This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED MAY [__], 2025

NEW ISSUE - BOOK ENTRY ONLY **See "RATING" herein**

In the opinions of Kutak Rock LLP, Omaha, Nebraska, and Amira Jackmon, Attorney at Law, Berkeley, California, Co-Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, (a) interest on the Bonds is excludable from gross income for federal income tax purposes, except for interest on any Bond for any period during which such Bond is held by a "substantial user" of the facilities financed by the Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended and (b) interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations. Co-Bond Counsel is also of the opinion that, under existing State of California statutes, interest on the Bonds is exempt from State of California personal income taxation. For a more detailed description of such opinions of Co-Bond Counsel, see "TAX MATTERS" herein and the forms of Opinion of Co-Bond Counsel attached hereto as Appendix I-1 and Appendix I-2, respectively.

$[PAR AMOUNT B-1]•
City and County of San Francisco
Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured)
(Sunnydale HOPE SF Block 9) Series 2025B-1

Dated Date: May [__], 2025*; Initial Offering Price: ___%*
Interest Rate: ____%; CUSIP: _____

Bond Maturity Date: [_____] 1, 20__*
Rating: Moody's "[___]"

$[PAR AMOUNT B-2]*
City and County of San Francisco
Multifamily Housing Revenue Bonds
(Sunnydale HOPE SF Block 9) Series 2025B-2

Dated Date: May [__], 2025*; Initial Offering Price: ___%*
Initial Interest Rate: ____%; CUSIP: _____
Initial Mandatory Tender Date: [_____ __], 20[__]
Bond Maturity Date: [_____] 1, 20__*
Rating: Moody's "[___]"/"[____]"

This cover page contains certain information for general reference only. It is not intended to be a summary of the security for or the terms of the Bonds. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The $[PAR AMOUNT B-1]* City and County of San Francisco Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured) (Sunnydale HOPE SF Block 9) Series 2025B-1 (the "Series B-1 Bonds") and the $[PAR AMOUNT B-2]* City and County of San Francisco Multifamily Housing Revenue Bonds (Sunnydale HOPE SF Block 9) Series 2025B-2 (the "Series B-2 Bonds," and together with the Series B-1 Bonds, the "Bonds") will be issued under and pursuant to an Indenture of Trust, dated as of May 1, 2025 (the "Indenture"), between the City and County of San Francisco (the "Issuer") and U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

The Bonds are issuable only as fully registered bonds without coupons and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, 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 (i) with respect to the Series B-1 Bonds, $5,000 or any integral multiple of $1,000 in excess thereof and (ii) with respect to the Series B-2 Bonds, $5,000, or any integral multiple of $1,000 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 provide funding to Sunnydale Block 9 Housing Partners, L.P., a California limited partnership (the "Borrower"), to enable the Borrower to pay a portion of the cost of acquiring, constructing and equipping a low income and very low income multifamily rental housing facility. Pursuant to the Indenture and the Financing Agreement, dated as of May 1, 2025 (the "Financing Agreement"), by and among the Issuer, the Trustee, and the Borrower, the Borrower will cause, over time, Eligible Funds, including proceeds of the Construction Loan (as defined below) to be delivered to the Trustee for deposit into the Collateral Fund established under the Indenture, in order to make the Bond proceeds available to the Borrower to pay costs of the Project. It is anticipated that, prior to the delivery of the MBS (as defined below), the Series B-1 Bonds will be secured by, and the principal of and interest thereon will be paid from, amounts on deposit in the Series B-1 Revenue Fund Account, the Series B-1 Bond Proceeds Fund Account and the Series B-1 Collateral Fund Account along with the investment earnings thereon. At all times, the Series B-2 Bonds will be secured by Eligible Investments or other Eligible Funds in the Series B-2 Revenue Fund Account, the Series B-2 Bond Proceeds Fund Account and the Series B-2 Collateral Fund Account along with the investment earnings thereon sufficient, together with interest earnings thereon (without the need for reinvestment), to pay all of the interest and principal on the Series B-2 Bonds when due, as further described herein. See "SECURITY FOR AND SOURCES OF PAYMENT FOR THE BONDS" herein.

FannieMae

The Borrower has obtained a construction loan (the "Construction Loan") from Wells Fargo Bank, National Association, a national banking association (the "Construction Lender"). From time to time, the Construction Lender will advance to the Trustee proceeds of the Construction Loan for deposit into the Collateral Fund in order to enable the Trustee to release Bond proceeds to pay costs of the Project. On the Conversion Date (as defined herein), the Construction Loan is expected to be repaid with the proceeds of the Permanent Loan (as defined herein) and Tax Credit Equity (as defined herein). The Borrower has also received a Lender Commitment, dated as of [_____ __], 2025 (the "Permanent Lender Commitment") from Wells Fargo Bank, National Association, a national banking association (the "Permanent Lender"), which has agreed to originate a Permanent Loan (as defined herein) upon and subject to satisfaction of certain conditions set forth in the Permanent Lender Commitment. In the event the Permanent Loan is originated, the Federal National Mortgage Association ("Fannie Mae") anticipates that it will deliver, or cause to be delivered, to the Trustee a single mortgage pass-through certificate (the "MBS") guaranteed as to timely payment of principal and interest by Fannie Mae, and concurrently therewith, pursuant to the terms of the Indenture, the Trustee will use Eligible Funds on deposit in the Series B-1 Collateral Fund Account to purchase the MBS, if and when issued, and such MBS will then secure the payment of the principal of and interest on the Series B-1 Bonds. If the MBS is not delivered on or before the MBS Delivery Date Deadline (as defined herein), or is delivered in an amount less than the full principal amount of the Series B-1 Bonds, then the Eligible Funds in the Series B-1 Collateral Fund Account will be used to redeem the Series B-1 Bonds as set forth herein.

The Series B-2 Bonds are subject to mandatory tender (with no right of retention) for purchase, subject to satisfaction of the applicable terms and conditions set forth in the Indenture, on the Initial Mandatory Tender Date. See "DESCRIPTION OF THE BONDS – Mandatory Tender of Series B-2 Bonds" herein. All Bondholders of the Series B-2 Bonds must tender their Series B-2 Bonds for purchase on the Initial Mandatory Tender Date. The Series B-2 Bonds may be remarketed and a new interest rate for the Series B-2 Bonds may be determined on the Initial Mandatory Tender Date in accordance with the terms of the Indenture**. If the Series B-2 Bonds are remarketed on the Initial Mandatory Tender Date, the terms of the Series B-2 Bonds after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Series B-2 Bonds on and after the Initial Mandatory Tender Date cannot rely on this Official Statement, but rather must rely upon any disclosure documents prepared in connection with such remarketing.**

The Series B-1 Bonds are also subject to mandatory redemption in whole or in part, and the Series B-2 Bonds are subject to optional redemption or retirement in whole, as further described herein. See "DESCRIPTION OF THE BONDS– Redemption or Retirement of Bonds" herein.

The aggregate principal amount, aggregate face amount (if different), maturity date, interest rate and delivery date for the Bonds shall be as set forth above and in the Indenture, and, with respect to the Series B-1 Bonds shall be described, together with the initial reoffering price, if applicable, in the Term Sheet attached as Appendix H hereto, delivered by the Issuer in connection with the sale of the Bonds.

* Preliminary, subject to change.

The MBS is expected to be delivered by the MBS Delivery Date, initially defined as [_____ __], 20[__]*. Prior to, and following the MBS Delivery Date, principal, if due, and interest on the Series B-1 Bonds will be payable (i) semiannually on each [_____] 1 and [_____] 1, or the next succeeding Business Day if such 1st day is not a Business Day, commencing [_____] 1, 20[__], (ii) on the stated maturity date for any of the Series B-1 Bonds or (iii) any earlier date of redemption of any of the Series B-1 Bonds.

The Series B-2 Bonds shall bear interest on the outstanding principal amount thereof at the applicable Initial Interest Rate set forth above from their date of issuance to but not including the Initial Mandatory Tender Date set forth above, payable semiannually on each [_____] 1 and [_____] 1, or the next succeeding Business Day if such 1st day is not a Business Day, commencing [_____] 1, 20[__].

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE. NONE OF THE ISSUER, THE STATE OF CALIFORNIA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE ISSUER TO THE LIMITED EXTENT AUTHORIZED BY THE ACT AND 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, NOTWITHSTANDING ANYTHING IN THE INDENTURE OR IN ANY OTHER INSTRUMENT TO THE CONTRARY, NONE OF THE BONDS OR ANY OF THE ISSUER'S AGREEMENTS OR OBLIGATIONS THEREUNDER 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.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE ISSUER, ANY PUBLIC AGENCY OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, PURCHASE PRICE OF OR INTEREST ON THE BONDS, NOR IS THE STATE, THE ISSUER, ANY PUBLIC AGENCY OR ANY POLITICAL SUBDIVISION OF THE STATE, IN ANY MANNER OBLIGATED TO MAKE ANY APPROPRIATION FOR SUCH PAYMENT.

*The Bonds are offered when, as and if received by Wells Fargo Bank, National Association (the "Underwriter"), subject to the approval of legality by Kutak Rock LLP, Omaha, Nebraska, and Amira Jackmon, Attorney at Law, Berkeley, California, Co-Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Issuer by the City Attorney and by Hawkins Delafield & Wood LLP, San Francisco, California, Disclosure Counsel to the City, for the Borrower by its co-counsel, Gubb and Barshay, LLP, San Francisco, California, and Bocarsly Emden Cowan Esmail & Arndt LLP, Los Angeles, 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 New York, New York on or about May [__], 2025.**

Wells Fargo Securities

Dated: May __, 2025

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. The Issuer has not and does not assume any responsibility as to the accuracy or completeness of the information in this Official Statement, other than the information concerning the Issuer under the caption "THE ISSUER" and "NO LITIGATION – The Issuer." The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made under the Indenture shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof.

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 web site 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 web sites 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 or 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.

TABLE OF CONTENTS

Page

INTRODUCTION 1
THE ISSUER 4
DESCRIPTION OF THE BONDS 5
General 5
Transfer of Bonds 6
Mandatory Tender of Series B-2 Bonds 6
Redemption or Retirement of Bonds 7
Notice of Redemption or Retirement 9
Payment of Redemption or Retirement Price 10
Extension of MBS Delivery Date Deadline 11
THE PERMANENT LOAN 11
General 11
MBS Payments 12
FANNIE MAE 12
SECURITY FOR AND SOURCES OF PAYMENT FOR THE BONDS 13
PRIVATE PARTICIPANTS 14
The Borrower 14
The Co-Developers 15
Investor Limited Partner 15
Limited Assets and Obligation of Borrower, General Partners and Investor Limited Partner 15
The Architects 15
The General Contractor 16
The Property Manager 16
THE PROJECT 16
Description of the Project 16
Plan of Financing 16
The PBV HAP Contract 18
Project Regulation 19
CERTAIN BONDHOLDERS' RISKS 19
Limited Security; Investment of Funds 19
No Acceleration or Early Redemption Upon Loss of Tax Exemption on the Bonds 19
Payments on Series B-1 Bonds Prior to MBS Delivery Date 20
Failure to Satisfy Conditions to Conversion 20
Mandatory Redemption of Bonds Prior to Maturity 20
Eligible Investments 20
Rating Based on Eligible Investments and MBS 20
Series B-1 Bonds — Repayment of Permanent Loan 21
Payments on the Series B-1 Bonds Made From Payments Received on MBS 21
MBS Certificate 21
Performance of the Project and Estimated Rental Revenue Vacancies 22
Limited Liability of Issuer 22
Secondary Markets and Prices 23
Future Legislation; IRS Examination 23
Potential Impact of Pandemics or Public Health Crises 23
Limitation of Remedies 24
Summary 24
TAX MATTERS 24
Backup Withholding 24
Changes in Federal and State Tax Law 25
NO LITIGATION 25

The Issuer 25
The Borrower 25
CERTAIN LEGAL MATTERS 26
UNDERWRITING 26
RATINGS 27
CONTINUING DISCLOSURE 27
THE TRUSTEE 28
ENFORCEABILITY OF REMEDIES 28
RELATIONSHIP AMONG PARTIES 29
ADDITIONAL INFORMATION 29

APPENDICES

APPENDIX A FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM
APPENDIX B DEFINITIONS OF CERTAIN TERMS
APPENDIX C SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE
APPENDIX D SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENT
APPENDIX E SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT
APPENDIX F BOOK-ENTRY SYSTEM
APPENDIX G FORM OF CONTINUING DISCLOSURE AGREEMENT
APPENDIX H TERM SHEET
APPENDIX I-1 PROPOSED FORM OF OPINION OF CO-BOND COUNSEL (KUTAK ROCK LLP)
APPENDIX I-2 PROPOSED FORM OF OPINION OF CO BOND COUNSEL (AMIRA JACKMON, ATTORNEY AT LAW)

OFFICIAL STATEMENT

relating to

**$[PAR AMOUNT B-1]*
City and County of San Francisco
Multifamily Housing Revenue Bonds
(Fannie Mae MBS-Secured)
(Sunnydale HOPE SF Block 9)
Series 2025B-1**

**$[PAR AMOUNT B-2]*
City and County of San Francisco
Multifamily Housing Revenue Bonds
(Sunnydale HOPE SF Block 9)
Series 2025B-2**

INTRODUCTION

This Official Statement (which includes the cover page and appendices hereto) provides certain information in connection with the issuance and sale of the $[PAR AMOUNT B-1]* City and County of San Francisco Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured) (Sunnydale HOPE SF Block 9) Series 2025B-1 (the "Series B-1 Bonds") and the $[PAR AMOUNT B-2]* City and County of San Francisco Multifamily Housing Revenue Bonds (Sunnydale HOPE SF Block 9) Series 2025B-2 (the "Series B-2 Bonds," and together with the Series B-1 Bonds, the "Bonds") issued by the City and County of San Francisco (the "Issuer" or the "City"). The Bonds will be issued pursuant to the provisions of and in accordance with the Charter of the City and County of San Francisco (the "Charter"), Article I of Chapter 43 of the Administrative Code of the City and County of San Francisco Municipal Code and Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code, as amended (the "Act"), and that certain Resolution No. [_____ ___], adopted by the Board of Supervisors of the City on April [__], 2025 and approved by the Mayor of the City on [_____ __], 2025 ("Resolution"). The Bonds will be secured by an Indenture of Trust, dated as of May 1, 2025 (the "Indenture"), between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). Pursuant to the Indenture and the Financing Agreement, dated as of May 1, 2025 (the "Financing Agreement"), among the Issuer, the Trustee, and Sunnydale Block 9 Housing Partners, L.P., a California limited partnership (the "Borrower"), the Issuer is issuing the Bonds for the acquisition, construction, equipping and financing for a certain low income and very low income multifamily rental housing facility known as Sunnydale HOPE SF Block 9 (the "Project") in San Francisco, California (the "State"), as further described in the Term Sheet attached as Appendix H to this Official Statement (the "Term Sheet"), by using the proceeds thereof to provide financing for the Project and, with respect to the Series B-1 Bonds, 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." This Introduction is designed to give an overview of the transactions and serve as a guide to the contents of this Official Statement.

The Issuer, the Borrower and Wells Fargo Bank, National Association (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.

Prior to the date of delivery by Fannie Mae of the MBS (the "MBS Delivery Date"), the Series B-1 Bonds will be secured by (i) the proceeds of the Series B-1 Bonds delivered to the Trustee and deposited into the Series B-1 Bond Proceeds Fund Account established under the Indenture, (ii) Eligible Funds, delivered to the Trustee and deposited into the Series B-1 Revenue Fund Account established under the Indenture, in an amount equal to the interest on the Series B-1 Bonds at the interest rate set forth on the cover page hereof (the

* Preliminary, subject to change.

"Series B-1 Bond Rate") from the Bond Dated Date (as specified in the Term Sheet) to, but not including, the date that is five (5) calendar days after the MBS Delivery Date Deadline, and (iii) Eligible Funds from time to time to be delivered to the Trustee at the direction of the Borrower and deposited into the Series B-1 Collateral Fund Account established under the Indenture. Prior to the date of delivery by Fannie Mae of the MBS (the "MBS Delivery Date"), the principal of, premium, if any, and interest on the Series B-1 Bonds will be paid from amounts on deposit in the Series B-1 Revenue Fund Account, the Series B-1 Collateral Fund Account and the Series B-1 Bond Proceeds Fund Account along with the investment earnings thereon. Following the MBS Delivery Date, the Series B-1 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.

At all times, the Series B-2 Bonds will be secured by Eligible Investments or other Eligible Funds in the Series B-2 Revenue Fund Account, the Series B-2 Bond Proceeds Fund Account and the Series B-2 Collateral Fund Account along with the investment earnings thereon sufficient, together with interest earnings thereon (without the need for reinvestment), to pay all of the interest and principal on the Series B-2 Bonds when due at the earlier of any Redemption Date or any Mandatory Tender Date, as further described herein and in the Indenture. See "SECURITY FOR AND SOURCES OF PAYMENT FOR THE BONDS" herein.

The Borrower has obtained a construction loan in the amount of up to $[_____][*] (the "Construction Loan") from Wells Fargo Bank, National Association, a national banking association (the "Construction Lender"). From time to time, the Borrower will cause Eligible Funds, including proceeds of the Construction Loan, to be delivered to the Trustee for deposit into the Collateral Fund in order to enable the Trustee to release Bond proceeds to pay costs of the Project. On the Conversion Date, the Construction Loan is expected to be repaid with the proceeds of the Permanent Loan and Tax Credit Equity (as defined herein). The Borrower has also received a commitment, dated as of [_____ __], 20[__] (the "Permanent Lender Commitment") from Wells Fargo Bank, National Association, a national banking association (the "Permanent Lender"), pursuant to which the Permanent Lender has agreed, subject to the satisfaction of the conditions set forth in the Permanent Lender Commitment, to originate a mortgage loan (the "Permanent Loan") to the Borrower secured by a mortgage constituting a first lien on the Project. See "THE PERMANENT LOAN" herein. In the event the Permanent Loan is originated, the Trustee will use Eligible Funds on deposit under the Indenture, including in the Series B-1 Bond Proceeds Fund Account and the Series B-1 Collateral Fund Account, to purchase a single mortgage pass-through certificate (the "MBS") guaranteed as to principal and interest by Fannie Mae, if and when issued, and such MBS will then secure the payment of the principal of and interest on the Series B-1 Bonds. See "APPENDIX A – FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM" herein. The closing of the Construction Loan and the Permanent Loan and delivery of the MBS are 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 Series B-1 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, or is delivered in an amount less than the full principal amount of the Series B-1 Bonds, then Eligible Funds in the Series B-1 Collateral Fund Account and funds then on deposit in the Series B-1 Bond Proceeds Fund Account will be used to redeem the Series B-1 Bonds as set forth in the Indenture. The Series B-1 Bonds are also subject to mandatory redemption in whole or in part as further described herein. See "DESCRIPTION OF THE BONDS —Redemption or Retirement of Bonds."

[On or after the Conversion Date, the Borrower, the Permanent 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 Series B-1 Bonds. Although such additional debt is not guaranteed to be either supportable by the Project or

[*] Preliminary, subject to change.

approved by the Permanent Lender or Fannie Mae, any security instrument issued in connection therewith will not relate to or serve as additional security for the Series B-1 Bonds.] *[to be confirmed]*

The Series B-2 Bonds are subject to mandatory tender for purchase (with no right of retention), subject to satisfaction of the applicable terms and conditions set forth in the Indenture, on the Initial Mandatory Tender Date (as defined below). All holders of the Series B-2 Bonds must tender their Series B-2 Bonds for purchase on the Initial Mandatory Tender Date. A new interest rate for the Series B-2 Bonds may be determined on the Initial Mandatory Tender Date in accordance with the terms of the Indenture. If the Series B-2 Bonds are remarketed on the Initial Mandatory Tender Date, the terms of the Series B-2 Bonds after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Series B-2 Bonds on and after the Initial Mandatory Tender Date cannot rely on this Official Statement, but rather must rely upon any disclosure documents prepared in connection with such remarketing. The Series B-2 Bonds are also subject to optional and mandatory redemption or retirement prior to maturity as set forth herein. See "DESCRIPTION OF THE BONDS —Redemption or Retirement of Bonds."

The Series B-1 Bonds shall bear interest on the outstanding principal amount thereof at the Series B-1 Bond Rate. Prior to, and following the MBS Delivery Date, principal, if due, and interest on the Series B-1 Bonds will be payable (i) semiannually on each [_____] 1 and [_____] 1, or the next succeeding Business Day if such 1st day is not a Business Day, commencing [_____] 1, 20[__], (ii) on the stated maturity date for any of the Series B-1 Bonds or (iii) any earlier date of redemption or retirement of any of the Series B-1 Bonds.

Following delivery of the MBS, MBS payments will be made monthly, on the 25th of each month, or if not a Business Day, the following Business Day. Fannie Mae's role with respect to the Series B-1 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.

The Series B-2 Bonds shall bear interest on the outstanding principal amount thereof at the Initial Series B-2 Bond Rate from their date of issuance to but not including, [_____ __], 20[__] (the "Initial Mandatory Tender Date"), payable on each [_____] 1 and [_____] 1, beginning [_____] 1, 20[__] (each a "Series B-2 Bond Payment Date") and on each Mandatory Tender Date and each Mandatory Redemption Date.

Principal and interest on the Bonds are payable by the Trustee to DTC, which will be responsible for remitting such principal and interest to its Participants, which will be responsible for remitting such principal and interest to the Beneficial Owners of the Bonds.

The 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 funds pledged therefor under the Indenture and, with respect to the Series B-1 Bonds, revenues from the MBS (the "MBS Revenues"). See "SECURITY FOR AND SOURCES OF PAYMENT FOR THE BONDS."

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE. NONE OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE ISSUER TO THE LIMITED EXTENT AUTHORIZED BY THE ACT AND 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, NOTWITHSTANDING ANYTHING IN THE INDENTURE OR IN ANY OTHER INSTRUMENT TO THE CONTRARY, NONE OF THE BONDS OR ANY OF THE ISSUER'S AGREEMENTS OR OBLIGATIONS THEREUNDER 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.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE ISSUER, ANY PUBLIC AGENCY OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, PURCHASE PRICE OF OR INTEREST ON THE BONDS, NOR IS THE STATE, THE ISSUER, ANY PUBLIC AGENCY OR ANY POLITICAL SUBDIVISION OF THE STATE, IN ANY MANNER OBLIGATED TO MAKE ANY APPROPRIATION FOR SUCH PAYMENT.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Descriptions, certain definitions and final terms of the Bonds, the Borrower, the Project, the Permanent Loan and the MBS, are included in this Official Statement and, with respect to the Series B-1 Bonds, the Permanent Loan and the MBS, in the Term Sheet. The information included in the Term Sheet assumes that the Permanent Loan is originated in an amount equal to the maximum amount available under the Permanent Lender Commitment and that all the conditions to conversion set forth in the Permanent Lender Commitment (the "Conditions to Conversion") have been satisfied and have not been waived or modified. 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 Permanent 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 municipal corporation and chartered city and county of the State, organized and existing under and pursuant to its Charter and the Constitution and laws of the State. The Issuer is authorized to issue bonds for the purpose of providing funds to make a loan for the acquisition, construction or rehabilitation of housing located in the City and County of San Francisco.

EXCEPT FOR THE INFORMATION CONTAINED UNDER THIS CAPTION AND "NO LITIGATION – THE ISSUER" HEREIN (AS SUCH INFORMATION THEREUNDER PERTAINS TO THE ISSUER), THE ISSUER HAS NOT PARTICIPATED IN THE PREPARATION OF THIS OFFICIAL STATEMENT, HAS MADE NO INDEPENDENT INVESTIGATION WITH RESPECT TO INFORMATION CONTAINED HEREIN AND ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OR SUFFICIENCY OF DISCLOSURES OR COMPLETENESS OF SUCH INFORMATION OR ANY OTHER INFORMATION PROVIDED BY THE TRUSTEE, THE BORROWER, THE UNDERWRITER, THE LENDER, FANNIE MAE OR ANY OTHER PERSON.

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE. NONE OF THE ISSUER, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE ISSUER TO THE LIMITED EXTENT AUTHORIZED BY THE ACT AND 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, NOTWITHSTANDING ANYTHING IN THE INDENTURE OR IN ANY OTHER INSTRUMENT TO THE CONTRARY, NONE OF THE BONDS OR ANY OF THE ISSUER'S AGREEMENTS OR OBLIGATIONS THEREUNDER 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.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE ISSUER, ANY PUBLIC AGENCY OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, PURCHASE PRICE OF OR INTEREST ON THE BONDS, NOR IS THE STATE, THE ISSUER, ANY PUBLIC AGENCY OR ANY POLITICAL SUBDIVISION OF THE STATE, IN ANY MANNER OBLIGATED TO MAKE ANY APPROPRIATION FOR SUCH PAYMENT.

DESCRIPTION OF THE BONDS

General

The Series B-1 Bonds will be issued in the denominations of $5,000 or any integral multiple of $1,000 in excess thereof. The Series B-2 Bonds will be issued in the denominations of $5,000 or any integral multiple of $1,000 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"), New York, 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 Series B-1 Bonds will be dated and have a final maturity date and a final payment date on the respective date(s) identified in the Term Sheet and on the cover page hereof. The Series B-1 Bonds will bear interest from their dated date at the Series B-1 Bond Rate. Interest on the Series B-1 Bonds shall be computed on the basis of a 360-day year under the assumption that all months, regardless of length, consist of exactly 30 calendar days ("30/360"). The payment of interest on each Series B-1 Bond Payment Date shall be in an amount equal to the interest accrued during the preceding six (6) 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.

Prior to the MBS Delivery Date, the Trustee will pay to the holders of the Series B-1 Bonds all payments of interest funds held in the Revenue Fund under the Indenture. Following the MBS Delivery Date, the Trustee will pay to the holders of the Series B-1 Bonds, from the applicable account of Revenue Fund, the amounts listed in the applicable maturity, sinking fund and interest payment schedule set forth in the Indenture. All payments of principal and interest shall be made to the Bondholder of record as of the applicable Record Date.

The Series B-2 Bonds shall be dated their date of delivery and shall bear interest at the Initial Series B-2 Bond Rate, set forth on the cover page hereof, from their date of delivery, to but not including the Initial Mandatory Tender Date, payable on each Series B-2 Bond Payment Date, commencing [_____] 1, 20[__], on each Mandatory Tender Date and on each date the Series B-2 Bonds are subject to redemption or retirement pursuant to the Indenture. Interest on the Series B-2 Bonds shall be computed on the basis of 30/360. The payment of interest on a Series B-2 Bond Payment Date shall be in an amount equal to the interest accrued during the Interest Period ending on the day preceding such Series B-2 Bond Payment Date.

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 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 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.

Mandatory Tender of Series B-2 Bonds

All Outstanding Series B-2 Bonds shall be subject to mandatory tender (with no right of retention) by the holders thereof for purchase in whole and not in part on each Mandatory Tender Date. The purchase price for each such Series B-2 Bond shall be payable in lawful money of the United States of America by wire, check or draft, shall equal 100% of the principal amount to be purchased and accrued interest, if any, to the Mandatory Tender Date, and shall be paid in full on the applicable Mandatory Tender Date.

The Mandatory Tender Dates shall consist of (i) the Initial Mandatory Tender Date and (ii) any subsequent dates for a mandatory tender of the Series B-2 Bonds established by the Borrower with the consent of the Remarketing Agent in connection with a remarketing of the Series B-2 Bonds pursuant to the Indenture.

Notwithstanding anything in the Indenture to the contrary, any Series B-2 Bond tendered under this heading will not be purchased if such Series B-2 Bond matures or is redeemed on or prior to the applicable Mandatory Tender Date.

While tendered Series B-2 Bonds are in the custody of the Trustee pending purchase pursuant to the Indenture, the tendering holders thereof shall be deemed the owners thereof for all purposes, and interest accruing on tendered Series B-2 Bonds through the day preceding the applicable Mandatory Tender Date shall be paid as if such Series B-2 Bonds had not been tendered for purchase.

The Trustee shall utilize amounts representing proceeds of remarketed Series B-2 Bonds on deposit in the Remarketing Proceeds Account to pay the principal amount, plus accrued interest, of Series B-2 Bonds tendered for purchase not later than 11:30 a.m. Local Time on the Mandatory Tender Date.

In the event the Series B-2 Bonds must be redeemed or retired as a result of the occurrence of any of the events listed in "Series B-2 Bonds - Mandatory Redemption or Retirement for Failure to Remarket" hereof, the remarketing shall be cancelled and all Bonds outstanding on the Mandatory Tender Date shall be redeemed or retired in accordance with the terms described in "Series B-2 Bonds - Mandatory Redemption or Retirement for Failure to Remarket" hereof.

Series B-2 Bonds shall be deemed to have been tendered for purposes of this heading whether or not the holders thereof shall have delivered such undelivered Series B-2 Bonds to the Trustee, and subject to the right of the holders of such undelivered Bonds to receive the purchase price of such undelivered Series B-2 Bonds and interest accrued thereon to the Mandatory Tender Date, such undelivered Series B-2 Bonds shall be null and void. If such undelivered Series B-2 Bonds are to be remarketed, the Trustee shall authenticate and deliver new Series B-2 Bonds in replacement thereof pursuant to the remarketing of such undelivered Series B-2 Bonds.

Redemption or Retirement of Bonds*[*]

The Bonds shall be subject to redemption or retirement prior to maturity as stated below. Any redemption in part shall be in Authorized Denominations. The Permanent Lender shall furnish the Trustee and the Issuer with a revised Permanent Loan Amortization Schedule in connection with any redemption in part of the Series B-1 Bonds.

Series B-1 Bonds — Mandatory Redemption Prior to MBS Delivery Date. On any Series B-1 Bond Payment Date that occurs prior to or during the month in which the MBS is delivered to the Trustee, the Series B-1 Bonds are subject to mandatory redemption in part in an amount equal to the amount due on the first day of the month in which such Series B-1 Bond Payment Date occurs as shown in the Permanent Loan Amortization Schedule, payable with respect to principal first, from money on deposit in the Series B-1 Collateral Fund Account and second, from money on deposit in the Series B-1 Bond Proceeds Fund Account, and with respect to interest, from money on deposit in the Series B-1 Revenue Fund Account.

Series B-1 Bonds — Mandatory Redemption Upon Failure to Convert or Failure to Purchase the MBS by the MBS Delivery Date Deadline. The Series B-1 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 Series B-1 Bond Payment Date occurred (or, if no Series B-1 Bond Payment Date has occurred, from the Bond Dated Date) to, but not including, such redemption date, if either the Conversion Date or the MBS Delivery Date has not occurred on or prior to the MBS Delivery Date Deadline, as such date may be extended, payable with respect to principal first, from money on deposit in the Series B-1 Collateral Fund Account and second, from money on deposit in the Series B-1 Bond Proceeds Fund Account, and with respect to premium, if any, and interest, from money on deposit in the Series B-1 Revenue Fund Account.

Series B-1 Bonds — Mandatory Redemption on the MBS Delivery Date. The Series B-1 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 Series B-1 Bonds to be redeemed, plus interest accrued but unpaid from the first day of the month in which the last Series B-1 Bond 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 Series B-1 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 Series B-1 Collateral Fund Account and second, from money on deposit in the Series B-1 Bond Proceeds Fund Account, and with respect to interest and premium, if any, from money on deposit in the Series B-1 Revenue Fund Account and other Eligible Funds.

Series B-1 Bonds — Mandatory Sinking Fund Redemption. The Series B-1 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.

[*] Preliminary, subject to change.

Sinking Fund Payment Date	Amount	Sinking Fund Payment Date	Amount

Series B-1 Bonds – Mandatory Redemption Following Unscheduled Prepayment of the Permanent Loan. The Series B-1 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. Any scheduled principal payments made pursuant to the Permanent Loan Amortization Schedule shall be retained by the Trustee and used to make sinking fund payments as set forth under "DESCRIPTION OF THE BONDS—Redemption or Retirement of Bonds—Mandatory Sinking Fund Redemption," above.

The Permanent Loan is subject to optional prepayment by the Borrower. Any yield maintenance or prepayment penalty in connection with the prepayment of the Permanent 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.

Series B-2 Bonds — Mandatory Redemption or Retirement for Failure to Remarket. The Series B-2 Bonds are subject to mandatory redemption or retirement in whole at a redemption or retirement price of 100% of the Outstanding principal amount thereof, plus accrued interest to the Redemption Date, on any Mandatory Tender Date upon the occurrence of any of the following events: (i) the Borrower has previously elected not to cause the remarketing of the Series B-2 Bonds; (ii) the conditions to remarketing set forth in the Indenture have not been met by the dates and times set forth therein; or (iii) the proceeds of a remarketing on deposit in the Remarketing Proceeds Account at 11:00 a.m. Local Time on the Mandatory Tender Date are insufficient to pay the purchase price of the Outstanding Series B-2 Bonds being remarketed on such Mandatory Tender Date. Series B-2 Bonds subject to redemption or retirement in accordance with this paragraph shall be redeemed or retired from (i) amounts on deposit in the Series B-2 Collateral Fund Account, (ii) amounts on deposit in the Series B-2 Negative Arbitrage Subaccount of the Revenue Fund, (iii) amounts on deposit in the Series B-2 Bond Proceeds Fund Account, and (iv) any other Eligible Funds available or made available for such purpose at the written direction of the Borrower.

Series B-2 Bonds — Optional Redemption or Retirement of Series B-2 Bonds. The Series B-2 Bonds are subject to optional redemption or retirement, in whole but not in part, by the Issuer at the written direction of the Borrower on any date on or after the later to occur of (i) the date the Project is complete and placed in service by the Borrower (as evidenced by a certificate of occupancy for the Project delivered by the Borrower to the Trustee), accompanied by a letter from the Borrower confirming that the Project is placed in service for purposes of Section 42 of the Code and (ii) the Initial Mandatory Tender Date (the "Optional Redemption Date") at a redemption or retirement price equal to one hundred percent (100%) of the principal amount of the Series B-2 Bonds plus accrued interest, but without premium, to the Optional Redemption Date. On and after the Initial Remarketing Date, the Borrower, in consultation with the Remarketing Agent, may establish an optional redemption or retirement date with respect to any subsequent Remarketing Period (which optional redemption or retirement date shall be (i) a Mandatory Tender Date, (ii) the date which is equivalent to fifty percent (50%) of the Remarketing Period, or (iii) a date for which there has been delivered an opinion of Bond Counsel to the effect that the establishment of such optional redemption or retirement date will not adversely affect the

exclusion from gross income for federal income tax purposes of interest on the Series B-2 Bonds) and, thereafter, the Series B-2 Bonds are subject to optional redemption or retirement in whole or in part by the Issuer at the written direction of the Borrower (with delivery of a Cash Flow Projection and written notice to the Trustee at least thirty (30) days prior to the proposed redemption or retirement date and, in the case of a redemption or retirement in part, specifying the principal amount of the Series B-2 Bonds to be redeemed or retired) on or after the applicable redemption or retirement date at a redemption or retirement price of one hundred percent (100%) of the principal amount of such Series B-2 Bonds to be redeemed or retired plus accrued interest to the applicable redemption or retirement date.

Selection of Bonds for Redemption. If less than all of the Series B-1 Bonds are redeemed pursuant to "Series B-1 Bonds – Mandatory Sinking Fund Redemption" above, the Series B-1 Bonds shall be redeemed in accordance with the respective schedules set forth in the Indenture. In the event the Series B-1 Bonds are redeemed in part other than pursuant to "Series B-1 Bonds – Mandatory Sinking Fund Redemption" above, the Series B-1 Bonds shall be redeemed ratably across all maturities and the scheduled principal payments on the Series B-1 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 Series B-1 Bonds (including scheduled mandatory redemption payments) during each six-month period commencing on each Series B-1 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 Series B-1 Bonds to be redeemed within the same maturity shall be selected ratably.

Except as otherwise described above, any Bond to be called for redemption shall be selected by the Trustee ratably, 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 or Retirement

Anytime the Bonds are subject to redemption or retirement in whole or in part pursuant to the Indenture (except for a redemption described in "Series B-1 Bonds – Mandatory Redemption Prior to MBS Delivery Date", "Series B-1 Bonds – Mandatory Sinking Fund Redemption", or "Series B-1 Bonds – Mandatory Redemption Following Unscheduled Prepayment of the Permanent Loan" above), the Trustee, in accordance with the provisions of the Indenture, shall give at least five (5) calendar days' notice (or such greater number of days as required by the Depository), in the name of the Issuer, at the written direction of the Issuer, upon written request of the Borrower, of the redemption of the Series B-1 Bonds and at least five (5) but not more than ten (10) calendar days' notice (or such greater number of days as required by the Depository), in the name of the Issuer, at the written direction of the Issuer, as the written request of the Borrower, of the redemption or retirement of the Series B-2 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 or retired; (iii) the date of such notice; (iv) the issuance date for such Bonds; (v) the interest rate on the Bonds to be redeemed or retired; (vi) the redemption or retirement date; (vii) any conditions to the occurrence of the redemption or retirement;

(viii) the place or places where amounts due upon such redemption or retirement 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 or retirement 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 "Series B-1 Bonds – Mandatory Redemption Upon Failure to Convert or 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 or retirement. Notwithstanding anything in the Indenture to the contrary, no notice of redemption shall be required with respect to redemptions described in "Series B-1 Bonds – Mandatory Redemption Prior to MBS Delivery Date", "Series B-1 Bonds – Mandatory Sinking Fund Redemption", or "Series B-1 Bonds – Mandatory Redemption Following Unscheduled Prepayment of the Permanent Loan." With respect to a mandatory redemption or retirement pursuant to "Redemption or Retirement of Bonds — Series B-2 Bonds — Mandatory Redemption or Retirement for Failure to Remarket," above or an optional redemption or retirement of the Bonds on a Mandatory Tender Date, the notice of mandatory tender provided to Holders pursuant to the Indenture shall serve as the notice of redemption or retirement required by this section and shall satisfy the requirements of this section, and no further notice of redemption or retirement will be required to the Bondholders.

The Bonds to be redeemed or retired in part pursuant to the Indenture will be selected in accordance with the operational arrangements of DTC or any successor Substitute Depository, and any partial prepayments pursuant thereto shall be made in accordance with the "Pro Rata Pass-Through Distributions of Principal" procedures of DTC or comparable procedures of 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 ten (10) Business Days prior to the MBS Delivery Date Deadline, written notice of such non-purchase to the Borrower, the Lender, the Issuer and the Underwriter.

Notices of optional redemption or retirement of the Series B-2 Bonds shall be revocable in the event that there is not on deposit with the Trustee prior to the date of redemption or retirement money sufficient to pay the redemption or retirement price of the Series B-2 Bonds to be redeemed or retired or, in the case of any redemption or retirement premium on the Series B-2 Bonds, there are not on deposit Eligible Funds sufficient to pay such redemption or retirement premium.

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

Payment of Redemption or Retirement Price

With respect to any redemption or retirement pursuant to the heading "Redemption" above, notice having been given in the manner provided in the heading "Notice of Redemption or Retirement" above (or not required to be given as a result of a redemption or retirement described in "Series B-1 Bonds – Mandatory Redemption Prior to MBS Delivery Date", "Series B-1 Bonds – Mandatory Sinking Fund Redemption", or "Series B-1 Bonds – Mandatory Redemption Following Unscheduled Prepayment of the Permanent Loan" above), and all conditions to the redemption or retirement contained in such notice, if applicable, having been met, the Bonds so called for redemption or retirement shall become due and payable on the redemption or retirement date so designated at the Redemption Price specified in the heading "Redemption or Retirement of Bonds" above, and (except in the case of a redemption described in described in "Series B-1 Bonds – Mandatory Redemption Prior to MBS Delivery Date", "Series B-1 Bonds – Mandatory Sinking Fund Redemption", or "Series B-1 Bonds – Mandatory Redemption Following Unscheduled Prepayment of the Permanent 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 or retired Bonds shall be made in accordance with the Representation Letter of the Issuer. If, on the redemption or retirement date, moneys for the redemption or retirement of all of the Bonds to be redeemed or retired, together with all accrued interest on such Bonds, (which, with respect to the Series B-1 Bonds only, shall equal all interest accrued on the MBS) if delivered, to the redemption or retirement date, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption or retirement shall have been given as aforesaid, then, from and after the redemption or retirement date, interest on the Bonds so called for redemption or retirement 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 Rating Agency, the Issuer 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 Series B-1 Negative Arbitrage Subaccount 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 Series B-1 Bonds to the date that is five (5) calendar days after the extended MBS Delivery Date Deadline (the "Extension Deposit"), (iii) delivering to the Trustee and the Rating Agency a Cash Flow Projection establishing the sufficiency of the Extension Deposit, and (iv) delivering to the Trustee confirmation by the Rating Agency of the then-current rating on the Series B-1 Bonds. 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 a mandatory redemption of the Series B-1 Bonds 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 Co-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.

THE PERMANENT LOAN

General

[The Permanent Lender Commitment sets forth certain Conditions to Conversion which must be satisfied by the Borrower prior to the origination of the Permanent Loan and the issuance of the MBS. Such conditions include, but are not limited to: [the completion of improvements, confirmation that Minimum Occupancy Requirement (as defined in the Permanent Lender Commitment) has been met, the delivery of required transaction documents and certain other items required in connection with the Permanent Lender Commitment; the renewal and approval by Fannie Mae of all agreements, documents, instruments reports, surveys, papers and matters which are subject to Fannie Mae's review and approval in connection with the Permanent Lender Commitment; the payment of all fees required in connection with the Permanent Lender Commitment; that there be no event of default under any of the required transaction documents; and certain other conditions set forth in the Permanent Lender Commitment. The conditions described in the prior sentence represent only a limited summary of the Conditions to Conversion, and the Permanent Lender Commitment should be referenced for a full description of such conditions. Upon satisfaction of the Conditions to Conversion set forth in the Permanent Lender Commitment prior to [_____ __], 20[__] (the "Initial Termination Date"), which date is subject to [[___] [___]-month extension as set forth in the Permanent Lender Commitment and to further potential extension at the sole discretion of Fannie Mae, the Permanent Lender will originate the Permanent Loan.] *[To be confirmed]*

If and when the Permanent Loan is originated, and the MBS is delivered, subject to (a) the conditions and requirements of the Permanent Lender Commitment and (b) the satisfaction of the conditions relating to the

financing, construction and leasing of the Project, the Indenture authorizes the Trustee to use Eligible Funds to purchase the MBS, if and when the MBS is issued, and such MBS will then secure the payment of the interest on and principal of the Series B-1 Bonds. If the MBS is not delivered, then the Eligible Funds held under the Indenture will be used to redeem the Series B-1 Bonds as further described in the Indenture.

[On or after the Closing Date, the Borrower, the Permanent 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 Series B-1 Bonds. Although such additional debt is not guaranteed to be either supportable by the Project or approved by the Permanent Lender or Fannie Mae, any security instrument issued in connection therewith will not relate to or serve as additional security for the Series B-1 Bonds.] *[To be confirmed]*

The Permanent 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 Permanent Loan is to be evidenced by the Mortgage Note, executed by the Borrower in favor of the Lender and secured by the Multifamily Leasehold 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 Permanent Loan.

MBS Payments

Following the MBS Delivery Date, if such date occurs, payments on the MBS will be made on the 25th day of each month (beginning with the month following the month in which the MBS is issued and delivered to the Trustee), or, if such 25th day is not a Business Day, on the first Business Day next succeeding such 25th day. With respect to the MBS, Fannie Mae will distribute to the Trustee an amount equal to the total of (i) the principal due on the Permanent 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 Permanent 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 Permanent 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 Permanent Loan under certain other circumstances), (iii) the amount of any partial prepayment of the Permanent Loan received in the calendar month next preceding the month of distribution, and (iv) one month's interest at the 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 Permanent 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 Permanent Loan has been received, whether or not such full amount is equal to the stated principal balance of the Permanent 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 Securities and Exchange Commission (the "SEC"). Fannie Mae's SEC filings are available at the SEC's website at www.sec.gov and are also available on Fannie Mae's web site at http://www.fanniemae.com or from Fannie Mae at the Office of Investor Relations at 202-752-7115.

SECURITY FOR AND SOURCES OF PAYMENT FOR THE BONDS

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

(i) To (a) the Holders of the Series B-1 Bonds, all right, title and interest of the Issuer in and to the Series B-1 Bond Loan Note and (b) the Holders of the Series B-2 Bonds, all right, title and interest of the Issuer in and to the Series B-2 Bond Loan Note (except, in each case, the Reserved Rights of the Issuer) including all payments and proceeds with respect thereto or replacement thereof;

(ii) To the Holders of the Series B-1 Bonds, all right, title and interest of the Issuer in and to amounts on deposit in the Series B-1 Bond Proceeds Fund Account to be funded at closing in an amount equal to the principal amount of the Series B-1 Bonds;

(iii) To the Holders of the Series B-2 Bonds, all right, title and interest of the Issuer in and to amounts on deposit in the Series B-2 Bond Proceeds Fund Account (except the Remarketing Proceeds Account) to be funded at closing in an amount equal to the principal amount of the Series B-2 Bonds;

(iv) To the Holders of the Series B-1 Bonds, all right, title and interest of the Issuer in and to amounts on deposit in the Series B-1 Collateral Fund Account, Series B-1 Revenue Fund Account and the Series B-1 Negative Arbitrage Subaccount;

(v) To the Holders of the Series B-2 Bonds, all right, title and interest of the Issuer in and to amounts on deposit in the Series B-2 Collateral Fund Account, the Series B-2 Revenue Fund Account and the Series B-2 Negative Arbitrage Subaccount;

(vi) Solely with respect to the Series B-1 Bonds, the MBS, if issued by Fannie Mae and acquired by the Trustee, and all MBS Revenues;

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

(viii) 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 all present and future owners of the Bonds.

Prior to the delivery of the MBS with respect to the Series B-1 Bonds, and at all times with respect to the Series B-2 Bonds, the Bonds will be secured by the deposit with the Trustee of the proceeds received from the sale 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 the Permanent Lender Commitment.

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 of and interest on the Series B-1 Bonds will be payable from pass-through payments received by the Trustee on the MBS.

If the MBS is not acquired by the Trustee prior to the MBS Delivery Date Deadline (as such date may be extended pursuant to the Indenture), the Series B-1 Bonds will be redeemed from Eligible Funds held under the Indenture as set forth herein.

Except with respect to the Series B-1 Revenue Fund Account following the MBS Delivery Date, amounts on deposit in the Bond Proceeds Fund, the Collateral Fund, and the Revenue Fund shall at all times be invested in Eligible Investments.

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE. NONE OF THE ISSUER, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE ISSUER TO THE LIMITED EXTENT AUTHORIZED BY THE ACT AND 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, NOTWITHSTANDING ANYTHING IN THE INDENTURE OR IN ANY OTHER INSTRUMENT TO THE CONTRARY, NONE OF THE BONDS OR ANY OF THE ISSUER'S AGREEMENTS OR OBLIGATIONS THEREUNDER 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.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE ISSUER, ANY PUBLIC AGENCY OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, PURCHASE PRICE OF OR INTEREST ON THE BONDS, NOR IS THE STATE, THE ISSUER, ANY PUBLIC AGENCY OR ANY POLITICAL SUBDIVISION OF THE STATE, IN ANY MANNER OBLIGATED TO MAKE ANY APPROPRIATION FOR SUCH PAYMENT.

PRIVATE PARTICIPANTS

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

The Borrower

The Borrower is Sunnydale Block 9 Housing Partners, L.P., a California limited partnership (the "Borrower"). The Borrower is a single-purpose entity formed to acquire, construct and operate the Project. The Borrower's administrative general partner is Related/Sunnydale Block 9 Development Co., LLC, a California limited liability company (the "Administrative General Partner"), and the Borrower's managing general partner is Sunnydale Block 9 LLC, a California limited liability company (the "Managing General Partner," and collectively with the Administrative General Partner, the "General Partners"). Mercy Housing Calwest, a California nonprofit public benefit corporation ("Mercy Housing"), serves as sole member of the Managing General Partner.

The Borrower has not acquired and does not intend to acquire any substantial assets or engage in any substantial business activities other than those related to the Project. However, affiliates of the Borrower may

engage in the acquisition, development, ownership and management of other similar types of projects that may be competitive with the Project.

The Co-Developers

The Related Companies of California, LLC, a California limited liability company ("Related California"), and Mercy Housing California, a California nonprofit public benefit corporation, ("Mercy California," and together with Related California, the "Co-Developers") will serve as Co-Developers of the Project. Related California was established in San Francisco in 1989 and has grown to be one of the largest developers and preservationists of affordable housing in California. In its history, Related California has completed more than 135 LIHTC properties totaling 15,500 affordable rental units Related California is the majority member of the Administrative General Partner.

Investor Limited Partner

Shortly after the issuance of the Bonds, the Borrower expects to admit Wells Fargo Bank, National Association (the "Investor Limited Partner") to the Borrower with a 99.99% ownership interest in the Borrower in exchange for equity contributions based primarily on the receipt of certain benefits from the Project's federal low-income housing tax credits. The funding of the federal low income housing tax credit equity by the Investor Limited Partner is expected to total approximately $[_____]. The funding levels and the timing of the funding are subject to numerous adjustments and conditions that could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the projections set forth above and no representation is made as to the availability of such funds.

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

The Borrower has no substantial assets other than the Project and does not intend to acquire any other substantial assets or to engage in any substantial business activities other than those related to the development and ownership of the Project. However, the partners of the General Partners, the Investor Limited Partner, and their affiliates are engaged in and will continue to engage in the acquisition, development, ownership and management of similar types of housing projects. They may be financially interested in, as officers, partners or otherwise, and devote substantial times to, business and activities that may be inconsistent or competitive with the interests of the Project.

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

The Architects

The architects for the Project are Van Meter Williams Pollack LLP ("VMWP") and Kerman Morris Architects LLP ("Kerman Morris," and together with VMWP, the "Architects"). VMWP is an award-winning architecture and urban design firm based in San Francisco, Denver, and Minneapolis and specializes in affordable housing, mixed-use, and market-rate housing, master planning, land use, and zoning standards. Kerman Morris is a small, woman-owned architecture firm established in San Francisco in 1994, and specializes in a range of residential developments, including infill housing, affordable housing, and mixed-use projects. The Architects are not affiliates of the Co-Developers.

The General Contractor

The general contractor for the Project is Cahill/Guzman Construction Group JV, (the "General Contractor"). The General Contractor is a joint venture between Cahill Contractors ("Cahill") and Guzman Construction Group ("Guzman"). Cahill specializes in residential, education, civic, healthcare, and commercial construction in the San Francisco Bay Area for over 100 years. Guzman was established in 2015 with a focus on affordable housing, healthcare, and educational facilities.

The Property Manager

Mercy Housing Management Group, (the "Property Manager"), will manage the Project following the acquisition and construction of the Project by the Borrower. The Property Manager was established in 1983 and currently manages over 300 properties serving 22,500+ affordable apartment homes in 21 states.

THE PROJECT

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

Description of the Project

The Project, known as Sunnydale HOPE SF Block 9, is located at 1652 Sunnydale Avenue in San Francisco, California, on an approximately 1.2-acre site. The real property on which the Project is located will be leased from the Housing Authority of the City and County of San Francisco, as lessor, to the Borrower, as lessee, pursuant to the Ground Lease Agreement (Block 9 within Phase 1C–Sunnydale-Velasco HOPE SF Project) entered into as of May [__], 2025 (the "Ground Lease") for a period of seventy-five (75) years, unless sooner terminated or extended pursuant thereto. In consideration for the Ground Lease, the Borrower has agreed to construct the Project in accordance with the requirements set forth therein. The Project contains 95 apartment units (including one manager's unit) located in one five story building. Construction of the Project is anticipated to commence in June 2025 and be completed in April 2027.

The unit mix of the Project is as follows:

Unit Type	Number	Approximate Size of Unit
1 BD	10	539 sq. ft.
2 BD	51	781 sq. ft.
3 BD	22	1,182 sq. ft.
4 BD	11	1,217 sq. ft.
Total	**94***	

*Figure does not include one managers unit (3 bedroom).

Plan of Financing*

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

Estimated Sources of Funds

* Preliminary, subject to change.

Series B-1 Bonds
Series B-2 Bonds
Tax Credit Equity
MOHCD Gap Loan
Deferred Developer Fee
Estimated Total

Estimated Uses of Funds
Acquisition
Construction
Hard Cost Contingency
Developer Fee
Soft Costs
Financing Costs
Tax Credit & Syndication Costs
Reserves
Repayment of Series B-2 Bonds
Estimated Total

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

The Construction Loan. [The Project will utilize a construction loan in the principal amount of $[_____]* (the "Construction Loan") which is expected to close simultaneously with the issuance of the Bonds. The obligation to repay the Construction Loan will be set forth in one or more promissory note(s) (the "Construction Loan Note") from the Borrower to Wells Fargo Bank, National Association, a national banking association (the "Construction Lender") and will be repayable with the proceeds of the Permanent Loan and Tax Credit Equity. The Construction Loan Note will be secured by a [first-lien] mortgage against the Project. The Construction Loan Note will have a term of [__]* months and will bear interest at a [_____], with principal and interest not otherwise paid, due at maturity. The Construction Loan proceeds will be disbursed from time to time by the Construction Lender to the Trustee for deposit into the Collateral Fund to allow for a corresponding amount of Bond proceeds to be disbursed to the Project.]

The Permanent Loan and the Bonds. [The Project will utilize a mortgage loan in the principal amount of $[_____]* (the "Permanent Loan") from Wells Fargo Bank, National Association, a national banking association (the "Permanent Lender"). Upon satisfaction of the Conditions to Conversion (as defined herein), the Permanent Lender will make the Permanent Loan to the Borrower, the proceeds of which will be used to pay off a portion of the Construction Loan. The obligation to repay the Permanent Loan will be set forth in a promissory note (the "Mortgage Note") from the Borrower to the Permanent Lender, which Mortgage Note will have a term of not less than [___]* months, will bear interest at a rate of [___]% and will amortize over [___]* years. The principal amount of the Series B-1 Bonds will be equal to the principal amount of the Permanent Loan. Following the MBS Delivery Date, payments on the Series B-1 Bonds will be payable by the Trustee from payments received by the Trustee pursuant to the MBS.]

The Tax Credit Equity. [Simultaneously with the issuance of the Bonds, the Borrower expects to offer the Investor Limited Partner a 99.99% ownership interest in the Borrower in exchange for equity contributions based primarily on the receipt of certain benefits from the Project's Tax Credit Equity. The funding of the Tax Credit Equity by the Investor Limited Partner will total approximately $[_____]*, with an initial contribution of approximately $[_____]*, which will be funded on the Closing Date. The funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the projections

* Preliminary, subject to change.

set forth above and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.]

The MOHCD Gap Loan. [The Project will also utilize a Gap Loan from the Issuer, acting through the San Francisco Mayor's Office of Housing and Community Development ("MOHCD") in the principal amount of $[_____]* (the "MOHCD Gap Loan"). The obligation to repay the MOHCD Gap Loan will be set forth in a promissory note (the "MOHCD Gap Loan Note") from the Borrower to MOHCD and will be repayable from annual payments of principal and interest based on 50% of residual receipts on the terms and conditions set forth therein. [The MOHCD Gap Loan Note will be secured by a subordinate mortgage against the Project subordinate to the Construction Loan and the Permanent Loan.] *[Confirm?]* The MOHCD Gap Loan Note will have a term of 55* years and will bear simple interest at a rate of [3]%* per annum, with annual principal and interest not otherwise paid, due at maturity.]

Deferred Developer Fee. The Project will also utilize deferred developer fee in the approximate amount of $[_____]* as a source of funding. The deferred developer fee will be repaid through surplus cash flow received from the operations of the Project.

The PBV HAP Contract

The Borrower will receive the benefit of a traditional Section 8 Housing Assistance Payment Contract covering 71 units at the Project for a term of 20 years with one automatic 20-year extension ("PBV HAP Contract").

The Section 8 project-based housing choice voucher program (the "Section 8 Program") is authorized by Section 8 of the Housing Act (the "Section 8 Statute") and the regulations contained in 24 CFR 983 ("PBV Regulations"). The Section 8 project-based housing assistance payment program (the "Section 8 Program") is authorized by Section 8 of the United States Housing Act of 1937, as amended, and in the case of Section 8 contracts is administered by local public housing authorities. The Section 8 Program authorizes housing assistance payments to owners of qualified housing for the benefit of low-income families (defined generally as families whose incomes do not exceed 80% of the area median income ("AMI") for the area as determined by HUD), and very low-income families (defined generally as families whose income do not exceed 50% of the AMI as determined by HUD). Section 8 housing assistance payments generally represent the difference between the "contract rent" for the unit approved by HUD and the eligible tenant's contribution, which is generally 30% of income, as adjusted for family size and certain expenses, subject to a minimum rent contribution. The rents approved by HUD for the Project, as they may be adjusted from time to time with procedures set forth in the PBV HAP Contract, are the "contract rents" for the Project. The PBV HAP Contract will require the Borrower to maintain the Project in decent, safe and sanitary condition and to comply with other statutory and regulatory requirements governing the operation of the Project, use of project funds, and other matters.

If the Borrower fails to comply with the terms of the PBV HAP Contract, HUD or the contract administrator could seek to abate or terminate the payments under the PBV HAP Contract, or take other sanctions. The PBV HAP Contract requires that upon expiration of the initial term of the PBV HAP Contract and upon expiration of each renewal term, the Borrower must accept each offer by HUD or the contract administrator to renew the PBV HAP Contract, subject to the terms and conditions applicable at the term of each offer, and further subject to the availability of appropriations. However, because the PBV HAP Contract is subject to receipt of annual appropriations by Congress, there is no assurance that the PBV HAP Contract will be renewed or replaced upon its expiration. Funding for PBV HAP Contracts is appropriated by Congress on an annual basis, and there is no assurance that adequate funding will be appropriated each year during the term of the PBV HAP Contract. Since payments received under the PBV HAP Contract constitute a primary source of revenues for the Project, the expiration of the PBV HAP Contract, or the failure of Congress to appropriate funds sufficient to fund the PBV HAP Contract during each year of its term, would have a material adverse effect on the ability of the Project to generate revenues sufficient to pay the principal of and interest of the Loan.

Project Regulation

In order to obtain low income housing tax credits, the Project will be operated as a qualified residential rental project with 100% of the residential units in the Project occupied by Qualified Tenants during the Qualified Project Period, in accordance with Section 142(d) of the Code. See "APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT" herein.

In addition to the rental restrictions imposed upon the Project by the Regulatory Agreement (defined below), the Project will be further encumbered by a tax credit restrictive covenant, to be executed by the Borrower in connection with the low-income housing tax credits (the "LIHTCs") anticipated to be granted for the Project and in compliance with the requirements of Section 42 of the Code. Section 42 of the Code will restrict the income levels of 100% of the residential units in the Project (the "Tax Credit Units"). [A total of 38 units (40%) of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 60% of the AMI adjusted for family size and the rents which may be charged for occupancy of such units will be restricted to not more than 30% of 60% of AMI, adjusted for family size. The Project has other restrictions on affordability and use that it must comply with, including in connection with the [Tax Credit Regulatory Agreement], the Ground Lease and the MOHCD Gap Loan.]

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, with respect to the Series B-1 Bonds, the MBS, 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, together with investment earnings thereon and, with respect to the Series B-1 Bonds, following the MBS Delivery Date, from payments on the MBS. On the date of delivery of the Bonds, an amount equal to the principal amount of the Bonds is to be deposited into the Bond Proceeds Fund. The Trustee is required to invest amounts held in the Bond Proceeds Fund, the Collateral 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 a Regulatory Agreement and Declaration of Restrictive Covenants by and between the Issuer and the Borrower (the "Regulatory Agreement"), to comply with the provisions of the Code relating to the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds. In particular, the Borrower is required to rent [not less than forty percent (40%) of the total number of completed units in the Project or thirty-eight (38) units, shall be designated as

affordable units and during the Qualified Project Period shall be rented to and continuously occupied by tenants whose adjusted gross income does not exceed sixty percent (60%) of the Median Income for the Area.] The Borrower's failure to comply with such provisions will not constitute a default under the Bonds and will not give rise to a redemption or acceleration of the Bonds and is not the basis for an increase in the rate of interest payable on the Bonds. Furthermore, the Borrower's failure to comply with the Regulatory Agreement will not give rise to a prepayment or acceleration of amounts due under the MBS or the Mortgage, unless directed by Fannie Mae in its sole discretion. Consequently, interest on the Bonds may become includable in gross income for purposes of federal income taxation retroactive to the date of issuance of the Bonds by reason of the Borrower's failure to comply with the requirements of federal tax law.

Payments on Series B-1 Bonds 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 Series B-1 Bonds, will be primarily secured by and payable from Series B-1 Bond proceeds held in the Series B-1 Bond Proceeds Fund Account and moneys deposited into the Series B-1 Collateral Fund Account, the Series B-1 Revenue Fund Account and the Series B-1 Negative Arbitrage Subaccount. Although the Borrower will execute the Series B-1 Bond Loan Note to evidence its obligation to repay the loan evidenced thereby, 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 Series B-1 Bond Proceeds Fund Account, the Series B-1 Collateral Fund Account and the Series B-1 Revenue Fund Account, will be available to satisfy that obligation. The Indenture requires the Trustee to verify, before any disbursement of funds from the Series B-1 Bond Proceeds Fund Account, that the sum of the funds on deposit in the Series B-1 Bond Proceeds Fund Account and the Series B-1 Collateral Fund Account is at least equal to the then-outstanding principal amount of the Series B-1 Bonds. Prior to the MBS Delivery Date, moneys on deposit in the Series B-1 Bond Proceeds Fund Account and the Series B-1 Negative Arbitrage Subaccount, and the interest earnings thereon will be sufficient to pay the debt service on the Series B-1 Bonds.

Failure to Satisfy Conditions to Conversion

The Borrower is required to satisfy, prior to the Termination Date, the Conditions to Conversion set forth in the Permanent Lender Commitment. If the Borrower fails to satisfy the Conditions to Conversion, the MBS will not be delivered, resulting in the mandatory redemption of the Bonds pursuant to the Indenture. See "DESCRIPTION OF THE BONDS - Redemption or Retirement of Bonds" herein.

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. Please see "DESCRIPTION OF THE BONDS – Mandatory Redemption or Retirement of Bonds" herein.

Eligible Investments

Proceeds of the Bonds deposited into the Bond Proceeds Fund and Eligible Funds received by the Trustee for deposit into the Collateral 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 or the Collateral 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 Based on Eligible Investments and MBS

Prior to the MBS Delivery Date with respect to the Series B-1 Bonds and at all times with respect to the Series B-2 Bonds, the rating on the Bonds is based on the investment in Eligible Investments of amounts on

deposit in the Bond Proceeds Fund and the Collateral 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 Series B-1 Bonds will be based 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 Series B-1 Bonds.

Series B-1 Bonds — Repayment of Permanent Loan

The ability of the Borrower to pay the Permanent 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 Permanent 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, limitations and requirements imposed by the Regulatory Agreement and other restrictive covenants, the level of operating expenses, project management, adverse changes in applicable laws and regulations, general economic conditions and other factors in the surrounding market area for the Project. The Borrower intends to rent all of the units in the Project to persons or families of low income and very low income and the amount of rent that may be charged for such units may be materially less than market rates. In addition to these factors, other adverse events may occur from time to time which may have a negative impact on the occupancy level and rental income of the Project.

Failure of the Borrower to make payments when due under the Permanent Loan will result in an event of default under the Permanent Loan and the Financing Agreement and may result in a mandatory prepayment of all or a portion of the Series B-1 Bonds. The Permanent Loan will not be accelerated unless directed by Fannie Mae in its sole discretion in which case the Series B-1 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 Permanent Loan as a result of any event of default under the Permanent Loan, the Permanent 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 Permanent Loan is a non-recourse obligation of the Borrower with respect to which neither the Borrower nor its partners have personal liability and as to which the Borrower and its partners have not pledged for the benefit of the Permanent Lender any of their respective assets, other than the Project and its rents, profits and proceeds.

Payments on the Series B-1 Bonds Made From Payments Received on MBS

As described elsewhere herein, following the MBS Delivery Date, principal and interest on the Series B-1 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 Series B-1 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 Series B-1 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 Series B-1 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 Series B-1 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 Series B-1 Bonds in such event. See "SECURITY FOR AND SOURCES OF PAYMENT FOR THE BONDS" herein.

Performance of the Project and Estimated Rental Revenue Vacancies

The economic feasibility of the Project depends in large part upon the Project's being substantially occupied as rentals adequate to maintain substantial occupancy throughout the term of the Bonds at sufficient rents and to cover all operating expenses of the Project and debt service on the Permanent Loan. Although representatives of the Borrower believe, based on surveys of the area where the Project is located, that a substantial number of persons currently need housing facilities such as the Project, occupancy of the Project may be affected by competition from existing housing facilities or from housing facilities which may be constructed in the area served by the Project. While the Borrower believes the Project is needed, there may be difficulties in keeping it substantially occupied. Furthermore, no assurance can be given that the low-income tenants are able to afford the rental rates of the Project, notwithstanding the below-market rental rates. Restrictions imposed under the Code and related regulations, the Regulatory Agreement and other restrictive covenants, relating to 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 (excluding the Reserved Rights), 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 (excluding the Reserved Rights), consisting of MBS Revenues and other assets pledged to the payment of the Bonds or the proceeds of the Bonds. .

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE. NONE OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE ISSUER TO THE LIMITED EXTENT AUTHORIZED BY THE ACT AND 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, NOTWITHSTANDING ANYTHING IN THE INDENTURE OR IN ANY OTHER INSTRUMENT TO THE CONTRARY, NONE OF THE BONDS OR

ANY OF THE ISSUER'S AGREEMENTS OR OBLIGATIONS THEREUNDER 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.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE ISSUER, ANY PUBLIC AGENCY OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, PURCHASE PRICE OF OR INTEREST ON THE BONDS, NOR IS THE STATE, THE ISSUER, ANY PUBLIC AGENCY OR ANY POLITICAL SUBDIVISION OF THE STATE, IN ANY MANNER OBLIGATED TO MAKE ANY APPROPRIATION FOR SUCH PAYMENT.

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. See also "TAX MATTERS – Changes in Federal and State Tax Law" herein.

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

Potential Impact of Pandemics or Public Health Crises

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

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

General Matters. In the opinion of Kutak Rock LLP and Amira Jackmon, Attorney at Law, Co-Bond Counsel, under existing laws, regulations, rulings and judicial decisions, (a) interest on the Bonds is excludable from gross income for federal income tax purposes, except for interest on any Bond for any period during which such Bond is held by a "substantial user" of the facilities financed by the Bonds or a "related person" within the meaning of Section 147(a) of the Code, and (b) interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. The opinion described above assumes the accuracy of certain representations and compliance by the Issuer and the Borrower with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest 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 such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Bonds. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations.

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the owners of the Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Co-Bond Counsel has expressed no opinion regarding any such consequences.

Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States of America, and certain corporations subject to the alternative minimum tax imposed on corporations), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

Co-Bond Counsel is also of the opinion that under existing State of California statutes, interest on the Bonds is exempt from State of California personal income tax. Co-Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Bonds under the laws of the State of California or any other state or jurisdiction.

Copies of the forms of opinions of Co-Bond Counsel are attached hereto as Appendix I-1 and Appendix I-2, respectively.

Backup Withholding

An owner of a Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Bonds if such owner fails to provide to any person required to

collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Co-Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Co-Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS

NO LITIGATION

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 in any way contesting or affecting the validity of the Bonds or the Financing Documents to which the Issuer is a party, 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 in its capacity as such, nor, to the knowledge of the Borrower, any basis therefor, (i) which would restrain or enjoin the issuance or delivery of the Bonds, the use of this Official Statement in the marketing of the Bonds or the collection of revenues pledged under or pursuant to the Indenture or (ii) which would in any way contest or affect the organization or existence of the Borrower or the entitlement of any officer of the Borrower to its position or (iii) which would contest or have a material and adverse effect upon (A) the due performance by the Borrower of the transactions contemplated by this Official Statement, (B) the validity or enforceability of the Bonds or any other agreement or instrument to which the Borrower is a party and that is used or contemplated for use in the consummation of the transactions contemplated hereby and thereby, (C) the exclusion from gross income for federal income tax purposes of the interest on the Bonds or (D) the financial condition or operations of the Borrower, (iv) which contests in any way the completeness or accuracy of this Official Statement or (v) which questions the power or authority of the Borrower to carry out the transactions on its part contemplated by this Official Statement, or the power of the

Borrower to own or operate the Project. The Borrower is not subject to any judgment, decree or order entered in any lawsuit or proceeding brought against it that would have such an effect.

CERTAIN LEGAL MATTERS

The validity of the Bonds and certain other legal matters are subject to approving opinions of Kutak Rock LLP, Omaha, Nebraska, and Amira Jackmon, Attorney at Law, Berkeley, California, Co-Bond Counsel to the Issuer. The approving opinions of Co-Bond Counsel, in substantially the forms set forth as in Appendix I-1 and Appendix I-2 hereto, will be delivered with the Bonds. Certain legal matters will be passed upon for the Issuer by the City Attorney and by Hawkins Delafield & Wood LLP, San Francisco, California, Disclosure Counsel to the City, for the Borrower by its co-counsel, Gubb and Barshay, LLP, San Francisco, California, and Bocarsly Emden Cowan Esmail & Arndt LLP, Los Angeles, 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

Wells Fargo Bank, National Association (the "Underwriter"), a "participating underwriter" as defined in 15c2-12 and an "underwriter" as defined in Section 2(a)(11) of the Securities Act of 1933, as amended, has entered into the Bond Purchase Agreement to purchase all of the Bonds, if any of the Bonds are to be purchased, at a price set forth on the cover page hereof. The Bond Purchase Agreement provides that, as compensation for its services, the Underwriter will receive from the Borrower $_____ for certain fees and expenses related to the issuance of the Bonds (not including the fees and expenses of its counsel). The obligation of the Underwriter to pay for the Bonds is subject to certain terms and conditions set forth in the Bond Purchase Agreement. The Borrower has agreed to indemnify the Underwriter and the Issuer as to certain matters in connection with the Bonds.

The Underwriter may offer and sell the Bonds that it purchases to certain dealers including dealer banks and dealers depositing the Bonds into investment trusts and others at a price lower than the public offering price stated in the Term Sheet. The offering price of the Bonds may be changed from time to time by the Underwriter.

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.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association ("WFBNA"), which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

WFBNA, acting through its Municipal Finance Group, the sole underwriter of the Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting compensation with respect to the Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

The Issuer has not been furnished with any documents relating to the WFA Distribution Agreement or the WFSLLC Distribution Agreement and makes no representations of any kind with respect thereto. The Issuer is not a party to the WFA Distribution Agreement or the WFSLLC Distribution Agreement and has not entered into any agreement or arrangement with WFBNA, WFSLLC or WFA with respect to the offering and sale of the Bonds.

In addition to serving as the Underwriter, Wells Fargo Bank, National Association or one of its affiliates will (i) serve as the Lender to the Borrower, (ii) provide LIHTC equity to the Project and (iii) serve as the Remarketing Agent to the Project, and will be compensated for serving in such capacities. Conflicts of interest could arise by reason of the different capacities in which Wells Fargo Bank, National Association and its affiliates act in connection with the Bonds, the Mortgage Loan, the LIHTC equity and the Remarketing of the Series B-2 Bonds.

The Underwriter and its affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and its affiliates may have, from time to time, performed, and may in the future perform, various investment banking services either for the Issuer and/or the Borrower and affiliates thereof, 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 their various business activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer and/or the Borrower and affiliates thereof.

RATINGS

Moody's Ratings, a Delaware corporation (the "Rating Agency") has assigned to the Bonds the ratings set forth on the cover page hereof. An explanation of the significance of such ratings may be obtained from the Rating Agency. The ratings of the Bonds reflect only the views of the Rating Agency at the time such ratings were given, and neither the Issuer nor the Borrower nor the Underwriter makes any representation as to the appropriateness of the ratings. The ratings are not a recommendation to buy, sell, or hold the Bonds. There is no assurance that such ratings will continue for any given period of time or that they 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 ratings 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 May 1, 2025 (the "Continuing Disclosure Agreement"), with U.S. Bank Trust Company, National Association, acting as Dissemination Agent, pursuant to which the Borrower will agree to provide ongoing disclosure pursuant to the applicable 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.

[Instances of Borrower or related Borrower entity noncompliance under prior CDA's to be disclosed.]

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

The Borrower has not previously been subject to the continuing disclosure requirements of the Rule.

THE TRUSTEE

The information under this heading has been provided solely by the Trustee and is believed to be reliable, but has not been verified independently by the Issuer or the Underwriter. No representation whatsoever as to the accuracy, adequacy or completeness of such information is made by the Borrower, 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, having all of the powers of a bank, including fiduciary powers, and is a member of the Federal Deposit Insurance Corporation and the Federal Reserve System.

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

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

ENFORCEABILITY OF REMEDIES

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

In addition, the Financing Agreement provides that the payment obligations of the Borrower contained therein (other than certain obligations to the Issuer and the Trustee) will be limited obligations payable solely from the income and assets of the Borrower, and that no member 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 Co-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.

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.

The Issuer maintains a website and social media accounts. The information presented on such website and social media accounts is ***not*** incorporated by reference as part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds. 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.

Except for the information under "ISSUER" and "NO LITIGATION – The Issuer," the Issuer has not approved, makes no representation and assumes no responsibility for, the accuracy, adequacy, completeness or fairness of any portion of this Official Statement, all of which has been furnished by others.

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

SUNNYDALE BLOCK 9 HOUSING PARTNERS, L.P., a California limited partnership

By: Related/Sunnydale Block 9 Development Co., LLC, a California limited liability company, its administrative general partner

By: _____
Name: Ann Silverberg
Title: President

By: Sunnydale Block 9 LLC, a California limited liability company, its managing general partner

By: Mercy Housing Calwest, a California nonprofit public benefit corporation, its sole member and manager

By: _____
Name: Elizabeth Kuwada
Title: Vice President

APPENDIX A

FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM

[To be updated]

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, when available, the CUSIP shown in Appendix H hereto into Fannie Mae's multifamily disclosure system, DUS Disclose (https://mfdusdisclose.fanniemae.com/#/home). The template for the Fannie Mae MBS Prospectus, as of the date of this Official Statement can be found at https://capitalmarkets.fanniemae.com/media/23966/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 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. ***THERE CAN BE NO ASSURANCE, GUARANTEE OR REPRESENTATION, HOWEVER, AS TO THE FORM OF THE FANNIE MAE MBS OR THE CONTENTS OF THE FANNIE MAE PROSPECTUS OR EVEN WHETHER OR NOT A PROSPECTUS OR ANY DISCLOSURE RELATING TO THE FANNIE MAE MBS WILL BE PROVIDED IF AND WHEN THE FANNIE MAE MBS IS ISSUED, WHICH COULD BE THIRTY (30) MONTHS OR MORE FROM THE DATE OF THIS OFFICIAL STATEMENT. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE ORIGINATION OF THE PERMANENT LOAN AND THE ISSUANCE OF THE FANNIE MAE MBS, ARE SUBJECT TO SIGNIFICANT CONDITIONS RELATING TO THE CONSTRUCTION, FINANCING AND LEASING OF THE PROJECT BY NO LATER THAN THE TERMINATION DATE***.

Security	Guaranteed Mortgage Pass-Through Certificates (Multifamily Residential Mortgage Loans)
General	Fannie Mae is a government-sponsored enterprise that was chartered 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 the 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 the 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**.
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 Permanent Loan or (ii) the pool of mortgage loan participation interests that comprise the trust. See "THE PERMANENT 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 front cover page, which is the first day of the month in which the MBS is issued.
Settlement Date.....	The date specified on the front cover page, which is a date no later than the last business day of the month in which the issue date occurs.
Distribution Date.....	The "Distribution Date" is the 25th day of each month which is the date designated for payments to the Trustee as holder of the MBS, if issued. If that day is not a Business Day, payments will be made on the next Business Day. The first Distribution Date for the MBS will occur in the month following the month in which the MBS is issued. For example, if the issue date is September 1st, the distribution date is October 25th or, if October 25th is not a Business Day, the first Business Day following October 25th.
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 "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 Permanent 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/23966/display*, the MBS and payments on the MBS, including interest payments thereon, are subject to federal income taxation. Such interest payments only become excluded from gross income for federal income tax purposes and excluded from taxation by the State, to the extent described elsewhere herein, when applied by the Trustee to pay interest due on the Series B-1 Bonds. See "TAX MATTERS" in the Official Statement herein.

Principal ..... Fannie Mae will receive collections on the Permanent 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 Permanent Loan in the pool during the related due period; and

- the aggregate amount of the unscheduled principal payments specified below:

    - the stated principal balance of the Permanent Loan as to which prepayments in full was received during the calendar month immediately preceding the month in which that Distribution Date occurs;

    - the stated principal balance of the Permanent 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 Permanent 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 Permanent 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 Permanent Loan in full is actually received on the first Business Day of September, it would be treated as if it had been received on the last Business Day of August and, therefore, would be passed through on September 25 (or the next Business Day, if September 25 is not a Business Day).

The Permanent 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 Permanent 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 "**YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS—Maturity and Prepayment Considerations – Prepayment of a Mortgage Loan**" in the **Fannie Mae MBS Prospectus. Fannie Mae does not guarantee to any trust the payment of any prepayment premiums**.
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 "**THE TRUST DOCUMENTS-Collections and Other Servicing Practices**" and "**FANNIE MAE PURCHASE PROGRAM-Servicing Arrangements**" 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, 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 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: http://www.fanniemae.com.
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.
The 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 to the Fannie Mae Prospectus, 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 "MATERIAL FEDERAL INCOME TAX CONSEQUENCES" in the Fannie Mae MBS Prospectus.

Whole Pool Certificates..... Fannie Mae's counsel, Katten Muchin Rosenman LLP, has advised Fannie Mae that certificates issued under the trust documents that represent 100% of the beneficial interests in a pool of mortgage loans (or participation interests therein) held in the related trust and with respect to which REMIC elections are made will qualify as "whole pool certificates" to the same extent as certificates that represent 100% of the beneficial interests in a pool of mortgage loans (or participation interests therein) held in a trust with respect to which no REMIC elections are made.

Resecuritization..... Following the assignment of mortgage loans to a trust, the related certificates upon issuance will represent the initial securitization of the mortgage loans. Any further assignment of the certificates to a REMIC trust or other issuance vehicle will represent the initial resecuritization of the mortgage loans. Certificates backed by mortgage loans with respect to which a REMIC election is made may be resecuritized to the same extent as, and may be commingled freely with, certificates backed by mortgage loans with respect to which no REMIC election is made.

Legal Investment Considerations..... Under the Secondary Mortgage Market Enhancement Act of 1984, the certificates offered by this prospectus will be considered "securities issued or guaranteed by … the Federal National Mortgage Association." Nevertheless, investors should consult their own legal

	advisor to determine whether and to what extent the certificates of an issuance constitute legal investments for them.
ERISA Considerations.....	For the reasons discussed in "**ERISA CONSIDERATIONS**" in the Fannie Mae MBS Prospectus, an investment in the certificates by a plan subject to the Employee Retirement Income Security Act ("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.

[Remainder of page intentionally left blank]

SCHEDULE I

FORM OF PROPOSED 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 requirements that impose income and rent restrictions on tenants of the mortgaged property. In addition, the mortgaged property has received an allocation of low-income housing tax credits and the property owner has selected the occupancy option under the Consolidated Appropriations Act of 2018 referred to as "income averaging." The Borrower must comply with each tax credit covenant requirement pursuant to the mortgage loan documents. Failure to deliver executed IRS Form 8609(s) for the mortgaged property in a timely fashion in compliance with Section 42(l) of the internal Revenue Code will be an event of default and recourse to the extent of loss. See "THE MORTGAGE LOANS—Affordable Housing Loans"; "RISK FACTORS—RISKS RELATING TO YIELD AND PREPAYMENT—Prepayments Relating to Specific Types of Mortgage Loans and Mortgaged Properties—The successful operation of a mortgaged property securing an affordable housing mortgage loan may depend upon additional factors"; and "RISK FACTORS—RISKS RELATING TO YIELD AND PREPAYMENT—Prepayments Relating to Specific Types of Mortgage Loans and Mortgaged Properties—An affordable housing mortgage loan may be secured by a mortgaged property that has received an allocation of low-income housing tax credits but that fails to remain in compliance with the requirements for maintaining eligibility to receive the tax credits due to operations of the property or a casualty on the property" in the Fannie Mae MBS Prospectus for additional information.

The MBS certificates will serve as collateral for a tax-exempt issue of multifamily housing bonds (the "Series B-1 Bonds") issued by the City and County of San Francisco (the "Issuer") pursuant to and secured by an Indenture of Trust by and between the Issuer and U.S. Bank Trust Company, National Association, as trustee. The mortgage loan documents provide that the mortgage loan is cross-defaulted with certain agreements relating to the Series B-1 Bonds entered into at the time of the issuance of the Series B-1 Bonds, including but not limited to the indenture authorizing the Series B-1 Bonds and any housing regulatory agreements that limit rents, impose income restrictions or otherwise restrict the use of the property.

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 Series B-1 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 mortgaged property benefits from a tax exemption under Section 214(g) of the California Revenue and Taxation Code, as amended, which provides for a property tax exemption for certain qualifying affordable housing developments in the state of California so long as there is not a change in law and the property continues to meet the requirements for receiving the benefits of the tax abatement. Any (a) termination, substantial reduction, or material modification of the tax abatement that would become effective prior to the date that is five (5) years after the mortgage loan maturity date (an "adverse tax abatement event"), (b) failure to take such actions as may be required to abatement program requirements, or (c) transfer of the mortgaged property or an interest in the mortgaged property or the borrower that would cause an adverse tax abatement event is an event of default under the loan agreement. In addition, the borrower is liable to the lender for repayment of a portion of the mortgage loan equal to any loss or damage suffered by the lender in connection with a tax abatement related event of default that results in an adverse tax abatement event. See "THE MORTGAGE LOANS—Characteristics of Multifamily Properties—Mortgage Loan Secured by Property Receiving Real Estate Tax

Benefits" and "RISK FACTORS—RISKS RELATING TO YIELD AND PREPAYMENT—Prepayments Relating to Specific Types of Mortgage Loans and Mortgage Properties—A mortgaged property may benefit from a state or local property tax exemption or tax abatement that requires the borrower and the property to maintain compliance with specific requirements. The failure to meet those requirements may be an event of default under the mortgage loan" in the Fannie Mae MBS Prospectus for additional information.

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 certificate.

[Remainder of page intentionally left blank]

APPENDIX B

DEFINITIONS OF CERTAIN TERMS

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENT

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT

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"), New York, 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 on a pro rata basis in accordance with the "Pro Rata Pass Through Distributions of Principal" 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.

APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENT

$_____	**$_____**
City and County of San Francisco	**City and County of San Francisco**
Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured)	**Multifamily Housing Revenue Bonds**
(Sunnydale HOPE SF Block 9) Series 2025B-1	**(Sunnydale HOPE SF Block 9) Series 2025B-2**

This Continuing Disclosure Agreement, dated as of May 1, 2025 (this "Continuing Disclosure Agreement"), is executed and delivered by Sunnydale Block 9 Housing Partners, L.P., a California limited partnership (the "Borrower"), and U.S. Bank Trust Company, National Association, as dissemination agent (the "Dissemination Agent"). The above-captioned bonds (the "Bonds") are being issued pursuant to an Indenture of Trust, dated as of May 1, 2025 (the "Indenture"), between the City and County of San Francisco (the "Issuer") and U.S. Bank Trust Company, National Association (the "Trustee"). Pursuant to the Indenture and Financing Agreement, dated as of May 1, 2025, among the Issuer, the Trustee and the Borrower (the "Financing Agreement"), the Dissemination Agent and the Borrower covenant and agree as follows:

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

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

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

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

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

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

"*Dissemination Agent*" shall mean U.S. Bank Trust Company, National Association, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Borrower and which has filed with the Trustee a written acceptance of such designation.

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

"*MSRB*" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934. All documents provided to the MSRB shall be in an electronic format

and accompanied by identifying information, as prescribed by the MSRB. Initially, all document submissions to the MSRB pursuant to this Continuing Disclosure Agreement shall use the MSRB's Electronic Municipal Market Access (EMMA) system at www.emma.msrb.org.

"*Participating Underwriter*" means Wells Fargo Bank, National Association, 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, 2025, provide to the MSRB an Annual Report which is consistent with the requirements described below. No later than 15 Business Days prior to said date, the Borrower will provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may cross reference other information, provided that the audited financial statements for the prior calendar year of the Borrower may be submitted separately from the balance of the Annual Report.

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

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

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

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

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

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

Section 5. Reporting of Listed Events.

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

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulty;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulty;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) Modifications to rights of holders of the Bonds, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution or sale of property securing repayment of the Bonds, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the Borrower. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower;

(xiii) The consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or paying agent or the change of the name of a trustee or paying agent, if material;

(xv) Incurrence of a financial obligation of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borrower, any of which affect security holders, if material;

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Borrower, any of which reflect financial difficulties;

(xvii) Delivery of the MBS;

(xviii) Any extension of the MBS Delivery Date Deadline; and

(xix) The Project being placed in service for purposes of qualifying the property for low income housing tax credits. Notice of the Project being placed in service from the Borrower to the Dissemination Agent shall be in the form attached as Exhibit F or such other form as may be approved by the Dissemination Agent. Notice of the Project being placed in service from the Dissemination Agent to the Municipal Securities Rulemaking Board shall be in the form attached as Exhibit C or such other form as may be approved by the Dissemination Agent.

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

(b) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any potential Listed Event, pursuant to subsection (c) of this Section 5 or otherwise, provide the Disclosure Representative with notice (by facsimile transmission confirmed by telephone or by email). While the Dissemination Agent is also the Trustee, the Dissemination Agent shall be deemed to have actual knowledge of those items listed in clauses (i), (iii) (solely with respect to funds held by the Trustee), (iv), (v), (vii), (viii), (ix), (x) and (xiv), (xvii) and (xviii) above without the Dissemination Agent's having received notice of such event. While the Dissemination Agent is not also the Trustee, the Dissemination Agent shall not be deemed to have actual knowledge of any items listed in clauses (i) - (xix) above without the Dissemination Agent having received written notice of such event. For purposes of providing notice to the Disclosure Representative, the Dissemination Agent shall assume that the unscheduled draws described in clauses (iii) and (iv) reflect financial difficulty.

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

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

Section 11. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Borrower has provided such information to the Dissemination Agent as required by this Continuing Disclosure Agreement. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any information, disclosures or

notices provided to it by the Borrower and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the Borrower's failure to report to the Dissemination Agent a Listed Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Borrower has complied with this Continuing Disclosure Agreement. The Dissemination Agent may conclusively rely upon Certifications of the Borrower at all times.

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

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

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

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

If to the Borrower:

Sunnydale Block 9 Housing Partners, L.P.
44 Montgomery Street, Suite 1310
San Francisco, CA 94104
Attention: Ann Silverberg
Email:asilverberg@related.com

With a copy to:

Sunnydale Block 9 Housing Partners, L.P.
c/o The Related Companies of California, LLC
18201 Von Karman Avenue, Suite 900
Irvine, CA 92612
Attention: Asset management

Bocarsly Emden Cowan Esmail & Arndt LLP
633 W. 5th Street, Suite 5880
Los Angeles, CA 90071
Attention: Nicole Deddens, Esq.
Email: ndeddens@bocarsly.com

Sunnydale Block 9 Housing Partners, L.P.
c/o Mercy Housing California
1256 Market Street
San Francisco, CA 94102

Attn: Elizabeth Kuwada
Email: elizabeth.kuwada@mercyhousing.org

Gubb & Barshay, LLP
235 Montgomery Street, Suite 1110
San Francisco, CA 94104
Attn: Erica Williams Orcharton
Email: ewilliams@gubbandbarshay.com

If to the Dissemination Agent:

U.S. Bank Trust Company, National Association
[One California Street, Suite 1000]
San Francisco, CA. 94111
Attention: [Title]
Ref: Sunnydale HOPE SF Block 9
Email: [_____]

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

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

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

[Signature pages to follow]

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.

SUNNYDALE BLOCK 9 HOUSING PARTNERS, L.P., a California limited partnership

By: Related/Sunnydale Block 9 Development Co., LLC, a California limited liability company, its administrative general partner

By: _____
Name: Ann Silverberg
Title: President

By: Sunnydale Block 9 LLC, a California limited liability company, its managing general partner

By: Mercy Housing Calwest, a California nonprofit public benefit corporation, its sole member and manager

By: _____
Name: Elizabeth Kuwada
Title: Vice President

[Signatures continue on following page]

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

U.S. Bank Trust Company, National Association,
as Dissemination Agent

By: _____
Authorized Officer

EXHIBIT A

ANNUAL REPORT

**$[PAR AMOUNT B-1]*
City and County of San Francisco
Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured)
(Sunnydale HOPE SF Block 9) Series 2025B-1**

**$[PAR AMOUNT B-2]*
City and County of San Francisco
Multifamily Housing Revenue Bonds
(Sunnydale HOPE SF Block 9) Series 2025B-2**

Annual report for the period ending December 31, _____

THE PROJECT

Name of the Project:	Sunnydale HOPE SF Block 9
Address:	1652 Sunnydale Avenue, San Francisco, CA. 94134
Number of Units:	95 (including one manager's unit)

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 Expenses1
Net Operating Income
Debt Service on the Series 2025[B-1][B-2] 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	____%

* Preliminary, subject to change.

Economic Occupancy[1] ____%

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

AUDITED FINANCIAL STATEMENTS

____ Attached

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

____ No audited financial statements of the Borrower were prepared for the period ending December 31, ____; 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: City and County of San Francisco

Name of Issue: Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured) (Sunnydale HOPE SF Block 9) Series 2025B-1 and Multifamily Housing Revenue Bonds (Sunnydale HOPE SF Block 9) Series 2025B-2

Name of Borrower: Sunnydale Block 9 Housing Partners, L.P.

CUSIP: _____ _____ (Series 2025B-1)
_____ _____ (Series 2025B-2)

Date of Issuance: May __, 2025

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

DATED: _____

U.S. Bank Trust Company, National Association,
as Dissemination Agent

By: _____
Authorized Officer

cc: Borrower

EXHIBIT C

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF PROJECT PLACED IN SERVICE

Name of Issuer:	City and County of San Francisco
Name of Bond Issue:	Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured) (Sunnydale HOPE SF Block 9) Series 2025B-1 and Multifamily Housing Revenue Bonds (Sunnydale HOPE SF Block 9) Series 2025B-2
Name of Borrower:	Sunnydale Block 9 Housing Partners, L.P.
Name of Project:	Sunnydale HOPE SF Block 9
Address of Project:	1652 Sunnydale, San Francisco, CA. 94134
Date of Issuance:	May __, 2025

NOTICE IS HEREBY GIVEN as per the requirements of the Continuing Disclosure Agreement, dated as of May 1, 2025, between the above-referenced borrower (the "Borrower") and U.S. Bank Trust Company, National Association, as Dissemination Agent, that the Borrower has certified that the above-referenced project (the "Project") is complete and placed in service by the Borrower as evidenced by a certificate from the Borrower confirming that the Project is placed in service for purposes of Section 42 of the Code.

Dated:

U.S. Bank Trust Company, National Association,
as Dissemination Agent

By: _____
Authorized Officer

cc: Borrower

EXHIBIT D

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

Name of Issuer: City and County of San Francisco

Name of Bond Issue: Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured) (Sunnydale HOPE SF Block 9) Series 2025B-1

Name of Borrower: Sunnydale Block 9 Housing Partners, L.P.

Date of Issuance: May __, 2025

Original MBS Delivery Date Deadline:

Extended MBS Delivery Date Deadline:

NOTICE IS HEREBY GIVEN as per the requirements of the Continuing Disclosure Agreement, dated as of May 1, 2025, between the above-referenced borrower (the "Borrower") and U.S. Bank Trust Company, National Association, as Dissemination Agent, that the Borrower has extended the MBS Delivery Date Deadline from the Original MBS Delivery Date Deadline to the Extended MBS Delivery Date Deadline, pursuant to the Indenture of Trust, dated as of May 1, 2025, between the Issuer and U.S. Bank Trust Company, National Association, as trustee.

Dated:

U.S. Bank Trust Company, National Association,
as Dissemination Agent

By: _____
Authorized Officer

cc: Borrower

EXHIBIT E

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF DELIVERY OF THE MBS

Name of Issuer:	City and County of San Francisco
Name of Bond Issue:	Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured) (Sunnydale HOPE SF Block 9) Series 2025B-1
Name of Borrower:	Sunnydale Block 9 Housing Partners, L.P.
Name of Project:	Sunnydale HOPE SF Block 9
Address of Project:	1652 Sunnydale Avenue, San Francisco, CA. 94134
Date of Issuance:	May __, 2025

NOTICE IS HEREBY GIVEN as per the requirements of the Continuing Disclosure Agreement, dated as of May 1, 2025, between the above-referenced borrower (the "Borrower") and U.S. Bank Trust Company, National Association, as Dissemination Agent, that the Borrower has certified that the MBS related to the above-referenced Bond Issue has been delivered by Fannie Mae to U.S. Bank Trust Company, National Association, as Trustee.

Dated:

U.S. Bank Trust Company, National Association,
as Dissemination Agent

By: _____
Authorized Officer

cc: Borrower

EXHIBIT F

FORM OF NOTICE OF PLACED IN SERVICE

**$[PAR AMOUNT B-1]*
City and County of San Francisco
Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured)
(Sunnydale HOPE SF Block 9) Series 2025B-1**

**$[PAR AMOUNT B-2]*
City and County of San Francisco
Multifamily Housing Revenue Bonds
(Sunnydale HOPE SF Block 9) Series 2025B-2**

The undersigned hereby provides notice to U.S. Bank Trust Company, National Association, a national banking association, as dissemination agent (the "Dissemination Agent") that the multifamily rental housing facility known as Sunnydale HOPE SF Block 9 (the "Project") has been placed in service in accordance with the Indenture of Trust, dated as of May 1, 2025, between the City and County of San Francisco (the "Issuer") and U.S. Bank Trust Company, National Association, a national banking association, as Trustee (the "Trustee"), pursuant to which the above-captioned bonds were issued, as further evidenced by the attached Certificate of Occupancy.

SUNNYDALE BLOCK 9 HOUSING PARTNERS, L.P., a California limited partnership

By: Related/Sunnydale Block 9 Development Co., LLC, a California limited liability company, its administrative general partner

By: _____
Name: Ann Silverberg
Title: President

By: Sunnydale Block 9 LLC, a California limited liability company, its managing general partner

By: Mercy Housing Calwest, a California nonprofit public benefit corporation, its sole member and manager

By: _____
Name: Elizabeth Kuwada
Title: Vice President

* Preliminary, subject to change.

ATTACHMENT

Certificate of Occupancy

APPENDIX H

TERM SHEET*

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

$[PAR AMOUNT B-1]* ***City and County of San Francisco*** ***Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured)*** ***(Sunnydale HOPE SF Block 9) Series 2025B-1*** ***POOL STATISTICS (AS OF CLOSING DATE)***	
TAX-EXEMPT BOND AND MBS INFORMATION *(Information provided by Issuer for this Official Statement)*	
BOND ISSUER NAME	*City and County of San Francisco ("Issuer")*
BOND ISSUE SERIES	*Multifamily Housing Revenue Bonds (Fannie Mae MBS-Secured)* *(Sunnydale HOPE SF Block 9) Series 2025B-1*
BOND ISSUE PAR	*$[PAR AMOUNT B-1]**
BOND DATED DATE	*[_____ __], 2025*
BOND MATURITY DATE	*[_____], provided that the final payment of principal with respect to the MBS will be made on [_____], or the following Business Day if such day is not a Business Day, and will be passed through to the bondholders on the next Business Day.*
BOND ISSUE TAX STATUS	*Excludable from gross income for federal tax purposes and state tax purposes, and not an item of tax preference for federal AMT. See "TAX MATTERS" in the Official Statement.*
BOND ISSUE CUSIP	*[_____]*
COLLATERAL FOR THE BOND ISSUE	*[Fannie Mae DUS MBS] (see pool info below)*
MBS DELIVERY DATE DEADLINE	*[_____], 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, "[___]"*
BOND CLOSING DATE	*[_____ __], 2025*
BOND PAYMENT DATES	*[_____] 1 and [_____] 1*
BOND FIRST PAYMENT DATE	*[_____] 1, 20[__]*
BOND INTEREST-ONLY PERIOD	*From the Closing Date to, but not including, [_____] 1, 20[__]*
BOND FIRST PRINCIPAL PAYMENT DATE	*[_____] 1, 20[__], or, if such day is not a Business Day, the next Business Day.*
BOND FINAL PAYMENT DATE	*[_____] 1, 20[__]*
BOND INTEREST ACCRUAL	*30/360*
BOND PREPAYMENT TERMS	*See "DESCRIPTION OF THE BONDS —Redemption or Retirement of Bonds" in the Official Statement.*
BOND OFFERING PRICE	*100%*
BOND UNDERWRITER	*Wells Fargo Bank, National Association*

* Preliminary, subject to change.

MANDATORY REDEMPTION OF BONDS	*See "DESCRIPTION OF THE BONDS — Mandatory Redemption of Bonds Prior to Maturity" 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 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)*	
FANNIE MAE LOAN TYPE	*Forward Delivery*
NOTE RATE	*[___]%*
POOL/LOAN MATURITY DATE	*[_____]*
EXPECTED MBS DELIVERY DATE	*[_____]*
NUMBER OF LOANS	*1*
POOL SECURITY FUNDS TRANSFER TYPE	*Fed Wire*
TRANSACTION TYPE	*[DUS]*
POOL FIRST PAYMENT DATE	*25th 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	*[_____] 1, 20[__], or the following Business Day if such day is not a Business Day*
SECURITY TYPE	*Fannie Mae MBS*
POOL NUMBER	*TBD*
% OF INITIAL POOL BALANCE	*100%*
POOL PREFIX	*[HY]*
MULTIFAMILY SCHEDULE OF LOAN INFORMATION *(Information provided by Lender for this Official Statement)*	
FANNIE MAE LOAN NUMBER	*TBD*
TIER	*[__]*
TIER DROP ELIGIBLE	*[__]*
LIEN PRIORITY	*[First]*
WEIGHTED AVERAGE ISSUANCE UW NCF DSCR(x)	*[__]x*
BALLOON	*[__]*
OTHER DEBT NOT DISCLOSED HEREIN	*[__]*
ISSUANCE UPB/UNIT	*$[__]*
PREPAYMENT PREMIUM OPTION	*[Yield Maintenance — CMT as defined in the Fannie Mae Multifamily MBS Prospectus]*
PREPAYMENT PREMIUM TERM	*[_____]*
FIRST LOAN PAYMENT DATE	*[_____] 1, 20[__], assuming a Conversion Date of [_____] 1, 20[__]*
ORIGINAL TERM (MONTHS)	*[____] months*
WEIGHTED AVERAGE AMORTIZATION TERM (MONTHS)	*[___]years ([___] months)*
INTEREST TYPE	*[Fixed]*
INTEREST ACCRUAL METHOD	*[Actual/360]*
INTEREST ONLY TERM (MONTHS)	*[____] months, assuming a Conversion Date of [_____] 1, 20[__]*
NOTE DATE	*[_____] 1, 20[__], assuming a Conversion Date of [_____] 1, 20[__]*
LOAN PURPOSE	*New Construction*
MONTHLY DEBT SERVICE	*$[_____]*
MONTHLY DEBT SERVICE AMOUNT PARTIAL IO	*N/A*

COLLATERAL INFORMATION *(Information provided by Lender for this Official Statement)*	
PROPERTY ID/DEAL ID	*[ ]*
PROPERTY NAME	*Sunnydale HOPE SF Block 9*
PROPERTY STREET ADDRESS	*1652 Sunnydale Avenue, San Francisco, CA. 94134*
PROPERTY CITY	*San Francisco*
PROPERTY STATE	*California*
PROPERTY ZIP CODE	*94134*
PROPERTY COUNTY	*San Francisco*
MSA	*San Francisco*
YEAR BUILT	*[ ] Completion*
PHYSICAL OCCUPANCY	*[0% (New Construction)]*
UNDERWRITTEN ECONOMIC OCCUPANCY	*[ ]%*
REMAINING AMORTIZATION TERM TO MATURITY	*From [ ], to [ ]*
ISSUANCE LTV	*[__]%, which LTV is based on an underwritten value that is less than the purchase price*
ALL-IN ISSUANCE LTV	*[__]%, which LTV is based on an underwritten value that is less than the purchase price*
UNDERWRITTEN EFFECTIVE GROSS INCOME	*$[ ]*
UNDERWRITTEN TOTAL OPERATING EXPENSES	*$[ ]*
UNDERWRITTEN REPLACEMENT RESERVES	*$[ ] per unit per year*
UW NCF ($)	*$[ ]*
CROSS-COLLATERALIZED (Y/N)	*[ ]*
CROSS-DEFAULTED (Y/N)	*[ ]*
GENERAL PROPERTY TYPE	*Multifamily*
SPECIFIC PROPERTY TYPE	*[ ]*
LAND OWNERSHIP RIGHTS	*Housing Authority of the City and County of San Francisco*
PROPERTY VALUE	*$[ ] (as of [ ], 20[ ])*
SEISMIC RISK	*[The Project meets Fannie Mae seismic requirements, if any.]*
TERRORISM INSURANCE COVERAGE (Y/N)	*[__]*
TOTAL NUMBER OF UNITS	*95 (including one manager's unit)*
AFFORDABLE HOUSING TYPE	*Low Income Housing Tax Credit ("LIHTC") ([95] units)*
TAXES CURRENTLY ESCROWED	*[__]*
PROPERTY OWNER	*Sunnydale Block 9 Housing Partners, L.P., a California limited partnership*
SPONSOR	*[Related Companies of California]* *[Mercy Housing CalWest]*
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)*	
UNITS AT OR BELOW 50% OF MEDIAN INCOME	*[ ]% ([ ] units)*
UNITS AT OR BELOW 60% OF MEDIAN INCOME	*[ ]% ([ ]units)*
UNITS WITH LOW INCOME HOUSING TAX CREDIT INCOME OR RENT RESTRICTION %	*[100]% ([94] units)*
AGE RESTRICTED INDICATOR	*[__]*
TAX ABATEMENT	*[__]*
FEDERAL TAX CREDIT INVESTOR	*Wells Fargo Bank, National Association*

REGULATORY AGREEMENTS OVERSEER	*City and County of San Francisco, CTCAC, State of CA HCD*
REGULATORY AGREEMENT SET-ASIDES	*[.]*

APPENDIX I-1

PROPOSED FORM OF OPINION OF CO-BOND COUNSEL (KUTAK ROCK LLP)

The form of the approving legal opinion of Kutak Rock LLP, Co-Bond Counsel, is set forth below. The actual opinion will be delivered on the date of delivery of the bonds referred to therein and may vary from the form set forth below to reflect circumstances both factual and legal at the time of such delivery.

[To be attached]

APPENDIX I-2

PROPOSED FORM OF OPINION OF CO-BOND COUNSEL (AMIRA JACKMON, ATTORNEY AT LAW)

The form of approving legal opinion of Amira Jackmon, Attorney at Law, Co-Bond Counsel, is set forth below. The actual opinion will be delivered on the date of delivery of the bonds referred to therein and may vary from the form set forth below to reflect circumstances both factual and legal at the time of such delivery.

[To be attached]