAE LOAN NUMBER	_____
TIER	2
TIER DROP ELIGIBLE	No
LIEN PRIORITY	First
MAXIMUM LTV	75%
MINIMUM ALLOWABLE UW NCF DSCR(x)	1.15x
BALLOON	Yes
OTHER DEBT NOT DISCLOSED HEREIN	No
ISSUANCE UPB/UNIT	TBD
PREPAYMENT PREMIUM OPTION	Yield Maintenance — CMT as defined in the Fannie Mae Multifamily MBS Prospectus

PREPAYMENT PREMIUM TERM	Fannie Mae yield maintenance premium from closing through September 30, 2042 (198 months). <sup>1</sup> Thereafter, a 1% prepayment penalty shall apply through December 31, 2042 (3 months) <sup>2</sup> . Thereafter, no prepayment premium shall apply.
FIRST LOAN PAYMENT DATE	May 1, 2026
ORIGINAL TERM (MONTHS)	17 years (204 months)
WEIGHTED AVERAGE AMORTIZATION TERM (MONTHS)	40 years (480 months)
REMAINING TERM TO MATURITY	From the Closing Date to April 1, 2043
INTEREST TYPE	Fixed
INTEREST ACCRUAL METHOD	Actual/360
INTEREST ONLY TERM (MONTHS)	N/A
NOTE DATE	March __, 2026
LOAN PURPOSE	Acquisition/Rehabilitation
MONTHLY DEBT SERVICE	TBD
MONTHLY DEBT SERVICE AMOUNT PARTIAL IO	N/A

**COLLATERAL INFORMATION**

*(Information provided by Lender for this Official Statement)*

PROPERTY ID/DEAL ID	473787
PROPERTY NAME	Napa Creek Manor
PROPERTY STREET ADDRESS	1300 Jefferson Street
PROPERTY CITY	Napa
PROPERTY STATE	California
PROPERTY ZIP CODE	94559
PROPERTY COUNTY	Napa
MSA	Napa, CA
YEAR BUILT	1984
PHYSICAL OCCUPANCY	100% (as of January 23, 2026)
PASS THROUGH RATE	___%
UNDERWRITTEN ECONOMIC OCCUPANCY	97%
REMAINING AMORTIZATION TERM TO MATURITY	From April 1, 2026, to April 1, 2043
ISSUANCE LTV	70.7%, which LTV is based on an underwritten value that is less than the purchase price
ACTUAL NCF DSCR(x)	1.25, estimated
UNDERWRITTEN EFFECTIVE GROSS INCOME	\$2,466,488
UNDERWRITTEN TOTAL OPERATING EXPENSES	\$764,825
UNDERWRITTEN REPLACEMENT RESERVES	\$300 per unit per year

<sup>1</sup> A portion of this prepayment premium, if collected, may be shared with Certificateholders under the circumstances described in “YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS—Maturity and Prepayment Considerations—Prepayment of a Mortgage Loan—Prepayment Premiums” in the Fannie Mae MBS Prospectus.

<sup>2</sup> No portion of this prepayment premium, if collected, will be shared with Certificateholders under any circumstances as is described in “YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS—Maturity and Prepayment Considerations—Prepayment of a Mortgage Loan—Prepayment Premiums” in the Fannie Mae MBS Prospectus.

UW NCF (\$)	\$1,676,463
CROSS-COLLATERALIZED (Y/N)	No
CROSS-DEFAULTED (Y/N)	No
GENERAL PROPERTY TYPE	Multifamily
SPECIFIC PROPERTY TYPE	Garden Style
LAND OWNERSHIP RIGHTS	Fee simple interest in improvements and leasehold interest in the land
PROPERTY VALUE	\$32,130,000 (as of December 18, 2025)
SEISMIC RISK	The Project meets Fannie Mae seismic requirements, if any.
TERRORISM INSURANCE COVERAGE (Y/N)	Yes
TOTAL NUMBER OF UNITS	84
AFFORDABLE HOUSING TYPE	Low Income Housing Tax Credit (“LIHTC”) (83 units)
TAXES CURRENTLY ESCROWED	Yes
PROPERTY OWNER	Napa Housing Foundation
SPONSOR	DAL Development, LLC, CR Real Estate Development, LLC, Haeling Holdings, LLC and Sinergia Housing, LLC, each a California limited liability company
PROPERTY MANAGER	See “PRIVATE PARTICIPANTS — The Property Manager” in the Official Statement.
PROPERTY MANAGER EXPERIENCE	See “PRIVATE PARTICIPANTS — The Property Manager” in the Official Statement.
UNIT OF MEASURE	Units
<b>CRA INFORMATION</b>	
<i>(Information provided by Borrower for this Official Statement)</i>	
UNITS AT OR BELOW 30% OF MEDIAN INCOME	48.80% (41 units)
UNITS AT OR BELOW 50% OF MEDIAN INCOME	48.81% (41 units)
UNITS AT OR BELOW 60% OF MEDIAN INCOME	98.81% (83 units)
UNITS WITH LOW INCOME HOUSING TAX CREDIT INCOME OR RENT RESTRICTION %	98.81% (83 units)
AGE RESTRICTED INDICATOR	Yes
TAX ABATEMENT	Yes
FEDERAL TAX CREDIT INVESTOR	Aegon LIHTC Fund 71, LLC (or an affiliate)
REGULATORY AGREEMENTS OVERSEER	CDLAC and CTCAC
REGULATORY AGREEMENT SET-ASIDES	LIHTC — 40% of units rented to tenants whose income is at or below 60% of AMI for an initial 15-year compliance period. Under the Regulatory Agreement the Borrower is required to rent at least 40% of the Project apartment units to certain qualified tenants whose income does not exceed 60% of the area AMI where the Project is located, no less than one-half of which (20%) must be rented to certain qualified tenants whose income does not exceed 50% of the area AMI where the Project is located.

LIHTC LOW INCOME HOUSING TAX CREDIT ELIGIBILITY	The Project has applied for and received 4% LIHTC in the State, which requires a certain amount of rehabilitation and limits the income of the tenants to families making 60% or less of AMI. The project must have tax-exempt financing for at least 25% of the Project's aggregate basis in order to be eligible for LIHTC.
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**APPENDIX I**  
**PROPOSED FORM OF OPINION OF BOND COUNSEL**

*Upon the issuance of the Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel for the Issuer, proposes to issue an opinion in substantially the following form:*

March \_\_, 2026

California Housing Finance Agency  
Sacramento, California

California Housing Finance Agency  
Limited Obligation Multifamily Housing Tax-Exempt Bonds  
(Fannie Mae MBS-Secured) 2026 Issue A  
(Napa Creek Manor)  
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the California Housing Finance Agency (the “Issuer”) in connection with the issuance of \$\_\_\_\_\_ aggregate principal amount of its California Housing Finance Agency Limited Obligation Multifamily Housing Tax-Exempt Bonds (Fannie Mae MBS-Secured) 2026 Issue A (Napa Creek Manor) (the “Bonds”). The Bonds are issued pursuant to the Zenovich-Moscone-Chacon Housing and Home Finance Act, consisting of Parts 1 through 4 of Division 31 of the California Health and Safety Code (the “Act”), and an indenture of trust, dated as of March 1, 2026 (the “Indenture”), between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). 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, 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 that each document and each signature thereon provided to us is genuine and that each such document has been duly and legally executed by, and constitutes a valid and binding agreement of, each party thereto other than the Issuer. 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 public instrumentality and a political subdivision 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 in accordance with 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 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 Code, except that no opinion is expressed as to the exclusion from gross income of interest on any Bond for any period during which such Bond is 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 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