

## 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" herein.*

\$43,695,000\*

**CALIFORNIA HOUSING FINANCE AGENCY  
LIMITED OBLIGATION MULTIFAMILY HOUSING REVENUE BONDS  
(SUTTER STREET) 2025 ISSUE D**

Dated: Date of Delivery

Initial Interest Rate: \_\_\_\_%

Initial Offering Price: 100%

Maturity Date: November 1, 2029\*

Initial Mandatory Tender Date: November 1, 2028\*

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

The above-captioned bonds (the "Bonds") are issuable only as fully registered bonds without coupons in the denomination of \$5,000, or any integral multiple of \$1,000 in excess thereof. Interest on the Bonds will be payable on each May 1 and November 1, commencing May 1, 2026\*. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. Bonds will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, Brooklyn, New York. Principal of and interest on the Bonds is payable by U.S. Bank Trust Company, National Association, a national banking association, as trustee (the "Trustee"), to Cede & Co., which is to remit such payments to the Direct Participants (as defined herein) for subsequent disbursement to the purchasers of the Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein.

The Bonds are being issued by the California Housing Finance Agency (the "Issuer"), pursuant to a Trust Indenture (the "Indenture"), dated as of October 1, 2025, between the Issuer and the Trustee, to provide financing to Sutter BMR, LP, a California limited partnership (the "Borrower"), for the acquisition, construction, and equipping of an approximately 102-unit multifamily rental housing development known as Sutter Street (the "Project") located in San Francisco, California. Under the terms of the Indenture, an amount equal to the principal amount of the Bonds is to be deposited into the Project Fund established under the Indenture and invested pursuant to the Indenture.

At all times, the Bonds will be secured by amounts on deposit under the Indenture, which shall constitute Eligible Funds and shall be invested in Eligible Investments and such amounts will be sufficient, along with investment earnings thereon, without the need for reinvestment, to pay all of the interest on the Bonds when due and to pay the principal of the Bonds on the earlier of any Mandatory Tender Date or any Redemption Date, as further described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

The Bonds are subject to mandatory redemption prior to maturity as set forth herein. See "THE BONDS" herein.

THE BONDS AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE. NEITHER THE ISSUER, ANY OF ITS MEMBERS, THE STATE OF CALIFORNIA, 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 subject to mandatory tender for purchase on the Initial Mandatory Tender Date, subject to satisfaction of the applicable terms and conditions of remarketing set forth in the Indenture, or mandatory redemption, if the conditions to remarketing the Bonds are not met on or before the Initial Mandatory Tender Date. All Bondholders must tender their Bonds for purchase on the Initial Mandatory Tender Date. The Bonds may be remarketed and a new interest rate for the Bonds may be determined on the Initial Mandatory Tender Date in accordance with the terms of the Indenture, or the Bonds may be redeemed and cancelled on the Initial Mandatory Tender Date. If the Bonds are remarketed on the Initial Mandatory Tender Date, the terms of the Bonds after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Bonds on and after the Initial Mandatory Tender Date cannot rely on this Official Statement, but rather must rely upon any disclosure documents prepared in connection with such remarketing.

*The Bonds are offered when, as and if issued and received by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), subject to the approval of legality by Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C., and for the Borrower by its counsel, Downs Pham & Kuei LLP, San Francisco, California. It is expected that the Bonds will be available for delivery to The Depository Trust Company in Brooklyn, New York, on or about October \_\_, 2025.*

**STIFEL**

September \_\_, 2025

\* 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 an offer 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 broker, dealer, salesman or other person has been authorized by the Issuer or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The Issuer has not and does not assume any responsibility as to the accuracy or completeness of the information in this Official Statement, other than the information concerning the Issuer under the captions “THE ISSUER” and “ABSENCE OF LITIGATION – The Issuer” herein. The other information set forth herein has been obtained from sources believed to be reliable, but is not guaranteed as to accuracy and is not to be construed as a representation of such by the Underwriter or the Issuer. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the information or opinions set forth herein since the date hereof. The Issuer has not confirmed, and assumes no responsibility for, the accuracy, completeness, sufficiency or fairness of any statements in this Official Statement or any amendments thereof or supplements thereto, or in any reports, financial information, offering or disclosure documents or other information relating to the Borrower, the Project, or the history, businesses, properties, organization, management, financial condition, market area or any other matter relating to the Borrower or contained otherwise in this Official Statement.

The Trustee has neither reviewed nor participated in the preparation of this Official Statement, except for the contents of the Section labeled “THE TRUSTEE” herein.

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 a 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.

Upon issuance, the Bonds will not be registered by the Issuer under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or, other than the Issuer (to the extent described herein) approved the Bonds for sale.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT TEND TO STABILIZE OR MAINTAIN THE MARKET PRICE FOR THE BONDS ABOVE THE LEVELS THAT WOULD OTHERWISE PREVAIL. SUCH ACTIVITIES, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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**\$43,695,000\***  
**California Housing Finance Agency**  
**Limited Obligation Multifamily Housing Revenue Bonds**  
**(Sutter Street) 2025 Issue D**

**INTRODUCTION**

This Official Statement sets forth certain information concerning the issuance and sale by the California Housing Finance Agency (the “Issuer”), a public instrumentality and political subdivision of the State of California (the “State”), of its \$43,695,000\* aggregate principal amount of Limited Obligation Multifamily Housing Revenue Bonds (Sutter Street) 2025 Issue D (the “Bonds”). 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 that certain resolution of the Issuer adopted on March 20, 2025 (the “Bond Resolution”), and secured by a Trust Indenture, dated as of October 1, 2025 (the “Indenture”), between the Issuer and U.S. Bank Trust Company, National Association, a national banking association, as trustee (in such capacity, the “Trustee”). The Bonds are being issued to make a loan (the “Loan”) to Sutter BMR, LP, a California limited partnership (the “Borrower”), for the acquisition, construction and equipping of an approximately 102-unit multifamily rental housing development known as Sutter Street and located at 1101-1123 Sutter Street, San Francisco, California (the “Project”). The terms of the financing are to be as set forth in the Loan Agreement, dated as of October 1, 2025, between the Issuer and the Borrower (the “Loan Agreement”). The obligation of the Borrower to repay the Loan pursuant to the Loan Agreement will be evidenced by a promissory note (the “Note”).

Unless otherwise defined herein, all capitalized terms shall have the meanings assigned to them in “APPENDIX A — DEFINITIONS OF CERTAIN TERMS” hereto.

Under the terms of the Indenture, on the date of delivery an amount equal to the proceeds of the Bonds is to be deposited into the Project Fund established under the Indenture, and invested in Eligible Investments, as defined in the Indenture. See “APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Investment of Special Funds and Rebate Fund” hereto.

The principal of and interest on the Bonds (the “Bond Service Charges”) are payable from the security pledged under the Indenture, including the payments on the investment of funds under the Indenture. Under the Indenture, the Trustee is to invest amounts held under the Indenture in Eligible Investments (as defined herein). **At all times, the Bonds will be secured by amounts on deposit under the Indenture, which shall constitute Eligible Funds and shall be invested in Eligible Investments and such amounts will be sufficient, along with investment earnings thereon, without the need for reinvestment, to pay all of the interest on the Bonds when due and to pay the principal of the Bonds at the earlier of any Redemption Date or any Mandatory Tender Date, as further described herein. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.**

Simultaneously with the issuance of the Bonds, Berkadia Commercial Mortgage LLC, a Delaware limited liability company (the “Lender”) and the Borrower are expected to enter into a Construction Loan Disbursement Agreement (the “Disbursement Agreement”), pursuant to which the Lender will agree to transfer certain Eligible Funds to the Trustee for deposit into the Collateral Fund held by the Trustee under the Indenture. Upon the deposit of Eligible Funds into the Collateral Fund, and subject to the other provisions set forth in the Indenture, a like amount of funds will be disbursed by the Trustee from the Project Fund to or at the direction of the Borrower pay the costs of the Project. See “ELIGIBLE FUNDS AND DISBURSEMENT OF BOND PROCEEDS” herein.

The Borrower’s operation of the Project will be subject to the terms of a Tax Certificate and Agreement, dated the Closing Date, between the Borrower and the Issuer (the “Tax Certificate”), and a Regulatory Agreement and Declaration of Restrictive Covenants, dated as of October 1, 2025 and effective as of the Closing Date, among the Borrower, the Trustee and the Issuer (the “Regulatory Agreement”), each of which contains covenants required to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes. The Regulatory Agreement will require that for the Qualified Project Period (as defined in the Regulatory Agreement), at least 40%

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\* Preliminary; subject to change.

of the dwelling units in the Project (except for dwelling units reserved for a resident manager, security personnel and maintenance personnel) are reserved for tenants whose combined annual income does not exceed 60% of the median gross income for the area in which the Project is located, adjusted for family size. See “APPENDIX D — SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT” hereto.

The Bonds will bear interest on the outstanding principal amount thereof at the Initial Interest Rate set forth on the cover page hereof from their date of delivery, to but not including, November 1, 2028\* (the “Initial Mandatory Tender Date”), payable on each May 1 and November 1, commencing May 1, 2026\* (each an “Interest Payment Date”).

The Bonds are subject to mandatory tender for purchase or mandatory redemption on the Initial Mandatory Tender Date. In the event the conditions to remarketing set forth in the Indenture are not met, or if all or a portion of the Bonds cannot be remarketed, all of the Bonds will be subject to mandatory redemption on the Initial Mandatory Tender Date. All Bondholders must tender their Bonds for purchase on the Initial Mandatory Tender Date. A new interest rate for the Bonds may be determined on the Initial Mandatory Tender Date in accordance with the terms of the Indenture. If the Bonds are remarketed on the Initial Mandatory Tender Date, the terms of the Bonds after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Bonds on and after the Initial Mandatory Tender Date cannot rely on this Official Statement, but rather must rely upon any disclosure documents prepared in connection with such remarketing.

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

#### **ELIGIBLE FUNDS AND DISBURSEMENT OF BOND PROCEEDS**

Simultaneously with the issuance of the Bonds, the Borrower will obtain Eligible Funds (as defined herein) which are expected to be deposited into the Collateral Fund over time with each disbursement of Bond proceeds in an amount equal to all or a portion of such disbursement as security for the Bonds in exchange for a like amount of Bond proceeds from the Project Fund, which is to be disbursed by the Trustee for purposes of paying costs of the Project, all in accordance with the Loan Agreement and the Indenture. The maximum aggregate amount of Eligible Funds to be delivered to the Trustee for deposit into the Collateral Fund will be \$43,695,000\*.

Bond Service Charges will be payable as they become due, in the following order: (i) from money on deposit in the Bond Fund (other than the Negative Arbitrage Account within the Bond Fund), (ii) from money on deposit in the Negative Arbitrage Account within the Bond Fund, (iii) from money on deposit in the Collateral Fund and transferred as necessary to the Bond Fund, and (iv) thereafter, from money on deposit in the Project Fund and transferred as necessary to the Bond Fund.

Notwithstanding any provision of the Loan Agreement or the Indenture to the contrary, the Trustee will not disburse funds from the Project Fund, other than to pay Bond Service Charges on the Bonds, unless and until (i) an amount equal to or greater than the requested disbursement amount has been deposited into the Collateral Fund in accordance with the provisions of the Indenture and (ii) the Trustee has determined that the sum of the amount then held in the Collateral Fund and the amount then on deposit in the Project Fund, less the anticipated amount of the disbursement from the Project Fund, is at least equal to the then outstanding principal amount of the Bonds. Upon receipt of Eligible Funds, subject to the foregoing provisions, the Trustee may disburse Bond proceeds to or at the direction of the respective Lender for use by the Borrower to pay costs of the Project, in accordance with the terms of the Loan Agreement.

The amounts on deposit in the Project Fund, the Bond Fund and the Collateral Fund (collectively, the “Special Funds”) will be invested on the date of delivery of the Bonds in Eligible Investments. See “APPENDIX B —

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\* Preliminary; subject to change.

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Investment of Special Funds and Rebate Fund.” An amount equal to the aggregate interest payments on the Bonds from the date of delivery of the Bonds to the Initial Mandatory Tender Date is required, pursuant to the Indenture, to be deposited on the date of delivery of the Bonds to the Negative Arbitrage Account of the Bond Fund by or on behalf of the Borrower.

#### 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, 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 “ABSENCE OF LITIGATION — THE ISSUER” HEREIN.

#### THE BONDS

The Bonds are available in book-entry only form. See “BOOK-ENTRY ONLY SYSTEM” below. So long as Cede & Co., as nominee of The Depository Trust Company (“DTC”), is the registered owner of the Bonds, references herein to the Bondholders or holders or registered owner or owners of the Bonds mean Cede & Co. and not the beneficial owners of the Bonds.

#### General

The Bonds are issuable in the denomination of \$5,000, or any integral multiple of \$1,000 in excess thereof. The Bonds will be dated as of the date of delivery, will initially bear interest at the Initial Interest Rate and will mature on November 1, 2029\* (the “Maturity Date”), subject to mandatory tender for purchase or mandatory redemption on the Initial Mandatory Tender Date and to redemption on any Redemption Date. Interest will be payable on each Interest Payment Date in accordance with the provisions of the Indenture. Interest will be calculated and be due on the basis of a 360-day year consisting of twelve 30-day months.

Bond Service Charges shall be payable in lawful money of the United States of America without deduction for the services of the Trustee. Except as set forth in the Indenture and in the subcaption “Book-Entry Only System,” below, (a) the principal of any Bond shall be payable when due to a Holder upon presentation and surrender of such Bond at the Designated Office of the Trustee or at the office designated in writing by the Trustee, and (b) interest on

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\* Preliminary; subject to change.

any Bond shall be paid on each Interest Payment Date by check or draft which the Trustee shall cause to be mailed on that date to the Person in whose name the Bond (or one or more Predecessor Bonds) is registered at the close of business on the Regular Record Date applicable to that Interest Payment Date on the Register at the address appearing therein. See "BOOK-ENTRY ONLY SYSTEM" below.

### **Special Obligations**

THE BONDS AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE. NEITHER THE ISSUER, ANY OF ITS MEMBERS, THE STATE OF CALIFORNIA, 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.

### **Optional Redemption**

The Bonds are subject to optional redemption prior to their maturity, at the direction of the Borrower, either in whole or in part on any date on or after the later to occur of (i) the date that the Project is placed in service, as certified in writing by the Borrower to the Trustee, and (ii) the Optional Call Date, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest, but without premium, to the Redemption Date. Bonds subject to redemption in accordance with the Indenture shall be redeemed from (i) amounts on deposit in the Collateral Fund, (ii) amounts on deposit in the Bond Fund, other than funds in the Negative Arbitrage Account therein, (iii) amounts on deposit on the Project Fund, and (iv) any other Eligible Funds available or made available for such purpose at the direction of the Borrower. **Mandatory Redemption**

The Bonds shall be redeemed in whole at a redemption price of 100% of the principal amount of such Bonds, plus accrued interest to the Redemption Date, on any Mandatory Tender Date upon the occurrence of any of the following events: (i) the Borrower has previously elected not to cause the remarketing of the Bonds, (ii) the conditions to remarketing set forth in the Indenture have not been met by the dates and times set forth therein, or (iii) the proceeds of a remarketing on deposit in the Remarketing Proceeds Account at 11:00 a.m. Local Time on the Mandatory Tender Date are insufficient to pay the purchase price of the Outstanding Bonds on such Mandatory Tender Date. Bonds subject to redemption in accordance with this paragraph shall be redeemed from (i) amounts on deposit in the Collateral Fund, (ii) amounts on deposit in the Negative Arbitrage Account of the Bond Fund, (iii) amounts on deposit in the Project Fund, and (iv) any other Eligible Funds available or made available for such purpose at the written direction of the Borrower.

### **Purchase in Lieu of Redemption**

At the election of the Borrower upon a redemption in whole of the Bonds, by written notice to the Trustee and the Remarketing Agent given not less than five (5) Business Days in advance of such redemption date, the Bonds will be deemed tendered for purchase in lieu of the redemption on such date and the call for redemption shall be cancelled. The purchase price of Bonds so purchased in lieu of redemption shall be the principal amount thereof together with all accrued and unpaid interest to the date of redemption and any prepayment fee, if due, and shall be payable on the date of redemption thereof. Bonds so purchased in lieu of redemption shall remain Outstanding and shall be registered to or upon the written direction of the Borrower.

## Notice of Redemption

Unless waived by any Holder of Bonds to be redeemed, official notice of redemption shall be given by the Trustee on behalf of the Issuer, following receipt of a written direction from the Issuer delivered to the Trustee at least 45 days prior to the redemption date or such shorter period as is agreed to by the parties, to deliver such notice no less than 30 days prior to the date of redemption, by mailing a copy of an official redemption notice by first-class mail, postage prepaid, to the Holder of each Bond to be redeemed, at the address of such Holder shown on the Register at the opening of business on the fifth day prior to such mailing, not less than 20 days nor more than 30 days prior to the date fixed for redemption. So long as DTC is the registered owner of the Bonds, notice of any redemption with respect to Bonds will be given only to DTC or its nominee. Any failure of DTC to notify the Beneficial Owners of any such notice and its contents or effect will not affect the validity of such notice of any proceedings for the redemption of such Bonds. Failure to receive notice by mailing shall not affect the validity of any notice properly given under the Indenture. Any defect in that notice regarding any Bond, shall not affect the validity of the proceedings for the redemption of any other Bond.

With respect to a mandatory redemption, the notice of Mandatory Tender provided to Holders pursuant to the Indenture as described herein under “Notice of Mandatory Tender” will serve as the notice of redemption, and no further notice of redemption will be required to the Holders.

## Mandatory Tender

Purchase of Bonds on Mandatory Tender Dates. All Outstanding Bonds shall be subject to Mandatory Tender by the Holders for purchase in whole and not in part on each Mandatory Tender Date. The purchase price for each such Bond shall be payable in lawful money of the United States of America by wire, check or draft, shall equal 100% of the principal amount to be purchased and accrued interest, if any, to the Mandatory Tender Date, and shall be paid in full on the applicable Mandatory Tender Date.

Holding of Tendered Bonds. While Tendered Bonds are in the custody of the Trustee pending purchase pursuant to the Indenture, the tendering Holders thereof shall be deemed the owners thereof for all purposes, and interest accruing on Tendered Bonds through the day preceding the applicable Mandatory Tender Date is to be paid as if such Bonds had not been tendered for purchase.

Purchase of Tendered Bonds. The Trustee shall utilize amounts representing proceeds of remarketed Bonds on deposit in the Remarketing Proceeds Account to pay the principal amount, plus accrued interest, of Bonds tendered for purchase not later than 11:30 a.m. Local Time on the Mandatory Tender Date.

Cancellation of Remarketing. In the event the Bonds must be redeemed as a result of the occurrence of any of the events listed in the Indenture, the remarketing shall be cancelled and all Bonds outstanding on the Mandatory Tender Date shall be redeemed in accordance with the Indenture.

Undelivered Bonds. Bonds shall be deemed to have been tendered for purposes of the Indenture whether or not the Holders shall have delivered such Undelivered Bonds to the Trustee, and subject to the right of the Holders of such Undelivered Bonds to receive the purchase price of such Bonds on the Mandatory Tender Date, such Undelivered Bonds shall be null and void. If such Undelivered Bonds are to be remarketed, the Trustee shall authenticate and deliver new Bonds in replacement thereof pursuant to the remarketing of such Undelivered Bonds.

## Notice of Mandatory Tender

Notice to Holders. No later than the 30<sup>th</sup> day prior to a Mandatory Tender Date, the Trustee shall give written notice of a mandatory tender on the Mandatory Tender Date to the Holders of the Bonds then Outstanding (with a copy to the Borrower, the Issuer, the Investor Limited Partner, and the Remarketing Agent) by first class mail, postage prepaid, at their respective addresses appearing on the Register stating:

- (i) the Mandatory Tender Date and that (A) if certain conditions are met, all Outstanding Bonds are subject to Mandatory Tender for purchase on the Mandatory Tender Date, (B) all Outstanding



Bonds must be tendered for purchase no later than 9:00 a.m. Local Time, on the Mandatory Tender Date and (C) Holders will not have the right to elect to retain their Bonds;

(ii) the address of the Designated Office of the Trustee at which Holders should deliver their Bonds for purchase and the date of the required delivery;

(iii) that all Outstanding Bonds will be purchased on the Mandatory Tender Date at a price equal to the principal amount of the Outstanding Bonds plus interest accrued to the Mandatory Tender Date;

(iv) that if, in the event that the conditions to remarketing set forth in the Indenture are not met as set forth therein, or, if proceeds from the remarketing are insufficient to pay the purchase price of the Bonds on the Mandatory Tender Date, all of the Bonds will be redeemed, without further notice, on the Mandatory Tender Date; and

(v) that any Bonds not tendered will nevertheless be deemed to have been tendered and will cease to bear interest from and after the Mandatory Tender Date.

Second Notice. In the event that any Bond required to be delivered to the Trustee for payment of the purchase price of such Bond shall not have been delivered to the Trustee on or before the 30th day following a Mandatory Tender Date, the Trustee shall mail a second notice to the Holder of the Bond at its address as shown on the Register setting forth the requirements set forth in the Indenture for delivery of the Bond to the Trustee and stating that delivery of the Bond to the Trustee (or compliance with the provisions of the Indenture concerning payment of lost, stolen or destroyed Bonds) must be accomplished as a condition to payment of the purchase price applicable to the Bond.

Failure to Give Notice. Neither failure to give or receive any notice described in this heading, nor the lack of timeliness of such notice or any defect in any notice (or in its content) shall affect the validity or sufficiency of any action required or provided for in this heading.

#### **No Additional Parity Bonds**

The Indenture does not permit the Issuer to issue additional indebtedness prior to or on a parity with the Bonds.

#### **BOOK-ENTRY ONLY SYSTEM**

*The following information on the Book-Entry System applicable to all Bonds has been supplied by DTC and neither the Issuer, the Borrower nor the Underwriter make any representation, warranties or guarantees with respect to its accuracy or completeness.*

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 certificate 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 its agent.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies,

clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P rating of “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

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

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

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

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

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

Redemption proceeds, distributions and dividends (“debt charges payments”) on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts, upon DTC’s receipt of funds and corresponding detail information from the Issuer or Trustee on the payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions or dividends (“debt charges”) to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the

responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information above 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 and the Underwriter take no responsibility for the accuracy thereof. The Issuer has no role in the purchases, transfers or sales of book entry interests. The rights of Beneficial Owners to transfer or pledge their interests, and the manner of transferring or pledging those interests, may be subject to applicable state law. Beneficial Owners may want to discuss with their legal advisers the manner of transferring or pledging their book-entry interests. The Issuer has no responsibility or liability for any aspects of the records or notices relating to, or payments made on account of, beneficial ownership, or for maintaining, supervising or reviewing any records relating to that ownership. The Issuer cannot and does not give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute to the Beneficial Owners payments of debt charges on the Bonds made to DTC as the registered owner, or any redemption, if any, or other notices, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve or act in a manner described in this Official Statement.

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

#### **SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**

*At all times, the Bonds will be secured by amounts on deposit pursuant to the Indenture, which shall constitute Eligible Funds and invested in Eligible Investments and such amounts will be sufficient, along with investment earnings thereon, without the need for reinvestment, to pay all of the interest on the Bonds when due and to pay the principal of the Bonds at the earlier of any Redemption Date or any Mandatory Tender Date, as further described herein.*

The Bonds will be secured under the Indenture by all right, title and interest of the Issuer in and to (i) the Revenues, including, without limitation, all Loan Payments, Eligible Funds and other amounts receivable by or on behalf of the Issuer under the Loan Agreement in respect of repayment of the Loan, (ii) the Special Funds, including all accounts in those Funds and all money deposited therein and the investment earnings on such money, (iii) subject to the provisions of the Bond Resolution, all right, title and interest of the Issuer in the proceeds derived from the sale of the Bonds, and any securities in which money in the Special Funds are invested, and (except for money required to be rebated to the United States of America under the Code) the proceeds derived therefrom, and any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind pledged, assigned or transferred, as and for additional security under the Indenture by the Issuer or by anyone on its behalf, or with its written consent, to the Trustee, which is authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture, (iv) the Note, and (v) the Loan Agreement (the foregoing collectively referred to as the "Trust Estate").

Amounts deposited into the Special Funds and the Rebate Fund are to be invested in Eligible Investments. See "APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Investment of Special Funds and Rebate Fund" hereto.

THE BONDS AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE. NEITHER THE ISSUER, ANY OF ITS MEMBERS, THE STATE OF CALIFORNIA, 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.

#### **PRIVATE PARTICIPANTS**

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

#### **The Borrower**

The Borrower for the Project is Sutter BMR, LP, a California limited partnership, a single asset entity formed for the specific purpose of acquiring, owning, and operating the Project. The managing general partner of the Borrower is Kingdom AK, LLC, a California limited liability company (the "Managing General Partner"), which will own a 0.001% ownership interest in the Borrower. The administrative general partner of the Borrower is Martin McNerney Development, Inc., a California corporation (the "Administrative General Partner"), which will own a 0.009% ownership interest in the Borrower. BF The Equity Collection, LLLP, a Delaware limited liability limited partnership, and BFIM Special Limited Partner, Inc., a Florida corporation (collectively, the "Investor Limited Partner"), will own a 99.99% interest in the Borrower.

#### **The Investor Limited Partner**

Contemporaneously with the issuance of the Bonds, the Investor Limited Partner expects to acquire a 99.99% ownership interest in the Borrower. In connection with such acquisition, the equity funding arrangements for the funding of the federal low-income housing tax credit equity (the "Tax Credit Equity") are expected to be in the total amount set forth under "PLAN OF FINANCING" herein paid in stages during and after construction of the Project. These 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 estimates set forth herein and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

#### **Limited Assets and Obligation of Borrower, Managing General Partner, and Investor Limited Partner**

The Borrower and the Managing General Partner have no substantial assets other than the Project and do 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 Managing General Partner, the Administrative General Partner, and 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 obligations and liabilities of the Borrower under the Loan Agreement and the Note are of a non-recourse nature and are limited to the Project and moneys derived from the operation of the Project. Neither the Borrower nor its partners have any personal liability for payments on the Note to be applied to pay the principal of and interest on the Bonds. Furthermore, no representation is made that the Borrower has substantial funds available for the Project. Accordingly, neither the Borrower's financial statements nor those of its partners are included in this Official Statement.

#### **The Developer**

The developer for the Project is Martin McNerney Development Inc., a California corporation, d.b.a. Martin Building Company (the “Developer”). The Developer was started in 1989 and has 36 years of experience in multifamily development. The Developer has developed 685 multifamily units in California.

### **The Architect**

The architect for the Project is David Baker Architects (the “Architect”). The Architect is not an affiliate of the Developer. The Architect has been a licensed architect for 43 years and has been the principal architect for approximately 89 multifamily developments with an excess of 10,105 units throughout California and Alabama.

### **The General Contractor**

The general contractor for the Project is Nibbi Brothers Associates, Inc. (the “General Contractor”). The General Contractor is not an affiliate of the Developer. Based out of San Francisco, California, the General Contractor was formed in 1950 and is a California-licensed contractor. Since inception, the General Contractor has built or rehabilitated over 38,500 units of affordable apartments.

### **The Property Manager**

The Borrower has entered into a management agreement with Greystar California, 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 1993. The Property Manager currently manages 823,581 units throughout the United States.

### **The Mortgage Lender**

Berkadia Commercial Mortgage LLC, a Delaware limited liability company (the “Lender”), will, upon satisfaction of certain conditions precedent, make the Mortgage Loan to the Borrower. The Mortgage Lender is a mortgage banking firm specializing in FHA-insured construction and permanent mortgage loans, Fannie Mae forward commitments and permanent mortgage loans, and both Fannie Mae and FHA bond credit enhancements for multifamily and seniors housing projects across the United States. The Mortgage Lender has been approved by HUD as an eligible issuer and servicer of loans guaranteed by GNMA. To be approved by GNMA to issue GNMA guaranteed certificates with respect to long-term mortgages on multifamily projects, the Mortgage Lender is required to have a net worth (based on audited financial statements) equal to at least \$500,000 plus 0.2% of any securities outstanding in excess of \$35 million.

## **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 Sutter Street Affordable, is located in San Francisco, California, on an approximately 0.68-acre site. The Project contains 303 apartment units in one building, 101 of which are subject to certain affordability requirements described below, located at 1101-1123 Sutter Street, San Francisco, California. The Project is owned by two separate and unrelated entities. The Borrower owns units located on floors 2 – 14, while 1101 Sutter Affordable, LP, a California limited partnership, owns units located on floors 7 through 22. The Borrower will own all affordable units and will be located on floors 2 through 14, with none on floors 15 and above.

Common area improvements will include: 2-level indoor/outdoor fitness center, multiple landscaped roof decks with grilling and dining areas, a dog oasis, hot tub, outdoor shower, library/coworking lounge, entertainment lounge, view lounge, game room, on-site child care center, expansive main lobby, mail and package rooms, parcel lockers, vehicle and bicycle parking, street trees and landscaping, lighting and sidewalk expansions, security systems, and access controls. Unit amenities include: all-electric kitchen appliances (refrigerator, range, microhood,

dishwasher), washers and dryers, window shades, high ceilings, oversized doors, integral color concrete floors, expansive floor-to-ceiling windows, stainless steel hardware, custom cabinetry, quartz countertops, heating and air conditioning, digital key access. There are 30 parking spaces for resident use only.

It is anticipated that construction will commence immediately upon the issuance of the Bonds and initial funding of the Tax Credit Equity and will be completed in approximately 25\* months.

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

| Unit Type          | Average Square Feet | Number of Units   |
|--------------------|---------------------|-------------------|
| Manager Unit       |                     | 1                 |
| Studio             | 478                 | 8                 |
| 1 bedroom 1 bath   | 578                 | 8                 |
| 2 bedroom 1 bath   | 737                 | 43                |
| 3 bedroom 1.5 bath | 915                 | 31                |
| 4 bedroom 1.5 bath | 1,141               | <u>11</u>         |
| <b>TOTAL</b>       |                     | <b><u>102</u></b> |

#### PLAN OF FINANCING

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

##### Sources of Funds\*

|   |                             |
|---|-----------------------------|
| Tax Exempt Cash Backed Bonds            | \$43,695,000                |
| Low Income Housing Tax Credit Proceeds  | 32,626,000                  |
| CalHFA Risk-Share Loan                  | 14,550,000                  |
| CalHFA MIP Loan                         | 4,000,000                   |
| MGP Loan Re California State Tax Credit | 17,238,000                  |
| AGP Loan                                | 8,230,000                   |
| Deferred Development Fee                | <u>7,782,205</u>            |
| <b>Total</b>                            | <b><u>\$128,121,205</u></b> |

##### Uses of Funds\*

|                           |                             |
|---------------------------|-----------------------------|
| Acquisition Costs         | \$7,137,615                 |
| Construction Costs        | 64,456,349                  |
| Permanent Financing Costs | 401,429                     |
| Organizational Costs      | 533,810                     |
| Reserves                  | 1,007,333                   |
| Costs of Issuance         | 1,108,000                   |
| Developer Fee             | 9,781,669                   |
| Payment of Bond Principal | <u>43,695,000</u>           |
| <b>Total</b>              | <b><u>\$128,121,205</u></b> |

*The Mortgage Loan and Bridge Loan.* During the development period, the Project will utilize a mortgage loan (the "Mortgage Loan") insured by the Federal Housing Administration ("FHA") under Section 221(d)(4) of the National Housing Act of 1934, as amended, and applicable regulations promulgated thereunder. The Mortgage Loan is expected to close simultaneously with the issuance of the Bonds.

The Mortgage Loan is expected to be in the original principal amount of approximately \$17,000,000\* and is expected to bear interest at the estimated rate of 5.75%\* per annum. The Mortgage Loan proceeds will be disbursed by the Mortgage Lender to the Borrower based upon approved advances. Such advances will be evidenced by the Mortgage Note, secured by the Mortgage on the Project, and the Mortgage Lender will issue, with respect to the Mortgage Note, fully amortized mortgage-backed securities ("GNMA Securities") guaranteed as to timely payment

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\* Preliminary; subject to change.

of principal and interest by the Government National Mortgage Association (“GNMA”). The Mortgage Loan will be amortized over 40\* years.

The Project will also use a Bridge Loan from the American Federation of Labor and Congress of Industrial Organizations Housing Investment Trust in the approximate amount of \$41,996,496\* (“Bridge Loan”). The Bridge Loan will have a term of 36\* months (with one dix-month extension) and will bear interest at a rate of 7%\* per annum.

*The Low Income Housing Tax Credit Proceeds.* The Low Income Housing Tax Credit Proceeds. Contemporaneously with the issuance of the Bonds, the Investor Limited Partner expects to acquire a 99.99% ownership interest in the Borrower. In connection with such acquisition, the funding of the Tax Credit Equity will total approximately \$32,626,000\*. 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.

*CalHFA Risk-Share Loan.* The Project will also utilize a permanent loan in the principal amount of \$14,550,000\* (the “CalHFA Risk-Share Loan”). The obligation to repay the CalHFA Risk-Share Loan will be set forth in a promissory note (the “CalHFA Risk-Share Loan Note”) from the Borrower to the California Housing Finance Agency (the “CalHFA”) and will be repayable out of net operating income of the Project cash flow and other non-Project sources on the terms and conditions set forth therein. The CalHFA Risk-Share Loan Note will be secured by a senior mortgage against the Project subordinate to the Mortgage Loan. The CalHFA Risk-Share Loan Note will have a term of 17\* years and will bear interest at a rate of 7.01%\* per annum, with annual principal and interest not otherwise paid, due at maturity.

*CalHFA Multifamily Investment Program Loan.* The Project will also utilize a loan in the principal amount of \$4,000,000\* (the “CalHFA MIP Loan”). The obligation to repay the CalHFA MIP Loan will be set forth in a promissory note (the “CalHFA MIP Loan Note”) from the Borrower to California Housing Finance Agency (the “CalHFA”) and will be repayable out of cash flow and other non-Project sources on the terms and conditions set forth therein. The CalHFA MIP Loan Note will be secured by a subordinate mortgage against the Project subordinate to the Mortgage Loan. The CalHFA MIP Loan Note will have a term of 17\* years and will bear interest at a rate of 3.0%\* per annum, with annual principal and interest not otherwise paid, due at maturity.

*The MGP Loan Re California State Tax Credit.* The Project will also utilize a subordinate loan in the principal amount of \$17,238,000\* (the “MGP Loan”). The obligation to repay the MGP Loan will be set forth in a promissory note (the “MGP Note”) from the Borrower to the Managing General Partner and will be repayable out of cash flow and other non-Project sources on the terms and conditions set forth therein. The MGP Note will be unsecured. The MGP Note will have a term of 42\* years and will bear interest at a rate of 1.0%\* per annum, with annual principal and interest not otherwise paid, due at maturity.

*The AGP Loan.* The Project will also utilize a subordinate loan in the principal amount of \$8,230,000\* (the “AGP Loan”). The obligation to repay the AGP Loan will be set forth in a promissory note (the “AGP Note”) from the Borrower to the Administrative General Partner and will be repayable out of cash flow and other non-Project sources on the terms and conditions set forth therein. The AGP Note will be unsecured. The AGP Note will have a term of 42\* years and will bear an approximate interest at a rate of 8.0%\* per annum, with annual principal and interest not otherwise paid, due at maturity.

## **PROJECT REGULATION**

The Borrower intends to operate the Project as a qualified residential rental project in accordance with the provisions of Section 142(d) of the Code. Concurrently with the issuance of the Bonds, the Borrower, the Trustee and the Issuer will enter into a Regulatory Agreement and Declaration of Restrictive Covenants, dated as of October 1, 2025 (the “Regulatory Agreement”). Under the Regulatory Agreement, the Borrower will agree that, at all times during the qualified project period (as defined in the Regulatory Agreement), the Borrower will rent at least 40% of

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\* Preliminary; subject to change.

the units in the Project to persons whose adjusted family income (determined in accordance with the provisions of the Code) is no more than 60% of the area median income (adjusted for family size) (“AMI”). See “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT” herein.

In addition to the rental restrictions imposed upon the Project by the Regulatory Agreement, the Project will be further encumbered by a tax credit restrictive covenant, to be executed by the Borrower in connection with the federal low-income housing tax credits 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”). 30% 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 40% 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.

Additional restrictions are imposed on the Project pursuant to the HUD Regulatory Agreement entered into by the Borrower in connection with the Mortgage Loan.

The Borrower, the Trustee and the Issuer will enter into a Density Bonus Regulatory Agreement (the “Density Regulatory Agreement”). Under the Density Regulatory Agreement, the Borrower will agree that, at all times during the qualified project period (as defined in the Density Regulatory Agreement), the Borrower will rent at least 12% of the units in the Project to persons whose adjusted family income (determined in accordance with the provisions of the Code) is no more than 55% of the area median income (adjusted for family size) (“AMI”).

The Project will be further encumbered by a city restrictive covenant regarding inclusionary housing, to be executed by the Borrower in conjunction with the federal low-income housing tax credits anticipated to be granted for the Project and in compliance with the requirements of Section 42 of the Code.

#### **THE TRUSTEE**

U.S. Bank Trust Company, National Association will serve as Trustee under the Indenture. The Trustee is a national banking association organized under the laws of the United States of America. The obligations of the Trustee are described in the Indenture. The Trustee has undertaken only those duties and obligations that are expressly set forth in the Indenture. The Trustee has not independently passed upon the validity of the Bonds, the security of the payment therefor, the value or condition of any assets pledged to the payment thereof, the adequacy of the provisions for such payment, the status for federal or state income tax purposes of the interest on the Bonds, or the investment quality of the Bonds. Except for the contents in this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and has assumed no responsibility for the nature, content, accuracy or completeness of the information included in this Official Statement.

#### **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 held under the Indenture and are not offered on the basis of the credit of the Borrower, the feasibility of the Project or any other security. As a consequence, limited information about the Project and no information about the financial condition or results of operations of the Borrower is included in this Official Statement. The Bonds are offered only to investors who, in making their investment decision, rely solely on the amounts held under the Indenture and 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. On the date of delivery of the Bonds, an amount equal to the principal amount of the Bonds is to be deposited into the Project Fund, and an amount equal to the aggregate interest payments on the Bonds from the date of delivery to the Initial Mandatory Tender Date is to be deposited into the Negative Arbitrage Account. Such amounts are to be invested in Eligible Investments pursuant to the Indenture.

The Trustee is required to invest amounts held in the Special Funds in Eligible Investments, as defined in the Indenture. See “APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Investment of Special Funds and Rebate Fund.” Debt Service on the Bonds has been scheduled assuming that the amounts held in the Special Funds earn no interest prior to the Initial Mandatory Tender Date. Failure to receive a return of the amounts so invested could affect the ability to pay the principal of and interest on the Bonds.

### **Taxability**

The Bonds would not be subject to redemption, and the rate of interest on the Bonds would not be subject to adjustment, if the interest on the Bonds were to become included in gross income for purposes of federal income taxation. Such event could occur if the Borrower (or any subsequent owner of the Project) does not comply with the provisions of the Regulatory Agreement, the Tax Certificate and the Loan Agreement that are designed, if complied with, to satisfy the continuing compliance requirements of the Code in order for the interest on the Bonds to be excludable from gross income for purposes of federal income tax.

### **Enforceability of Remedies**

The remedies available to the Trustee and the owners of the Bonds upon an event of default under the Loan Agreement or the Indenture are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing law and judicial decisions, the remedies provided for under the Loan Agreement or the Indenture may not be readily available, and the Borrower will have no personal liability for the satisfaction of any obligation of the Borrower under such agreements or of any claim against the Borrower arising out of such agreements or the Indenture.

If a default in the payment of the Loan occurs and is continuing, the Issuer has agreed with the Borrower and the Lender not to commence foreclosure proceedings with respect to the Project or exercise any other rights or remedies it may have under the Note or the Loan Agreement, including, but not limited to, accelerating the Loan, without the Lender’s prior written consent.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Bonds and the documents described above is subject to limitations imposed by such things as the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or a court of equity), including judicial limitations on rights to specific performance and bankruptcy, insolvency, reorganization, moratorium or other similar laws heretofore or hereafter in effect affecting creditors’ rights, to the extent constitutionally applicable.

### **Secondary Markets and Prices**

The Underwriter will not be obligated to repurchase any of the Bonds, and no representation is made concerning the existence of any secondary market for the Bonds. No assurance can be given that any secondary market will develop following the completion of the offering of the Bonds contemplated by this Official Statement, and no assurance can be given that the Bonds can be resold at their initial offering prices for any period of time.

### **Issuer Limited Liability**

The Bonds will not be insured or guaranteed by any governmental entity or by the Issuer or any member or program participant of the foregoing. The holders of the Bonds will have no recourse to the Issuer in the event of an event of default on the Bonds.

## 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 construction 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.

## 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 E hereto.

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

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

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Issuer and the Borrower have made certain representations and covenanted to comply with certain restrictions, conditions and requirements

designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

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

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

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

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

Payments on the Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate beneficial owner of Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a beneficial owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations

and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

## **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 Treasurer of the State of California (the “Treasurer”) and the Borrower, the Underwriter has agreed to purchase the Bonds at the price set forth on the cover 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, the Treasurer 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 of this Official Statement 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.

In addition to serving as Underwriter, Stifel, Nicolaus & Company, Incorporated has been designated to serve as Remarketing Agent and will receive a fee for its remarketing services in connection with the remarketing, if any, of the Bonds on the Initial Mandatory Tender Date; conflicts of interest could arise.

## **RATING**

Moody’s Investors Service, Inc. (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 is not a recommendation to buy, sell or hold the Bonds. There is no assurance that any such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating can be expected to have an adverse effect on the market price of the Bonds.

#### **CERTAIN LEGAL MATTERS**

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the Issuer. A complete copy of the proposed form of the Bond Counsel opinion is attached hereto as “APPENDIX E — FORM OF OPINION OF BOND COUNSEL.” Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C., and for the Borrower by its counsel, Downs Pham & Kuei LLP, San Francisco, California. Compensation for certain of such counsel is contingent upon the issuance of the Bonds.

#### **ABSENCE OF LITIGATION**

##### **The Issuer**

On the date of issuance of the Bonds, the Issuer will deliver certificate(s) to the effect that, to the knowledge of the Issuer, no litigation is pending or threatened against the Issuer (i) to restrain or enjoin the issuance of the Bonds, or contesting or questioning the validity of the Bonds or the proceedings and authority under which the Bonds have been authorized and are to be issued, or the pledge or application of any money or security provided for the payment of the Bonds or (ii) which questions the validity of the Indenture, the Loan Agreement, the Regulatory Agreement or the Bonds.

##### **The Borrower**

It is a condition to the Underwriter’s acceptance of the Bonds on the date of delivery that the Borrower deliver a certificate to the effect that there are no legal proceedings pending or, to the Borrower’s knowledge threatened, to restrain or enjoin the issuance, sale or delivery of the Bonds or the payment, collection or application of the proceeds thereof or of the revenues and other money and securities pledged or to be pledged under the Indenture or in any way contesting or affecting any authority for or the validity of the Bonds or the Indenture.

#### **CONTINUING DISCLOSURE**

The Borrower has undertaken responsibility for any continuing disclosure to Bondholders as described below, and the Issuer will have no liability to the Holders of the Bonds or any other person with respect to such disclosures.

The Borrower will enter into a Continuing Disclosure Agreement dated as of October 1, 2025 (the “Continuing Disclosure Agreement”) with U.S. Bank Trust Company, National Association, as the Dissemination Agent, obligating the Borrower to send, or cause to be sent, certain financial information with respect to the Project to certain information repositories annually and to provide notice, or cause notice to be provided, to the Municipal Securities Rulemaking Board, if any, of certain enumerated events for the benefit of the Beneficial Owners and Holders of any of the Bonds, in order to allow the Underwriter to meet the requirements of Section (b)(5)(i) of Securities Exchange Commission Rule 15c2-12 (the “Rule”). See “APPENDIX F — FORM OF CONTINUING DISCLOSURE AGREEMENT” hereto.

A failure by the Borrower to comply with the provisions of the Continuing Disclosure Agreement will not constitute a default under the Loan Agreement (although Holders 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.

**MISCELLANEOUS**

The foregoing summaries and explanations do not purport to be comprehensive, and are expressly made subject to the exact provisions of documents referred to herein. Copies of the Indenture and the Loan Agreement may be obtained from the Trustee or, during the initial marketing of the Bonds, the Underwriter. Any statements in this Official Statement involving matters of opinion or forecast, 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 among the Issuer, the Borrower, or the Underwriter and the purchasers or Holders of any Bonds.

[Signature page to follow]

The execution and delivery of this Official Statement has been duly authorized by the Borrower.

**SUTTER BMR, LP,**  
a California limited partnership

By: KINGDOM AK, LLC,  
a California limited liability company,  
its Managing General Partner

By: Kingdom Development, Inc.,  
a California nonprofit public benefit corporation,  
its sole member and manager

By: \_\_\_\_\_  
William D. Leach  
President

By: MARTIN MCNERNEY DEVELOPMENT, INC.,  
a California corporation,  
its Administrative General Partner

By: \_\_\_\_\_  
Patrick M. McNerney  
President

**APPENDIX A**  
**DEFINITIONS OF CERTAIN TERMS**

**“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.

**“Act of Bankruptcy”** means written notice to the Trustee that the Borrower has become insolvent or has failed to pay its debts generally as such debts become due or has admitted in writing its inability to pay any of its indebtedness or has consented to or has petitioned or applied to any court or other legal authority for the appointment of a receiver, liquidator, trustee or similar official for itself or for all or any substantial part of its properties or assets or that any such trustee, receiver, liquidator or similar official has been appointed or that a petition in bankruptcy, insolvency, reorganization or liquidation proceedings (or similar proceedings) have been instituted by or against the Borrower; provided that, if in the case of an involuntary proceeding, such proceeding is not dismissed within 90 days after commencement thereof.

**“Administrative Expenses”** means the Ordinary Trustee Fees and Expenses and the Dissemination Agent Fee and the Ordinary Issuer Fees.

**“Administrative General Partner”** means Martin McNerney Development, Inc., a California corporation, and its permitted successors and assigns.

**“Affiliate”** of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “control” when used with respect to any specified Person means the power to direct the policies of such Person, directly or indirectly, whether through the power to appoint and remove its directors, the ownership of voting securities, by contract, or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

**“Authorized 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 the President or Vice President of the Managing General Partner.

**“Authorized Denomination”** means \$5,000, or any integral multiple of \$1,000 in excess thereof.

**“Authorized Signatory”** means, when used with respect to the Issuer, the Executive Director, the Chief Deputy Director, the Director of Financing, the Financing Risk Manager, the Director of Multifamily Programs and such additional Person or Persons, if any, duly designated in writing for such purpose by the Executive Director of the Issuer.

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

**“Beneficial Owner”** means with respect to the Bonds, the Person owning the Beneficial Ownership Interest therein, as evidenced to the satisfaction of the Trustee.

**“Beneficial Ownership Interest”** means the right to receive payments and notices with respect to the Bonds held in a Book-Entry System.



**“Bond Counsel”** means Orrick, Herrington & Sutcliffe LLP or other counsel nationally recognized as having an expertise in connection with the exclusion of interest on obligations of states and local governmental units from the gross income of holders thereof for federal income tax purposes.

**“Bond Documents”** means, collectively, the Indenture, the Loan Agreement, the Regulatory Agreement, the Tax Certificate and the Bonds.

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

**“Bond Payment Date”** means each Interest Payment Date and any other date Bond Service Charges on the Bonds are due, whether at maturity, upon redemption, Mandatory Tender or acceleration or otherwise.

**“Bond Purchase Agreement”** means the Purchase Contract, dated September \_\_, 2025, among the Underwriter, the Issuer and the Borrower.

**“Bond Resolution”** means that certain resolution of the Issuer adopted by the Issuer authorizing the issuance of the Bonds.

**“Bond Service Charges”** means, for any period or payable at any time, the principal of and interest on the Bonds for that period or payable at that time whether due at maturity or upon redemption, Mandatory Tender or acceleration.

**“Bonds”** means the California Housing Finance Agency Limited Obligation Multifamily Housing Revenue Bonds (Sutter Street) 2025 Issue D of the Issuer authorized pursuant to the Bond Resolution and the Indenture, in the principal amount of \$43,695,000\*.

**“Book-Entry Form”** or **“Book-Entry System”** means, with respect to the Bonds, a form or system, as applicable, under which (a) physical Bond certificates in fully registered form are issued only to a Depository or its nominee, with the physical Bond certificates “immobilized” in the custody of the Depository and (b) the ownership of book-entry interests in Bonds and Bond Service Charges thereon may be transferred only through a book-entry made by others than the Issuer or the Trustee. The records maintained by others than the Issuer or the Trustee constitute the written record that identifies the owners, and records the transfer, of book-entry interests in those Bonds and Bond Service Charges thereon.

**“Borrower”** means Sutter BMR, LP, a California limited partnership, together with its permitted successors and assigns.

**“Borrower Documents”** means the Financing Documents and the Mortgage Loan Documents to which the Borrower is a party.

**“Bridge Lender”** means American Federation of Labor and Congress of Industrial Organization Housing Investment Trust, a District of Columbia common law trust.

**“Bridge Loan”** means the loan made to the Borrower by the Bridge Lender in the principal amount of \$41,996,496\*.

**“Business Day”** means a day, other than a Saturday or a Sunday or any other day, on which (a) banking institutions in the City of New York or in the city in which the Designated Office of the Trustee or Remarketing Agent are located or authorized or obligated by law or executive order to be closed, (b) The New York Stock Exchange is closed or (c) a California state holiday when the Issuer is authorized or obligated to be closed.

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\* Preliminary; subject to change.

**“CalHFA Loan”** means, collectively, the CalHFA Tax Exempt Bond Loan made to the Borrower by the Issuer in the principal amount of \$14,550,000\* and the CalHFA Multifamily Investment Program Loan made to the Borrower by the Issuer in the principal amount of \$4,000,000\*.

**“Cash Flow Projection”** means a cash flow projection prepared by an independent firm of certified public accountants, a financial advisory firm, a law firm or other independent third party qualified and experienced in the preparation of cash flow projections for structured finance transactions similar to the Bonds, designated by the Borrower and acceptable to the Rating Agency, establishing, to the satisfaction of the Rating Agency, the sufficiency of (a) the amount on deposit in the Special Funds, (b) projected investment income to accrue on amounts on deposit in the Special Funds during the applicable period and (c) any additional Eligible Funds delivered to the Trustee by or on behalf of the Borrower to pay Bond Service Charges and the Administrative Expenses, in each instance, when due and payable, including, but not limited to, any cash flow projection prepared in connection with (i) the initial issuance and delivery of the Bonds, (ii) a proposed remarketing of the Bonds, as provided in the Indenture (iii) a release of Eligible Funds from the Negative Arbitrage Account as provided in the Indenture and (iv) the purchase, sale or exchange of Eligible Investments as provided in the Indenture.

**“Closing Date”** means October \_\_, 2025.

**“Code”** means the Internal Revenue Code of 1986, as amended and all applicable rulings and regulations (including temporary and proposed regulations) thereunder.

**“Collateral Fund”** means the Collateral Fund created in the Indenture.

**“Completion Certificate”** means the certificate attached as an exhibit to the Loan Agreement.

**“Completion Date”** means the date of completion of the Project evidenced in accordance with the requirements of the Loan Agreement.

**“Continuing Disclosure Agreement”** means the Continuing Disclosure Agreement dated as of October 1, 2025, between the Borrower and the Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

**“Controlling Holders”** means in the case of consent or direction to be given under the Indenture, the Holders of the majority in aggregate principal amount of the Outstanding Bonds.

**“Controlling HUD and GNMA Requirements”** means the National Housing Act and any applicable HUD or GNMA regulations, and related HUD or GNMA administrative requirements and prohibitions, including any related to the Rental Assistance Demonstration (RAD) program and Program Obligations, as such term is defined in the Mortgage Loan Documents.

**“Costs of Issuance”** means the “issuance costs” with respect to the Bonds within the meaning of Section 147(g) of the Code.

**“Costs of Issuance Fund”** means the Costs of Issuance Fund created in the Indenture.

**“Depository”** means, with respect to the Bonds, DTC, until a successor Depository shall have become such pursuant to the applicable provisions of the Indenture, and thereafter, Depository shall mean the successor Depository. Any Depository shall be a securities depository that is a clearing agency under a federal law operating and maintaining, with its participants or otherwise, a Book-Entry System to record ownership of book-entry interests in Bonds or Bond Service Charges thereon, and to effect transfers of book-entry interests in Bonds.

**“Designated Office”** means, with respect to the Trustee or the Remarketing Agent, the office of the Trustee or the Remarketing Agent at the respective notice address set forth in the Indenture or, solely for purposes of

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\* Preliminary; subject to change.

presentation for transfer, payment or exchange of the Bonds, the designated corporate trust operations or agency office of the Trustee in San Francisco, California, or at such other address as may be specified in writing by the Trustee or the Remarketing Agent, as applicable, as provided in the Indenture.

**“Determination of Taxability”** means a final determination, decision or decree, with respect to which all applicable appeals periods shall have expired, made by or on behalf of the Internal Revenue Service or by any court of competent jurisdiction to the effect that interest on the Bonds is includable in gross income for federal income tax purposes.

**“Disbursement Agreement”** means the Construction Loan Disbursement Agreement dated as of October 1, 2025 among the parties identified therein.

**“Dissemination Agent”** means the Trustee, or any successor, as Dissemination Agent under the Continuing Disclosure Agreement.

**“Dissemination Agent Fee”** means the fee payable to the Dissemination Agent as compensation for its services and the reimbursement to the Dissemination Agent of its expenses in performing its obligations under the Continuing Disclosure Agreement, which fee is included within the Ordinary Trustee Fees and Expenses; provided, however, the amount of the Dissemination Agent Fee payable under the Indenture is limited to money withdrawn from the Expense Fund and the Borrower will be responsible to pay the remaining amount of the Dissemination Agent Fee pursuant to the Loan Agreement.

**“DTC”** means The Depository Trust Company (a limited purpose trust company), Brooklyn, New York, and its successors or assigns.

**“Eligible Funds”** means, as of any date of determination, any of:

- (a) the proceeds of the Bonds (including any additional amount paid to the Trustee as the purchase price thereof by the Underwriter);
- (b) money received by the Trustee as Lender Funds and the Bridge Loan;
- (c) remarketing proceeds of the Bonds (including any additional amount paid to the Trustee as the purchase and/or remarketing price thereof by the Remarketing Agent) received from the Remarketing Agent or any purchaser of Bonds (other than funds provided by the Borrower, the Issuer or any Affiliate of either the Borrower or the Issuer);
- (d) any other amounts, including the proceeds of refunding bonds, for which the Trustee has received an Opinion of Counsel selected by the Issuer (which opinion may assume that no Holder or Beneficial Owner of Bonds is an “insider” within the meaning of the Bankruptcy Code) to the effect that (A) 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 and (B) payments of such amounts to Holders would not be avoidable as preferential payments under Section 547 or 550 of the Bankruptcy Code should the Issuer or the Borrower become a debtor in proceedings commenced under the Bankruptcy Code;
- (e) the proceeds of draws by the Trustee on any letter of credit provided to the Trustee for the benefit of the Borrower;
- (f) any payments made by the Borrower and held by the Trustee for a continuous period of 123 days, provided that no Act of Bankruptcy has occurred during such period; and
- (g) investment income derived from the investment of the money described in (a) through (f) above.

**“Eligible Investments”** means, subject to the provisions of the Indenture, any of the following investments which mature (or are redeemable at the option of the Trustee) at such time or times as to enable 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) Shares or units in any money market mutual fund rated “Aaa-mf” by Moody’s (or the equivalent Highest Rating Category given by a Rating Agency for that general category of security) at the time of purchase, including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund and receives reasonable compensation therefor that are registered under the Investment Company Act of 1940, as amended, whose investment portfolio consist solely of direct obligations of the government of the United States of America.

**“Event of Default”** means (a) with respect to the Indenture, any of the events described as an Event of Default in the Indenture and (b) with respect to the Loan Agreement, any of the events described as an Event of Default in the Loan Agreement.

**“Expense Fund”** means the Expense Fund created in the Indenture.

**“Extension Payment”** means the amount due, if any, to provide adequate additional funds for the payment of Bond Service Charges and Administrative Expenses during a Remarketing Period in connection with the change or extension of the Mandatory Tender Date pursuant to the Indenture, and which (a) shall be determined by a Cash Flow Projection approved in writing by the Rating Agency and (b) must consist of Eligible Funds.

**“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 Loan Agreement.

**“Extraordinary Services”** and **“Extraordinary Expenses”** mean, respectively, all services rendered, and all reasonable expenses properly incurred by the Trustee or the Issuer under the Indenture or the Loan 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, a default or 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 the Loan Agreement.

**“Federal Tax Status”** means, as to the Bonds, the status of the interest on the Bonds as excludible from gross income for federal income tax purposes of the Holders of the Bonds (except on Bonds while held by a substantial user or related person, each as defined in the Code).

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

**“FHA Commitment”** means the Commitment for Insurance of Advances issued by FHA with respect to FHA Insurance on the Mortgage Loan, as the same may be amended.

**“FHA Insurance”** means the insurance on the Mortgage Loan by FHA pursuant to Section 221(d)(4) of the National Housing Act.

**“Financing Documents”** means the Indenture, the Bonds, the Loan Agreement, the Note, the Tax Certificate, the Regulatory Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Remarketing Agreement and any other instrument or document executed in connection with the Bonds, together with all modifications, extensions, renewals and replacements thereof, but excluding the GNMA Documents, the Mortgage Loan Documents and any secondary financing documents, and any documents relating to low income housing tax credit equity.

**“Force Majeure”** means any of the causes, circumstances or events described as constituting Force Majeure in the Loan Agreement.

**“General Partner”** means collectively, the Managing General Partner and the Administrative General Partner.

**“GNMA”** means the Government National Mortgage Association, an organizational unit within HUD, or any successor entity and any authorized representatives or agents thereof, including the Secretary of HUD and his representatives or agents.

**“GNMA Certificate”** means a mortgage-backed security issued by the Lender, guaranteed as to timely payment of principal and interest by GNMA pursuant to the National Housing Act and the regulations thereunder, and issued with respect to and backed by the Mortgage Loan.

**“GNMA Documents”** means any GNMA Certificate, the commitment issued by GNMA to the Lender to guarantee the GNMA Certificate and all other documents, certifications and assurances executed and delivered by the Lender, GNMA or the Borrower in connection with the GNMA Certificate.

**“Governing Body”** means the Board of Directors of the Issuer.

**“Government”** shall mean the government of the United States of America, the government of any other nation, any political subdivision of the United States of America or any other nation (including, without limitation, any state, territory, federal district, municipality or possession) and any department, agency or instrumentality thereof; and “Governmental” shall mean of, by, or pertaining to any Government.

**“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.

**“Highest Rating Category”** means, with respect to an Eligible Investment, that the Eligible Investment is rated by a Rating Agency in the highest rating given by that Rating Agency for that Rating Category, provided that such rating shall include but not be below “Aa1” or “Aa1/VMIG 1” if rated by Moody’s or “A-1+” or “AA+” if rated by S&P.

**“Holder”** or **“Holder of a Bond”** means the Person in whose name a Bond is registered on the Register.

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

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

**“Indemnity Reserve Fund”** means the Indemnity Fund created in the Indenture.

**“Indenture”** means the Trust Indenture, dated as of October 1, 2025, between the Issuer and the Trustee, as amended or supplemented from time to time.

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

**“Initial Deposit”** means Eligible Funds in the amount set forth in the Indenture, comprised of moneys other than proceeds of the Bonds, to be deposited with the Trustee on the Closing Date for deposit as provided in the Indenture.

**“Initial Interest Rate”** means \_\_\_% per annum.

**“Initial Mandatory Tender Date”** means November 1, 2028\*.

**“Initial Remarketing Date”** means the Initial Mandatory Tender Date, but only if the conditions for remarketing the Bonds on such date as provided in the Indenture are satisfied.

**“Interest Payment Date”** means (a) May 1 and November 1 of each year beginning May 1, 2026\*, (b) each Redemption Date and (c) each Mandatory Tender Date. In the case of a payment of defaulted interest, “Interest Payment Date” also means the date of such payment established pursuant to the Indenture.

**“Interest Rate”** means the Initial Interest Rate to but not including the Initial Mandatory Tender Date, and thereafter the applicable Remarketing Rate.

**“Investor Limited Partner”** means, collectively, BF The Equity Collection, LLLP, a Delaware limited liability limited partnership, and BFIM Special Limited Partner, Inc., a Florida corporation, and their permitted successors and assigns.

**“Issuer”** means the California Housing Finance Agency, a public instrumentality and political subdivision of the State of California.

**“Issuer Documents”** means the Financing Documents to which the Issuer is a party.

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

**“Lender”** means Berkadia Commercial Mortgage LLC, a Delaware limited liability company, and its successors and assigns.

**“Lender Funds”** means warehouse funds or other funds of the Lender to be advanced by the Lender to the Trustee, which, in the aggregate, do not exceed the amount set forth in the Indenture.

**“Loan”** means the loan by the Issuer to the Borrower of the proceeds received from the sale of the Bonds.

**“Loan Agreement”** means the Loan Agreement, dated as of October 1, 2025, between the Issuer and the Borrower, as amended or supplemented from time to time and assigned by the Issuer to the Trustee, except for the Reserved Rights.

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\* Preliminary; subject to change.

**“Loan Payments”** means the amounts required to be paid by the Borrower in repayment of its Loan pursuant to the provisions of the Note and the Loan Agreement.

**“Local Time”** means Pacific time (daylight or standard, as applicable) in San Francisco, California.

**“Managing General Partner”** means Kingdom AK, LLC, a California limited liability company, and its permitted successors and assigns.

**“Mandatory Tender”** means a tender of Bonds required by the Indenture.

**“Mandatory Tender Date”** means (a) the Initial Mandatory Tender Date and (b) if the Bonds Outstanding on the Initial Mandatory Tender Date or on any subsequent Mandatory Tender Date are remarketed pursuant to the Indenture for a Remarketing Period that does not extend to the final maturity of the Bonds, the day after the last day of the Remarketing Period.

**“Maturity Date”** means November 1, 2029\*.

**“MGP Loan”** means the loan made to the Borrower by the Managing General Partner in the principal amount of \$17,238,000\*.

**“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 Loan”** means the mortgage loan to be made from the Lender to the Borrower in the principal amount of approximately \$17,000,000\*, as described and provided for in the FHA Commitment, evidenced by the Mortgage Note and secured by the underlying FHA mortgage.

**“Mortgage Loan Documents”** means the mortgage, the Mortgage Note, the HUD Regulatory Agreement and all other documents required by the Lender and/or FHA in connection with the Mortgage Loan.

**“Mortgage Note”** means the Note of the Borrower payable to the order of the Lender, as the same may be supplemented or modified.

**“National Housing Act”** means the National Housing Act of 1937, as amended, and the applicable regulations thereunder.

**“Negative Arbitrage Account”** means the Negative Arbitrage Account of the Bond Fund created in the Indenture.

**“Note”** means the promissory note of the Borrower, dated as of even date with the Bonds initially issued, in the form attached as an exhibit to the Loan Agreement and in the principal amount of \$43,695,000\*, evidencing the obligation of the Borrower to make Loan Payments.

**“Opinion of Bond Counsel”** means a written opinion of Bond Counsel.

**“Opinion of Counsel”** means a written opinion from an attorney or firm of attorneys (which may be counsel to the Issuer or the Borrower, as applicable), acceptable to the Trustee, with experience in the matters to be covered in the opinion.

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\* Preliminary; subject to change.

**“Optional Call Date”** means any date on or after November 1, 2028\*, or, in the event of a remarketing of the Bonds, such date as may be established on the Remarketing Date.

**“Ordinary Issuer Fees”** means an amount due to the Issuer, payable in an amount equal to the agreed upon fee schedule payable on the Closing Date, calculated as set forth in the Regulatory Agreement; provided, however, that the amount of Ordinary Issuer Fees payable under the Indenture is limited to money withdrawn from the Costs of Issuance Fund and the Expense Fund and the Borrower will be responsible to pay the remaining amount of the Ordinary Issuer Fees pursuant to the Loan Agreement and the Regulatory 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 in advance on the Closing Date, in an amount equal to the sum of (a) an annual trustee fee of \$4,000 and (b) an annual Dissemination Agent Fee of \$750; provided, however, the amount of Ordinary Trustee Fees and Expenses payable under the Indenture is limited to money withdrawn from the Costs of Issuance Fund and the Expense Fund and the Borrower will be responsible to pay the remaining amount of the Ordinary Trustee Fees and Expenses pursuant to the Loan Agreement. In addition, 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 Loan Agreement or by the Holders if the Trustee incurs such fees and expenses in connection with actions directed to be taken by the Holders.

**“Organizational Documents”** means the Amended and Restated Limited Partnership Agreement of the Borrower, dated as of October \_\_, 2025, as it may be further amended from time to time.

**“Outstanding Bonds,” “Bonds outstanding”** or **“outstanding”** as applied to Bonds mean, as of the applicable date, all Bonds which have been authenticated and delivered, or which are being delivered by the Trustee under the Indenture, except:

- (a) Bonds cancelled upon surrender, exchange or transfer, or cancelled because of payment on or prior to that date;
- (b) Bonds, or the portion thereof, for the payment or purchase for cancellation of which sufficient money has been deposited and credited with the Trustee on or prior to that date for that purpose (whether upon or prior to the maturity of those Bonds);
- (c) Bonds, or the portion thereof, which are deemed to have been paid and discharged or caused to have been paid and discharged pursuant to the provisions of the Indenture; and
- (d) Bonds in lieu of which others have been authenticated under the Indenture.

**“Person”** or words importing persons mean firms, associations, partnerships (including without limitation, general and limited partnerships), joint ventures, societies, estates, trusts, corporations, limited liability companies, public or governmental bodies, other legal entities and natural persons.

**“Plans and Specifications”** means the plans and specifications describing the Project as now prepared and as they may be changed as provided in the Loan Agreement.

**“Predecessor Bond”** of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by the particular Bond. For the purposes of this definition, any Bond authenticated and delivered under the Indenture in lieu of a lost, stolen or destroyed Bond shall, except as otherwise provided in the Indenture, be deemed to evidence the same debt as the lost, stolen or destroyed Bond.

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\* Preliminary; subject to change.



**“Project”** means the acquisition, construction and equipping of a 102-unit (including one manager’s unit) multifamily rental housing development known as Sutter Street Affordable and located at 1101-1123 Sutter Street, San Francisco, California.

**“Project Asset”** means any property subject to a security interest or lien of the Mortgage Loan Documents.

**“Project Costs”** means the costs of the Project specified in the Loan Agreement.

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

**“Project Purposes”** means the making of the Loan by the Issuer to finance the Borrower’s acquisition and construction of the Project.

**“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.

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

**“Redemption Date”** means any date under the Indenture on which Bonds are to be redeemed, including (a) the Maturity Date, (b) any Mandatory Tender Date, (c) the date of acceleration of the Bonds and (d) as otherwise set forth in the Indenture.

**“Register”** means the books kept and maintained by the Trustee for registration and transfer of Bonds pursuant to the Indenture.

**“Regular Record Date”** means, with respect to any Bond, the fifteenth (15<sup>th</sup>) day of the calendar month next preceding each Interest Payment Date, whether or not such day is a Business Day.

**“Regulatory Agreement”** means the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of October 1, 2025, and effective as of the Closing Date, by and among the Issuer, the Borrower and the Trustee, as amended or supplemented from time to time.

**“Remarketing Agent”** means, initially, Stifel, Nicolaus & Company, Incorporated, and thereafter any successor Remarketing Agent (which meets the requirements of the Indenture) that may be appointed by the Authorized Borrower Representative.

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

**“Remarketing Date”** means the Initial Remarketing Date and, if the Bonds Outstanding on such date or on any subsequent Remarketing Date are remarketed pursuant to the Indenture for a Remarketing Period that does not extend to the final maturity of the Bonds, the day after the last day of the Remarketing Period.

**“Remarketing Period”** means the period beginning on a Remarketing Date and ending on the last day of the term for which Bonds are remarketed pursuant to the Indenture or the final Maturity Date of the Bonds, as applicable.

**“Remarketing Proceeds Account”** means the Remarketing Proceeds Account of the Bond Fund created in the Indenture.

**“Remarketing Rate”** means the interest rate or rates established pursuant to the Indenture and borne by the Bonds then Outstanding from and including each Remarketing Date to, but not including, the next succeeding Remarketing Date or the final Maturity Date of the Bonds, as applicable.

**“Reserved Rights”** of the Issuer means (a) the right of the Issuer to amounts payable to it pursuant to the Loan Agreement; (b) all rights which the Issuer or its members, directors, officers, officials, agents or employees may have under the Indenture and the Financing Documents to indemnification by the Borrower and by any other persons and to payments for expenses incurred by the Issuer itself, or its members, directors, officers, officials, agents or employees; (c) the right of the Issuer to receive notices, reports or other information, make determinations and grant approvals under the Indenture and under the other Financing Documents; (d) all rights of the Issuer to enforce the representations, warranties, covenants and agreements of the Borrower pertaining in any manner or way, directly or indirectly, to the requirements of the Act or of the Issuer, and set forth in any of the Financing Documents or in any other certificate or agreement executed by the Borrower; (e) all inspection rights of the Issuer; (f) all rights of the Issuer in connection with any amendment to or modification of the Financing Documents; (g) all enforcement remedies with respect to the foregoing; and (h) the Issuer’s rights in the Indemnity Reserve Fund.

**“Revenues”** means (a) the Loan Payments, (b) all other money received or to be received by the Trustee in respect of repayment of the Loan, including without limitation, all money and investments in the Bond Fund, (c) any money and investments in the Special Funds, and (d) all income and profit from the investment of the foregoing money. The term “Revenues” does not include any money or investments in the Rebate Fund or the Indemnity Reserve Fund.

**“S&P”** means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, and its successors and assigns, or if it shall for any reason no longer perform the functions of a securities rating agency, then any other nationally recognized rating agency designated by the Borrower and acceptable to the Issuer and the Remarketing Agent, with written notice to the Trustee.

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

**“Special Record Date”** means, with respect to any Bond, the date established by the Trustee in connection with the payment of overdue interest or principal on that Bond.

**“State”** means the State of California.

**“Supplemental Indenture”** means any indenture supplemental to the Indenture entered into between the Issuer and the Trustee in accordance with the Indenture.

**“Tax Certificate”** means the Tax Certificate and Agreement, dated the Closing Date, by and between the Issuer and the Borrower.

**“Tendered Bond”** means any Bond which has been tendered for purchase pursuant to a Mandatory Tender.

**“Trust Estate”** means the property rights, money, securities and other amounts pledged and assigned to the Trustee under the Indenture pursuant to the Granting Clauses of the Indenture.

**“Trustee”** means U.S. Bank Trust Company, National Association, until a successor Trustee shall have become such pursuant to the applicable provisions of the Indenture, and thereafter, “Trustee” shall mean the successor Trustee.

**“Undelivered Bond”** means any Bond that is required under the Indenture to be delivered to the Remarketing Agent or the Trustee for purchase on a Mandatory Tender Date but that has not been received on the date such Bond is required to be so delivered.

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

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

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

**Creation of Funds**

The following funds and accounts are to be established and maintained by the Trustee under the Indenture:

- (a) the Bond Fund, and therein the Negative Arbitrage Account and the Remarketing Proceeds Account (but only at such times as money is to be deposited or held in such Accounts as provided in the Indenture);
- (b) the Project Fund;
- (c) the Costs of Issuance Fund;
- (d) the Collateral Fund;
- (e) the Rebate Fund;
- (f) the Expense Fund; and
- (g) the Indemnity Reserve Fund.

Each fund and account therein shall be maintained by the Trustee as a separate and distinct trust fund or account to be held, managed, invested, disbursed and administered as provided in the Indenture. All money deposited in the funds and accounts created under the Indenture shall be used solely for the purposes set forth in the Indenture. The Trustee shall keep and maintain accurate records pertaining to each fund and account, and all disbursements therefrom, in accordance with its general practices and procedures in effect from time to time. The Trustee may also terminate funds and accounts that are no longer needed.

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 Special Funds or the Rebate Fund, or result in commingling of funds not permitted under the Indenture.

**Bond Fund**

On the Closing Date, there shall be deposited in the Negative Arbitrage Account of the Bond Fund the Initial Deposit. The portion of any Extension Payment received by the Trustee in connection with a remarketing in accordance with the Indenture designated for the payment of Bond Service Charges shall also be deposited into the Negative Arbitrage Account.

So long as there are any Outstanding Bonds, to the extent the Borrower has not received a credit against Loan Payments, all Loan Payments under the Loan Agreement shall be paid by the Borrower on or before each Interest Payment Date directly to the Trustee, and deposited into the Bond Fund, in at least the amount necessary to pay the Bond Service Charges due on the Bonds on such Interest Payment Date. Any such payments made to the Trustee on a Bond Payment Date shall be remitted on or prior to 11:30 a.m. Eastern Time.

The Bond Fund (and accounts therein for which provision is made in the Indenture) and the money and Eligible Investments therein shall be used solely and exclusively for the payment of Bond Service Charges as they become due.

Bond Service Charges shall be payable, as they become due, in the following order (1) from money on deposit in the Bond Fund (other than the Negative Arbitrage Account within the Bond Fund), (2) from the money on deposit in the Negative Arbitrage Account within the Bond Fund, (3) from money on deposit in the Collateral Fund and transferred as necessary to the Bond Fund, and (4) thereafter, from money on deposit in the Project Fund and transferred as necessary to the Bond Fund.

Upon receipt by the Trustee of a Cash Flow Projection provided on behalf of the Borrower, the Trustee is authorized by the Indenture to release from the Negative Arbitrage Account the amount set forth in the Cash Flow Projection to or at the written direction of the Borrower.

### **Project Fund**

Upon the deposit of Eligible Funds into the Collateral Fund as provided in the Indenture, and subject to the provisions of this heading, the Trustee may disburse the Bond proceeds on deposit in the Project Fund to or at the written direction of the Borrower for payment of the Project Costs in accordance with the Loan Agreement pursuant to a completed disbursement request in the form attached as an exhibit to the Loan Agreement. To the extent money on deposit in the Project Fund is invested in Eligible Investments at the time of any such requested and permitted disbursement under the Indenture, the Trustee is authorized to exchange an amount of such Eligible Investments in the Project Fund for a like amount of Eligible Funds on deposit in the Collateral Fund and then disburse such amounts from the Project Fund without the need to sell or terminate such Eligible Investments prior to their stated maturity date; provided, however, and that any such exchange must be accompanied by a requisition in the form attached to the Loan Agreement as an exhibit, signed by the Authorized Borrower Representative pursuant to the Loan Agreement that designates the Project Costs to which amounts withdrawn from the Project Fund are allocated. To the extent money is not otherwise available to the Trustee, including money on deposit in the Bond Fund or the Collateral Fund, the Trustee shall transfer from the Project Fund to the Bond Fund sufficient money to pay Bond Service Charges on each Interest Payment Date without further written direction.

The Trustee shall cause to be kept and maintained accurate records pertaining to the Project Fund and all disbursements therefrom. If requested in writing by the Issuer, the Investor Limited Partner or the Borrower, after the Project has been completed and a Completion Certificate is filed as provided in the Indenture, the Trustee shall provide copies of the records pertaining to the Project Fund and disbursements therefrom with the Issuer, the General Partner and the Investor Limited Partner. The Trustee may satisfy this obligation by providing trust statements for all periods in which there are funds in the Project Fund.

Notwithstanding any provision of the Loan Agreement or any other provision of the Indenture to the contrary and except to make necessary interest payments, the Trustee shall not disburse money from the Project Fund, other than to pay Bond Service Charges on the Bonds, unless and until other Eligible Funds in an amount equal to or greater than the requested disbursement amount have been deposited into the Collateral Fund. Prior to making any disbursement (except to the extent necessary to pay Bond Service Charges), the Trustee shall determine that the aggregate principal amount that will be held in (a) the Collateral Fund and (b) the Project Fund, after the disbursement and deposit, is at least equal to the then-Outstanding principal amount of the Bonds; provided, however, to the extent money on deposit in the Project Fund is invested in Eligible Investments, the Trustee is authorized by the Indenture to make the following allocations and exchanges, which allocations and exchanges shall occur prior to the disbursement of amounts on deposit in the Project Fund to pay Project Costs: (i) allocate all or a portion of the Eligible Investments in the Project Fund, in the amount specified in the request for disbursement, to the Collateral Fund and (ii) transfer a like amount from the Collateral Fund to the Project Fund.

On any Redemption Date, the Trustee shall transfer any amounts then on deposit in the Project Fund into the Bond Fund to pay Bond Service Charges on the Bonds.

Upon the occurrence and continuance of an Event of Default under the Indenture because of which the principal amount of the Bonds has been declared to be due and immediately payable pursuant to the Indenture, any money remaining in the Project Fund shall be promptly transferred by the Trustee to the Bond Fund.

### **Collateral Fund**

Upon receipt, the Trustee is to deposit into the Collateral Fund all Eligible Funds received pursuant to the Loan Agreement and any other Eligible Funds received by the Trustee for deposit into the Collateral Fund. The Loan Agreement requires the Borrower to cause the Eligible Funds to be paid to the Trustee for deposit into the Collateral Fund in a principal amount equal to, and as a prerequisite to the disbursement of, the amount of Bond proceeds on deposit in the Project Fund to be disbursed by the Trustee to pay Project Costs.

Each deposit into the Collateral Fund shall constitute an irrevocable deposit solely for the benefit of the Holders, subject to the provisions of the Indenture.

The Trustee shall transfer money in the Collateral Fund as follows: (i) on each Bond Payment Date, to the Bond Fund, the amount necessary to pay Bond Service Charges due on such Bond Payment Date (to the extent money is not otherwise available to the Trustee, including money on deposit in the Bond Fund); (ii) on the Mandatory Tender Date, to the Bond Fund, the amount necessary to pay the redemption price, to the extent the Bonds are not remarketed on any Mandatory Tender Date; and (iii) on the Maturity Date of the Bonds, to the Bond Fund, the amount necessary to pay all amounts due on the Bonds on such date.

On any Redemption Date, the Trustee shall transfer all amounts then on deposit in the Collateral Fund into the Bond Fund to pay Bond Service Charges on the Bonds.

Amounts on deposit in the Collateral Fund in excess of the amount required to pay Bond Service Charges after payment in full of the Bonds may be transferred to the Project Fund and used to pay costs of the Project as provided in the Loan Agreement.

The Bonds shall not be, and shall not be deemed to be, paid or prepaid by reason of any deposit into the Collateral Fund unless and until the amount on deposit in the Collateral Fund is transferred to the Bond Fund and applied to the payment of the principal of any of the Bonds, or the principal component of the redemption price of any of the Bonds, all as provided in the Indenture.

### **Investment of Special Funds and Rebate Fund**

Except as otherwise set forth under this heading “Investment of Special Funds and Rebate Fund,” and subject to the requirements of the Tax Certificate, moneys in the Special Funds, the Rebate Fund and the Indemnity Reserve Fund shall be invested and reinvested by the Trustee in Eligible Investments at the written direction of the Authorized Borrower Representative. At no time shall the Authorized Borrower Representative direct that any funds constituting gross proceeds of the Bonds be used in any manner as would constitute failure of compliance with Section 148 of the Code. Investments of moneys in the Bond Fund shall mature or be redeemable at par at the times and in the amounts necessary to provide moneys to pay Bond Service Charges on the Bonds. Each investment of moneys in the Project Fund will mature or be redeemable without penalty at such time as may be necessary to make payments from the Project Fund, including on each Interest Payment Date, a Mandatory Tender Date, a Redemption Date and the Maturity Date. Any of those investments may be purchased from or sold to the Trustee, the registrar, an authenticating agent or a paying agent, or any bank, trust company or savings and loan association affiliated with any of the foregoing. The Issuer, Borrower and Investor Limited Partner shall waive receipt of confirmations of such investments. The Trustee shall sell or redeem investments credited to the Special Funds to produce sufficient moneys applicable under the Indenture to and at the times required for the purposes of paying Bond Service Charges when due as aforesaid, and will do so without necessity for any order on behalf of the Issuer and without restriction by reason of any order. An investment made from moneys credited to the Special Funds will constitute part of that respective Fund. All investment earnings from amounts on deposit in the Special Funds shall be credited to the Bond Fund. All gains resulting from the sale of, or income from, any investment made from moneys credited to the Special Funds shall be credited to and become part of the Bond Fund. The Trustee shall not be liable for any losses incurred upon investments

made as set forth in the Indenture. To the extent that the Trustee has not received written directions from the Authorized Borrower Representative regarding investment of moneys, the Trustee shall, until such directions are received, invest such moneys pursuant to standing written instructions delivered to the Trustee by the Authorized Borrower Representative, with the consent of an Authorized Signatory, upon the original issuance of the Bonds, as such instructions may be amended from time to time. The Trustee shall be fully protected in relying on the written investment directions of the Authorized Borrower Representative with the written consent of an Authorized Signatory as provided above as to the legality and suitability of such directed investments and shall have no obligation to determine that any investment made pursuant to such written directions or as otherwise described under the Indenture constitutes an Eligible Investment. Following the Closing Date, at the written direction of the Borrower, the Trustee is permitted to purchase, sell or exchange Eligible Investments with a Cash Flow Projection. Notwithstanding anything in the Indenture to the contrary, (i) earnings received by the Trustee with respect to Eligible Investments purchased for the purpose of paying Bond Service Charges shall be held uninvested and (ii) Bond proceeds and the Initial Deposit to the Negative Arbitrage Account shall be held uninvested until the Trustee has purchased, sold or exchanged Eligible Investments.

### **Trustee's Acceptance and Responsibilities**

The Trustee accepts the trusts imposed upon it by the Indenture to act solely as Trustee for the owners of the Bonds, and agrees to observe and perform those trusts, but only upon and subject to the terms and conditions set forth in the Indenture, to all of which the parties thereto and the Holders agree.

Prior to the occurrence of a default or an Event of Default under the Indenture of which the Trustee has been notified (or is deemed to have notice) as provided in the Indenture, and after the cure or waiver of all defaults or Events of Default which may have occurred, (i) the Trustee undertakes to perform only those duties and obligations which are set forth specifically in the Indenture, and no duties or obligations shall be implied to the Trustee; and (ii) in the absence of bad faith on its part, the Trustee may rely conclusively, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of the Indenture; but in the case of any such certificates or opinions which by any provision thereof are required specifically to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of the Indenture.

In case an Event of Default has occurred and is continuing under the Indenture (of which the Trustee has been notified or is deemed to have notice pursuant to the Indenture), the Trustee shall exercise those rights and powers vested in it by the Indenture and shall use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

Before taking action under the Indenture (with the exception of any action required to be taken under the Indenture or giving notice of the acceleration of the Bonds under the Indenture), the Trustee may require that a satisfactory indemnity bond be furnished to it for the payment of its extraordinary compensation and the reimbursement of all expenses that it may incur and to protect it against all liability by reason of any action so taken, except liability resulting from its gross negligence or willful misconduct. The Trustee may act without that indemnity, and in that case, the Borrower shall pay and reimburse the Trustee for all of the Trustee's fees and expenses pursuant to the Indenture.

### **Resignation by the Trustee**

The Trustee may resign at any time from the trusts created by the Indenture by giving thirty (30) days' written notice of the resignation to the Issuer, the Borrower and the Remarketing Agent, and by mailing written notice of the resignation to the Holders as their names and addresses appear on the Register at the close of business fifteen (15) days prior to the mailing. The resignation shall take effect upon the appointment and acceptance of a successor Trustee as provided for in the Indenture or an order of a court of competent jurisdiction allowing the Trustee to resign.

## **Defaults; Events of Default**

The occurrence of any of the following events is defined as and declared to be and to constitute an “Event of Default” under the Indenture:

- (a) Payment of any interest on any Bond shall not be made when and as that interest shall become due and payable;
- (b) Payment of the principal of any Bond shall not be made when and as that principal shall become due and payable, whether at stated maturity, upon acceleration or otherwise;
- (c) Failure by the Issuer to observe or perform any other covenant, agreement or obligation on its part to be observed or performed contained in the Indenture or in the Bonds, which failure shall have continued for a period of 30 days after written notice (or such longer period of time as shall be necessary to effect a cure if the default is not susceptible of cure within 30 days), by registered or certified mail, to the Issuer and the Borrower specifying the failure and requiring that it be remedied, which notice may be given by the Trustee in its discretion and shall be given by the Trustee at the written request of Controlling Holders; and
- (d) The occurrence and continuance of an Event of Default as defined in the Loan Agreement.

The term “default” or “failure” as used above means (i) a default or failure by the Issuer in the observance or performance of any of the covenants, agreements or obligations on its part to be observed or performed contained in the Indenture or in the Bonds, or (ii) a default or failure by the Borrower under the Loan Agreement, exclusive of any period of grace or notice required to constitute an Event of Default, as provided above or in the Loan Agreement.

## **Acceleration**

Upon the occurrence of an Event of Default described in (a) and (b) under “—Events of Default” above, the Trustee shall declare, by written notice delivered to the Borrower and the Issuer (with a copy to the Investor Limited Partner), the principal of all Bonds then Outstanding (if not then due and payable), and the interest accrued thereon, to be due and payable immediately. If the Trustee is unable to determine that sufficient funds will be available to pay (not out of the Trustee’s own funds) the full amount of the principal and accrued but unpaid interest to the Holders of the Bonds as of the date of acceleration, the Trustee shall declare the principal of the Bonds immediately due and payable, but only upon the written direction of Controlling Holders of the Bonds then Outstanding. Upon the occurrence of any Event of Default other than those described in (a) or (b) above, the Trustee may, and upon the written consent of the Controlling Holders shall, declare by a notice in writing delivered to the Borrower, the principal of all Bonds then Outstanding (if not then due and payable), and the interest thereon, to be due and payable immediately. Upon such declaration, that principal and interest shall become and be due and payable immediately. Interest on the Bonds shall accrue to the date determined by the Trustee for the tender of payment to the Holders pursuant to that declaration; provided that interest on any unpaid principal of Bonds Outstanding shall continue to accrue from the date determined by the Trustee for the tender of payment to the Holders of those Bonds.

The provisions described in the preceding paragraph are subject, however, to the condition that if, at any time after declaration of acceleration and prior to the entry of a judgment in a court for enforcement under the Indenture (after an opportunity for hearing by the Issuer and the Borrower),

- (i) all sums payable under the Indenture (except the principal of and interest on Bonds that have not reached their stated maturity dates but which are due and payable solely by reason of that declaration of acceleration), plus interest to the extent permitted by law on any overdue installments of interest at the rate borne by the Bonds shall have been duly paid or provision shall have been duly made therefor by deposit with the Trustee, and
- (ii) all existing Events of Default shall have been cured,

then and in every case, the Trustee shall waive the Event of Default and its consequences and shall rescind and annul that declaration. No waiver or rescission and annulment shall extend to or affect any subsequent Event of Default or shall impair any rights consequent thereon.

The Investor Limited Partner shall be entitled (but not obligated) to cure any Event of Default under the Indenture within the time frame provided to the Borrower under the Indenture. The Issuer and the Trustee agree that cure of any default or Event of Default made or tendered by the Investor Limited Partner shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

### **Other Remedies; Rights of Holders**

With or without taking action described under “Acceleration” above, upon the occurrence and continuance of an Event of Default, the Trustee may pursue any available remedy, including without limitation actions at law or equity to enforce the payment of Bond Service Charges or the observance and performance of any other covenant, agreement or obligation under the Indenture, the Loan Agreement, the Regulatory Agreement or the Note or any other instrument providing security, directly or indirectly, for the Bonds.

If, upon the occurrence and continuance of an Event of Default, the Trustee is requested so to do by Controlling Holders, the Trustee (subject to the provisions of the Indenture), is to exercise any rights and powers conferred by the Indenture.

No remedy conferred upon or reserved to the Trustee (or to the Holders) by the Indenture is intended to be exclusive of any other remedy. Each remedy shall be cumulative and shall be in addition to every other remedy given under the Indenture or otherwise to the Trustee or to the Holders now or hereafter existing.

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

No waiver of any default or Event of Default under the Indenture, whether by the Trustee or by the Holders, shall extend to or shall affect any subsequent default or Event of Default or shall impair any remedy, right or power consequent thereon.

As the assignee of all right, title and interest of the Issuer in and to the Loan Agreement (except for the Reserved Rights), the Trustee is empowered to enforce each remedy, right and power granted to the Issuer under the Loan Agreement. In exercising any remedy, right or power under the Indenture or the Loan Agreement, the Trustee shall take any action which would best serve the interests of the Holders in the judgment of the Trustee, applying the standards described in the Indenture.

Nothing in the Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding without the approval of the Holders so affected.

Any term of the Indenture, the Financing Documents or of any related document to the contrary notwithstanding, and notwithstanding an agreement of indemnity, the Trustee shall have no responsibility, obligation or duty to enter upon, or otherwise take possession or control of, the Project, or take any other action which could constitute taking possession or control of the Project (i) if it will require the approval of a governmental regulator that cannot be obtained, (ii) until the Trustee shall be indemnified to its sole satisfaction and (iii) until the Trustee shall be satisfied, in its sole discretion and determination, that neither it nor the trusts created by the Indenture shall incur, by reason of such action, any personal liability under any federal or State law for hazardous wastes, hazardous materials or other environmental liabilities or any other liability.



## **Right of Holders to Direct Proceedings**

Anything to the contrary in the Indenture notwithstanding, the Holders of a majority in aggregate principal amount of Bonds then Outstanding shall have the right at any time to direct, by an instrument or document in writing executed and delivered to the Trustee, the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture or any other proceedings under the Indenture; provided, that (i) any direction shall not be other than in accordance with the provisions of the Indenture, (ii) the Trustee shall be indemnified as provided in the Indenture, and (iii) the Trustee may take any other action which it deems to be proper and which is not inconsistent with the direction.

## **Application of Money**

If at any time after the occurrence of an Event of Default the money held by the Trustee under the Indenture (other than amounts in the Rebate Fund) shall not be sufficient to pay the principal of and interest on the Bonds as the same become due and payable, such money, together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of remedies in the Indenture or otherwise, shall, be applied by the Trustee as described below.

After payment of any costs, expenses, liabilities and advances paid, incurred or made by the Trustee in the collection of money and to all fees of the Trustee for Ordinary and Extraordinary Expenses pursuant to any right given or action taken under the provisions of the Indenture or the other Financing Documents (including without limitation, reasonable attorneys' fees and expenses, except as limited by law or judicial order or decision entered in any action taken under the Indenture), all money received by the Trustee shall be applied as follows, subject to the provisions of the Indenture:

(a) Unless the principal of all of the Bonds shall have become, or shall have been declared to be, due and payable, all of such money shall be deposited in the Bond Fund and shall be applied:

First -- To the payment to the Holders entitled thereto of all installments of interest then due on the Bonds, in the order of the dates of maturity of the installments of that interest, beginning with the earliest date of maturity and, if the amount available is not sufficient to pay in full any particular installment, then to the payment thereof ratably, according to the amounts due on that installment, to the Holders entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds; and

Second -- To the payment to the Holders entitled thereto of the unpaid principal of any of the Bonds which shall have become due, in the order of their due dates, beginning with the earliest due date, with interest on those Bonds from the respective dates upon which they became due at the rates specified in those Bonds, and if the amount available is not sufficient to pay in full all Bonds due on any particular date, together with that interest, then to the payment thereof ratably, according to the amounts of principal due on that date, to the Holders entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds.

(b) If the principal of all of the Bonds shall have become due or shall have been declared to be due and payable pursuant to the Indenture, all of such money shall be deposited into the Bond Fund and shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest, of interest over principal, of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Holders entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds.

(c) If the principal of all of the Bonds shall have been declared to be due and payable pursuant to the Indenture, and if that declaration thereafter shall have been rescinded and annulled under the provisions thereof, subject to the provisions of paragraph (b) above in the event that the principal of all of the Bonds

shall become due and payable later, the money shall be deposited in the Bond Fund and shall be applied in accordance with the provisions of the Indenture.

(d) Whenever money is to be applied pursuant to the provisions described under this subcaption, such money shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of money available for application and the likelihood of additional money becoming available for application in the future. Whenever the Trustee shall direct the application of such money, it shall fix the date upon which the application is to be made, and upon that date, interest shall cease to accrue on the amounts of principal, if any, to be paid on that date, provided the money is available therefor. The Trustee shall give notice of the deposit with it of any money and of the fixing of that date, all consistent with the requirements of the Indenture for the establishment of, and for giving notice with respect to, a Special Record Date for the payment of overdue interest. The Trustee shall not be required to make payment of principal of a Bond to the Holder thereof, until the Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if it is paid fully.

### **Rights and Remedies of Holders**

A Holder shall not have any right to institute any suit, action or proceeding for the enforcement of the Indenture, for the execution of any trust under the Indenture, or for the exercise of any other remedy under the Indenture, unless:

(a) there has occurred and is continuing an Event of Default of which the Trustee has been notified, as provided in the Indenture, or of which it is deemed to have notice under the Indenture,

(b) Controlling Holders shall have made written request to the Trustee and shall have afforded the Trustee reasonable opportunity to proceed to exercise the remedies, rights and powers granted under the Indenture or to institute the suit, action or proceeding in its own name, and shall have offered indemnity to the Trustee as provided in the Indenture, and

(c) the Trustee thereafter shall have failed or refused to exercise the remedies, rights and powers granted under the Indenture or to institute the suit, action or proceeding in its own name within fifteen (15) days of receipt of such request and offer of indemnity.

At the option of the Trustee, that notification (or notice), request, opportunity and offer of indemnity are conditions precedent, in every case, to the institution of any suit, action or proceeding described above.

No one or more Holders of the Bonds shall have any right to affect, disturb or prejudice in any manner whatsoever the security or benefit of the Indenture by its or their action, to obtain a preference of one Bond over another, or to enforce, except in the manner provided therein, any remedy, right or power under the Indenture. Any suit, action or proceedings shall be instituted, had and maintained in the manner provided in the Indenture for the benefit of the Holders of all Bonds then Outstanding. Nothing in the Indenture shall affect or impair, however, the right of any Holder to enforce the payment of the Bond Service Charges on any Bond owned by that Holder at and after the maturity thereof, at the place, from the sources and in the manner expressed in that Bond.

### **Waivers of Events of Default**

Except as provided under this heading "Waivers of Events of Default," at any time, in its discretion, the Trustee may waive any Event of Default under the Indenture and its consequences and may rescind and annul any declaration of maturity of principal of or interest on, the Bonds. The Trustee shall do so upon the written request of the Holders of:

(a) at least a majority in aggregate principal amount of all Bonds then Outstanding in respect of which an Event of Default in the payment of Bond Service Charges exists, or

(b) at least 50% in aggregate principal amount of all Bonds then Outstanding, in the case of any other Event of Default.

There shall not be so waived, however, any Event of Default described in (a) or (b) under “—Events of Default” above or any declaration of acceleration in connection therewith rescinded or annulled, unless, at the time of that waiver or rescission and annulment, payments of the amounts provided in the Indenture for waiver and rescission and annulment in connection with acceleration of maturity have been made or provision has been made therefor. In the case of the waiver or rescission and annulment, or in case any suit, action or proceedings taken by the Trustee on account of any Event of Default shall have been discontinued, abandoned or determined adversely to it, the Issuer, the Trustee and the Holders shall be restored to their former positions and rights under the Indenture, respectively. No waiver or rescission is to extend to any subsequent or other Event of Default or impair any right consequent thereon.

### **Supplemental Indentures Not Requiring Consent of Holders**

Without the consent of, or notice to, any of the Holders, the Issuer and the Trustee may enter into indentures supplemental to the Indenture that shall not, in the opinion of the Issuer, be inconsistent with the terms and provisions of the Indenture for any one or more of the following purposes:

- (a) to cure any ambiguity, inconsistency or formal defect or omission in the Indenture;
- (b) to grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority that lawfully may be granted to or conferred upon the Holders or the Trustee;
- (c) to assign additional revenues under the Indenture;
- (d) to accept additional security and instruments and documents of further assurance with respect to the Project;
- (e) to add to the covenants, agreements and obligations of the Issuer under the Indenture, other covenants, agreements and obligations to be observed for the protection of the Holders, or to surrender or limit any right, power or authority reserved to or conferred upon the Issuer in the Indenture;
- (f) to evidence any succession to the Issuer and the assumption by its successor of the covenants, agreements and obligations of the Issuer under the Indenture, the Loan Agreement and the Bonds;
- (g) to facilitate (i) the transfer of Bonds issued by the Issuer under the Indenture and held in Book-Entry Form from one Depository to another and the succession of Depositories, or (ii) the withdrawal of Bonds issued by the Issuer under the Indenture and delivered to a Depository for use in a Book-Entry System and the issuance of replacement Bonds in fully registered form and in the form of physical certificates to others than a Depository;
- (h) to permit the Trustee to comply with any obligations imposed upon it by law;
- (i) to specify further the duties and responsibilities of the Trustee;
- (j) to achieve compliance of the Indenture with any applicable federal securities or tax law; and
- (k) to make amendments to the provisions of the Indenture relating to arbitrage matters under Section 148 of the Code, if, in the Opinion of Bond Counsel, those amendments would not, in and of themselves, adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes, which amendments may, among other things, change the responsibility for making the relevant calculations, provided that in no event shall such amendment delegate to the Trustee, without its consent, in its sole discretion the obligation to make or perform the calculations required under Section 148 of the Code.

The provisions of subsections (h) and (j) shall not be deemed to constitute a waiver by the Trustee, the Issuer or any Holder of any right which it may have in the absence of those provisions to contest the application of any change in law to the Indenture or the Bonds. In no case shall the Trustee be required to enter into any amendment which adversely impacts its rights.

### **Supplemental Indentures Requiring Consent of Holders**

Exclusive of Supplemental Indentures described under the heading “Supplemental Indentures Not Requiring Consent of Holders,” above, and subject to the terms, provisions and limitations described under this heading “Supplemental Indentures Requiring Consent of Holders,” and not otherwise, with the consent of the Holders of not less than a majority of the aggregate principal amount of the Bonds at the time Outstanding, evidenced as provided in the Indenture, and with the consent of the Borrower (if required by the Indenture), the Issuer and the Trustee may execute and deliver Supplemental Indentures adding any provisions to, changing in any manner or eliminating any of the provisions of the Indenture or any Supplemental Indenture or restricting in any manner the rights of the Holders. Nothing in the Indenture shall permit, however, or be construed as permitting,

(a) without the consent of the Holder of each Bond so affected: (i) an extension of the maturity of the principal of or the interest on any Bond, or (ii) a reduction in the principal amount of any Bond or the rate of interest thereon, or

(b) without the consent of the Holders of all Bonds then Outstanding, (i) the creation of a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (ii) a reduction in the aggregate principal amount of the Bonds required for consent to a Supplemental Indenture.

If the Issuer shall request that the Trustee execute and deliver any Supplemental Indenture for any of the purposes described under this subcaption, upon (i) being satisfactorily indemnified with respect to its expenses in connection therewith, and (ii) if required by the Indenture, receipt of the Borrower’s consent to the proposed execution and delivery of the Supplemental Indenture, the Trustee shall cause notice of the proposed execution and delivery of the Supplemental Indenture to be mailed by first-class mail, postage prepaid, to all Holders of Bonds then Outstanding at their addresses as they appear on the Register at the close of business on the fifteenth day preceding that mailing.

The Trustee shall not be subject to any liability to any Holder by reason of the Trustee’s failure to mail, or the failure of any Holder to receive, the notice required by the Indenture. Any failure of that nature shall not affect the validity of the Supplemental Indenture when there has been consent thereto as described above. The notice shall be prepared by or on behalf of the Issuer, at the expense of the Borrower, and shall set forth briefly the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Designated Office of the Trustee for inspection by all Holders.

If the Trustee shall receive, within a period prescribed by the Borrower, of not less than sixty (60) days, but not exceeding one year, following the mailing of the notice, an instrument or document or instruments or documents, in form to which the Trustee does not reasonably object, purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (which instrument or document or instruments or documents shall refer to the proposed Supplemental Indenture in the form described in the notice and specifically shall consent to the Supplemental Indenture in substantially that form), the Trustee shall, but shall not otherwise, execute and deliver the Supplemental Indenture in substantially the form to which reference is made in the notice as being on file with the Trustee, without liability or responsibility to any Holder, regardless of whether that Holder shall have consented thereto.

Any consent shall be binding upon the Holder of the Bond giving the consent and, anything in the Indenture to the contrary notwithstanding, upon any subsequent Holder of that Bond and of any Bond issued in exchange therefor (regardless of whether the subsequent Holder has notice of the consent to the Supplemental Indenture). A consent may be revoked in writing, however, by the Holder who gave the consent or by a subsequent Holder of the Bond by a revocation of such consent received by the Trustee prior to the execution and delivery by the Trustee of the Supplemental Indenture. At any time after the Holders of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the Issuer a written statement that the

Holders of the required percentage of Bonds have filed those consents. That written statement shall be conclusive evidence that the consents have been so filed.

If the Holders of the required percentage in aggregate principal amount of Bonds Outstanding shall have consented to the Supplemental Indenture, as described under this heading “Supplemental Indentures Requiring Consent of Holders,” no Holder shall have any right (a) to object to (i) the execution or delivery of the Supplemental Indenture, (ii) any of the terms and provisions contained therein, or (iii) the operation thereof, (b) to question the propriety of the execution and delivery thereof, or (c) to enjoin or restrain the Trustee or the Issuer from that execution or delivery or from taking any action pursuant to the provisions thereof.

#### **Consent of Borrower and Investor Limited Partner**

Anything contained in the Indenture to the contrary notwithstanding, any Supplemental Indenture executed and delivered in accordance with the Indenture which affects in any material respect any rights or obligations of the Borrower shall not become effective unless and until the Borrower and Investor Limited Partner have consented in writing to the execution and delivery of that Supplemental Indenture. The Trustee shall cause notice of the proposed execution and delivery of any Supplemental Indenture and a copy of the proposed Supplemental Indenture to be mailed to the Borrower, as provided in the Indenture, (a) at least 30 days (unless waived by the Borrower) before the giving of notice of the proposed execution and delivery in the case of a Supplemental Indenture for which provision is made in the Indenture.

#### **Defeasance**

Release of Indenture. If (a) the Issuer shall pay all of the Outstanding Bonds, or shall cause them to be paid and discharged, or if there otherwise shall be paid to the Holders of the Outstanding Bonds, all Bond Service Charges due or to become due thereon, and (b) provision also shall be made for the payment of all other sums payable under the Indenture or the Loan Agreement, the Regulatory Agreement and the Note, then the Indenture shall cease, determine and become null and void (except for those provisions surviving by reason of the Indenture in the event the Bonds are deemed paid and discharged pursuant to “Payment and Discharge of Bonds” below), and the covenants, agreements and obligations of the Issuer under the Indenture shall be released, discharged and satisfied.

Thereupon, and subject to the provisions of the Indenture if applicable,

(a) the Trustee shall release the Indenture (except for those provisions surviving by reason of the Indenture in the event the Bonds are deemed paid and discharged pursuant to “Payment and Discharge of Bonds” below), and shall execute and deliver to the Issuer any instruments or documents in writing as shall be requisite to evidence that release and discharge or as reasonably may be requested by the Issuer, and

(b) the Trustee shall assign and deliver to the Issuer any property subject at the time to the lien of the Indenture which then may be in their possession, except amounts in the Bond Fund required (i) to be paid to the Borrower under the Indenture, or (ii) to be held by the Trustee under the Indenture or otherwise for the payment of Bond Service Charges.

Payment and Discharge of Bonds. All or any part of the Bonds shall be deemed to have been paid and discharged within the meaning of the Indenture if:

(a) the Trustee as paying agent shall have received, in trust for and irrevocably committed thereto, sufficient money, or

(b) the Trustee shall have received, in trust for and irrevocably committed thereto, noncallable Government Obligations which are certified by an Independent public accounting firm of national reputation to be of such maturities or redemption dates and interest payment dates, and to bear such interest, as will be sufficient together with any money to which reference is made in subparagraph (a) above, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which

earnings are to be held likewise in trust and so committed, except as provided therein), for the payment of all Bond Service Charges on those Bonds at their maturity.

Any money so held by the Trustee may be invested by the Trustee only at the written direction of the Authorized Borrower Representative in noncallable Government Obligations having maturity dates, or having redemption dates which, at the option of the Holder of those obligations, shall be not later than the date or dates at which money will be required for the purposes described above. To the extent that any income or interest earned by, or increment to, the investments so held is determined from time to time by the Trustee to be in excess of the amount required to be held by the Trustee for such purposes, that income, interest or increment shall be transferred at the time of that determination in the manner provided in the Indenture for transfers of amounts remaining in the Bond Fund.

If any Bonds shall be deemed paid and discharged pursuant to this heading, then within 15 days after such Bonds are so deemed paid and discharged the Trustee shall cause a written notice to be given to each Holder as shown on the Register on the date on which such Bonds are deemed paid and discharged. Such notice shall state the numbers of the Bonds deemed paid and discharged or state that all Bonds are deemed paid and discharged, set forth a description of the obligations held pursuant to subparagraph (b) of the first paragraph of this heading.

### **Amendments Not Requiring Consent of Holders**

Without the consent of or notice to the Holders, the Issuer, the Borrower, the Investor Limited Partner and the Trustee may enter into or consent to, as applicable, any amendment, change or modification of the Financing Documents, as may be required (a) by the provisions of the Financing Documents, (b) for the purpose of curing any ambiguity, inconsistency or formal defect or omission in the Financing Documents, (c) in connection with an amendment or to effect any purpose for which there could be an amendment of the Indenture pursuant to the terms thereof, or (d) in connection with any other change therein which in the written opinion of Bond Counsel is not materially prejudicial to the Holders of the Bonds and in the judgment of the Trustee is not materially prejudicial to the Trustee.

### **Amendments Requiring Consent of Holders**

Except for the amendments, changes or modifications contemplated in under the heading “Amendments Not Requiring Consent of Holders” above, neither the Issuer nor the Trustee shall consent to:

- (a) any amendment, change or modification of the Loan Agreement or the Note which would change the amount or time as of which Loan Payments and Eligible Funds are required to be paid, without the giving of notice as provided under this heading of the proposed amendment, change or modification and receipt of the written consent thereto of the Holders of all of the then Outstanding Bonds affected by such amendment, change or modification, or

- (b) any other amendment, change or modification of the Loan Agreement, the Note or the Regulatory Agreement without the giving of notice as provided under this heading of the proposed amendment, change or modification and receipt of the written consent thereto of the Controlling Holders affected by such amendment, change or modification.

The consent of the Holders shall be obtained as provided in the Indenture with respect to Supplemental Indentures.

If the Issuer or the Authorized Borrower Representative shall request at any time the consent of the Trustee to any proposed amendment, change or modification of the Loan Agreement, the Note or the Regulatory Agreement contemplated in subparagraphs (a) or (b) under this heading, upon being indemnified satisfactorily with respect to expenses, the Trustee shall cause notice of the proposed amendment, change or modification to be provided in the manner which is required by the Indenture with respect to notice of Supplemental Indentures. The notice shall be prepared by or on behalf of the Issuer and shall set forth briefly the nature of the proposed amendment, change or modification as prepared by the Issuer or the Borrower and shall state that copies of the instrument or document embodying it are on file at the Designated Office of the Trustee for inspection by all Holders.

## **Mortgage Loan Documents and Regulations Control**

In the event of any conflict and to the extent that there is any inconsistency or ambiguity between the provisions of the Bond Documents and the provisions of the Controlling HUD and GNMA Requirements or the Mortgage Loan Documents, other than any provisions relating to the limited obligation of the Issuer, the Controlling HUD and GNMA Requirements and Mortgage Loan Documents will be deemed to be controlling, and any such ambiguity or inconsistency will be resolved in favor of, and pursuant to the terms of the Controlling HUD and GNMA Requirements and Mortgage Loan Documents, as applicable. The foregoing conflicts clause shall not be construed to prevent the Issuer from enforcing its indemnification rights under the Bond Documents against (i) any party other than the Borrower; (ii) the Indemnity Reserve Fund or any other non-Project assets, such as funds pledged, escrowed, or provided by the Borrower's principals or other third-parties in accordance with the Issuer's governing policies; and (iii) the Borrower's "Surplus Cash" as defined in the HUD Regulatory Agreement.

(a) Enforcement of the covenants in the Bond Documents will not result in, and neither the Issuer nor the Trustee has or shall be entitled to assert, any claim against the Project, the Mortgage Loan proceeds, any reserves or deposits required by HUD in connection with the Mortgage Loan transaction, or the rents or deposits or other income of the Project other than available "Surplus Cash" as defined in the HUD Regulatory Agreement.

(b) Failure of the Issuer or the Borrower to comply with any of the covenants set forth in the Bond Documents will not serve as a basis for default on the Mortgage Loan, the underlying mortgage, or any of the other Mortgage Loan Documents.

(c) Proceeds from any condemnation award or from the payment of a claim under any hazard insurance policy relating to the Project will not be payable to the Trustee, but will be payable in accordance with the Mortgage Loan Documents.

(d) Nothing contained in the Indenture or in the Loan Agreement shall require the FHA Lender to take any actions to preserve the tax exemption of the interest on the low-income housing tax credits for the Project (the "Tax Credits") or the Bonds, or prohibits the Lender from taking any action that might jeopardize the tax exemption of the Bonds or the availability of the Tax Credits, except in strict accordance with the National Housing Act, applicable mortgage insurance regulations, the Mortgage Loan Documents, or, if applicable, Section 8 of the U.S. Housing Act of 1937 and the regulations thereunder.

(e) HUD requires the following be inserted into the Indenture:

"In the event of an assignment or conveyance of the mortgage to the Commissioner, subsequent to the issuance of the bonds, all money remaining in all funds and accounts other than the rebate fund, and any other funds remaining under the trust indenture after payment or provision for payment of debt service on the bonds and the fees and expenses of the credit enhancer, issuer, trustee, and other such parties unrelated to the mortgagor (other than funds originally deposited by the mortgagor or related parties on or before the date of issuance of the bonds) shall be returned to the mortgagee."

It is understood that "mortgage" means the FHA Mortgage, "Commissioner" is defined in the Mortgage Loan Documents, "bonds" means the Bonds, "rebate fund" means the Rebate Fund, "the trust indenture" means the Indenture, there is no credit enhancer, "issuer" means the Issuer, "trustee" means Trustee, and "mortgagor" means the Borrower.

[Remainder of page intentionally left blank]

## APPENDIX C

### SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

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

#### **The Loan**

The Issuer agrees, upon the terms and conditions in the Loan Agreement, to make the Loan to the Borrower with the proceeds received by the Issuer from the sale of the Bonds by causing such proceeds to be deposited with the Trustee for disposition as provided in the Indenture. The obligation of the Issuer to finance the Loan shall be deemed fully discharged upon the deposit of the proceeds of the Bonds with the Trustee. The Loan shall be evidenced by the Note payable to the Trustee.

#### **Mortgage Loan to Borrower; GNMA Certificates**

To provide and secure funds for the repayment of the Loan, and to provide for the delivery of a portion of the Eligible Funds, the Borrower shall proceed with (i) obtaining the Mortgage Loan and (ii) entering into the Disbursement Agreement. In particular, the Borrower will promptly take all necessary actions on its part to (i) close the Mortgage Loan and satisfy all other terms and conditions of the FHA Commitment and the requirements of the Lender and (ii) satisfy all of the terms and conditions set forth in the Disbursement Agreement to provide for the delivery of Eligible Funds under the Disbursement Agreement.

The Borrower represents that the Mortgage Loan is to be insured by FHA pursuant to and in accordance with the provisions of Section 221(d)(4) of the National Housing Act and applicable regulations thereunder. The Mortgage Loan will be secured on a non-recourse basis pursuant to the Mortgage Loan Documents.

In connection with the Mortgage Loan, the Borrower shall execute and deliver such documents as may be customarily utilized for insured mortgage loans under the provisions of Section 221(d)(4) of the National Housing Act and applicable regulations thereunder, with such omissions, insertions and variations as may be permitted by such regulations and as may be consistent with the terms and provisions of the Loan Agreement.

The GNMA Certificates issued by the Lender with respect to the Mortgage Loan shall be delivered by the Lender to the purchasers determined by the Lender and the Lender shall be entitled to retain the proceeds from the sale thereof. The Borrower agrees to cooperate with the Lender in any manner reasonably requested in order to achieve the timely delivery of the GNMA Certificates to the purchasers thereof.

#### **Disbursements from the Project Fund**

Subject to the provisions below and so long as no Event of Default under the Loan Agreement has occurred and is continuing for which the principal amount of the Bonds has been declared to be immediately due and payable pursuant to the Loan Agreement and the Indenture, and no Determination of Taxability has occurred, disbursements from the Project Fund shall be made only to pay any of the following Project Costs:

- (a) Costs incurred directly or indirectly for or in connection with the acquisition, 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.
- (b) Premiums attributable to any surety bonds and insurance required to be taken out and maintained during the construction 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 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) Subject to the limitations set forth in the Tax Certificate, Costs of Issuance of the Bonds, 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 period.

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

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

(h) Payments to the Rebate Fund.

Any disbursements from the Project Fund for the payment of Project Costs shall be made by the Trustee only upon the receipt by the Trustee of: (a) a disbursement request in the form attached to the Loan Agreement as an exhibit on which the Trustee may conclusively rely; and (b) Eligible Funds in an amount equal to the amount of any such disbursement request for deposit in the Collateral Fund as provided in the Loan Agreement. The Borrower acknowledges and agrees that it shall submit disbursement requests to the Trustee no more frequently than once each calendar month. Each such disbursement request shall be consecutively numbered. Proceeds of the Bonds disbursed pursuant to the provisions of the Loan Agreement may only be used to pay those Project Costs identified in the Sources and Uses of Funds attached to the Loan Agreement as an exhibit, as it may be amended pursuant to the agreement of FHA (if required), the Lender and the Borrower. The Trustee shall be fully protected in making the disbursements requested in such disbursement requests provided to it and shall have no duty of obligation to confirm that such requested disbursements constitute Project Costs or fulfill the requirements set forth below.

Any disbursement for any item not described in, or the cost for which item is other than as described in, the information statement filed by the Issuer in connection with the issuance of the Bonds as required by Section 149(e) of the Code, and in the notice of public hearing pertaining to the Bonds shall be accompanied by an Opinion of Bond Counsel to the effect that such disbursement will not adversely affect the Federal Tax Status of the Bonds.

Any money in the Project Fund remaining after the Completion Date and payment, or provision for payment, in full of the Project Costs, at the written direction of the Authorized Borrower Representative, promptly shall be paid into the Bond Fund for payment of Bond Service Charges.

Notwithstanding any provision of the Loan Agreement or any provision of the Indenture to the contrary, the Trustee shall not disburse funds from the Project Fund unless and until the Trustee confirms that Eligible Funds in the Collateral Fund plus Eligible Funds in the Project Fund, less the amount of the requested disbursement from the Project Fund, is at least equal to then-outstanding principal amount of the Bonds.

### **Eligible Funds**

In consideration of and as a condition to the disbursement of Bond proceeds in the Project Fund to pay Project Costs, and to secure the Borrower's obligation to make Loan Payments, the Borrower shall cause the delivery of Eligible Funds equal to the amount of the proposed disbursement to the Trustee on the date of each such disbursement. All Eligible Funds shall be paid to the Trustee for the account of the Issuer and shall be held in the Collateral Fund and disbursed in accordance with the provisions of the Indenture.

### **Assignment of Agreement and Revenues; Trustee is Third Party Beneficiary**

To secure the payment of Bond Service Charges, the Issuer shall assign to the Trustee, by the Indenture, its rights under and interest in the Loan Agreement (except for the Reserved Rights). In the Loan Agreement, the

Borrower agrees and consents to those assignments. The Issuer has agreed in the Loan Agreement that it shall not attempt to further assign, transfer or convey its interest in the Revenues or the Loan Agreement or create any pledge or lien of any form or nature with respect to the Revenues, Loan Payments or Eligible Funds under the Loan Agreement.

The Trustee shall be a third-party beneficiary to the Loan Agreement.

### **Tax Covenants**

The Borrower, for the benefit of the Issuer and each Holder, represents that it has taken and caused to be taken, and covenants that it will take and cause to be taken, all actions that may be required of it, alone or in conjunction with the Issuer, to maintain the Federal Tax Status of the Bonds. The Borrower represents that it has not taken or permitted to be taken on its behalf, and covenants that it will not take or permit to be taken on its behalf (other than an action required by HUD under the Controlling HUD and GNMA Requirements or the Mortgage Loan Documents), any actions that would adversely affect such Federal Tax Status. The Borrower agrees that it will not make any changes in the Project which will result in a violation of the limitation of the maturity of the Bonds under Section 147(b) of the Code. The covenants of the Borrower therein with respect to preservation of such Federal Tax Status of the Bonds are made expressly subject to all Controlling HUD and GNMA Requirements and the Mortgage Loan Documents.

### **Events of Default**

Each of the following is an “Event of Default” under the Loan Agreement:

(a) The Borrower shall fail to pay any Loan Payment on or prior to the date on which that Loan Payment is due and payable to the extent amounts on deposit in the Bond Fund, including amounts transferred from the Collateral Fund and the Project Fund, are insufficient to pay the Bond Service Charges due on the next Bond Payment Date;

(b) The Borrower shall fail to observe and perform any other agreement, term or condition contained in the Loan Agreement and the continuation of such failure for a period of 30 days after written notice thereof shall have been given to the Borrower by the Issuer or the Trustee, or for such longer period as the Borrower may certify that it shall diligently work to cure such failure and the Issuer and the Trustee may, but shall not be required to, agree to in writing; provided, that if the failure is other than the payment of money and is of such nature that it can be corrected but not within the applicable period, that failure shall not constitute an Event of Default so long as the Borrower institutes curative action within the applicable period and diligently pursues that action to completion, which must be resolved within one hundred eighty (180) days after the aforementioned notice;

(c) The Borrower shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as now or hereafter in effect, which is not dismissed within ninety (90) days; (iii) commence a proceeding under any other federal or state bankruptcy, insolvency, reorganization or similar law, or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstayed for ninety (90) days; (iv) make an assignment for the benefit of creditors; or (v) have a receiver or trustee appointed for it or for the whole or any substantial part of its property which appointment is not vacated within a period of ninety (90) days;

(d) Any representation or warranty made by the Borrower in the Loan Agreement or any statement in any report, certificate, financial statement or other instrument furnished in connection with the Loan Agreement or with the purchase of the Bonds shall at any time prove to have been false or misleading in any adverse material respect when made or given;

(e) There shall occur an Event of Default as defined in the Indenture; and

(f) There shall occur a default by the Borrower under the Regulatory Agreement that is continuing after any applicable notice and cure period.

Notwithstanding the foregoing, if, by reason of Force Majeure, the Borrower is unable to perform or observe any agreement, term or condition of the Loan Agreement which would give rise to an Event of Default under subsection (b) above, the Borrower shall not be deemed in default during the continuance of such inability. However, the Borrower shall promptly give notice to the Trustee and the Issuer of the existence of an event of Force Majeure and shall use commercially reasonable efforts to remove the effects thereof; provided that the settlement of strikes or other industrial disturbances shall be entirely within its discretion.

The term Force Majeure shall mean, without limitation, the following:

(i) acts of God; strikes, lockouts or other industrial disturbances; acts of terrorism or of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornados; storms; droughts; floods; arrests; restraint of government and people; explosions; breakage, malfunction or accident to facilities, machinery, transmission pipes or canals; or partial or entire failure of utilities; shortages of labor, materials, supplies or transportation; or

(ii) any cause, circumstance or event not reasonably within the control of the Borrower.

The declaration of an Event of Default described under subsection (c) above, and the exercise of remedies upon any such declaration, shall be subject to any applicable limitations of federal bankruptcy law affecting or precluding that declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation or reorganization proceedings.

### **Amendments and Supplements**

Except as otherwise expressly provided in the Loan Agreement or the Indenture, subsequent to the issuance of the Bonds and prior to all conditions provided for in the Indenture for release of the Indenture having been met, the Loan Agreement, the Regulatory Agreement and the Note may not be effectively amended, changed, modified, altered or terminated except in accordance with the provisions of the Indenture, as applicable.

### **Mortgage Loan Documents and Regulations Control**

In the event of any conflict and to the extent that there is any inconsistency or ambiguity between the provisions of the Bond Documents and the provisions of the Controlling HUD and GNMA Requirements or the Mortgage Loan Documents, other than any provisions relating to the limited obligation of the Issuer, the Controlling HUD and GNMA Requirements and Mortgage Loan Documents will be deemed to be controlling, and any such ambiguity or inconsistency will be resolved in favor of, and pursuant to the terms of the Controlling HUD and GNMA Requirements and Mortgage Loan Documents, as applicable. The foregoing conflicts clause shall not be construed to prevent the Issuer from enforcing its indemnification rights under the Bond Documents against (i) any party other than the Borrower; (ii) the Indemnity Reserve Fund or any other non-Project Assets, such as funds pledged, escrowed, or provided by the Borrower's principals or other third-parties in accordance with the Issuer's governing policies; and (iii) the Borrower's "Surplus Cash" as defined in the HUD Regulatory Agreement.

Enforcement of the covenants in the Bond Documents will not result in, and neither the Issuer nor the Trustee has or shall be entitled to assert, any claim against the Project, the Mortgage Loan proceeds, any reserves or deposits required by HUD in connection with the Mortgage Loan transaction, or the rents or deposits or other income of the Project other than available "Surplus Cash" as defined in the HUD Regulatory Agreement.

Failure of the Issuer or the Borrower to comply with any of the covenants set forth in the Bond Documents will not serve as a basis for default on the Mortgage Loan, the underlying mortgage, or any of the other Mortgage Loan Documents.

The Loan Agreement shall not be amended or modified without the prior written consent of HUD.

In addition, all rights and obligations of the parties under the Loan Agreement and all other documents evidencing, implementing or securing the Loan Agreement are and shall be subordinated in all respects to the rights and obligations of the parties to and under the Mortgage Loan Documents.

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## APPENDIX D

### 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.*

In the Regulatory Agreement, the Issuer, the Borrower and the Trustee each made certain covenants for the purpose of preserving the exclusion from gross income of interest on the Bonds for purposes of federal income taxation and qualifying the Project for the California Debt Limit Allocation Committee (as defined therein) by regulating and restricting the use and occupancy of the Project as set forth therein.

#### Definitions and Interpretation

“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” means the California Housing Finance Agency, a public instrumentality and political subdivision of the State of California.

“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.

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

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

“CDLAC Resolution” means CDLAC Resolution No. 24-164, attached as an exhibit to the Regulatory Agreement, adopted on August 6, 2024, as supplemented by CDLAC Resolution No. 25-164, adopted on April 18, 2025, and as revised by that letter dated July 14, 2025 and relating to the Project, as such resolution may be further modified or amended from time to time.

“Certificate of Continuing Program Compliance” means the Certificate to be filed by the Borrower with the Program Monitor, on behalf of the Agency, pursuant to clause (f) under “Low Income Tenants; Reporting Requirements,” below, 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 Borrower, or as otherwise approved by the Agency.

“City” means the City and County of San Francisco, 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 October \_\_, 2025.

“County” means the City and County of San Francisco, California.

“Deed of Trust” means the Multifamily Deed of Trust, Assignment of Leases and Rents and Security Agreement, executed as of October 1, 2025 by the Owner, as trustor, naming the Trustee as beneficiary thereunder, for the benefit of Berkadia Commercial Mortgage LLC, a Delaware limited liability company, 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 Borrower to secure the Borrower’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.

“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 Borrower, or as otherwise approved by the Agency.

“Investor Limited Partner” means, collectively, BF The Equity Collection, LLLP, a Delaware limited liability limited partnership, and BFIM Special Limited Partner, Inc., a Florida corporation, and their permitted successors and assigns.

“Law” means Chapter 6.7 of Part 3 of the Act, as amended.

“Loan” means the loan of the proceeds of the Bonds.

“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 Borrower upon commencement of each lease term with respect to such unit, and annually thereafter, on the basis of an Income Certification executed by each tenant.

“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 Borrower with the Program Monitor pursuant to clause (f) under “Low Income Tenants; Reporting Requirements,” below, 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 Borrower, or as otherwise approved by the Agency.

“Project” means the 102-unit (including one manager’s unit) multifamily rental housing project located in the City and County of San Francisco 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 construction 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 Borrower pursuant to the Loan 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 Loan Agreement.

“Qualified Project Period” means the period beginning on the first day on which at least 10% of the units in the Project are first occupied 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.

“Regulations” means the Income Tax Regulations of the Department of the Treasury applicable under the Code 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 Borrower 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 Borrower, 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 Borrower agrees to sell the Project or any part thereof for a price to be paid in installments; and (2) an agreement by the Borrower leasing all or a substantial part of the Project to one or more persons or entities pursuant to a single or related transactions.

“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 Borrower upon commencement of each lease term with respect to such unit, and annually thereafter, on the basis of an Income Certification executed by each tenant.

### **Qualified Residential Rental Project**

The Borrower acknowledges and agrees that the Project is to be owned, managed and operated as a “residential rental project” (within the meaning of Section 142(d) of the Code) for a term equal to the Qualified Project

Period. To that end, and for the term of the Regulatory Agreement, the Borrower represents, covenants, warrants and agrees by the Regulatory Agreement as follows:

(a) The Project will be acquired, constructed, developed and operated for the purpose of providing multifamily residential rental property. The Borrower will own, manage and operate the Project as a project to provide multifamily residential rental property comprised of a building or structure or several interrelated buildings or structures, together with any functionally related and subordinate facilities, and no other facilities, in accordance with Section 142(d) of the Code, Section 1.103-8(b) of the Regulations and the provisions of the Act and the 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 Borrower take any steps in connection with a conversion to such ownership or use, and the Borrower will not take any steps in connection with a conversion of the Project to condominium ownership during the Qualified Project Period (except that the Borrower may obtain final map approval and the Final Subdivision Public Report from the California Department of Real Estate and may file a condominium plan with the City).

(e) All of the Available Units in the Project (except for not more than 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 Borrower will not give preference to any particular class or group in renting the dwelling units in the Project, except as permitted by applicable law, including Section 1.103-8(a)(2) of the Regulations, and to the extent that dwelling units are required to be leased or rented in such a manner that they constitute Low Income Units or Very Low Income Units.

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

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

(h) The Borrower shall deliver to the Program Monitor, (i) within 30 days after the date on which 10% of the dwelling units in the Project are occupied, a written notice specifying such date, and (ii) within 30 days after the date on which 50% of the dwelling units in the Project are occupied, a written notice specifying such date.



## **Low Income Tenants; Reporting Requirements**

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

(a) During the Qualified Project Period, no less than 40% of the total number of completed units in the Project shall at all times be Low Income Units. For the purposes of this paragraph (a), a vacant unit that was most recently a Low Income Unit is treated as a Low Income Unit until reoccupied, other than for a temporary period of not more than 31 days, at which time the character of such unit shall be redetermined. Together with the affordability required by the Law, set forth in Section 6, the resulting occupancy requirements are that 30% of the total number of completed units in the Project shall at all times be Low Income Units and 10% of the total number of completed units in the Project shall at all times be Very Low Income Units.

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

(c) For the Qualified Project Period, the Borrower shall obtain from a third party provider an Income Certification for each Low Income Tenant, including (i) an Income Certification dated immediately prior to the initial occupancy of such Low Income Tenant in the unit, and (ii) thereafter, an annual Income Certification with respect to each Low Income Tenant on or about June 30<sup>th</sup> of each year. The Borrower 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 shall be sent to the Agency, and shall be retained in the Borrower'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 15<sup>th</sup> of each year, the Borrower 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 as of June 30<sup>th</sup> of such year.

(d) The Borrower 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 Borrower will maintain complete and accurate records pertaining to the 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 Borrower pertaining to the Project, including those records pertaining to the occupancy of the Low Income Units.

(f) The Borrower will prepare and submit to the Program Monitor, on behalf of the Agency, not less than quarterly, commencing not less than three months after the Closing Date, a Certificate of Continuing Program Compliance executed by the Borrower 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 Borrower shall submit such information in electronic form to such party as may be specified by the Program Monitor. During the Qualified Project Period, the Borrower shall submit a completed Internal Revenue Code Form 8703 or such other annual certification as required by the Code with respect to the Project, to the Secretary of the Treasury on or before March 31 of each year (or such other date as may be required by the Code).

(g) For the Qualified Project Period, all tenant leases or rental agreements shall be subordinate to the Regulatory Agreement and the Deed of Trust. All leases pertaining to Low Income Units shall contain clauses, among others, wherein each tenant who occupies a Low Income Unit: (i) certifies the accuracy of the statements made by such tenant in the 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 Borrower, 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 Borrower has relied on the statements made by such tenant in the Income Certification and supporting information supplied by the Low Income Tenant in determining qualification for occupancy of a Low Income Unit, and that any material misstatement in such certification (whether or not intentional) will be cause for immediate termination of such lease or rental agreement; and (iv) agrees that the tenant's income is subject to annual certification in accordance with 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 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 Borrower and the Agency, as applicable, each represents, warrants and agrees as follows:

(a) The Borrower 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 Borrower 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 Trustee and the Borrower), 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 Borrower 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 ( $1/12^{\text{th}}$ ) 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 Borrower 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 Borrower 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 Borrower 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; 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 Borrower.

(h) The Regulatory Agreement shall be recorded in the office of the County recorder, and shall be recorded in the grantor-grantee index under the name of the Borrower as grantor and under the name of the 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; Reporting Requirements," "Tax-Exempt Status of Bonds," and "Requirements of the Law," above, the Borrower 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 Loan Agreement, the Borrower will pay to the Agency all of the amounts required to be paid by the Borrower under the Loan Agreement and will indemnify the Agency and the Trustee as provided in the Regulatory Agreement and, with respect to the Trustee, of the Regulatory Agreement.

(b) All tenant lists, applications and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of the Borrower and shall be maintained as required by the 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 Borrower.

(c) The Borrower acknowledges that the Agency has appointed the Program Monitor to administer the Regulatory Agreement and to monitor performance by the Borrower of the terms, provisions and requirements of the Regulatory Agreement. The Borrower shall comply with any reasonable request made by the 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; provided however, that where the Agency approves direct payment of utilities (in addition to telephone) by such tenants, such rental charges shall be calculated as if the estimated expense of such utilities were to be paid by the Borrower, but the amounts actually collected from such tenants shall be decreased by the estimated expense of such utilities approved by the Agency.

(e) *Non-Discrimination and Equal Opportunity.* The Borrower 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 Borrower 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 Borrower 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 Borrower (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 Borrower 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) rental charges shall not be increased in excess of the percentage increase permitted by California Civil Code Section 1947.12, notwithstanding any exceptions therein, and (C) the Borrower shall notify the 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, 2026), the Borrower, 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 and the Borrower receive a written opinion of Bond Counsel, to the effect that compliance with any such requirement would cause interest on the Bonds to cease to be Tax-Exempt or to the effect that compliance with such requirement would be in conflict with the Act, the Law or any other state or federal law.

### **Transfer of the Project**

For the Qualified Project Period, the Borrower shall not Transfer the Project, in whole or in part, without the prior written consent of the 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 Borrower shall not be in default under the Regulatory Agreement or under the Loan Agreement, if in effect (which may be evidenced by a Certificate of Continuing Program Compliance), or the transferee undertakes to cure any defaults of the Borrower to the reasonable satisfaction of the 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 Borrower 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 Borrower or its management company will provide training to the transferee and its property manager in the responsibilities relating to the Low Income Units and 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 Borrower's obligations under the Regulatory Agreement and the Loan 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 Borrower; and (E) receipt by the Agency of evidence of satisfaction of compliance with the provisions of Section 29(d)(i) 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 Borrower, and shall be ineffective to relieve the Borrower 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 Borrower and any other party that requires the Borrower 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 Borrower 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, for purposes of the Regulatory Agreement (i) no approval by the Agency shall be required for (a) the transfer of the non-managing partnership interests in the Investor Limited Partner of the Borrower, in accordance with the Amended and Restated Limited Partnership Agreement of the Borrower, dated as of the Closing Date, as amended, or (b) prior to conversion of the Loan to the permanent phase, (1) removal of a general partner and replacement with an affiliate of Investor Limited Partner, or (2) the transfer of the Investor Limited Partner's interest to an affiliate of the Investor Limited Partner, provided such transfers do not affect the Tax-Exempt status of interest on the Bonds; and (ii) at such time as the Agency becomes the Permanent Lender for the Project, the Agency's consent in writing, shall be obtained as set forth in Agency's permanent loan documents, provided to Borrower for review prior to Closing, which consent shall not be unreasonably withheld for any transfer to an affiliate of the Investor Limited Partner that does not satisfy subsection (i) of this paragraph. Borrower shall provide notice to the Agency at the time of any transfer not requiring the Agency's approval, as well as any amendments to the Borrower's organizational documents and agreements related thereto.

For the Qualified Project Period, the Borrower 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) permitted encumbrances, or (B) a Transfer in accordance with the terms of the Regulatory Agreement, in each case upon receipt by the Agency 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 Loan Agreement or the Deed of Trust; or (3) permit the use of the dwelling accommodations of the Project for any purpose except rental residences.

## **Term**

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

The terms of the Regulatory Agreement to the contrary notwithstanding, the requirements of the Regulatory Agreement shall terminate and be of no further force and effect in the event of involuntary noncompliance with the provisions of the Regulatory Agreement caused by fire or other casualty, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in a federal law or an action of a federal agency after the Closing Date, which prevents the Agency from enforcing such provisions, or condemnation or a similar event, but only if, within a reasonable period, either the Bonds are retired or amounts received as a consequence of such event are used to provide a project that meets the requirements of the Regulatory Agreement; provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained in the Regulatory Agreement shall be reinstated if, at any time subsequent to the termination of such provisions as the result of the foreclosure or the delivery of a deed in lieu of foreclosure or a similar event, the Borrower or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for federal income tax purposes. The Borrower agrees by the Regulatory Agreement that, following any foreclosure, transfer of title by deed in lieu of foreclosure or similar event, neither the Borrower nor any such related person as described above will obtain an ownership interest in the Project for federal tax purposes. Notwithstanding any other provision of the Regulatory Agreement, the Regulatory Agreement may be terminated upon agreement by the Agency and the Borrower, 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 Borrower subjects the Project to the covenants, reservations and restrictions set forth in the Regulatory Agreement. The Agency and the Borrower declare their express intent that the covenants, reservations and restrictions set forth in the Regulatory Agreement shall be deemed covenants running with the land and shall pass to and be binding upon the Borrower's successors in title to the Project; provided, however, that on the termination of the Regulatory Agreement said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument executed after the Regulatory Agreement covering or conveying the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

### **Default; Enforcement**

If the Borrower defaults in the performance or observance of any covenant, agreement or obligation of the Borrower set forth in the Regulatory Agreement, and if such default remains uncured for a period of 60 days after notice thereof shall have been given by the Agency or the Trustee or the Program Monitor, on behalf of the Agency, to the Borrower (with a copy to the Trustee), or for a period of 60 days from the date the Borrower 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 Borrower institutes corrective action within said 60 days and diligently pursues such action until the default is corrected, and (ii) in the opinion of Bond Counsel the failure to cure said default within 60 days will not adversely affect the Tax-Exempt status of interest on the Bonds. The Agency or the Trustee shall have the right to enforce the obligations of the Borrower under the Regulatory Agreement within shorter periods of time than are otherwise provided in the Regulatory Agreement if necessary to 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 Borrower to perform its obligations and covenants under the Regulatory Agreement or enjoin any acts or things that may be unlawful or in violation of the rights of the Agency under the Regulatory Agreement;
- (ii) have access to and inspect, examine and make copies of all of the books and records of the Borrower pertaining to the Project;
- (iii) take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Borrower under the Regulatory Agreement; and
- (iv) with the consent of the Trustee, which consent shall not be unreasonably withheld, declare a default under the Loan Agreement, as applicable, and proceed with any remedies provided therein.

The Borrower agrees by the Regulatory Agreement that specific enforcement of the Borrower'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 Borrower in the Regulatory Agreement, and the Borrower therefore agrees to the imposition of the remedy of specific performance against it in the case of any Event of Default by the Borrower under the Regulatory Agreement.

The Trustee shall have the right, in accordance with this section and the provisions of the Indenture, without the consent or approval of the 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 above 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 Borrower shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

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

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**APPENDIX E**  
**FORM OF OPINION OF BOND COUNSEL**

October \_\_, 2025

California Housing Finance Agency  
Sacramento, California

\$43,695,000\*  
California Housing Finance Agency  
Limited Obligation Multifamily Housing Revenue Bonds  
(Sutter Street) 2025 Issue D

Ladies and Gentlemen:

We have acted as bond counsel to the California Housing Finance Agency (the “Issuer”) in connection with the issuance of \$43,695,000\* aggregate principal amount of California Housing Finance Agency Limited Obligation Multifamily Housing Revenue Bonds (Sutter Street) 2025 Issue D (the “Bonds”), issued pursuant to the provisions of Division 31, Parts 1 through 4 of the California Health and Safety Code, as amended, and a Trust Indenture, dated as of October 1, 2025 (the “Indenture”), between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). The Indenture provides that the Bonds are issued for the stated purpose of making a loan of the proceeds thereof to Sutter BMR, LP, a California limited partnership (the “Borrower”) pursuant to a Loan Agreement, dated as of October 1, 2025 (the “Loan Agreement”), between the Issuer and the Borrower. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Indenture, the Loan Agreement, the Regulatory Agreement, the Tax Certificate, opinions of counsel to the Issuer, the Trustee and the Borrower, certificates of the Issuer, the Trustee, the Borrower and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

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

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\* Preliminary; subject to change.

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 Loan 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 political subdivision duly organized and validly existing under the laws of the State of California, 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.

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 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 of California or any political subdivision thereof, or a pledge of the faith and credit of the State of California or any such political subdivision, other than the Issuer to the extent provided in the Indenture.

5. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"), except that no opinion is expressed as to the exclusion from gross income of interest on 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." Interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Interest on the Bonds is exempt from State of California personal income taxes. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

**APPENDIX F**  
**FORM OF CONTINUING DISCLOSURE AGREEMENT**

**\$43,695,000\***  
**California Housing Finance Agency**  
**Limited Obligation Multifamily Housing Revenue Bonds**  
**(Sutter Street) 2025 Issue D**

This Continuing Disclosure Agreement (this “Continuing Disclosure Agreement”), dated as of October 1, 2025, is executed and delivered by Sutter BMR, LP, a California limited partnership (the “Borrower”), and U.S. Bank Trust Company, National Association, in its capacity as dissemination agent (the “Dissemination Agent”), in connection with the issuance and sale of the above-captioned bonds (the “Bonds”). The Bonds are being issued pursuant to a Trust Indenture, dated as of October 1, 2025 (the “Indenture”), between the California Housing Finance Agency (the “Issuer”) and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). The Bonds are being issued by the Issuer to provide money to make a loan (the “Loan”) to the Borrower, to finance the acquisition, renovation and equipping of an affordable rental housing project (the “Project”) located in San Francisco, California.

**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 (as defined below) 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*” means 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*” means 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*” means 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*” means 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

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\* Preliminary; subject to change.

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).

*"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 shall 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 shall 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 shall 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"):

1. Principal and interest payment delinquencies on the Bonds;

2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulty;
4. Unscheduled draws on credit enhancements reflecting financial difficulty;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. 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;
7. Modifications to rights of Holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Borrower. For purposes of this clause (12), any such event is 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;
13. 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;
14. Appointment of a successor or additional trustee or paying agent or the change of the name of a trustee or paying agent, if material;
15. 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;
16. 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; and
17. 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 D hereto or such other form as may be approved by the Dissemination Agent. Notice of the Project being placed in service from the

Dissemination Agent to the Municipal Securities Rulemaking Board shall be in the form attached as Exhibit C hereto or such other form as may be approved by the Dissemination Agent.

For purposes of clauses (15) and (16) of this Section 5(a), “financial obligation” is as contemplated by Exchange Act Release No. 34-83885; File No. S7-01-17 (the “Adopting Release”).

(b) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any potential Listed Event, pursuant to subsection (c) of this Section 5 or otherwise, provide the Disclosure Representative with notice by email. While the Dissemination Agent is also the Trustee, the Dissemination Agent shall be deemed to have actual knowledge of those items listed in clauses (i), (iii) (solely with respect to funds held by the Trustee), (4), (5), (7), (8), (9), (10) and (14) above without the Dissemination Agent’s having received notice of such event. While the Dissemination Agent is not also the Trustee, the Dissemination Agent shall not be deemed to have actual knowledge of any items listed in clauses (1) - (17) above without the Dissemination Agent having received written notice of such event. For purposes of providing notice to the Disclosure Representative, the Dissemination Agent shall assume that the unscheduled draws described in clauses (3) and (4) 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 Loan Agreement, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Borrower or the Dissemination Agent to comply with this Continuing Disclosure Agreement will be an action to compel performance.

**SECTION 8. Beneficiaries.** This Continuing Disclosure Agreement will inure solely to the benefit of the Borrower, the Dissemination Agent, the Participating Underwriter and Holders from time to time of the Bonds and will create no rights in any other person or entity.

**SECTION 9. Reserved.**

**SECTION 10. Additional Information.** Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Borrower chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the Borrower shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent.**

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Borrower has provided such information to the Dissemination Agent as required by this Continuing Disclosure Agreement. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any information, disclosures or notices provided to it by the Borrower and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the Borrower's failure to report to the Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Borrower has complied with this Continuing Disclosure Agreement. The Dissemination Agent may conclusively rely upon Certifications of the Borrower at all times.

The obligations of the Borrower under this Section 11 shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and

shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Borrower.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Continuing Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

**SECTION 12. Notices.** All notices, requests, demands or other communications to or upon the respective parties hereto shall be deemed to have been duly given or made when delivered personally or by mail (including electronic mail) to the party to which such notice, request, demand or other communication is required or permitted to be given or made under this Continuing Disclosure Agreement and addressed as set forth below or telecopied to the telecopier number of the recipient, with confirmation of transmission, indicated below:

*If to the Borrower:*

Sutter BMR, LP  
c/o Martin Building Company  
225 Front Street  
San Francisco, CA 94111  
Attention: Treasurer

*And a copy to:*

Downs Pham & Kuei LLP  
235 Montgomery Street, Suite 1169  
San Francisco, CA 94104  
Attention: Gary P. Downs

*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 Services

**SECTION 13. Governing Law.** This Continuing Disclosure Agreement shall be governed by the laws of the State of California.

**SECTION 14. Termination of this Continuing Disclosure Agreement.** The Borrower or the Dissemination Agent may terminate this Continuing Disclosure Agreement by giving written notice to the other party at least 30 days prior to such termination. The Dissemination Agent shall be fully discharged at the time any such termination is effective. The Borrower's and the Dissemination Agent's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Borrower shall give notice of such termination in a filing with the MSRB.

**SECTION 15. Counterparts.** This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature pages to follow]



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.

**SUTTER BMR, LP,**  
a California limited partnership

By: KINGDOM AK, LLC,  
a California limited liability company,  
its Managing General Partner

By: Kingdom Development, Inc.,  
a California nonprofit public benefit corporation,  
its sole member and manager

By: \_\_\_\_\_  
William D. Leach  
President

By: MARTIN MCNERNEY DEVELOPMENT, INC.,  
a California corporation,  
its Administrative General Partner

By: \_\_\_\_\_  
Patrick M. McNerney  
President

[Signatures continue on next page]

[Counterpart Signature Page to Continuing Disclosure Agreement]

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

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

**EXHIBIT A**

**ANNUAL REPORT**

**\$43,695,000\***

**California Housing Finance Agency  
Limited Obligation Multifamily Housing Revenue Bonds  
(Sutter Street) 2025 Issue D**

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

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

**THE PROJECT**

|                      |  |
|----------------------|--|
| Name of the Project: | Sutter Street                                    |
| Address:             | 1101-1123 Sutter Street, San Francisco, CA 94109 |
| Number of Units:     | 102  |

**INFORMATION ON THE BONDS**

|  |  |
|--|--|
| Original principal amount of Bonds:    |  |
| Outstanding principal amount of Bonds: |  |

**OPERATING HISTORY OF THE PROJECT**

The tables set forth below offer a summary of the operating results of the Project for fiscal year ended December 31, 20\_\_\_\_, as derived from the Borrower's audited financial statements [or unaudited financial statements].

| <b>Financial Results for<br/>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<br/>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 ending December 31, 20\_\_ are not yet completed; therefore, no audited financial statements of the Borrower are being filed herewith. Unaudited financial statements for such period are attached in lieu of audited financial statements. Audited financial statements will be filed when available.

\_\_\_\_\_ No audited financial statements of the Borrower were prepared for the period ending December 31, 20\_\_; therefore, no audited financial statements of the Borrower are being filed herewith. Unaudited financial statements for such period are attached in lieu of audited financial statements.

**EXHIBIT B**

**NOTICE OF FAILURE TO  
FILE ANNUAL DISCLOSURE REPORT**

Name of Issuer: California Housing Finance Agency  
Name of Issue: Limited Obligation Multifamily Housing Revenue Bonds (Sutter Street) 2025 Issue D  
Name of Borrower: Sutter BMR, LP  
CUSIP: \_\_\_\_\_  
Date of Issuance: October \_\_, 2025

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

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

**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 Revenue Bonds (Sutter Street) 2025 Issue D

Name of Borrower: Sutter BMR, LP

Name of Project: Sutter Street

Address of Project: 1101-1123 Sutter Street, San Francisco, CA 94109

Date of Issuance: October \_\_, 2025

NOTICE IS HEREBY GIVEN as per the requirements of the Continuing Disclosure Agreement, dated as of October 1, 2025, between the above-referenced borrower (the “Borrower”) and 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**

**FORM OF NOTICE OF PLACED IN SERVICE**

**\$43,695,000\***

**California Housing Finance Agency  
Limited Obligation Multifamily Housing Revenue Bonds  
(Sutter Street) 2025 Issue D**

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 facility known as Sutter Street (the “Project”) has been placed in service in accordance with the Trust Indenture, dated as of October 1, 2025, between California Housing Finance Agency (the “Issuer”) and U.S. Bank Trust Company, National Association, a national banking association as Trustee (the “Trustee”), pursuant to which the above-captioned bonds were issued, as further evidenced by the attached Certificate of Occupancy.

**SUTTER BMR, LP,**  
a California limited partnership

By: KINGDOM AK, LLC,  
a California limited liability company,  
its Managing General Partner

By: Kingdom Development, Inc.,  
a California nonprofit public benefit corporation,  
its sole member and manager

By: \_\_\_\_\_  
William D. Leach  
President

By: MARTIN MCNERNEY DEVELOPMENT, INC.,  
a California corporation,  
its Administrative General Partner

By: \_\_\_\_\_  
Patrick M. McNerney  
President

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\* Preliminary; subject to change.

**ATTACHMENT**  
**CERTIFICATE OF OCCUPANCY**