CITY AND COUNTY OF SAN FRANCISCO
MULTIFAMILY HOUSING REVENUE NOTES (2550 IRVING)
SERIES 2024C-1 AND SERIES 2024C-2 (TAXABLE)

CLOSING MEMORANDUM

The following memorandum summarizes the procedures to be followed in completing the sale of the City and County of San Francisco Multifamily Housing Revenue Note (2550 Irving), Series 2024C-1 executed in the principal amount of $51,846,000 (the "Series 2024C-1 Note") and City and County of San Francisco Multifamily Housing Revenue Note (2550 Irving), Series 2024C-2 (Taxable) executed in the principal amount of $7,211,999 (the "Series 2024C-2 Note" and, together with the Series 2024C-1 Note, the "Governmental Notes").

Time and Place

The closing for the Governmental Notes will occur by email after confirmation of recordation of documents at a time and place to be designated by the parties (the "Closing").

Parties

Issuer:	City and County of San Francisco (the "City" or "Governmental Lender")
Sponsor:	2550 Irving Associates LP (the "Borrower")
Developer:	Tenderloin Neighborhood Development Corporation (the "Developer")
Construction Lender:	Bank of America, N.A. (the "Funding Lender")
Equity Investor:	Bank of America, N.A. (the "Equity Investor")
Subordinate Lenders:	Mayor's Office of Housing and Community Development ("MOHCD")
	California Department of Housing and Community Development ("HCD")
Fiscal Agent:	U.S. Bank Trust Company, National Association (the "Fiscal Agent")
Title Company:	Old Republic Title Company (the "Title Company")

Attorneys and Advisors

Amira Jackmon, Attorney at Law ("Co-Bond Counsel" or "CBC")

Buchalter, A Professional Corporation ("Lender Counsel" and "Equity Investor's Counsel" or "LC")

California Housing Partnership Corporation ("Borrower's Financial Consultant")

Dorsey & Whitney LLP ("Fiscal Agent's Counsel")

Gubb and Barshay LLP ("Borrower's Counsel" or "GB")

Office of the City Attorney of the City (the "City Attorney")

Ross Financial (the "Municipal Advisor" or "MA")

Squire Patton Boggs (US) LLP ("Lead Bond Counsel," "LBC" and together with CBC, "Bond Counsel")

PRE-CLOSING
EXECUTED INSTRUMENTS TO BE DEPOSITED WITH BOND COUNSEL

The documents, certificates and other papers listed below will be executed in advance of the closing by the respective parties thereto and deposited in escrow at the offices of Amira Jackmon, Attorney at Law, Telephone (510) 868-0638, no later than 1:00 p.m. on Thursday, June 6, 2024. At the aforementioned time, a pre-closing conference call will be held to confirm that all documents and papers are on hand, in proper form and properly executed.

The following is a list of documents and papers to be delivered at the Closing and to be executed by the parties prior to the pre-closing conference call.

A. Governmental Loan Documents

1. Funding Loan Agreement, dated as of June 1, 2024, by and among the City, the Funding Lender and the Fiscal Agent. (LBC)

2. Project Loan Agreement, dated as of June 1, 2024, by and among the City, the Borrower and the Fiscal Agent. (LBC)

3. Regulatory Agreement and Declaration of Restrictive Covenants, dated as of June 1, 2024, by and between the City and the Borrower. (CBC)

4. Series 2024C-1 Note and Series 2024C-2 Note, each dated June 7, 2024, executed by the City to the order of the Funding Lender. (LBC)

5. California Debt Limit Allocation Committee ("CDLAC") Resolution No. 23-266, revised April 9, 2024, and Report of Action Taken Regarding the Issuance of Private Activity Note filed with CDLAC. (LBC)

6. Tax Certificate and Agreement, dated June 7, 2024, executed by the City and the Borrower. (LBC)

7. IRS Form 8038. (LBC)

8. Resolution No. 245-24 of the Board of Supervisors approving the issuance of the Notes, adopted by the Board of Supervisors of the City on April 30, 2024, and approved by the Mayor of the City on May 10, 2024. (City)

9. City Signature and Incumbency Certificate, signed by the Mayor and Authorized Officers of the Mayor's Office of Housing and Community Development of the City. (CBC)

10. Closing Certificate of the City. (CBC)

11. Certificate of the City as to Delivery and Payment. (CBC)

12. Certificate of the Borrower together with the following attachments (collectively, the "Borrower Organizational Documents"):

(a) Certificate of Limited Partnership of Borrower, and amendments thereto certified by the California Secretary of State on April 12, 2021;

(b) Good Certificate of Good Standing issued by the California Secretary of State on May 29, 2024;

(c) Authorizing resolutions;

(d) Agreement of Limited Partnership dated April 2, 2021; and

(e) Amended and Restated Limited Partnership Agreement relating to Owner, by and among the Managing General Partner, the Investor Limited Partner, Banc of America CDC Special Holding Company, Inc., a North Carolina corporation, as Special Limited Partner and Taylor Family Housing, Inc., a California nonprofit public benefit corporation as Withdrawing Limited Partner;

13. Certificate of the Developer and TSI together with the following attachments (collectively, the "Guarantors Organizational Documents"):

(a) A copy of the Articles of Incorporation and Bylaws of TNDC, which executed the Guarantor Documents and Borrower Loan Documents, and a Certificate of Good Standing with respect to TNDC issued by the California Secretary of State on May 29, 2024 (collectively, "TNDC's Organizational Documents"). (Borrower's Counsel/Sponsor)

(b) A copy of the Articles of Incorporation and Bylaws of TSI, which executed the Borrower Loan Documents, and a Certificate of Good Standing with respect to TSI issued by the California Secretary of State on May 29, 2024 (collectively, the "TSI's Organizational Documents"). (Borrower's Counsel/Sponsor)

(Certificate: Borrower's Counsel; Attachments: Borrower's Counsel, Investor's Counsel)

14. Certificate of the Fiscal Agent, dated June 7, 2024, executed by the Fiscal Agent, along with the following additional documents:

(a) Certified Copy of the Bylaws of the Fiscal Agent; and

(b) Incumbency Certificate of the Fiscal Agent.

(Certificate: CBC; Attachments: Fiscal Agent's Counsel)

15. Receipt of the Fiscal Agent. (CBC)

16. Receipt of the Lender. (CBC)

17. Report of Proposed Debt Issuance and Report of Final Sale filed with the California Debt and Investment Advisory Commission. (LBC)

18. Purchaser Representation Letter. (CBC)

19. Opinion of the City Attorney. (City Attorney)

20. Debt Opinion and Partnership Opinion of Counsel to the Borrower

21. Opinion of Counsel to the Fiscal Agent. (Fiscal Agent's Counsel)

22. Final Opinions of Co-Bond Counsel relating to the Notes. (BC and CBC)

23. Reliance Letters of Co-Bond Counsel. (BC and CBC)

24. Distribution List. (MA)

25. Funding Memorandum and Cost Breakdown. (MA)

26. Written Requisitions of the Borrower. (CBC)

27. Certification of Bond Issuance Month. (CBC; Borrower's Counsel)

B. Construction Loan Documents

1. Promissory Note (Tax Exempt) in the original principal amount of $51,846,000 executed by Borrower ("TE Note") dated June 7, 2024 and Allonge executed by the Governmental Lender. (Lender Counsel)

2. Promissory Note (Taxable) in the original principal amount of $7,211,999, executed by Borrower ("Taxable Note", and together with the TE Note the "Promissory Notes") dated June 7, 2024 and Allonge executed by the Governmental Lender. (Lender Counsel)

3. Leasehold Construction Deed of Trust, with Assignment of Rents, Security Agreement, and Fixture Filing (Affordable Housing - California) (the "Mortgage"), executed by Borrower in favor of Governmental Lender, granting a security interest in the real and personal property (the "Project") as more specifically described in the Mortgage. (Lender Counsel)

4. Assignment of Deed of Trust and Related Documents by Governmental Lender and Fiscal Agent in favor of Funding Lender and consented and agreed to by Borrower and TNDC (the "Lender Assignment"). (Lender Counsel)

5. Assignment of Contracts, Plans and Specifications (Affordable Housing – California), by Borrower for the benefit of Funding Lender (as successor-in-interest to Governmental Lender).

6. Security Agreement (Assignment of Partnership Interest and Capital Obligations) (Affordable Housing – California) by Borrower and General Partner, in favor of Funding Lender (as successor-in-interest to Governmental Lender). (Lender Counsel)

7. Assignment and Subordination of Management Agreement, by Borrower and TNDC, as manager, for the benefit of Funding Lender (as successor-in-interest to Governmental Lender).

8. Assignment of Agreement to Enter Into Housing Assistance Payments Agreement, by Borrower and TNDC for the benefit of Funding Lender (as successor-in-interest to Governmental Lender). (Lender Counsel)

9. Assignment of Subsidy Commitments, by Borrower for the benefit of Funding Lender (as successor-in-interest to Governmental Lender). (Lender Counsel)

10. Subordination Agreement (MOHCD), by and among City and County of San Francisco, a municipal corporation, represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development as subordinating party, the Borrower, and the Fiscal Agent in its capacity as holder of the Governmental Lender Notes and as agent of Funding Lender. (Lender Counsel)

11. Subordination Agreement (IIG Covenant), by and among the Department of Housing and Community Development, a public agency of the State of California as subordinating party, the Borrower, and the Fiscal Agent in its capacity as holder of the Governmental Lender Notes and as agent of the Funding Lender. (Lender Counsel)

12. Subordination Agreement (Sponsor IIG Loan), by and among TNDC as subordinating party, the Borrower, and the Fiscal Agent in its capacity as holder of the Governmental Lender Notes and as agent of the Funding Lender. (Lender Counsel)

13. Construction Disbursement Agreement, between Borrower and Funding Lender. (Lender Counsel)

14. Consent to Assignment of AHAP Contract as Security for Financing, by Borrower and Contract Administrator. (Lender Counsel)

15. Indemnity Agreement (Borrower) (Affordable Housing – California), by Borrower, in favor of Governmental Lender, Funding Lender, Fiscal Agent and Bank of America, N.A., as servicer ("Servicer"). (Lender Counsel)

16. Indemnity Agreement (Third Party Indemnity) (Affordable Housing) by TNDC in favor of Governmental Lender, Funding Lender, Fiscal Agent and Servicer. (Lender Counsel)

17. Completion Agreement (Affordable Housing – California), by TNDC in favor of Funding Lender (as successor-in-interest to Governmental Lender). (Lender Counsel)

18. Payment Guaranty (Affordable Housing – California), by TNDC in favor of Funding Lender (as successor-in-interest to Governmental Lender). (Lender Counsel)

19. Consent to Assignment of Contracts (General Contractor) by Guzman Construction Group, for the benefit of Funding Lender (as successor-in-interest to Governmental Lender). (Lender Counsel)

20. Consent to Assignment of Contracts (Architect) by Pyatok Architects, Inc. for the benefit of Funding Lender (as successor-in-interest to Governmental Lender). (Lender Counsel)

21. Consent to Assignment of Contracts (Geotech) by A3GEO, Inc. for the benefit of Funding Lender (as successor-in-interest to Governmental Lender). (Lender Counsel)

22. Consent to Assignment of Contracts (Developer) by TNDC for the benefit of Funding Lender (as successor-in-interest to Governmental Lender). (Lender Counsel)

23. Consent to Assignment of Contracts (Civil Engineer) by KPFF Consulting Engineers. for the benefit of Funding Lender (as successor-in-interest to Governmental Lender). (Lender Counsel)

C. Equity Documents

1. Right of First Refusal Agreement, dated June 7, 2024, by and between the Borrower and the Guarantor. (LC)

2. Guaranty Agreement, dated as of June 1, 2024, by the Guarantor, in favor of the Borrower. (LC)

3. Purchase Option Agreement, by and between the Borrower and the Managing General Partner. (LC)

4. Promotional Materials and Artwork Release, dated as of June 1, 2024, by the Borrower in favor of the Lender. (LC)

5. Partnership Management Agreement, by and between the Borrower and the Managing General Partner. (LC)

6. Development Agreement, by and between the Borrower and the Developer. (LC)

D. MOHCD Loan Documents

1. Resolution No. ___-24 of the Board of Supervisors approving the MOHCD Loan, adopted by the Board of Supervisors of the City on April 30, 2024 and approved by the Mayor of the City on May 10, 2024. (City)

2. Ground Lease, dated as of ____, 2024, by and between the Borrower and the City.

3. Agreement of Purchase and Sale for Real Estate, dated _____, 2024, by and between the Borrower, as seller, and the City as buyer. (City)

4. Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated _____, 2024, by the Borrower for the benefit of the City. (City)

5. Declaration of Restrictions, dated _____, 2024, by the Borrower in favor of the City. (City)

6. Amended and Restated Gap Loan Agreement, dated _____, 2024, by and between the City and the Borrower. (City)

7. Amended and Restated Promissory Note, dated _____, 2024, executed by the Borrower. (City)

Sponsor Loan Documents

1. Loan Agreement (IIG Sponsor Loan), dated as of June 1, 2024, by and between Developer and Borrower (GB)

2. Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (2520-2550 Irving Street, San Francisco, California) (GB)

3. Secured Promissory Note (Sponsor IIG Loan) (GB)

4. Secured Promissory Note (Sponsor General Fund Grant Loan) (GB)

DISTRIBUTION OF DOCUMENTS

All the foregoing receipts and deliveries of documents and funds will be deemed to have been held in escrow until the final confirmation of recordation by the Title Company on the Closing Date has been made.

The City and County of San Francisco, California, will close upon confirmation of receipt by the Fiscal Agent of the initial installment of the proceeds of the Series 2024C-1 Note Funding Loan of $55,000.