

## PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 20, 2026

### NEW ISSUE -- BOOK ENTRY ONLY

**RATING: Moody's "Aa1"**  
See "RATING" herein

*In the opinion of Stradling Yocca Carlson & Rauth LLP, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described in this Official Statement, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See the caption "TAX MATTERS" herein with respect to tax consequences relating to the Bonds, including with respect to the alternative minimum tax imposed on certain large corporations.*

**\$30,375,000\***

**Marina Joint Powers Financing Authority  
Multifamily Housing Revenue Bonds  
(Fannie Mae MBS-Secured) Series 2026  
(Preston Park Apartments)**

**Dated: January \_\_, 2026**

**Interest Rate: \_\_%**

**Offering Price: 100.00%\***

**Bond Maturity Date: March 1, 2036\***

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

The Marina Joint Powers Financing Authority Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured) Series 2026 (Preston Park Apartments) (the "Bonds") will be issued under and pursuant to an Indenture of Trust, dated as of January 1, 2026 (the "Indenture"), between the Marina Joint Powers Financing Authority (the "Issuer") and U.S. Bank Trust Company, National Association, a national banking association, as trustee (in such capacity, the "Trustee").

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

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



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

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

**THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE UNDER THE INDENTURE. NONE OF THE ISSUER, THE CITY OF MARINA, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE ISSUER, TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE) NOR ANY PUBLIC AGENCY SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM (IF ANY) OR INTEREST ON THE BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER EXCEPT AS SET FORTH IN THE INDENTURE, AND NONE OF THE BONDS OR ANY OF THE ISSUER'S AGREEMENTS OR OBLIGATIONS SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT OF OR A MORAL OBLIGATION OF ANY OF THE FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. THE ISSUER HAS NO TAXING POWER.**

The Bonds are offered when, as and if received by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), subject to the approval of legality by Stradling Yocca Carlson & Rauth LLP, Bond Counsel. Certain legal matters will be passed upon for the Borrower by its counsel, Goldfarb & Lipman LLP, Oakland, California, and for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C. It is expected that the Bonds will be available in book-entry form through the facilities of DTC in Brooklyn, New York, on or about January \_\_, 2026.

**STIFEL**

Dated: January \_\_, 2026

\* Preliminary; subject to change.

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

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

*References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Neither the Issuer nor the Underwriter has been able to verify the accuracy or completeness of the information contained in website addresses set forth in this Official Statement or to verify that such information is accurate and complete as of the date of this Official Statement. Investors reviewing such information must rely on the providers of such information for its accuracy and completeness in making any investment decisions regarding the Bonds. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.*

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

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

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

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

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

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

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## OFFICIAL STATEMENT

relating to

**\$30,375,000\***

**Marina Joint Powers Financing Authority  
Multifamily Housing Revenue Bonds  
(Fannie Mae MBS-Secured) Series 2026  
(Preston Park Apartments)**

## INTRODUCTION

This Official Statement (which includes the cover page and appendices hereto) provides certain information in connection with the issuance and sale of the \$30,375,000\* Marina Joint Powers Financing Authority Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured) Series 2026 (Preston Park Apartments) (the “Bonds”) issued by the Marina Joint Powers Financing Authority (the “Issuer”). The Bonds will be issued pursuant to Article 4 (commencing with Section 6584) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the “Act”), and that certain Resolution No. 2025-02 (JPFA) of the Board of Directors of the Issuer adopted on December 16, 2025 (the “Resolution”) and secured by an Indenture of Trust, dated as of January 1, 2026 (the “Indenture”), between the Issuer and U.S. Bank Trust Company, National Association, as trustee (in such capacity, the “Trustee”). Pursuant to the Indenture and the Financing Agreement, dated as of January 1, 2026 (the “Financing Agreement”), among the Issuer, the Trustee and Preston Park Sustainable Community Nonprofit Corporation, a California nonprofit public benefit corporation (the “Borrower”), the Issuer is issuing the Bonds to provide refinancing for a certain multifamily rental housing development known as Preston Park Apartments (the “Project”) in the City of Marina, County of Monterey, California (the “State”), and to facilitate the delivery of the MBS (as defined below) guaranteed by the Federal National Mortgage Association (“Fannie Mae”).

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

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

The Bonds will be issued to finance the Project through the purchase of a single mortgage pass-through certificate (the “MBS”) guaranteed as to principal and interest by Fannie Mae, if and when issued. The MBS will not be available for purchase on the date of issuance of the Bonds (the “Closing Date”) but is expected to be available for acquisition by the Trustee on or prior to the MBS Delivery Date Deadline. The MBS will be backed by a 10\*-year, fixed-rate mortgage loan (the “Mortgage Loan”) which is to be evidenced by a multifamily note (the “Mortgage Note”), and secured by a mortgage constituting a first lien on the Project (as further defined herein, the “Mortgage”). The Mortgage Loan will be made to the Borrower as mortgagor and owner of the Project on the Closing Date. See “THE MORTGAGE LOAN” herein and “APPENDIX A — FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM” attached hereto.

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

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\* Preliminary; subject to change.

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

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

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

The Bonds shall bear interest on the outstanding principal amount thereof at the interest rate set forth on the cover page hereof. The MBS is expected to be delivered by the MBS Delivery Date Deadline, initially defined as February 25, 2026\*. Principal and interest on the Bonds will be payable semiannually on the 1<sup>st</sup> day of each March and September, or the next succeeding Business Day if such 1<sup>st</sup> day is not a Business Day, commencing September 1, 2026\* (the “Initial Payment Date”). Following the delivery of the MBS, MBS payments will be made monthly on the 25<sup>th</sup> of each month, or if not a Business Day, the following Business Day. Fannie Mae’s role with respect to the Bonds is limited to issuing and discharging its obligations under the MBS if and when delivered. Fannie Mae has no responsibility for the structuring and timing of Bond payments from MBS Revenues. Principal and interest on the Bonds are payable by the Trustee to DTC, which will be responsible for remitting such principal and interest to its Participants, which will be responsible for remitting such principal and interest to the Beneficial Owners of the Bonds.

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

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

**THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE UNDER THE INDENTURE. NONE OF THE ISSUER, THE CITY OF MARINA, THE STATE, OR 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.**

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\* Preliminary; subject to change.

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

## THE ISSUER

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

The Issuer is a joint exercise of powers authority created pursuant to Joint Exercise of Powers Agreement dated as of July 1, 1990, by and between the City of Marina and the Successor Agency to the Marina Redevelopment Agency (as successor to the former Marina Redevelopment Agency), and Articles 1 to 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code (the “Act”). The Issuer is authorized to issue bonds and to loan the proceeds thereof to qualified borrowers in accordance with the Act.

The Issuer may sell and deliver 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 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 Mortgaged Property or any feasibility study or other financial analysis of the Mortgaged Property and has not undertaken to review or approve expenditures of the Mortgaged Property, to supervise the operation of the Mortgaged Property, or to obtain any financial statements of the Borrower.

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

## DESCRIPTION OF THE BONDS

### General

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

The Bonds will be dated January \_\_, 2026 and have maturity date(s) and final payment date(s) as identified on the cover page hereof and in the Term Sheet attached as APPENDIX H. The Bonds shall bear interest from their dated date on the outstanding principal amount thereof at the interest rate set forth on the cover page hereof. Interest on the Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months (“30/360”). The payment of interest on each Payment Date shall relate to the interest accrued on the Bonds during the preceding six calendar months; provided that the payment of interest on the Initial Payment Date shall relate to the interest accrued on the Bonds from the Closing Date to but not including such Initial Payment Date.

Interest on the Bonds will be payable on each Payment Date to the Bondholders of record as of the applicable Record Date.

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

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

### **Transfer of Bonds**

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

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

### **Redemption of Bonds**

The Bonds shall be subject to mandatory redemption prior to maturity under the Indenture as follows.

Mandatory Redemption Prior to MBS Delivery Date. In the event the MBS Delivery Date Deadline is extended in accordance with the terms of the Indenture, it is possible that sinking fund payments may commence on or before the MBS Delivery Date Deadline, as so extended. On any Payment Date that occurs prior to or during the month in which the MBS is delivered to the Trustee, the Bonds are subject to mandatory redemption as shown in the sinking fund schedule below set forth under the heading “Mandatory Sinking Fund Redemption,” payable with respect to principal first, from money on deposit in the Bond Proceeds Fund, and with respect to interest, and premium, if any, from money on deposit in the Revenue Fund or other Eligible Funds or other Eligible Funds.

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

Mandatory Redemption in Part on the MBS Delivery Date. The Bonds are subject to mandatory redemption in part on the MBS Delivery Date at a Redemption Price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued but unpaid from the first day of the month in which the last Payment Date occurred

to, but not including, the MBS Delivery Date, in an amount equal to the difference between (i) the principal amount of the MBS purchased on the MBS Delivery Date and (ii) the aggregate principal amount of the Bonds Outstanding as of the first day of the month in which the MBS Delivery Date occurred, payable with respect to principal first, from money on deposit in the Bond Proceeds Fund, and with respect to interest and premium, if any, from money on deposit in the Revenue Fund and other Eligible Funds.

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

<u>Sinking Fund Payment Date</u>	<u>Amount</u>	<u>Sinking Fund Payment Date</u>	<u>Amount</u>
9/1/2026	\$250,000	9/1/2031	\$305,000
3/1/2027	250,000	3/1/2032	310,000
9/1/2027	260,000	9/1/2032	315,000
3/1/2028	260,000	3/1/2033	325,000
9/1/2028	270,000	9/1/2033	330,000
3/1/2029	275,000	3/1/2034	335,000
9/1/2029	280,000	9/1/2034	345,000
3/1/2030	285,000	3/1/2035	350,000
9/1/2030	290,000	9/1/2035	360,000
3/1/2031	295,000	3/1/2036 <sup>†</sup>	24,685,000
Average Life	9.21 years		

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

Mandatory Redemption Following Unscheduled Prepayment of the Mortgage Loan.

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

(ii) The Mortgage Loan is subject to optional prepayment by the Borrower. Any yield maintenance or prepayment penalty incurred in connection with prepayment of the Mortgage Loan that is received by the Trustee as holder of the MBS will be distributed to Bondholders, as applicable; however, no assurance can be given that all or any portion of such yield maintenance or prepayment penalty will be received by the Trustee as holder of the MBS.

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

\* Preliminary; subject to change.

<sup>†</sup>Final maturity.

furnish the Trustee with a revised Mortgage Loan Amortization Schedule in connection with such redemption in part, other than pursuant to mandatory sinking fund redemption.

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

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

See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Redemption of Bonds" attached hereto.

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

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

## **THE MORTGAGE LOAN**

#### **General**

The Indenture authorizes the Issuer to issue the Bonds to refinance the Project through the acquisition of the MBS and to pay certain additional costs related thereto. The Bonds will be secured initially by the Cash Collateral, and then by the MBS, if issued and delivered to the Trustee. Fannie Mae is expected to deliver the MBS to the Trustee on or before the MBS Delivery Date Deadline, and the MBS is to be purchased by the Trustee with the Cash Collateral on deposit under the Indenture. The Lender has undertaken to certify that the MBS meets the requirements set forth in the Indenture, on which certification the Trustee may rely and act without further investigation. The Mortgage Loan is to be evidenced by the Mortgage Note, executed by the Borrower in favor of the Lender and secured, by the Leasehold Multifamily Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the "Mortgage"). The Borrower is required under the Mortgage Note to make monthly payments sufficient in the aggregate to pay debt service on the Mortgage Loan.

## **MBS Payments**

Following the MBS Delivery Date, if such date occurs, payments on the MBS will be made on the 25<sup>th</sup> day of each month (beginning with the month following the month in which the MBS is issued and delivered to the Trustee), or, if such 25<sup>th</sup> day is not a Business Day, on the first Business Day next succeeding such 25<sup>th</sup> day. With respect to the MBS, Fannie Mae will distribute to the Trustee an amount equal to the total of (i) the principal due on the Mortgage Loan underlying the MBS during the period beginning on the second day of the month prior to the month of such distribution and ending on the first day of such month of distribution, (ii) the stated principal balance of the Mortgage Loan that was prepaid in full during the calendar month next preceding the month of such distribution (including as prepaid for this purpose at Fannie Mae's election the Mortgage Loan after it is delinquent, in whole or in part, with respect to four consecutive installments of principal and interest; or because of Fannie Mae's election to repurchase the Mortgage Loan under certain other circumstances), (iii) the amount of any partial prepayment of the Mortgage Loan received in the calendar month next preceding the month of distribution, and (iv) one month's interest at the MBS Pass-Through Rate on the principal balance of the MBS as reported to the Trustee (assuming the Trustee is the registered holder) in connection with the previous distribution (or, respecting the first distribution, the principal balance of the MBS on its issue date). For purposes of distribution, the Mortgage Loan will be considered to have been prepaid in full if, in Fannie Mae's reasonable judgment, the full amount finally recoverable on account of the Mortgage Loan has been received, whether or not such full amount is equal to the stated principal balance of the Mortgage Loan. See also "APPENDIX A — FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM."

## **FANNIE MAE**

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

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

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

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

(i) All right, title and interest of the Issuer in and to (a) amounts on deposit in the Bond Proceeds Fund (as defined in the Indenture), to be funded on the Closing Date in an amount equal to the principal amount of the Bonds, and (b) Eligible Funds on deposit in the Revenue Fund (including but not limited to the Negative Arbitrage Account thereof);

(ii) (a) 100% of the beneficial ownership interest in the MBS, if the MBS is issued by Fannie Mae and acquired by the Trustee, and (b) all MBS Revenues;

(iii) All right, title and interest of the Issuer now owned or hereafter acquired in, to and under the Financing Agreement (except Reserved Rights) and the Regulatory Agreement (as defined in the Indenture); and

(iv) All other funds, accounts and property which by the express provisions of the Indenture is required to be subject to the lien of the Indenture, and any additional property that from time to time, by delivery or by writing of any kind, may be subjected to the lien of the Indenture, by the Issuer or by anyone on its behalf (and the Trustee is authorized by the Indenture to receive the same at any time as additional security under the Indenture; provided, however, that the Trust Estate shall not include amounts on deposit in the Rebate Fund).

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

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

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

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

## **PRIVATE PARTICIPANTS**

*The following information has been provided by the Borrower and has not been independently confirmed or verified by either the Underwriter or Fannie Mae. 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**

Preston Park Sustainable Community Nonprofit Corporation is a California nonprofit public benefit corporation (the “Borrower”), formed on April 10, 2015 by the City of Marina, California (the “City”) as a Section 115 corporation for the benefit of, and to “lessen the burdens of government” of the City. Specifically, the Borrower was formed to acquire, own, and operate the Project. The City of Marina Council Members serve as the Board of Directors of the Borrower and the day-to-day operations of the Borrower are performed by City staff members.

### **The Property Manager**

Greystar California, Inc., a Delaware corporation, serves as the property manager (the “Property Manager”) for the Project. The Property Manager entered into an amended management agreement with the Borrower (as amended, restated, replaced, supplemented, or otherwise modified from time to time, the “Management Agreement”), pursuant to which the Property Manager will manage, operate, supervise, and cause the Project to be leased and perform actions necessary to fulfill the Borrower’s obligations. The Management Agreement outlines the staffing plan for the Project and the role of key personnel. The Project’s day-to-day finances will be managed by the Property Manager pursuant to the Management Agreement, which includes the collection of all monthly rents and fees, preparation of annual budget recommendations for the Borrower, and financial reporting.

## THE PROJECT

*The following information has been provided by the Borrower and has not been independently confirmed or verified by either the Underwriter or Fannie Mae. 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.*

**General.** The Project is a multifamily housing development consisting of 352 townhome units known as Preston Park (the “Project”). The Project includes two- and three-bedroom units, ranging in size from 1,150 to 1,572 square feet. The Project units are rented to households with a mix of income levels: very low income, low income, and market. Amenities and features include a community center, open landscaping, winding walkways, and close proximately to the beach, restaurants, and shopping. Each unit includes an enclosed garage and driveway, and the Project additionally includes approximately 71 on-site and 230 street parking spaces for use by residents and guests. Two additional units at the Project are used as a property management office and community center. As of December 4, 2025, the Project is 99.4% occupied.

The Project was built in the 1980s as military housing for families assigned to Fort Ord. The Project was acquired by the City from the Fort Ord Reuse Authority (an entity formed for the purpose of redeveloping the former Fort Ord military base) on September 15, 2015, and the City immediately leased the Project to the Borrower pursuant to a Lease Agreement, dated as of September 15, 2015 (as amended, the “Lease Agreement”). The Lease Agreement has a term of 50 years, expiring on September 15, 2065. See “—Lease Agreement” below. The property management services are provided through a contract with a professional property management firm as described above under the caption “— The Property Manager.”

The unit mix of the Project is as follows:

<b>Unit Type</b>	<b>Approximate Square Feet</b>	<b>Total Number of Units</b>	<b>Number of Units Occupied by Very Low or Low-Income Households<sup>(1)(2)</sup></b>
2 BD, 1 BA	1,150	10 <sup>(3)</sup>	4
2 BD, 1.5 BA	1,278	95	23
2 BD, 1.5 BA	1,323	122	22
3 BD, 2.5 BA	1,572	125	36
<b>Total</b>		<b>352<sup>(3)</sup></b>	<b>85</b>

**Fire-Damaged Units:** On October 28, 2025, four 2-bedroom units at the Project were damaged in a fire. The fire started in the garage of one unit and smoke and soot from the fire spread through the attics and air ducts to cause significant damage to that unit and two other units. All three units also suffered water damage from the fire suppression efforts. The attic of a fourth adjacent unit also requires remediation as a result of the fire.

The Borrower’s insurer prepared a report, which estimated the replacement cost value at approximately \$626,000. Based on the report, the Borrower estimates the net insurance recovery will be approximately \$626,000, of which the Borrower and current Lender have received a check for \$522,368.93. The Borrower is working with the

<sup>(1)</sup> Includes 21 households with tenant-based section 8 vouchers, pursuant to which the tenant pays 30% of the tenant household’s gross income and the Borrower receives a payment from the federal government (through the County of Monterey Housing Authority) in the amount of the difference between 30% of the tenant household’s gross income and the lower of the actual rent charged to the tenant under the residential rental agreement and the fair market rent payment standard set by the U.S. Department of Housing and Urban Development for housing units in the County. Because tenant-based section 8 vouchers are held by individual tenants, who may move from the Project, the Borrower cannot provide any assurance that the Project will continue to rent the same number of units to households holding section 8 vouchers in the future.

<sup>(2)</sup> The Borrower is not required to rent specified unit types as income- and rent-restricted units. Accordingly, the mix of unit types at the Project that are income- and rent-restricted units will change from time to time.

<sup>(3)</sup> Excluding two 1,150-square-foot units that are designated as a Property Management Office and Community Center.

insurance company to process the insurance claim and proceed with the reconstruction and renovation of the affected units and estimates that such work will be completed within approximately nine months.

**Project Location.** The Project is generally located on approximately 95.54 acres, south of Reservation Road and northwest of Imjin Parkway in the City of Marina, California.

**Affordability Restrictions.** The Project is subject to income limits set forth in that certain Deed Restriction and Regulatory Agreement dated as of January 1, 2026 (the “City Regulatory Agreement”), by and between the City and the Borrower, which generally requires 20% of the units at the Project to be restricted to occupancy by households earning 80% or less of the Area Median Income for Monterey County, with such households paying an Affordable Rent (as defined in the City Regulatory Agreement), and the Deed Restriction and Regulatory Agreement dated as of December 6, 2007 (the “FORA Regulatory Agreement”), by and between the former Redevelopment Agency of the City of Marina and the former Fort Ord Reuse Authority, which requires that 19 of the units of the Project be rented to and occupied by Very Low Income Households (as defined in the FORA Regulatory Agreement) and 32 of the units at the Project be rented to and occupied by Low Income Households (as defined in the FORA Regulatory Agreement), with such households paying an affordable rent calculated in accordance with the FORA Regulatory Agreement.

**Lease Agreement.** The Borrower and the City entered into the Lease Agreement for an initial term of fifty years, expiring September 15, 2065, which gave possession of the Project to the Borrower for the long-term operation of the Project. The Lease Agreement requires the Borrower to operate the Project and make periodic rental payments to the City, consisting of an initial amount that constituted the price of the Borrower’s acquisition of its leasehold interest in the Project, monthly payments of all net revenues, and any real property taxes and other fees and costs of ownership.

**Historic Occupancy.** Based on information obtained from the Borrower, the historic average annual occupancy rates for the Project for the last five years was as follows:

<b>Fiscal Year</b>	<b>Average Number of Occupied Units</b>	<b>Average Number of Vacant Units</b>	<b>Average % Vacancy</b>
2021	350	2	0.6%
2022	350	2	0.6
2023	349	3	0.9
2024	349	3	0.9
2025	350	2	0.6

**Historical Financials.** The following tables show the historical assets, liabilities, and net position of the Project and the historic revenues, expenses, and change in net position of the Project for Fiscal Years 2019-20 through 2024-25 (collectively, the “Historical Financials”). The Historical Financials were provided by the Borrower. The Underwriter has not undertaken to verify the accuracy of the information presented herein.

**City of Marina**  
**Preston Park Apartments**  
**Statement of Net Position**  
**(Fiscal Years 2019-20 through 2024-2025)**

	<i>Fiscal Year 2019-20</i>	<i>Fiscal Year 2020-21</i>	<i>Fiscal Year 2021-22</i>	<i>Fiscal Year 2022-23</i>	<i>Fiscal Year 2023-24</i>	<i>Fiscal Year 2024- 25 (Unaudited Actual)</i>
<b>ASSETS</b>						
Current assets:						
Cash with fiscal agent	\$ 7,148,324	\$ 8,583,202	\$ 9,137,808	\$ 11,096,057	\$ 12,733,470	\$ 15,079,939
Accounts receivable, net	152,125	212,577	353,712	47,305	12,670	151,595
Prepaid expenses:						
Replacement reserves	237,665	237,754	237,825	237,931	238,101	5,434
Insurance escrow	92,728	65,696	60,512	74,077	132,239	115,243
Tax escrow	98,896	121,244	134,575	119,146	123,763	126,053
Total current assets	\$ 7,729,738	\$ 9,220,473	\$ 9,924,432	\$ 11,574,516	\$ 13,240,243	\$ 15,478,264
Noncurrent assets:						
Capital assets (depreciable, net)	<u>31,962,292</u>	<u>31,255,292</u>	<u>30,548,292</u>	<u>29,841,292</u>	<u>29,134,292</u>	<u>28,427,292</u>
Total assets	<u>\$ 39,692,030</u>	<u>\$ 40,475,765</u>	<u>\$ 40,472,724</u>	<u>\$ 41,415,808</u>	<u>\$ 42,374,535</u>	<u>\$ 43,905,556</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accrued liabilities	\$ 855,377	\$ 845,755	\$ 847,313	\$ 895,798	\$ 834,256	\$ 1,075,297
Noncurrent liabilities:						
Loans payable, due in more than one year	35,950,000	35,950,000	35,950,000	35,950,000	35,950,000	35,950,000
Total liabilities	<u>\$ 36,805,377</u>	<u>\$ 36,795,755</u>	<u>\$ 36,797,313</u>	<u>\$ 36,845,798</u>	<u>\$ 36,784,256</u>	<u>\$ 37,025,297</u>
<b>NET POSITION</b>						
Net investment in capital assets	\$ (3,987,708)	\$ (4,694,708)	\$ (5,401,708)	\$ (6,108,708)	\$ (6,815,708)	\$ (7,522,708)
Unrestricted	6,874,361	8,374,718	9,077,119	10,678,718	12,405,987	14,402,967
Total net position	<u>\$ 2,886,653</u>	<u>\$ 3,680,010</u>	<u>\$ 3,675,411</u>	<u>\$ 4,570,010</u>	<u>\$ 5,590,279</u>	<u>\$ 6,880,259</u>

Source: City of Marina Audited Financial Statements for Fiscal Years 2019-20 through 2023-24; City of Marina on behalf of Borrower for Fiscal Year 2024-25.

**City of Marina**  
**Preston Park Apartments**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**(Fiscal Years 2019-20 through 2024-25)**

	<i>Fiscal Year 2019-20</i>	<i>Fiscal Year 2020-21</i>	<i>Fiscal Year 2021-22</i>	<i>Fiscal Year 2022-23</i>	<i>Fiscal Year 2023-24</i>	<i>Fiscal Year 2024-25 (Unaudited Actual)</i>
<b>OPERATING REVENUES</b>						
Rental income	\$ 6,843,782	\$ 7,058,160	\$ 7,190,772	\$ 7,388,417	\$ 7,555,990	\$ 7,886,235
Other revenue	<u>46,740</u>	<u>12,293</u>	<u>93,346</u>	<u>41,451</u>	<u>47,397</u>	<u>47,293</u>
Total operating revenues	<u>\$ 6,890,522</u>	<u>\$ 7,070,453</u>	<u>\$ 7,284,118</u>	<u>\$ 7,429,868</u>	<u>\$ 7,603,387</u>	<u>\$ 7,933,528</u>
<b>OPERATING EXPENSES</b>						
Service and supplies	913,352	1,024,477	1,329,855	1,540,996	1,267,043	1,330,244
Repairs and maintenance	781,752	867,745	1,608,793	693,916	1,227,876	1,192,376
Utilities	115,726	129,264	135,706	212,580	208,161	243,109
Taxes	300,124	331,783	265,631	277,392	195,160	181,744
Rent	1,748,651	1,744,096	1,744,821	1,742,671	1,969,163	1,988,551
Depreciation and amortization	<u>707,000</u>	<u>707,000</u>	<u>707,000</u>	<u>707,000</u>	<u>707,000</u>	<u>707,000</u>
Total operating expenses	<u>4,566,605</u>	<u>4,804,365</u>	<u>5,791,806</u>	<u>5,174,555</u>	<u>5,574,403</u>	<u>5,643,024</u>
Operating income (loss)	<u>2,323,917</u>	<u>2,266,088</u>	<u>1,492,312</u>	<u>2,255,313</u>	<u>2,028,984</u>	<u>2,290,504</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Interest expense	\$ (1,516,790)	\$ (1,512,646)	\$ (1,512,646)	\$ (1,512,646)	\$ (1,516,790)	\$ (1,512,646)
Investment earnings	43,921	39,915	15,735	151,932	508,075	512,122
Total nonoperating revenues (expenses)	<u>(1,472,869)</u>	<u>(1,472,731)</u>	<u>(1,496,911)</u>	<u>(1,360,714)</u>	<u>(1,008,715)</u>	<u>(1,000,524)</u>
Income (loss) before transfers	851,048	793,357	(4,599)	894,599	1,020,269	1,289,980
Change in net position	<u>851,048</u>	<u>793,357</u>	<u>(4,599)</u>	<u>894,599</u>	<u>1,020,269</u>	<u>1,289,980</u>
Total net position - beginning	<u>\$ 2,035,605</u>	<u>\$ 2,886,653</u>	<u>\$ 3,680,010</u>	<u>\$ 3,675,411</u>	<u>\$ 4,570,010</u>	<u>\$ 5,590,279</u>
Total net position - ending	<u>\$ 2,886,653</u>	<u>\$ 3,680,010</u>	<u>\$ 3,675,411</u>	<u>\$ 4,570,010</u>	<u>\$ 5,590,279</u>	<u>\$ 6,880,259</u>

Source: City of Marina Audited Financial Statements for Fiscal Years 2019-20 through 2023-24; City of Marina on behalf of Borrower for Fiscal Year 2024-25.

## PLAN OF FINANCING

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

<b>Sources of Funds*</b>	
Principal Amount of Bonds	\$30,375,000.00
Marina - City Equity	<u>6,500,000.00</u>
<b>Total</b>	<b><u>\$36,875,000.00</u></b>
<b>Uses of Funds*</b>	
Existing Loan Payoff <sup>l</sup>	\$35,531,302.39
Required Indenture Deposit	189,000.00
Financing Costs of Issuance	<u>1,154,697.61</u>
<b>Total</b>	<b><u>\$36,875,000.00</u></b>

<sup>l</sup> The Existing Loan Payoff includes the existing principal balance, interest accrued through February 1, 2026, and fees associated with the Reconveyance and UCC termination, net of Insurance Proceeds in the amount of \$522,268.93\* and reimbursement of the deposit for Lender third-party reports in the amount of \$25,000.00\*.

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

*The Mortgage Loan and the Bonds.* The Project will utilize a mortgage loan (the "Mortgage Loan") from Berkadia Commercial Mortgage LLC, a Delaware limited liability company (the "Lender"). The obligation to repay the Mortgage Loan will be set forth in a promissory note (the "Mortgage Note") from the Borrower to the Lender, which Mortgage Note will have a term of not less than 120\* months, will bear interest at a rate of \_\_\_\_%\* and will amortize over 30 years. Following the MBS Delivery Date, payments on the Bonds will be made by the Trustee from payments received by the Trustee pursuant to the MBS and other amounts available for such purpose under the Indenture.

## CERTAIN BONDHOLDERS' RISKS

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

### Limited Security; Investment of Funds

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

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

The principal of and interest on the Bonds are payable from and secured by certain revenues and funds pledged thereto under the Indenture, and, following the MBS Delivery Date, from payments on the MBS and other amounts available for such purpose under the Indenture. On the date of delivery of the Bonds, an amount equal to the

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\* Preliminary; subject to change.

principal amount of the Bonds is to be deposited into the Bond Proceeds Fund. The Trustee is required to invest amounts held in the Bond Proceeds Fund and the Revenue Fund in Eligible Investments, as defined in the Indenture. See “APPENDIX C — SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Investment of Funds.” Failure to receive a return of the amounts so invested could affect the ability to pay the principal of and interest on the Bonds.

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

The Borrower will covenant and agree, pursuant to the Financing Agreement to comply with the provisions of the Code relating to the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds. The Borrower’s failure to comply with such provisions will not constitute a default under the Bonds and will not, in and of itself, give rise to a redemption or acceleration of the Bonds and is not the basis for an increase in the rate of interest payable on the Bonds. Furthermore, the Borrower’s failure to comply with the tax covenants set forth in the Financing Agreement will not give rise to a prepayment or acceleration of amounts due under the MBS or the Mortgage. Consequently, interest on the Bonds may become includable in gross income for purposes of federal income taxation retroactive to the date of issuance of the Bonds by reason of the Borrower’s failure to comply with the requirements of federal tax law.

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

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

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

Pursuant to the Indenture, under certain circumstances, the Bonds may be subject to mandatory redemption prior to maturity. See “DESCRIPTION OF THE BONDS — Redemption of Bonds” herein and Appendix C hereto.

#### **Eligible Investments**

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

#### **Rating**

Prior to the MBS Delivery Date, the rating on the Bonds is based on the investment in Eligible Investments of amounts on deposit in the Bond Proceeds Fund and the Revenue Fund. If one or more of such investments fail to meet the rating standards for Eligible Investments after their acquisition and prior to maturity, such a change may result in a downgrade or withdrawal of the rating on the Bonds. Following the MBS Delivery Date, the rating on the Bonds is based primarily on the credit rating of Fannie Mae. If any event occurs that causes an adverse change to the credit rating of Fannie Mae, such a change may result in a downgrade or withdrawal of the rating on the Bonds.

#### **Repayment of Mortgage Loan**

The ability of the Borrower to pay the Mortgage Loan is dependent on the revenues derived from the Project. Due to the inherent uncertainty of future events and conditions, no assurance can be given that revenues generated by

the Project will be sufficient to pay expenses of the Project, including without limitation, debt service on the Mortgage Loan, operating expenses, servicing fees, fees due to Fannie Mae, Trustee fees, and fees owed to the Issuer. The ability of the Project to generate sufficient revenues may be affected by a variety of factors including, but not limited to, completion of repairs to such Project, the maintenance of a sufficient level of occupancy, the ability to achieve increases in rents, the level of operating expenses, project management, adverse changes in applicable laws and regulations, general economic conditions and other factors in the surrounding market area for the Project. The Borrower intends to rent at least 20% of the units in the Project to persons or families of low income, and 19 of those units must be rented to persons and families of very low income to comply with the FORA Regulatory Agreement and the amount of rent that may be charged for such units may be materially less than market rates. In addition to these factors, other adverse events may occur from time to time which may have a negative impact on the occupancy level and rental income of the Project.

Failure of the Borrower to make payments when due under the Mortgage Loan, including payments under the Mortgage Note, will result in an event of default under the Mortgage Loan and the Financing Agreement and may result in a mandatory prepayment of all or a portion of the Bonds. The Mortgage Loan will not be accelerated unless directed by Fannie Mae in its sole discretion in which case the Bonds will remain outstanding and will remain secured by the MBS guaranteed as to timely payment of principal and interest by Fannie Mae. See "SECURITY FOR AND SOURCES OF PAYMENT FOR THE BONDS" herein. If Fannie Mae accelerates the Mortgage Loan as a result of any event of default under the Mortgage Loan, the Mortgage Loan will be paid in full, and the stated principal balance of the MBS will be passed through to the holder of the MBS. In this case, no yield maintenance or other prepayment premiums will be payable to the Trustee as holder of the MBS.

The Mortgage Loan is a non-recourse obligation of the Borrower with respect to the Borrower has no personal liability and as to which the Borrower has not pledged for the benefit of the Lender any of its assets, other than the Project and its rents, profits and proceeds.

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

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

#### **MBS Certificate**

If the MBS is issued by Fannie Mae and acquired by the Trustee as collateral for the Bonds, Fannie Mae's obligations will be solely as provided in the MBS and in the Fannie Mae MBS Prospectus and the related form of Prospectus Supplement for MBS Certificate. The obligations of Fannie Mae under the MBS will be obligations solely of Fannie Mae, a federally chartered corporation, and will not be backed by the full faith and credit of the United States of America. The Bonds are not and will not be a debt of the United States of America or any other agency or instrumentality of the United States of America or of Fannie Mae. The Bonds are not and will not be guaranteed by the full faith and credit of Fannie Mae or the United States of America.

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

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

The economic feasibility of the Project depends in large part upon the Project's maintaining a high occupancy rate of the rentals at sufficient rents and to cover all operating expenses of the Project and debt service on the Mortgage

Loan. Although representatives of the Borrower believe, that a substantial number of persons currently need housing facilities such as the Project, occupancy of the Project may be affected by competition from existing housing facilities or from housing facilities which may be constructed in the area served by the Project. The Project to date has maintained a high occupancy rate but that could change over time. Furthermore, no assurance can be given that tenants are able to afford the rental rates of the Project. Restrictions imposed under the Code on tenant income and the rent that can be charged could have an adverse effect on the Borrower's ability to satisfy its obligations under the Financing Agreement, especially if operating expenses should increase beyond what was anticipated.

### **Limited Liability of Issuer**

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

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

### **Secondary Markets and Prices**

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

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

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

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

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

The spread of the strain of a virus and resulting disease could alter the behavior of businesses and people in a manner that could have negative effects on global, state and local economies. There can be no assurances that the

spread of a pandemic would not materially impact both local and national economies and, accordingly, have a materially adverse impact on the Project's operating and financial viability. The effects of a pandemic could include, among other things, increased delinquencies and vacancies, all of which could impact the Borrower's ability to make payments on the Mortgage Loan and result in a default and acceleration thereof.

### **Limitation of Remedies**

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

### **Summary**

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

### **TAX MATTERS**

In the opinion of Stradling Yocca Carlson & Rauth LLP (the "Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. However, it should be noted that with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code"), generally certain corporations with more than \$1,000,000,000 of average annual adjusted financial statement income, interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed by Section 55 of the Code on such corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State personal income tax.

Bond Counsel's opinion as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Bonds is based upon certain representations of fact and certifications made by the Issuer, the Borrower, and others and is subject to the condition that the Issuer and the Borrower comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Issuer and the Borrower have covenanted to comply with all such requirements.

In the opinion of Bond Counsel, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity of such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Beneficial Owner before receipt of cash attributable to such includable income. The amount of original issue discount deemed received by a Beneficial Owner will increase the Beneficial Owner's basis in the applicable Bond. The amount of original issue discount that accrues to the Beneficial Owner of a Bond is excluded from the gross income of such Beneficial Owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and is exempt from State personal income tax.

The amount by which a Bond Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which must be amortized under Section 171 of the Code; such amortizable bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received with respect to the Bonds), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the

Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The IRS has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar municipal obligations). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest (and original issue discount) on the Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE BONDS THERE MIGHT BE FEDERAL, STATE OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE OR LOCAL TAX TREATMENT OF THE BONDS, INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES BEING IMPOSED ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Indenture and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth LLP.

Although Bond Counsel has rendered an opinion that interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes provided that the Authority and the Borrower continue to comply with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest (and original issue discount) on the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Bonds. Should interest (and original issue discount) on the Bonds become includable in gross income for federal income tax purposes, the Bonds are not subject to early redemption and will remain outstanding until maturity or until redeemed in accordance with the Indenture.

A complete copy of the proposed form of opinion of Bond Counsel is attached hereto as Appendix I.

## NO LITIGATION

### **The Issuer**

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

## **The Borrower**

There is no legal action, suit, proceeding, investigation or inquiry at law or in equity, before or by any court, agency, arbitrator, public board or body or other entity or person, pending or, to the best knowledge of the Borrower, threatened against or affecting the Borrower, nor, to the knowledge of the Borrower, any basis therefor, (i) which would restrain or enjoin the issuance or delivery of the Bonds, the use of this Official Statement in the marketing of the Bonds or the collection of revenues pledged under or pursuant to the Indenture or (ii) which would in any way contest or affect the organization or existence of the Borrower or the entitlement of any officer of the Borrower to its position or (iii) which would contest or have a material and adverse effect upon (A) the due performance by the Borrower of the transactions contemplated by this Official Statement, (B) the validity or enforceability of the Bonds or any other agreement or instrument to which the Borrower is a party and that is used or contemplated for use in the consummation of the transactions contemplated hereby and thereby, (C) the exclusion from gross income for federal income tax purposes of the interest on the Bonds or (D) the financial condition or operations of the Borrower, (iv) which contests in any way the completeness or accuracy of this Official Statement or (v) which questions the power or authority of the Borrower to carry out the transactions on its part contemplated by this Official Statement, or the power of the Borrower to own or operate the Project. The Borrower is not subject to any judgment, decree or order entered in any lawsuit or proceeding brought against it that would have such an effect.

## **CERTAIN LEGAL MATTERS**

The validity of the Bonds and certain other legal matters are subject to an approving opinion of Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, Bond Counsel to the Issuer. A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix I hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the Borrower by its counsel, Goldfarb & Lipman LLP, Oakland, California, and for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C. Payment of the fees of certain counsel to the transaction is contingent upon the issuance and delivery of the Bonds as described herein.

## **UNDERWRITING**

Pursuant and subject to the terms and conditions set forth in the Bond Purchase Agreement (the "Bond Purchase Agreement"), among Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), the Issuer and the Borrower, the Underwriter has agreed to purchase the Bonds at the price set forth on the cover page hereof. For its services relating to the transaction, the Underwriter will receive a fee of \$ \_\_\_\_\_ plus \$ \_\_\_\_\_, payable in immediately available funds on the Closing Date, from which the Underwriter shall pay certain fees and expenses relating to the issuance of the Bonds[, plus an additional amount of \$ \_\_\_\_\_ (the "Underwriter's Advance") for initial deposits established under the Indenture]. The Underwriter's fee shall not include the fee of its counsel. [The Borrower will reimburse the Underwriter for the Underwriter's Advance on or before the Closing Date.]

The Underwriter's obligations are subject to certain conditions precedent, and the Underwriter will purchase all the Bonds, if any are purchased. It is intended that the Bonds will be offered to the public initially at the offering prices set forth on the cover page hereof and that such offering prices subsequently may change without any requirement of prior notice. The Underwriter may offer the Bonds to other dealers at prices lower than those offered to the public.

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

The Underwriter and its affiliates comprise a full-service financial institution engaged in activities which may include securities sales and trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the Issuer and/or the Borrower and to persons and entities with relationships with the Issuer and/or the Borrower, for which they received or will receive customary fees and expenses. The

Underwriter is not acting as financial advisor to the Issuer or the Borrower in connection with the offer and sale of the Bonds.

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

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

## **RATING**

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

## **CONTINUING DISCLOSURE**

The Borrower, as the only "obligated person" with respect to the Bonds, will enter into a Continuing Disclosure Agreement, dated as of January 1, 2026 (the "Continuing Disclosure Agreement"), with Applied Best Practices, LLC, acting as Dissemination Agent, pursuant to which the Borrower will agree to provide ongoing disclosure pursuant to the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule"). Financial statements will be provided at least annually to the Municipal Securities Rulemaking Board (the "MSRB") and notices of certain events will be issued pursuant to the Rule. Information will be filed with the MSRB through its Electronic Municipal Market Access ("EMMA") system, unless otherwise directed by the MSRB. A form of the Continuing Disclosure Agreement is attached hereto as Appendix G.

A failure by the Borrower to comply with the provisions of the Continuing Disclosure Agreement will not constitute a default under the Financing Agreement (although Bondholders will have any available remedy at law or in equity for obtaining necessary disclosures). Nevertheless, such a failure to comply is required to be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds.

The Borrower has not previously been subject to the continuing disclosure requirements of the Rule. Certain affiliates of the Borrower had failed to comply with certain undertakings under the Rule during the five-year period prior to the date of this Remarketing Memorandum, including instances of late filings. However, the affiliates have since corrected the failure by filing the necessary remedial filings.

## THE TRUSTEE

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

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

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

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

## ENFORCEABILITY OF REMEDIES

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

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

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

## RELATIONSHIP AMONG PARTIES

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

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

#### **ADDITIONAL INFORMATION**

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

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

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

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

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

[Signature page to follow]

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

**PRESTON PARK SUSTAINABLE COMMUNITY NONPROFIT  
CORPORATION**, a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Layne Long  
Executive Director

## APPENDIX A

### FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM

*This summary of the Fannie Mae Mortgage Backed Securities Program, the Fannie Mae Certificates and the documents referred to herein has not been provided or approved by Fannie Mae, does not purport to be comprehensive and is qualified in its entirety by reference to the Fannie Mae MBS Prospectus (Multifamily Fixed-Rate Yield Maintenance) for Guaranteed Mortgage Pass-Through Certificates (the “Fannie Mae MBS Prospectus”) which will be available and can be found if and when the MBS is issued, by inputting the CUSIP for the MBS into Fannie Mae’s multifamily disclosure system, DUS Disclose (<https://mfidusdisclose.fanniemae.com/#/home>). The template for the Fannie Mae MBS Prospectus, as of the date of this Official Statement, can be found at <https://capitalmarkets.fanniemae.com/media/26581/display>. The template for the Fannie Mae MBS Prospectus may change from time to time. The Fannie Mae MBS Prospectus, if and when available, will consist of the template for the Fannie Mae MBS Prospectus applicable at the time of the issuance of the MBS with the cover page completed with the MBS-specific information, an Additional Disclosure Addendum substantially in the form attached as Schedule I to this Appendix A, and an Annex A containing information substantially consistent with the Term Sheet attached hereto as Appendix H<sup>1</sup>.*

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

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

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

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

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

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<sup>1</sup> References to the cover page and dates in this Appendix A are to the applicable Fannie Mae MBS Prospectus.

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

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

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

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

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

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

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

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

Monthly Pool Factors .....

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

Guaranty .....

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

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

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

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

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

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

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

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

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

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

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

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

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

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**SCHEDULE I**  
**FORM OF ADDITIONAL DISCLOSURE ADDENDUM**

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

The mortgage loan is an affordable housing loan and, accordingly, the mortgaged property is subject to affordable housing regulatory agreements that impose income and rent restrictions on tenants of the mortgaged property. Failure to comply with these agreements is an event of default under the loan agreement. See “THE MORTGAGE LOANS — Affordable Housing Loans”; “RISK FACTORS — RISKS RELATING TO YIELD AND PREPAYMENT — Prepayments Relating to Specific Types of Mortgage Loans and Mortgaged Properties — The successful operation of a mortgaged property securing an affordable housing mortgage loan may depend upon additional factors” in the Fannie Mae MBS Prospectus for additional information.

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

The City of Marina (the “city”), a California local government, owns the mortgage property and has ground leased it to the borrower for a 50-year term ending in 2065. The borrower is responsible for the day-to-day operations of the mortgaged property. Because the mortgaged property is owned by a California local government, the city’s fee interest in the mortgaged property is exempt from real property taxes (but not parcel taxes imposed by the voters) pursuant to Article XIII, Section 1 of the California Constitution. Under the ground lease, the borrower is responsible for paying as rent any real property taxes or parcel taxes imposed on the city, as well as any possessory interest tax imposed on the borrower. The borrower itself does not benefit from a tax relief program.

To ensure that the city maintain eligibility for the tax relief program that applies to it as fee owner, the mortgage loan documents require the city to file certain documents and take other actions required to maintain the tax abatement on the city’s fee interest in the mortgaged property. A failure to comply with these requirements or maintain such tax abatement may be an event of default under the mortgage loan documents. Such event of default under the mortgage loan documents may result in acceleration and payment in full of the loan and distribution of its stated principal balance, together with accrued interest, to the holder of the MBS certificates. In such case, although payment of a prepayment premium may be required, no portion of any prepayment premium that is collected will be passed through to the holder of the MBS certificates. See “THE MORTGAGE LOANS — Characteristics of Multifamily Properties — Mortgage Loan Secured by Leasehold Interest” in the Fannie Mae Prospectus for additional information.

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

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

Future Supplemental Mortgage Loans" and "Cross Default; Existing Mortgage Loans; Future Supplemental Mortgage Loans" in the Fannie Mae MBS Prospectus for additional information.

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

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

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

“30/360” means a computation of interest accrual on the basis of a three hundred sixty (360) day year consisting of twelve 30-day months.

“Act” means Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, relating to the formation of the Issuer, and Article 4 (commencing with Section 6584) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, relating to the issuance of the Bonds, as applicable.

“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 any authorized officer of the Borrower, 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 Executive Director of the Borrower.

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

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

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

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

“Bond” or “Bonds” means the Marina Joint Powers Financing Authority Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured) Series 2026 (Preston Park Apartments) in the principal amount of \$30,375,000\* authorized under and secured by the Indenture and issued pursuant to the Indenture.

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

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

“Bond Maturity Date” means March 1, 2036\*.

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

“Bond Purchase Agreement” means the Bond Purchase Agreement, dated January \_\_, 2026, among the Underwriter, the Issuer and the Borrower.

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\* Preliminary; subject to change.

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

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

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

“Borrower” means Preston Park Sustainable Community Nonprofit Corporation, a California nonprofit public benefit corporation, and any permitted successors or assigns of such entity.

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

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

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

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

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement dated as of January 1, 2026, 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.

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

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

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

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

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

“Dissemination Agent” means Applied Best Practices, LLC, and its successors.

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

“Electronic Means” means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder or any other electronic means of communication approved in writing by Fannie Mae.

“Eligible Funds” means:

(a) the proceeds of the Bonds or any other amounts received by the Trustee from the Underwriter;

(b) moneys drawn on a letter of credit;

(c) any amounts received by the Trustee representing advances to the Borrower of proceeds of the Mortgage Loan;

(d) any other amounts for which the Trustee has received an Opinion of Counsel to the effect that the use of such amounts to make payments on the Bonds would not violate Section 362(a) of the Bankruptcy Code (or that relief from the automatic stay provisions of such Section 362(a) would be available from the bankruptcy court) or be avoidable as preferential payments under Section 547 or 550 of the Bankruptcy Code should the Borrower become a debtor in proceedings commenced under the Bankruptcy Code;

(e) any payments held by the Trustee for a continuous period of 123 days, provided that no act of bankruptcy with respect to the Borrower has occurred during such period; and

(f) investment income derived from the investment of the money described in (a) through (e) above.

“Eligible Investments” means subject to the provisions of the Indenture, any of the following obligations which mature (or are redeemable at the option of the Trustee without penalty) at such time or times as to enable timely disbursements to be made from the fund in which such investment is held or allocated in accordance with the terms of the Indenture::

(a) Government Obligations; and

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

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

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

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

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

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

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

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

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

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

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

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

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

“Indenture” means the Indenture of Trust dated as of January 1, 2026, by and between the Issuer and the Trustee, as it may from time to time be amended, modified or supplemented by Supplemental Indentures.

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

“Issuer” means the Marina Joint Powers Financing Authority, a public instrumentality of the State of California (the “State”) created pursuant to the Act and that certain Joint Exercise of Powers Agreement dated as of July 1, 1990, by and between the City of Marina and the Successor Agency to the Marina Redevelopment Agency (as successor to the Marina Redevelopment Agency).

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\* Preliminary; subject to change.

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

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

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

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

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

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

“MBS Maturity Date” means February 1, 2036\*.

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

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

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

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

“Mortgage Loan” means the interest-bearing loan for multifamily housing in the aggregate principal amount of \$30,375,000\* funded by the Lender, evidenced by the Mortgage Note and secured by the Mortgage and the Multifamily Loan and Security Agreement.

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

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

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

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\* Preliminary; subject to change.

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

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

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

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

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

“Ordinary Trustee Fees and Expenses” means amounts due to the Trustee for the Ordinary Services and the Ordinary Expenses of the Trustee incurred in connection with its duties under the Indenture, payable annually in advance on the Closing Date and on each anniversary thereof in the amount of \$3,500 (together with an acceptance fee of \$1,000 and a Trustee’s counsel fee of \$3,500 each payable upon execution of the Indenture). The Ordinary Trustee Fees and Expenses and all amounts due to the Trustee for Extraordinary Services and all Extraordinary Expenses of the Trustee will be paid directly by the Borrower pursuant to the Financing Agreement.

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

- (a) any Bond cancelled by the Trustee or delivered to the Trustee for cancellation;
- (b) any Bond for the payment or redemption of which either (i) moneys equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, or (ii) specified types of Eligible Investments or moneys in the amounts, of the maturities and otherwise as described and required under the Indenture, shall have theretofore been deposited with the Trustee in trust (whether upon or prior to maturity or the redemption date of such Bond) and, except in the case of a Bond to be paid at maturity, as to which a redemption notice shall have been given or provided for in accordance with the Indenture; and
- (c) any Bond in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to the Indenture.

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

“Pass-Through Rate” means \_\_\_\_% per annum with respect to the MBS.

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

“Prior Loan” means that certain multifamily loan in the original principal amount of \$35,950,000 made by Berkeley Point Capital LLC (and subsequently sold to Newmark) to the Borrower, pursuant to that certain Multifamily Loan and Security Agreement dated as of January 7, 2016 and evidenced by that certain Multifamily Note made by the Borrower to the order of Berkeley Point Capital LLC (and subsequently sold to Newmark), dated January 7, 2016.

“Project” means the multifamily rental housing development, known as Preston Park Apartments, located in the City of Marina, County of Monterey, State of California, on the site described in the Mortgage.

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

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

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

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

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

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

“Regulatory Agreement” means the Deed Restriction and Regulatory Agreement relating to the Project, dated as of January 1, 2026, by and among the City and the Borrower, as it may be amended, supplemented or restated from time to time.

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

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

“Resolution” means that certain resolution No. 2025-02 (JPFA) of the Board of Directors of the Issuer adopted on December 16, 2025, authorizing the issuance and sale of the Bonds.

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

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

“State” means the State of California.

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

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

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

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

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

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

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

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## APPENDIX C SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

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

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

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

Terms of Bonds. The Bonds shall be dated as of the Bond Dated Date and shall be payable on each Payment Date. Interest shall be calculated on the basis of a year of 30/360. Except as otherwise provided in the Indenture, the payment of interest on a Payment Date shall be in an amount equal to the interest accrued during the preceding six calendar months; provided that the payment of interest on the Initial Payment Date shall relate to the interest accrued from the Bond Dated Date to and including the calendar day immediately preceding the Initial Payment Date.

The Bonds shall be issued as registered bonds without coupons in Authorized Denominations. The Bonds shall be lettered "R" and shall be numbered separately from "1" consecutively upwards. The Bonds shall be issued initially as Book-Entry Bonds.

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

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

The Bonds shall be subject to redemption prior to maturity as provided in the Indenture.

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

Execution; Limited Obligation. The Bonds shall be signed by, or bear the facsimile or manual signature of, an Authorized Officer of the Issuer, and attested to by the manual or facsimile signature of the Secretary of the Board of Directors of the Issuer. In case any one or more of the officers of the Issuer who shall have signed any of the Bonds or whose signature appears on any of the Bonds shall cease to be such officer before the Bonds so signed shall have been actually authenticated or delivered or caused to be delivered by the Trustee or issued by the Issuer, such Bonds

may, nevertheless, be authenticated by the Trustee and issued and, upon such authentication, delivery and issue, shall be as binding upon the Issuer as if the persons who signed such Bonds or whose signatures appear on any of the Bonds had not ceased to hold such office until such delivery. Any Bond may be signed on behalf of the Issuer by such persons as at the actual time of execution of the Bonds shall be duly authorized or hold the proper office in the Issuer, although at the date of issuance and delivery of the Bonds such persons may not have been so authorized or have held such office.

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

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

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

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

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

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

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

## **Terms of Redemption**

The Bonds shall be subject to redemption prior to maturity under the Indenture as stated under this heading.

**Mandatory Redemption Prior to MBS Delivery Date.** In the event the MBS Delivery Date Deadline is extended in accordance with the terms of the Indenture, it is possible that sinking fund payments may commence on or before the MBS Delivery Date Deadline, as so extended. On any Payment Date that occurs prior to or during the month in which the MBS is delivered to the Trustee, the Bonds are subject to mandatory redemption occurs as shown in the sinking fund schedule set forth in the Indenture, payable with respect to principal first, from money on deposit in the Bond Proceeds Fund, and with respect to interest, and premium, if any, from money on deposit in the Revenue Fund or other Eligible Funds.

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

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

**Mandatory Sinking Fund Redemption.** The Bonds are subject to mandatory redemption on the respective dates set forth in the schedule in the Indenture at the Redemption Price equal to the principal amount thereof, plus accrued interest to, but not including, the redemption date. Any scheduled principal payments made pursuant to the Mortgage Loan Amortization Schedule shall be retained by the Trustee and used to make sinking fund payments as set forth in this section.

### **Mandatory Redemption Following Unscheduled Prepayment of the Mortgage Loan.**

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

(ii) The Mortgage Loan is subject to optional prepayment by the Borrower. Any yield maintenance or prepayment penalty in connection with prepayment of the Mortgage Loan that is received by the Trustee as holder of the MBS will be distributed to Bondholders, as applicable; however, no assurance can be given that all or any portion of such yield maintenance or prepayment penalty will be received by the Trustee as holder of the MBS.

**Selection of Bonds for Redemption.** If less than all of the Bonds are redeemed pursuant to the heading "Terms of Redemption – Mandatory Sinking Fund Redemption" above, the Bonds shall be redeemed in accordance with the schedule set forth in the Indenture. In the event the Bonds are redeemed in part other than pursuant to the

heading "Terms of Redemption – Mandatory Sinking Fund Redemption" above, the Bonds shall be redeemed ratably across all maturities and the scheduled principal payments on the Bonds to remain outstanding and the mandatory sinking fund redemption requirements for each maturity described in the Indenture shall be adjusted so that the resulting debt service on the Bonds (including scheduled mandatory redemption payments) during each six-month period commencing on each Payment Date is proportional, as nearly as practicable, to the payments on the MBS during each such six-month period, without exceeding the amount available from MBS payments, and other available funds under the Indenture that may be used to pay debt service on the Bonds, during each such six-month period. All Bonds to be redeemed within the same maturity shall be selected by lot. Any redemption in part shall be in Authorized Denominations and the Lender shall furnish the Trustee with a revised Mortgage Loan Amortization Schedule in connection with such redemption in part (other than pursuant to mandatory sinking fund redemption).

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

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

#### **Notice of Redemption**

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

The Bonds to be redeemed in part pursuant to the Indenture will be selected in accordance with the operational arrangements of DTC or any successor Substitute Depository.

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

Notwithstanding this section, no prior notice shall be a prerequisite to the effectiveness of any redemption under the heading "Terms of Redemption" which redemption shall occur and be effective irrespective of whether the Trustee fulfills its obligation to provide the notice with respect to the heading "Terms of Redemption" above required under this heading "Notice of Redemption."

### **Payment of Redemption Price**

With respect to any redemption pursuant to the heading "Terms of Redemption" above, notice having been given in the manner provided in the heading "Notice of Redemption" above (or not required to be given as a result of a redemption pursuant to the heading "Terms of Redemption – Mandatory Redemption Following Unscheduled Prepayment of Mortgage Loan" above), and all conditions to the redemption contained in such notice, if applicable, having been met, the Bonds so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price specified in the heading "Terms of Redemption" above, and, except in the case of a redemption as described under the heading "Mandatory Redemption Following Unscheduled Prepayment of the Mortgage Loan," above, upon presentation and surrender thereof at the offices specified in such notice, together with, in the case of Bonds presented by other than the registered owner, a written instrument of transfer duly executed by the registered owner or its duly authorized attorney; provided, however, that so long as the Bonds are registered in the name of the Depository, payment for such redeemed Bonds shall be made in accordance with the Representation Letter of the Issuer. If, on the redemption date, moneys for the redemption of all of the Bonds or the Bonds to be redeemed, together with all accrued interest on such Bonds, which shall equal all interest accrued on the MBS, if delivered, to the redemption date, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date, interest on the Bonds so called for redemption shall cease to accrue.

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

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

### **Delivery of MBS**

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

- (a) the MBS shall bear interest at the Pass-Through Rate payable on the 25th day of each month, commencing on the 25th day of the month following the month in which the Trustee purchases the MBS, or if any such 25th day is not a Business Day, the next succeeding Business Day, and shall mature on the MBS Maturity Date; and

(b) the MBS shall be acquired by the Trustee on behalf of the Issuer, shall be held at all times by the Trustee in trust for the benefit of the Bondholders and shall be held only in book-entry form through the United States Federal Reserve Bank book-entry system, pursuant to which the MBS shall have been registered on the records of the Federal Reserve Bank in the name of the Trustee.

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

### **Pledge of Trust Estate**

The pledge and assignment of and the security interest granted in the Trust Estate pursuant to the granting clauses of the Indenture for the payment of the principal of, premium, if any, and interest on the Bonds, in accordance with their terms and provisions, and for the payment of all other amounts due under the Indenture, shall attach, be perfected and be valid and binding from and after the time of the delivery of the Bonds by the Trustee or by any person authorized by the Trustee to deliver the Bonds. The Trust Estate so pledged and then or thereafter received by the Trustee shall immediately be subject to the lien of such pledge and security interest without any physical delivery thereof or further act, and the lien of such pledge and security interest shall be valid and binding and prior to the claims of any and all parties having claims of any kind in tort, contract or otherwise against the Issuer irrespective of whether such parties have notice thereof.

### **Establishment of Funds**

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

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

The Trustee shall, at the written direction of an Authorized Borrower Representative, and may, in its discretion, establish such additional accounts within any fund, and subaccounts within any of the accounts, as the Issuer or the Trustee may deem necessary or useful for the purpose of identifying more precisely the sources of payments into and disbursements from that fund and its accounts, or for the purpose of complying with the requirements of the Code, but the establishment of any such account or subaccount shall not alter or modify any of the requirements of the Indenture with respect to a deposit or use of money in the respective Funds, or result in commingling of funds not permitted thereunder.

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

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

## **Revenue Fund**

(a) On any Payment Date that occurs prior to or during the month in which the MBS is delivered to the Trustee, the Trustee shall disburse from the Revenue Fund (and, to the extent amounts in the Revenue Fund, other than from amounts in the Negative Arbitrage Account, are insufficient for such purposes, from the Negative Arbitrage Account therein), an amount equal to the amount of interest due on the Bonds.

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

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

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

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

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

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

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

## **Rebate Fund**

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

## **Costs of Issuance Fund**

The Trustee shall use amounts in the Costs of Issuance Fund on the Closing Date or as soon as practicable thereafter in accordance with written instructions to be given to the Trustee by the Borrower, upon delivery to the Trustee of appropriate invoices for such expenses. The Trustee shall transfer any unexpended amounts remaining on deposit in the Costs of Issuance Fund six months after the Closing Date to the Revenue Fund and upon such transfer the Costs of Issuance Fund shall be closed.

## **Bond Proceeds Fund**

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

## **Investment of Funds**

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

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

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

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

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

The Issuer acknowledges that regulations of the Comptroller of the Currency grant the Borrower the right to receive brokerage confirmations of the security transactions as they occur. The Borrower specifically waives such notification to the extent permitted by law and will receive periodic cash transaction statements that will detail all investment transactions. Upon the Borrower's written election, such statements shall be delivered via the Trustee's online service and upon electing such service, paper statements shall be provided only upon request.

### **Particular Covenants**

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

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

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

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

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

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

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

If an Extension Deposit has not been made pursuant to the Indenture, such that the aggregate balance in the Bond Proceeds Fund and the Revenue Fund is equal to 100% of the principal amount of the Bonds plus interest accrued on the Bonds to the date which is five (5) calendar days following the MBS Delivery Date Deadline (as such date may be extended under the Indenture), then the Bonds shall be subject to mandatory redemption as set forth in the Indenture.

### **Discharge of Indenture**

#### Defeasance.

(a) If all Bonds shall be paid and discharged as provided in this section, then all obligations of the Trustee and the Issuer under the Indenture with respect to all Bonds shall cease and terminate, except only (i) the obligation of the Trustee to pay or cause to be paid to the owners thereof all sums due with respect to the Bonds and to register, transfer and exchange Bonds pursuant to the Indenture, (ii) the obligation of the Issuer to pay the amounts owing to the Trustee under the Indenture from the Trust Estate, and (iii) the obligation of the Issuer to comply with

the Indenture. Any funds held by the Trustee at the time of such termination which are not required for payment to Bondholders or for payment to be made by the Issuer, shall be paid as provided in the Indenture.

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

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

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

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

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

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

(ii) the maturity of such Bond.

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

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

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

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

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

(c) Default in the observance or performance of any other covenant, agreement or condition on the part of the Issuer in the Indenture and the continuation of such default for a period of 90 days after written notice to the Issuer from the Trustee or the registered owners of not less than 75% in aggregate

principal amount of the Bonds Outstanding at such time specifying such default and requiring the same to be remedied.

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

Acceleration; Rescission of Acceleration.

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

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

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

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

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

(iv) Upon receipt of the Bonds from or on behalf of the requesting Beneficial Owner, the Trustee will promptly cancel all Bonds, which will not be reissued;

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

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

(vii) Interest on the MBS is not excludable from gross income for federal income tax purposes. Owners of Bonds should consult their own tax advisors concerning that and other tax consequences of any exchange of the Bonds for the MBS.

(c) The acceleration of the Bonds will not constitute a default under, or by itself cause the acceleration of, the MBS. If at any time after the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or entered, the Issuer, the Borrower or Fannie Mae, as applicable, shall pay to or deposit with the Trustee a sum sufficient to pay all principal of the Bonds then due (other

than solely by reason of such declaration) and all unpaid installments of interest (if any) on all the Bonds then due with interest at the rate borne by the Bonds on such overdue principal and (to the extent legally enforceable) on such overdue installments of interest, and the reasonable expenses of the Trustee shall have been made good or cured or adequate provisions shall have been made therefor, and all other defaults under the Indenture have been made good or cured or waived in writing by the holders of a majority in principal amount of the Bonds Outstanding, then and in every case, the Trustee on behalf of the holders of all the Bonds shall rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent Event of Default, nor shall it impair or exhaust any right or power consequent thereon.

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

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

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

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

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

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

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

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

Waivers of Events of Default. The Trustee shall waive any Event of Default under the Indenture and its consequences and rescind any declaration of maturity of principal of, premium, if any, and interest on the Bonds upon the written request of the holders of a majority in aggregate principal amount of all Bonds then Outstanding with respect to which there is an Event of Default; provided, however, that there shall not be waived (a) any default in the payment of the principal amount of any Bonds at the date of maturity specified therein or upon proceedings for

mandatory redemption, or (b) any default in the payment when due of the interest or premium, if any, on any such Bonds, unless prior to such waiver or rescission all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such Event of Default shall have occurred on overdue installments of interest or all arrears of payments of principal or premium, if any, when due (whether at the stated maturity thereof or upon proceedings for mandatory redemption) as the case may be, and all expenses of the Trustee in connection with such monetary default, shall have been paid or provided for, and in case of any such waiver or rescission, the Issuer, the Borrower, the Trustee and the Bondholders shall be restored to their former positions and rights under the Indenture respectively.

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

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

### **Concerning the Trustee**

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

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

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

Resignation by Trustee. The Trustee and any successor Trustee may at any time resign from the trusts created by the Indenture by giving 30 calendar days' written notice to the Issuer and Fannie Mae, and such resignation shall

only take effect upon the appointment, pursuant to the Indenture, of, and acceptance by, a successor Trustee. The successor Trustee shall give notice of such succession by first class mail, postage prepaid, to each Bondholder at the address of such Bondholder shown on the Bond Register.

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

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

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

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

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

payment has not been received in a timely manner and request that such payment be made by wire transfer of immediately available funds to the account of the Trustee or such custodian, as the case may be.

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

### **Supplemental Indentures**

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

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

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

Bonds then Outstanding, or (e) change or modify any of the rights or obligations of the Trustee without the written consent thereto of the Trustee.

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

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

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

#### **Miscellaneous Provisions**

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

any other Issuer Document or the Financing Documents against any such member, officer, employee or agent of the Issuer, past present or future, or any natural person executing the Bonds.

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

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

### **Definitions**

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

### **General Terms of the Financing**

The Issuer has authorized the issuance of the Bonds in the aggregate principal amount set forth in the Financing Agreement and Bonds in such amount shall be issued and Outstanding as of the Closing Date. The obligations of the Issuer, the Trustee and the Borrower under the Financing Agreement are expressly conditioned upon (i) the sale, issuance and delivery of the Bonds, (ii) receipt by the Trustee of the amounts set forth in the Indenture, and (iii) the making of the Mortgage Loan by the Lender. Neither the Issuer, the Lender, the Trustee nor Fannie Mae shall have any liability for any fees, costs or expenses, including, without limitation, issuance costs relating to the Bonds; all of such fees, costs and expenses shall be paid by the Borrower.

### **Sources, Deposits and Uses**

Upon the issuance and delivery of the Bonds, the Lender will make the Mortgage Loan to the Borrower. Proceeds of the Mortgage Loan shall be applied to pay the Prior Loan in full on the Closing Date. To the extent proceeds of the Mortgage Loan remain undisbursed following disbursements made on the Closing Date, the Lender will deliver funds to the Trustee for deposit into the Revenue Fund to be applied in accordance with the Indenture. The Trustee shall apply the proceeds of the Bonds as provided in the Indenture (i) to secure the Bonds until the MBS Delivery Date and (ii) to purchase the MBS on the MBS Delivery Date. The Borrower accepts the Mortgage Loan from the Lender, upon the terms and conditions set forth in the Financing Agreement, in the Mortgage Loan Documents and in the Indenture, and subject to the terms and conditions of the Regulatory Agreement. The Issuer has caused the proceeds of the Bonds to be provided to the Trustee for deposit to the Bond Proceeds Fund. The Borrower acknowledges its obligation to pay all amounts necessary to pay principal of, premium, if any, and interest on the Bonds as provided in the Indenture. The Borrower has made arrangements for the delivery to the Trustee of the Bond proceeds, the MBS and of certain other Eligible Funds as contemplated in the Financing Agreement and in the Indenture. Payments on the MBS received by the Trustee shall be credited to amounts due from the Borrower for payment of principal of, premium, if any, and interest on the Bonds.

### **Notification of Prepayment of Mortgage Note**

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

### **Events of Default**

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

- (i) Failure by the Borrower to pay any amounts due under the Financing Agreement at the times and in the amounts required by the Financing Agreement; or

(ii) Failure by the Borrower to observe or perform any covenants, agreements or obligations in the Financing Agreement on its part to be observed or performed (other than as provided in clause (i) above) for a period of thirty (30) days after receipt of written notice specifying such failure and requesting that it be remedied, given to the Borrower by any party to the Financing Agreement; provided, however, that if said failure shall be such that it cannot be corrected within such period, it shall not constitute an Event of Default if the failure is correctable without material adverse effect on the Bonds and if corrective action is instituted by the Borrower within such period and diligently pursued until the failure is corrected, and provided further that any such failure shall have been cured within ninety (90) days of receipt of notice of such failure; or

(iii) Breach of any of the covenants, agreements or obligations of the Borrower under or the occurrence of a default which is continuing under the Regulatory Agreement, including any exhibits to any of the foregoing; or

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

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

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

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

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

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

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

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

(c) Subject to the limitations of the Regulatory Agreement and the Financing Agreement, the Issuer, without the consent of the Trustee, but only after written notice to the Trustee, the Borrower, the Lender and Fannie Mae, may take whatever action at law or in equity may appear necessary or desirable to enforce performance and observance of any Reserved Right of the Issuer; provided that, the Issuer may not (i) terminate the Financing

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

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

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

(f) Notwithstanding any other provision of the Financing Agreement to the contrary, after the MBS Delivery Date, so long as Fannie Mae is not in default under the MBS, none of the Issuer, the Trustee or any Person under their control shall exercise any remedies or direct any proceedings under the Financing Agreement or the Mortgage Loan Documents, other than to (i) enforce rights under the MBS, (ii) enforce the tax covenants in the Indenture, the Financing Agreement and the Tax Certificate, or (iii) enforce rights of specific performance under the Regulatory Agreement; provided, however, that any enforcement under (ii) or (iii) above shall not include seeking monetary damages.

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

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

#### **Amendment**

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

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

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

Price) of, premium, if any, or interest on the Bonds. The Issuer shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Financing Agreement, the Bonds or the Indenture, except only to the extent amounts are received for the payment thereof from the Borrower under this Financing Agreement or from the MBS.

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

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**APPENDIX E  
RESERVED**

## APPENDIX F BOOK-ENTRY SYSTEM

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

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

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual 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 records of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in bonds, except in the event that use of the book-entry system for the bonds is discontinued.

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

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

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

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, the amount of the interest of each Direct Participant in such issue to be redeemed shall be determined in accordance with the applicable procedures of DTC.

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

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

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

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

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

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

**\$30,375,000\***

**Marina Joint Powers Financing Authority  
Multifamily Housing Revenue Bonds  
(Fannie Mae MBS-Secured) Series 2026  
(Preston Park Apartments)**

This Continuing Disclosure Agreement, dated as of January 1, 2026 (this "Continuing Disclosure Agreement"), is executed and delivered by Preston Park Sustainable Community Nonprofit Corporation, a California nonprofit public benefit corporation (the "Borrower"), and Applied Best Practices, LLC, as dissemination agent (the "Dissemination Agent"). The above-captioned bonds (the "Bonds") are being issued pursuant to an Indenture of Trust, dated as of January 1, 2026 (the "Indenture"), between the Marina Joint Powers Financing Authority (the "Issuer") and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). Pursuant to the Indenture and Financing Agreement, dated as of January 1, 2026, among the Issuer, the Trustee, and the Borrower (the "Financing Agreement"), the Dissemination Agent and the Borrower covenant and agree as follows:

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

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

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

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

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

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

*"Dissemination Agent"* shall mean Applied Best Practices, LLC, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Borrower and which has filed with the Trustee a written acceptance of such designation.

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

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

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\* Preliminary; subject to change.

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

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

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

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

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

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

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

**Section 4. Content of Annual Reports.** The Borrower’s Annual Report will contain or incorporate by reference the financial information with respect to the Project, provided at least annually, of the type included in Exhibit A hereto, which Annual Report may, but is not required to, include Audited Financial Statements. If the Borrower’s Audited Financial Statements are not available by the time the Annual Report is required to be filed, the Annual Report will contain unaudited financial statements, and the Audited Financial Statements will be filed in the same manner as the Annual Report when and if they become available.

Any or all of the items described in Exhibit A may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Borrower is an “Obligated Person” (as defined by the Rule), which have been filed with the MSRB. The Borrower will clearly identify each such other document so incorporated by reference.

Each annual report submitted hereunder shall be in readable portable document format (“PDF”) or other acceptable electronic form.

### **Section 5. Reporting of Listed Events.**

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events (each, a “Listed Event”):

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulty;

- (iv) Unscheduled draws on credit enhancements reflecting financial difficulty;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Borrower. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or paying agent or the change of the name of a trustee or paying agent, if material;
- (xv) Incurrence of a financial obligation of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borrower, any of which affect security holders, if material;
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Borrower, any of which reflect financial difficulties; and
- (xvii) Delivery of the MBS and/or the Pool Number from Fannie Mae and any extension of the MBS Delivery Date Deadline; notice of any extension of the MBS Delivery Date Deadline will be in the form attached as Exhibit D or such other form as may be approved by the Dissemination Agent.

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

- (b) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any potential Listed Event, pursuant to subsection (c) of this Section 5 or otherwise, provide the Disclosure Representative with notice (by telephone or by email). While the Dissemination Agent is also the Trustee, the Dissemination Agent shall be deemed to have actual knowledge of those items listed in clauses (i), (iii) (solely with respect to funds held by the Trustee), (iv), (v), (vii), (viii), (ix), (x) and (xv) above without the Dissemination

Agent having received notice of such event. While the Dissemination Agent is not also the Trustee, the Dissemination Agent shall not be deemed to have actual knowledge of any items listed in clauses (i) - (xiv) above without the Dissemination Agent's having received written notice of such event. For purposes of providing notice to the Disclosure Representative, the Dissemination Agent shall assume that the unscheduled draws described in clauses (iii) and (iv) reflect financial difficulty.

(c) Whenever the Borrower obtains knowledge of the occurrence of a potential Listed Event, the Borrower shall, within five (5) Business Days of obtaining such knowledge and in any event no more than eight (8) Business Days after the occurrence of such event, determine if such event is in fact a Listed Event that is required by the Rule to be disclosed and provide the Dissemination Agent with notice and instructions pursuant to subsections (d) below.

(d) If the Borrower has determined that a Listed Event is required to be disclosed then the Borrower shall prepare a written notice describing the Listed Event and provide the same to the Dissemination Agent along with instructions to file the same pursuant to subsection (e) below.

(e) If the Dissemination Agent has been provided with a written notice describing a Listed Event pursuant to subsection (c) of this Section 5 or otherwise, and is instructed by the Borrower to report the occurrence of such Listed Event, the Dissemination Agent shall, within two (2) Business Days of its receipt of such written notice and in any event no more than ten (10) Business Days after the occurrence of the Listed Event, file the notice with the MSRB and send a copy to the Borrower.

**Section 6. Amendment; Waiver.** Notwithstanding any other provision of this Continuing Disclosure Agreement, the Borrower and the Dissemination Agent may amend this Continuing Disclosure Agreement (and the Dissemination Agent will agree to any amendment so requested by the Borrower unless such amendment adversely affects its rights, duties, protections, immunities, indemnities or standard of care, as determined by the Dissemination Agent) and any provision of this Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions described under paragraph (a) under "Provision of Annual Reports," "Contents of Annual Reports" or paragraph (a) under "Reporting of Listed Events," it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of an Obligated Person (as defined in the Rule) with respect to the Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the Borrower will describe such amendment in the next Annual Report and will include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information being presented by the Borrower. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change will be given in the same manner as for a Listed Event under Section 5(e) hereof and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**Section 7. Default.** In the event of a failure of the Borrower or the Dissemination Agent to comply with any provision of this Continuing Disclosure Agreement, and such failure to comply continues beyond a period of thirty (30) days following written notice to the Borrower, the Borrower or any Holder or Beneficial Owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking, or specific performance by court order, to cause the Borrower or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement will not be deemed an Event of Default under the Indenture or the Financing Agreement, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Borrower or the Dissemination Agent to comply with this Continuing Disclosure Agreement will be an action to compel performance.

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

**Section 9. Additional Information.** Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Borrower chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the Borrower shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

#### **Section 10. Duties, Immunities and Liabilities of Dissemination Agent.**

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

The obligations of the Borrower under this Section 10 shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Borrower.

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

**Section 11. Notices.** All notices, requests, demands or other communications to or upon the respective parties hereto shall be deemed to have been duly given or made when delivered personally or by mail (including electronic mail) to the party to which such notice, request, demand or other communication is required or permitted to be given or made under this Continuing Disclosure Agreement and addressed as set forth below:

*If to the Borrower:*

Preston Park Sustainable Community Nonprofit Corporation  
c/o City of Marina  
211 Hillcrest Avenue  
Marina, CA 93933  
Attention: Executive Director  
Telephone: (831) 884-1278  
Email: llong@cityofmarina.org

*If to the Dissemination Agent:*

Applied Best Practices, LLC  
19900 MacArthur Boulevard, Suite 1100  
Irvine, CA 92612  
Attention: Jim Fabian  
Telephone: (949) 246-2344  
Email: jf@fieldman.com

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

**Section 13. Termination of this Continuing Disclosure Agreement.** The Borrower or the Dissemination Agent may terminate this Continuing Disclosure Agreement by giving written notice to the other party at least 30 days prior to such termination. The Dissemination Agent shall be fully discharged at the time any such termination is effective. The Borrower's and the Dissemination Agent's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Borrower shall give notice of such termination in a filing with the MSRB.

**Section 14. Counterparts.** This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature pages to follow]

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

**PRESTON PARK SUSTAINABLE COMMUNITY NONPROFIT  
CORPORATION**, a California nonprofit public benefit corporation

By: \_\_\_\_\_

Layne Long  
Executive Director

[Signatures continue on following page]

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

**APPLIED BEST PRACTICES, LLC,**  
as Dissemination Agent

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

## EXHIBIT A

### ANNUAL REPORT

\$30,375,000\*

**Marina Joint Powers Financing Authority  
Multifamily Housing Revenue Bonds  
(Fannie Mae MBS-Secured) Series 2026  
(Preston Park Apartments)**

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

Annual report for the period ending [December 31], \_\_\_\_\_

#### THE PROJECT

Name of the Project:	Preston Park Apartments
Address:	682 Wahl Court, Marina, CA 93933
Number of Units:	

#### INFORMATION ON THE BONDS AND THE MBS

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

#### OPERATING HISTORY OF THE PROJECT

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

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

1 Excludes depreciation and other non-cash expenses.

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

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

\* Preliminary; subject to change.

## **AUDITED FINANCIAL STATEMENTS**

\_\_\_\_ Attached

\_\_\_\_ Audited financial statements of the Borrower for the period ended December 31, 20\_\_\_\_ are not yet completed; therefore, no audited financial statements of the Borrower are being filed herewith. Unaudited financial statements for such period are attached in lieu of audited financial statements. Audited financial statements will be filed when available.

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

**EXHIBIT B**

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

Name of Issuer: Marina Joint Powers Financing Authority

Name of Issue: Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured) Series 2026 (Preston Park Apartments)

Name of Borrower: Preston Park Sustainable Community Nonprofit Corporation

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

Date of Issuance: January \_\_, 2026

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

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

**APPLIED BEST PRACTICES, LLC,**  
as Dissemination Agent

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

cc: Borrower

**EXHIBIT D**

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

Name of Issuer: Marina Joint Powers Financing Authority

Name of Bond Issue: Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured) Series 2026 (Preston Park Apartments)

Name of Borrower: Preston Park Sustainable Community Nonprofit Corporation

Date of Issuance: January \_\_, 2026

Original MBS Delivery Date Deadline: February 25, 2026\*

Extended MBS Delivery Date Deadline:

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

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

Dated:

**APPLIED BEST PRACTICES, LLC,  
as Dissemination Agent**

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

cc: Borrower

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\* Preliminary; subject to change.

**EXHIBIT E**

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

Name of Issuer: Marina Joint Powers Financing Authority

Name of Bond Issue: Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured) Series 2026 (Preston Park Apartments)

Name of Borrower: Preston Park Sustainable Community Nonprofit Corporation

Name of Project: Preston Park Apartments

Address of Project: 682 Wahl Court, Marina, CA 93933

Date of Issuance: January \_\_, 2026

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

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

Dated:

**APPLIED BEST PRACTICES, LLC,  
as Dissemination Agent**

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

cc: Borrower

**APPENDIX H**  
**TERM SHEET\***

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

<b>\$30,375,000</b>	
<b>Marina Joint Powers Financing Authority</b>	
<b>Multifamily Housing Revenue Bonds</b>	
<b>(Fannie Mae MBS-Secured) Series 2026</b>	
<b>(Preston Park Apartments)</b>	
<b>POOL STATISTICS (AS OF CLOSING DATE)</b>	
<b>TAX-EXEMPT BOND AND MBS INFORMATION</b>	
<i>(Information provided by Issuer for this Official Statement)</i>	
BOND ISSUER NAME	Marina Joint Powers Financing Authority ("Issuer")
BOND ISSUE SERIES	Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured) Series 2026 (Preston Park Apartments)
BOND ISSUE PAR	\$30,375,000
BOND DATED DATE	January __, 2026
BOND MATURITY DATE	March 1, 2036
BOND ISSUE TAX STATUS	See "TAX MATTERS" in the Official Statement.
BOND ISSUE CUSIP	_____
BLOOMBERG SERIES NAME	_____
COLLATERAL FOR THE BOND ISSUE	Fannie Mae DUS MBS (see pool info below)
MBS DELIVERY DATE DEADLINE	February 25, 2026, or, if such day is not a Business Day, the following Business Day, which may be extended in accordance with terms of the Indenture
BOND ISSUE CREDIT RATING	Moody's "Aa1"
BOND CLOSING DATE	January __, 2026
BOND PAYMENT DATES	March 1 and September 1
BOND FIRST PAYMENT DATE	September 1, 2026
BOND INTEREST-ONLY PERIOD	8 months
BOND FIRST PRINCIPAL PAYMENT DATE	September 1, 2026, or, if such day is not a Business Day, the next Business Day.
BOND FINAL PAYMENT DATE	March 1, 2036
BOND INTEREST ACCRUAL	30/360
BOND PREPAYMENT TERMS	See "DESCRIPTION OF THE BONDS — Mandatory Redemption of Bonds" in the Official Statement.
BOND OFFERING PRICE	100%
BOND UNDERWRITER	Stifel, Nicolaus & Company, Incorporated

\* Preliminary; subject to change.

MANDATORY REDEMPTION OF BONDS	See "DESCRIPTION OF THE BONDS — Mandatory Redemption of Bonds" in the Official Statement.
OPTIONAL REDEMPTION OF BONDS	The Bonds are not subject to optional redemption other than in connection with a prepayment of the Mortgage Loan.
BOND EXCHANGE FEATURE	N/A
BOND TRUSTEE	U.S. Bank Trust Company, National Association

**UNDERLYING FANNIE MAE POOL STATISTICS (AS OF ISSUE DATE)**  
*(Information provided by Lender for this Official Statement)*

NOTE RATE	TBD
POOL/LOAN MATURITY DATE	February 1, 2036
EXPECTED MBS DELIVERY DATE	February 25, 2026
NUMBER OF LOANS	1
POOL SECURITY FUNDS TRANSFER TYPE	Fed Wire
TRANSACTION TYPE	DUS
POOL FIRST PAYMENT DATE	25 <sup>th</sup> day of the month following the month in which the MBS is delivered, or the following Business Day if such day is not a Business Day
POOL FINAL PAYMENT DATE	February 25, 2036, or the following Business Day if such day is not a Business Day
SECURITY TYPE	Fannie Mae MBS
SERVICER NAME	Berkadia Commercial Mortgage LLC
POOL NUMBER	TBD
% OF INITIAL POOL BALANCE	100%
POOL PREFIX	TBD

**MULTIFAMILY SCHEDULE OF LOAN INFORMATION**  
*(Information provided by Lender for this Official Statement)*

FANNIE MAE LOAN NUMBER	TBD
TIER	2
TIER DROP ELIGIBLE	No
LIEN PRIORITY	First
MAXIMUM LTV	55.0%
MINIMUM ALLOWABLE UW NCF DSCR(x)	1.50x
BALLOON	Yes
OTHER DEBT NOT DISCLOSED HEREIN	No
ISSUANCE UPB/UNIT	\$87,076.27
PREPAYMENT PREMIUM OPTION	Yield Maintenance — CMT as defined in the Fannie Mae Multifamily MBS Prospectus

PREPAYMENT PREMIUM TERM	Fannie Mae yield maintenance premium from closing through July 31, 2035 (114 months) <sup>1</sup> . Thereafter, a 1% prepayment penalty shall apply through October 31, 2035 (3 months) <sup>2</sup> . Thereafter, no prepayment premium shall apply.
FIRST LOAN PAYMENT DATE	March 1, 2026
ORIGINAL TERM (MONTHS)	120 months
WEIGHTED AVERAGE AMORTIZATION TERM (MONTHS)	30 years (360 months)
INTEREST TYPE	Fixed
INTEREST ACCRUAL METHOD	Actual/360
INTEREST ONLY TERM (MONTHS)	N/A
NOTE DATE	January __, 2026
LOAN PURPOSE	Refinance maturing loan
MONTHLY DEBT SERVICE	TBD
MONTHLY DEBT SERVICE AMOUNT PARTIAL IO	N/A

#### COLLATERAL INFORMATION

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

PROPERTY ID/DEAL ID	313873
PROPERTY NAME	Preston Park Apartments
PROPERTY STREET ADDRESS	682 Wahl Court
PROPERTY CITY	Marina
PROPERTY STATE	California
PROPERTY ZIP CODE	93933
PROPERTY COUNTY	Monterey
MSA	Salinas, CA
YEAR BUILT	1987
PHYSICAL OCCUPANCY	98.31% as of December 31, 2025
PASS-THROUGH RATE	TBD
UNDERWRITTEN ECONOMIC OCCUPANCY	3.50%
REMAINING AMORTIZATION TERM TO MATURITY	From February 1, 2026, to February 1, 2036
ISSUANCE LTV	30.50%, which LTV is based on an underwritten value that is less than the purchase price
ACTUAL NCF DSCR(x)	2.94x, estimated
UNDERWRITTEN EFFECTIVE GROSS INCOME	\$7,951,116
UNDERWRITTEN TOTAL OPERATING EXPENSES	\$2,675,663
UNDERWRITTEN REPLACEMENT RESERVES	\$327 per unit per year
UW NCF (\$)	\$5,275,453

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

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

CROSS-COLLATERALIZED (Y/N)	No
CROSS-DEFAULTED (Y/N)	No
GENERAL PROPERTY TYPE	Multifamily
SPECIFIC PROPERTY TYPE	Townhome
LAND OWNERSHIP RIGHTS	Leasehold
PROPERTY VALUE	\$101,060,000 (as of November 25, 2025)
SEISMIC RISK	The Project meets Fannie Mae seismic requirements, if any.
TERRORISM INSURANCE COVERAGE (Y/N)	Yes
TOTAL NUMBER OF UNITS	354 (Excludes two 1,150-square-foot units that are designated as a Property Management Office and Community Center)
TAXES CURRENTLY ESCROWED	No
PROPERTY OWNER	Preston Park Sustainable Community Nonprofit Corporation, a California nonprofit public benefit corporation
SPONSOR	City of Marina
PROPERTY MANAGER	See "PRIVATE PARTICIPANTS — The Property Manager" in the Official Statement.
PROPERTY MANAGER EXPERIENCE	See "PRIVATE PARTICIPANTS — The Property Manager" in the Official Statement.
UNIT OF MEASURE	Units

#### CRA INFORMATION

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

AGE RESTRICTED INDICATOR	No
TAX ABATEMENT	No
REGULATORY AGREEMENTS OVERSEER	City of Marina
REGULATORY AGREEMENT SET-ASIDES	Under the Regulatory Agreement the Borrower is required to rent at least 20% of the Project apartment units to certain qualified tenants whose income does not exceed 80% of the area AMI where the Project is located.

**APPENDIX I**  
**PROPOSED FORM OF OPINION OF BOND COUNSEL**

*Upon the issuance of the Bonds, Stradling Yocca Carlson & Rauth LLP, Bond Counsel for the Issuer, proposes to issue an opinion in substantially the following form:*

January \_\_, 2026

Marina Joint Powers Financing Authority  
Marina, California

Re: \$ \_\_\_\_\_ Marina Joint Powers Financing Authority Multifamily Housing Revenue Bonds  
(Fannie Mae MBS-Secured) Series 2026 (Preston Park Apartments)

Ladies and Gentlemen:

We have acted as bond counsel to the Marina Joint Powers Financing Authority (the "Authority") in connection with the issuance by the Authority of its \$ \_\_\_\_\_ Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured) Series 2026 (Preston Park Apartments) (the "Series 2026 Bonds"), pursuant to the provisions of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Bond Law"), and pursuant to an Indenture of Trust, dated as of January 1, 2026 (the "Indenture"), by and between the Authority and U.S. Bank Trust Company, National Association, as Trustee. The Series 2026 Bonds will be secured by the Trust Estate, pursuant to the Indenture. We have examined the law and such certified proceedings and other documents, agreements, opinions and matters as we deem necessary to render this opinion. This opinion is based on current statutory and constitutional law and published court decisions as of the date hereof. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Indenture.

As to questions of fact material to our opinion, we have relied upon representations of the Authority contained in the Indenture and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

We have assumed the genuineness of all documents and signatures presented to us, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies. We have not undertaken to verify independently, and have assumed, 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 preceding paragraphs of this opinion. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture and the Financing Agreement. We call attention to the fact that the rights and obligations under the Series 2026 Bonds, the Indenture, the Financing Agreement, and the Tax Certificate may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, by the application of equitable principles and the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against cities and public agencies in the State of California.

We express no opinion herein with respect to any indemnification, contribution, choice of law, choice of forum, penalty or waiver provisions contained in the Series 2026 Bonds, the Indenture, the Regulatory Agreement or the Financing Agreement; nor do we express any opinion with respect to the state or quality of title to any of the real or personal property described in the Indenture or the Financing Agreement, or the accuracy or sufficiency of the description contained therein, or the remedies available to enforce liens on, any such property contained therein.

Based upon the foregoing we are of the opinion, under existing law, as follows:

1. The Authority is a joint exercise of powers authority duly organized and validly existing under the laws of the State of California with the full power to enter into the Indenture and the Financing Agreement, to perform the agreements on its part contained therein and to issue the Series 2026 Bonds.

2. The Indenture and the Financing Agreement have each been duly authorized and approved by the Authority and the Indenture and the Financing Agreement constitute the valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms. The Indenture creates a valid pledge of the Trust Estate, subject to the provisions of the Indenture.

3. The Series 2026 Bonds have been duly and validly authorized by the Authority and are legal, valid and binding limited obligations of the Authority, enforceable in accordance with their terms and the terms of the Indenture. The Series 2026 Bonds are limited obligations of the Authority payable solely from the Trust Estate as provided in the Indenture, but are not a debt of the Borrower, the City, the State of California or any other political subdivision thereof within the meaning of any constitutional or statutory limitation, and, neither the faith and credit nor the taxing power of the Borrower, the City, the State of California, or any of its political subdivisions is pledged for the payment thereof. The Authority has no taxing power.

4. Under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, it should be noted that with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code"), interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed on such corporations.

5. Interest (and original issue discount) on the Bonds is exempt from personal income taxes imposed in the State of California.

6. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such includable income. The amount of original issue discount deemed received by a Bond Owner will increase the Bond Owner's basis in the applicable Bond. Original issue discount that accrues to the Bond Owner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals (as described in paragraph (5) above) and is exempt from State of California personal income tax.

7. The amount by which a Bond Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The opinions expressed in paragraphs (4) and (6) above as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Series 2026 Bonds are based upon certain representations of fact and certifications made by the Borrower and others and are subject to the condition that the Authority and the Borrower comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2026 Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Series 2026 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2026 Bonds. The Authority and the Borrower have covenanted to comply with all such requirements. Except as set forth in paragraphs (4), (5), (6) and (7) above, we express no opinion as to any tax consequences related to the Series 2026 Bonds.

Certain requirements and procedures contained or referred to in the Indenture, the Financing Agreement and the Tax Certificate may be changed, and certain actions may be taken, under the circumstances and subject to the terms and conditions set forth in the Indenture, the Financing Agreement and the Tax Certificate, upon the advice or with the approving opinion of counsel nationally recognized in the area of tax-exempt obligations. We express no opinion as to the effect on the exclusion of interest on the Series 2026 Bonds from gross income for federal income tax purposes on and after the date on which any such change occurs or action is taken upon the advice or approval of counsel other than Stradling Yocca Carlson & Rauth LLP.

Our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

The opinions expressed herein are based upon an analysis of existing statutes, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. We call attention to the fact that the foregoing opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions or events are taken (or not taken) or do occur (or do not occur). Our engagement with respect to the Series 2026 Bonds terminates upon their issuance, and we disclaim any obligation to update the matters set forth herein.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Series 2026 Bonds. We expressly disclaim any duty to advise the owners of the Series 2026 Bonds with respect to the matters contained in the Official Statement and any other offering material relating to the Series 2026 Bonds.

Respectfully submitted,