

**RECORDING REQUESTED BY AND
AFTER RECORDATION RETURN TO:**

Clerk of the Board of Supervisors
City and County of San Francisco
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

NOTICE OF SPECIAL TAX LIEN

**IMPROVEMENT AREA NO. 1 OF THE
CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 2016-1
(Treasure Island)**

Pursuant to the requirements of Section 3114.5 of the California Streets and Highways Code of California and Section 53328.3 of the California Government Code, the undersigned Clerk of the Board of Supervisors of the City and County of San Francisco, hereby gives notice that a lien to secure payment of a special tax is hereby imposed by the Board of Supervisors of the City and County of San Francisco. The special tax secured by this lien is authorized to be levied for the purpose of (i) financing directly the acquisition and construction of all or a portion of the public facilities described in Exhibit A attached hereto (the "Authorized Facilities"), (ii) financing the services described in Exhibit A attached hereto (the "Authorized Services"), (iii) paying principal and interest on bonds (and other debt as defined in the Mello-Roos Act), the proceeds of which are being used to finance the acquisition and construction of all or a portion of the Authorized Facilities, and (iv) to pay the cost of administering the Improvement Area (defined below).

The special tax is authorized to be levied within "Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" (the "Improvement Area") which has now been officially formed and the lien of the special tax is a continuing lien which shall secure each annual levy of the special tax and which shall continue in force and effect until the special tax obligation is prepaid, permanently satisfied, and canceled in accordance with law or until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the California Government Code.

The rate, method of apportionment, and manner of collection of the authorized special tax for the Improvement Area is as set forth in Exhibit B attached hereto and hereby made a part hereof. Conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied and the lien of the special tax canceled are as follows: None.

Notice is further given that upon the recording of this notice in the Office of the Assessor-Recorder for the City and County of San Francisco, State of California the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within the Improvement Area in accordance with Section 3115.5 of the Streets and Highways Code of California.

The name(s) of the owner(s) and the assessor's tax parcel numbers of the real property included within the area of the Improvement Area and not exempt from the special tax are as set forth in Exhibit C attached hereto and hereby made a part hereof.

Reference is made to the boundary map of the Improvement Area recorded on _____, 2016 at _____ a.m. in Book ____ of Maps of Assessment and Community Facilities Districts at Page __, as Document No. _____ in the Office of the Assessor-Recorder for the City and County of San Francisco, State of California, which map is now the final boundary map of the Improvement Area.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the Director of the Office of Public Finance, City and County of San Francisco, 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102; Telephone: (415) 554-5956.

Dated: As of _____, 2016

By: _____
Clerk of the Board of Supervisors,
City and County of San Francisco

EXHIBIT A

NOTICE OF SPECIAL TAX LIEN

IMPROVEMENT AREA NO. 1 OF THE CITY AND COUNTY OF SAN FRANCISCO Community Facilities District No. 2016-1 (Treasure Island)

DESCRIPTION OF FACILITIES AND SERVICES TO BE FINANCED BY THE CFD AND IMPROVEMENT AREA NO. 1 THEREIN

FACILITIES

The CFD and Improvement Area No. 1 are authorized to finance all or a portion of the costs of the acquisition, construction and improvement of any of the following types of facilities:

A. Facilities Acquired from Third Parties

1. Acquisition - includes acquisition of land for public improvements.
2. Abatement - includes abatement of hazardous materials and disposal of waste.
3. Demolition - removal of below-grade, at-grade, and above-grade facilities, and recycling or disposal of waste.
4. Supplemental Fire Water Supply System - including, but not limited to, main pipe, laterals, valves, fire hydrants, cathodic protection, manifolds, air-gap back flow preventer, wharf fire hydrants, portable water pumper, and tie-ins for onsite water supply network that is unique to San Francisco intended for fire suppression.
5. Low Pressure Water - including, but not limited to, main pipe, pressure reducing stations, laterals, water meters, water meter boxes, back flow preventers, gate valves, air valves, blowoffs, fire hydrants, cathodic protection, and tie-ins for onsite and offsite low pressure water supply network intended for domestic use.
6. Water Tank Facilities – including, but not limited to, storage tanks, pumps, and other facilities associated with water storage.
7. Recycled Water - including, but not limited to, main pipe, laterals, water meters, water meter boxes, back flow preventers, gate valves, air valves, blowoffs, cathodic protection, and tie-ins for recycled water supply network intended to provide treated wastewater for use in irrigation of parks and landscaping as well as graywater uses within buildings.
8. Storm Drainage System – including, but not limited to, main pipe, laterals, manholes, catch basins, air vents, stormwater treatment facilities, connections to existing systems, headwalls, outfalls, and lift stations for a network intended to convey onsite and offsite separated storm water.
9. Separated Sanitary Sewer – including, but not limited to, main pipe, laterals, manholes, traps, air vents, connections to existing systems, force main pipe and associated valves and cleanouts, and pump and lift stations for a network intended to convey separated sanitary sewage.
10. Joint Trench – including, but not limited to, the electrical substation, installation of primary and secondary conduits, overhead poles, pull boxes, vaults, subsurface enclosures, and anodes, for dry utilities including but not limited to electrical and information systems.

11. Earthwork – including, but not limited to, importation of clean fill materials, clearing and grubbing, slope stabilization, ground improvement, installation of geogrid, surcharging, wick drains, excavation, rock fragmentation, placement of fill, compaction, grading, erosion control, deep vibratory soil compaction, cement deep soil mix (CDSM) columns and panels, stone columns, and post-construction stabilization such as hydroseeding.

12. Retaining Walls – including, but not limited to, excavation, foundations, construction of retaining walls, subdrainage, and backfilling.

13. Highway Ramps, Roadways, Pathways, Curb, and Gutter – including, but not limited to, road subgrade preparation, aggregate base, concrete roadway base, asphalt wearing surface, concrete curb, concrete gutter, medians, colored asphalt and concrete, speed tables, class 1 and 2 bike facilities (e.g., cycle tracks), sawcutting, grinding, conform paving, resurfacing, for onsite and offsite roadways.

14. Traffic – including, but not limited to, transit stops, transit facilities, transit buses and ferries, bridge structures, permanent pavement marking and striping, traffic control signage, traffic light signals, pedestrian traffic lighting, and contributions for offsite traffic improvements.

15. Streetscape – including, but not limited to, subgrade preparation, aggregate base, sidewalks, pavers, ADA curb ramps with detectable tiles, streetlights, light pole foundations, landscaping, irrigation, street furniture, waste receptacles, newspaper stands, and public art.

16. Shoreline Improvements – including, but not limited to, demolition, excavation, installation of revetment, structural improvements of shoreline and revetment, and structural repair for replacement or retrofit of shoreline structures.

17. Parks – including, but not limited to, ground improvement, subgrade preparation, landscaping and trees, aggregate base, sidewalks, pavers, decomposed granite, lighting, irrigation, furniture, decks, fountains, and restrooms.

18. Ferry Terminal – including, but not limited to, foundations, ferry shelter building, signs, electronic toll collection system, breakwaters, pier, gangway, float, restroom, bike storage

19. Hazardous Soil Removal – removal and disposal of contaminated soil.

20. Community Facilities – including, but not limited to, costs of police station, fire station, community center spaces for uses including reading room/library, senior/adult services, teen/youth center, outdoor performance and gathering spaces, community gardens, public school, childcare centers, public recreational facilities including ballfields, playing fields and sports centers, and publicly-owned parking garages.

21. Any other amounts specifically identified in the DDA as a Project Cost.

22. Hard Costs, Soft Costs and Pre-Development Costs, as defined in the Conveyance Agreement, associated with the design, procurement, development and construction of all Facilities listed herein.

B. Authorized Payments

1. Contribution to the City and other public agencies for costs related to open space improvements, transportation and transit facilities, and design and construction of ramps and access roads.

C. Facilities Constructed by the City or TIDA

1. Sea Level Rise Adaptations – including, but not limited to, demolition, excavation, and installation of revetment; structural improvements of shoreline and revetment; construction, improvement or relocation of shoreline structures, seawalls, stormwater pump stations and outfalls; earthwork, grading and landscaping; and the development of intertidal zones or wetlands.

2. Facility Capital Improvements – upgrade, reconstruction, or replacement of publicly-owned assets on Treasure Island and Yerba Buena Island, including, but not limited to, buildings, hangars, school facilities, living quarters, parks, improvements for sea-level rise, piers, and the Acquisition Facilities described in Section A of this Exhibit A.

NOTE: The categories of facilities labeled “Facilities Acquired from Third Parties” and “Facilities Constructed by the City or TIDA” reflect current assumptions of the City and TIDA. The CFD shall be authorized to finance the listed facilities whether they are acquired from third parties or constructed by the City or TIDA.

SERVICES

Special taxes collected in the CFD and Improvement Area No. 1 will finance, in whole or in part, the following services (“services” shall have the meaning given that term in the Mello-Roos Community Facilities Act of 1982):

- The costs of operating and maintaining Improvements constructed pursuant to the Parks and Open Space Plan within the Project Site, including installing landscaping, all personnel or third-party maintenance costs, costs of maintaining irrigation systems and other equipment directly related to maintenance, maintenance or replacement as needed of landscape areas, water features, bathrooms, trash receptacles, park benches, planting containers, picnic tables, and other equipment or fixtures installed in areas to be maintained, insurance costs, and any other related overhead costs, along with TIDA personnel, administrative, and overhead costs related to maintenance or to contracting for and managing third-party maintenance. The terms used in this paragraph have the meaning given them in the Financing Plan.
- Operating and maintaining TIDA owned structures and facilities within the Project Site, including but not limited to Building 1, Hangers 2 & 3, Pier 1, the Historic Officers’ Quarters, Quarters 10 & 62, the Torpedo Building, Chapel, gymnasium, roadways, paths and walkways. Costs include but are not limited to all personnel or third-party maintenance costs, costs of maintaining systems and other equipment directly related to maintenance, as needed, of building systems, roofs, building envelope, and interiors, insurance costs, and any other related overhead costs, along with TIDA personnel, administrative, and overhead costs related to maintenance or to contracting for and managing third-party maintenance. The terms used in this paragraph have the meaning given them in the Financing Plan.

OTHER

The CFD and Improvement Area No. 1 may also finance any of the following:

1. Bond related expenses, including underwriters discount, reserve fund, capitalized interest, letter of credit fees and expenses, bond and disclosure counsel fees and expenses, bond remarketing costs, and all other incidental expenses.

2. Administrative fees of the City and the bond trustee or fiscal agent related to the CFD and Improvement Area No. 1 and the Bonds.

3. Reimbursement of costs related to the formation of the CFD and Improvement Area No. 1 advanced by the City, the landowner(s) in the CFD and Improvement Area No. 1, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the City, the landowner(s) in the CFD and Improvement Area No. 1 or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the CFD and Improvement Area No. 1.

4. Funding a capital reserve fund to finance the Facilities described in this Exhibit A.

EXHIBIT B

NOTICE OF SPECIAL TAX LIEN

**IMPROVEMENT AREA NO. 1 OF THE
CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 2016-1
(Treasure Island)**

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

EXHIBIT C

NOTICE OF SPECIAL TAX LIEN

**IMPROVEMENT AREA NO. 1 OF THE
CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 2016-1
(Treasure Island)**

**ASSESSOR'S PARCEL NUMBERS AND OWNERS OF LAND
WITHIN IMPROVEMENT AREA NO. 1**

Assessor's Parcel Nos.

Names of Property Owners

8948-001	Treasure Island Series 1, LLC
8952-001	Treasure Island Series 1, LLC
8954-001	Treasure Island Series 1, LLC
8949-001	Treasure Island Development Authority