

DDA Exhibit D1

Permitted Exceptions

In reference to: Chicago Title Company's Preliminary Title Report with an effective date of July 14, 2017, Title No. FWPN-TO13000149-JM

<u>Schedule B:</u>	<u>Document Description and Recording Data</u>	<u>Overview</u>	<u>Master Lease</u>	<u>Parcel Lease</u>
1.	Taxes for the fiscal year 2017-2018.	Taxes will only affect the Property post-closing. There are no taxes currently due on the Property because it is held by the City and County of San Francisco.	Permitted Exception to the extent taxes arise post Close of Escrow	Permitted Exception to the extent taxes arise post Close of Escrow
2.	Taxes for the fiscal year 2016-2017.	Taxes will only affect the Property post-closing. There are no taxes currently due on the Property because it is held by the City and County of San Francisco.	N/A as of Close	N/A as of Close
3.	Mello Roos Community Facilities District.	Any special taxes/assessments will only affect the Property post-closing. There are no special taxes/assessments currently due on the Property because it is held by the City and County of San Francisco.	Permitted Exception	Permitted Exception
4.	Supplemental Taxes	Approved, subject to Title Company adding the phrase <i>"resulting from changes of ownership or completion of new construction occurring after the date of this policy."</i>	Permitted Exception	Permitted Exception
5.	Any adverse claim based upon the assertion that some portion of the land is tide or submerged lands.	To be eliminated after trust exchange.	Permitted Exception	Unpermitted Exception
6.	Any adverse claim based upon the assertion that any	To be eliminated after trust exchange.	Permitted Exception	Unpermitted Exception

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	portion of said land was not tideland that was available for disposition by the State of California.			
7.	Rights and Easements for Commerce, Navigation and Fishery.	To be eliminated after trust exchange.	Permitted Exception	Unpermitted Exception
8.*	Reservations or Exceptions and Patents whether or not shown by the Public Records.	Title Company will be asked to disclose specific Patents or applicable Acts or delete this exception.	Unpermitted Exception	Unpermitted Exception
THE FOLLOWING ITEMS AFFECT THOSE PORTIONS OF THE HEREIN DESCRIBED LAND LYING WITHIN ASSESSORS BLOCK 4042, LOT 1:				
9.*	Easement recorded November 26, 1940 in Book 3689, Page 185.	An easement from the Columbia Steel Company (“Grantor”) to the City and County of San Francisco (“Grantee”) for the purpose of the construction, maintenance and operation of sewers and all appurtenances.	Unpermitted Exception	Unpermitted Exception
10.	Covenants, Conditions and Restrictions appearing in a Quitclaim Deed recorded November 13, 1967 at 26523 in Book B192, Page 384.	Quitclaim from the United States of America (“Grantor”) to the State of California acting through the San Francisco Port Authority (“Grantee”). Said quitclaim deed is subject to the following: Subject to rights of way, restrictions, reservations and easements now existing or of record. Together will all and singular the tenements, hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and also all the	Permitted Exception	Permitted Exception

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		<p>estate, right, title, interest, property possession, claim and demand whatsoever, in law as well as equity, of the Grantor of, in or to the described premises and every part and parcel thereof, with the appurtenances.</p> <p>Together with those items of personal property presently located at the said Department Reserve Plant, DOD #46, 20th and Illinois Streets, San Francisco, CA. [Note: Those items of personal property are listed on Exhibit A attached to the document.]</p> <p>It is the intention of the Grantor to convey to the Grantee all real property, personal property and improvements of whatsoever nature owned by the Grantor and located at the facility known as Departmental Reserve Plant, DOD #46, 20th and Illinois Streets, San Francisco, CA.</p> <p>Said property transferred was duly determined to be surplus pursuant to the General Services Administration for disposal pursuant to the Federal Property and Administrative Services Act of 19489 (63 Stat. 377).</p>		
11.	<p>Conditions, restrictions, Easements, Reservations and Limitations and Rights, Powers, Duties and Trust contained in the Legislative Grants and by law as to the land or any portion thereof acquired by the City and County of San Francisco, by Chapter 1333 of</p>		Permitted Exception	Unpermitted Exception

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	the Statutes of 1968, as amended by Chapters 1296 and 1400, Statutes of 1969 and by Chapter 670, Statutes of 1970, and Chapter 1253, Statutes of 1971, and as may be further amended, and such Reversionary Rights and Interest as may be possessed by the State of California under the terms and provisions of said Legislative Grants, or by law.			
12.	Agreement Relating to Transfer of the Port of San Francisco from the State of California to the City and County of San Francisco recorded January 30, 1969 at R40413 in Book B308, Page 686.	Document sets forth the terms and conditions and obligations by and between the City and County of San Francisco (the "City") and the Director of Finance of the State of California acting for and on behalf of the State of California, and assisted by the Secretary for Agriculture and Services of the State of the State of California and the San Francisco Port Authority relating to the Transfer of the Port property to the City from the State of California. Note: to be eliminated upon trust exchange.	Permitted Exception	Unpermitted Exception
THE FOLLOWING ITEMS AFFECT THOSE PORTION OF THE HEREIN DESCRIBED LAND LYING WITHIN ASSESSORS BLOCK 4111, LOT 4				
13.	Judgment Quieting Title, San Francisco Superior Court Case No. 401394, recorded April 16, 1954 at C63570 in Book	The People of the State of California vs. The Bethlehem Pacific Coast Steel Corporation et al.	Permitted Exception	Permitted Exception

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	6359, Page 235.			
14.*	Easement recorded February 28, 1967 at P43734 in Book B121, Page 100.	<p>Bethlehem Steel Corporation (“Grantor”) grants to the United States of America (“Grantee”) the right and privilege to enter upon Grantor’s lands as abut the northerly, westerly and southerly sides of the of the premises to a width of 3 feet for the purpose of performing maintenance and repair work on the building materially located on the premises.</p> <p>Note: The Property is a fractional piece of the property described in the document.</p> <p>Note: Title to all property previously owned by Grantor and Grantee is now vested in City and County of San Francisco, in trust. Exception should be deleted.</p>	Unpermitted Exception	Unpermitted Exception
15.*	Permit recorded July 25, 1967 at Q4404 in Book B162, Page 939.	<p>Revocable permit granted by the Department of Public Works to Bethlehem Steel Corp. for the construction and maintenance of a private force main in 20th Street to serve Blocks 4111 and 4046. Permit is conditioned on a 12,000-gallon per day maximum daily flow rate, and a 150-gallon per minute maximum flow rate.</p> <p>Note: Title to all property previously owned by Grantor and Grantee is now vested in City and County of San Francisco, in trust. Exception should be deleted.</p>	Unpermitted Exception	Unpermitted Exception
16.	Corporation Grant Deed recorded on December 16, 1982 at D275576 in Book D464, Page 628.	<p>A Grant Deed from Bethlehem Steel Corporation to the City and County of San Francisco.</p> <p>Conveyance is subject to liens for general and special county and city taxes for the fiscal year</p>	Permitted Exception	Permitted Exception

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		<p>July 1, 1982, to June 30, 1983.</p> <p>All subject to all easements, covenants, conditions and restrictions of record.</p> <p>Further subject to any matters that could be ascertained by an up-to-date survey, by making inquiry of persons in possession or by an inspection of the real property.</p> <p>All subject to rights and easements for commerce, navigation, and fishery in favor of the public or federal or state governments.</p> <p>Subject, further, to the effect of the following unrecorded instrument: Grant of Right of Way dated September 30, 1966, from Bethlehem Steel Corporation to the United States of America.</p>		
17.*	Street Encroachment Agreement recorded on July 6, 1976 at Z01074 in Book C196, Page 780.	<p>The City and County of San Francisco Department of Public Works granted a Street Encroachment Permit to Bethlehem Steel Company affecting Block 4046, Lot 1; Blk. 4110, Lot 1 & Blk. 4111, Lot 2 located on both sides of 20th Street east of Illinois Street.</p> <p>Encroachment affects a fence and curbside parking area with 35 foot wide unrestricted access on 20th Street.</p> <p>Note: Title to all property previously owned by Bethlehem Steel now vested in City and County of San Francisco, in trust. Exception should be deleted.</p>	Unpermitted Exception	Unpermitted Exception
18.*	A Notice – Seismic Building Hazard recorded on January 9, 1995	The Notice references a seismic building hazard located at 401 20th St. – Assessors Block 4111, Lot 4.	Unpermitted Exception.	Unpermitted Exception.

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	at F739802 on Reel G293, Image 166.	The building is an unreinforced masonry wall building that is required to be seismically strengthened in accordance with the provisions of Chapters 14 and 15 of the San Francisco Building Code. Note: Within Orton Property; if this requires an amendment to the Orton legal description to remove, it should be done prior to execution of final DDA		
19.*	A Notice – Seismic Building Hazard recorded January 9, 1995 at F739802 on Reel G293, Image 168.	The Notice references a seismic building hazard located at 401 20th St. – Assessors Block 4111, Lot 4. The building is an unreinforced masonry wall building that is required to be seismically strengthened in accordance with the provisions of Chapters 14 and 15 of the San Francisco Building Code. Note: Within Orton Property; if this requires an amendment to the Orton legal description to remove, it should be done prior to execution of final DDA	Unpermitted Exception.	Unpermitted Exception.
20.*	Minor Sidewalk Encroachment Permit No. 14MSE-0343 recorded July 29, 2015 as Inst. No. 2015-K098782-00.	Minor Sidewalk Encroachment Permit allows for the use of existing sub-sidewalk basements and loading structure along Michigan Street frontage between 20 th and 22 nd St. Note: Within Orton Property; if this requires an amendment to the Orton legal description to remove, it should be done prior to execution of final DDA	Unpermitted Exception	Unpermitted Exception
THE FOLLOWING ITEMS AFFECT ALL OF THE HEREIN DESCRIBED LAND				
21.*	Matters disclosed by Record of Survey 8565	Record of Survey depicts a northerly portion of the property. Survey discloses the	Unpermitted Exception	Unpermitted Exception

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	recorded April 30, 2015 as Inst. No. 2015-K054517-00.	location of several building situated on the Property. Note: Within Orton Property; if this requires an amendment to the Orton legal description to remove, it should be done prior to execution of final DDA		
22.*	Memorandum of Lease recorded July 29, 2015 as Inst. No. 2015-K098783-00. And re-recorded January 22, 2016 as Inst. No. 2016-K193227-00.	Note: Within Orton Property; if this requires an amendment to the Orton legal description to remove, it should be done prior to execution of final DDA	Unpermitted Exception	Unpermitted Exception
23.*	Landlord's Agreement and Estoppel Certificate recorded July 29, 2015 as Inst. No. 2016-K098785-00.	Landlord's Agreement and Estoppel Certificate (the "Agreement") by and between the City and County of San Francisco operating through the San Francisco Port Commission ("Landlord") and historic Pier 70, LLC ("Borrower") and Bank of America, N.A. ("Lender"). Note: Within Orton Property; if this requires an amendment to the Orton legal description to remove, it should be done prior to execution of final DDA	Unpermitted Exception	Unpermitted Exception
24.	Covenant and Environmental Restriction on Property recorded August 19, 2016 as Inst. No. 2016-K308328-00.	The Covenant and Environmental Restriction on property (the "Covenant") affects the property consisting of Seawall Lot 349, Seawall Lot 345 (portion), Assessors Block 4110 (portion) and Twentieth Street (portion), generally bounded by Mariposa Street, Illinois Street and 22 nd Street (the "Property"). The Covenant was made by the	Permitted Exception to the extent it affects the Property	Permitted Exception to the extent it affects the Property

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		<p>City and County of San Francisco (“Covenantor”) for the benefit of the California Regional Water Quality Control Board for the San Francisco Bay Region (the “Water Board”).</p> <p>The Property and groundwater underlying the property contains hazardous material as defined in California Health & Safety Code Section 25260. Subdivision (d).</p> <p>Covenantor promises to restrict the use of the Property as follows:</p> <ul style="list-style-type: none"> a. Use of native soil for growing produce for human consumption shall not be permitted on the Property; b. Uses involving regular exposure to native soil shall not be permitted on the Property; c. No hospital shall be permitted on the Property; d. No Owners or Occupants of the Property or any thereof shall conduct any excavation work on the Property, except in accordance with the July 25, 2013 Risk Management Plan prepared by Treadwell & Rollo, Inc. (the “RMP”). e. All uses, maintenance and development of the Property shall comply with the RMP at all times, including but not limited to: restoring and subsequently maintaining the integrity of any pavement or other surface described in the RMP capable of preventing exposure to the underlying soil (the “Durable Cover”) following any construction, remedial measures taken, or remedial equipment installed on the Property pursuant to the 		

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		<p>requirements of the Water Board and/or the RMP, unless otherwise expressly permitted in writing by the Water Board's Executive Officer.</p> <p>f. Except for the dewatering during construction activities, no Owners or Occupants of the Property shall drill, bore, otherwise construct, or use a well for the purpose of extracting ground water for any use.</p> <p>g. The Owner shall notify the Water Board of each of the following when not performed in compliance with the RMP or any Water Board approved work plans: (1) The type, cause, location and date of any disturbance to the Durable Cover, any remedial measures taken or remedial equipment installed, and of the groundwater monitoring system installed on the Property pursuant to the requirements of the Water Board, which could affect the ability of the Durable Cover or remedial measures, remedial equipment, or monitoring system to perform their respective functions and (2) the type and date of repair of such disturbance.</p> <p>h. The Covenantor, all Owners and Occupants agree that the Water Board shall have reasonable access to the Property for the purposes of inspection, surveillance, maintenance, or monitoring, as provided for in Division 7 of the Water Code.</p> <p>i. No Owner or Occupant of the Property shall act in any manner that will aggravate or contribute to the existing environmental conditions of the Property.</p>		

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		Unless terminated the covenant shall continue in effect in perpetuity.		
25.	Any right, title or interest by reason of the record title to said Land not having been established and quieted under the provisions of the "Destroyed Land Records Relief Act of 1906, as Amended," commonly known as the "McEnerney Act".	Title Company will require evidence that a McEnerney Judgement was filed on the property. Title may offer an endorsement to the title policy if no McEnerney judgment is found. <i>The DDA requires the Port to undertake a McEnerney action, which must be final prior to the execution of the first Vertical DDA</i>	Permitted Exception	Unpermitted Exception
26.	Rights of Tenants [Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.]	Port must deliver property under the Master Lease and under any Vertical DDA free of all tenants and occupants.	Unpermitted Exception	Unpermitted Exception
27.	Matters disclosed by a survey.	Title Company will be provided a current ALTA/NSPS Survey prior to Closing. Developer reserves the right to comment on Title Company's survey read-in exception.	Permitted Exception	Permitted Exception
28.	Request for an Owner's Affidavit.	Title Company will request an Owner's Affidavit from the City and County of San Francisco.		

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ENDORSEMENTS TO BE REQUESTED BY DEVELOPER

	<u>CLTA/ALTA</u>	<u>Description</u>
1.	ALTA 9.2-06	Comprehensive (Improved Land)
2.	ALTA 26-06	Legally created parcels (Subdivision Map Act).
3.	ALTA 3.1-06	Zoning endorsement (Improved land).
4.	ALTA 8.2-06	Environmental Lien Endorsement.
5.	ALTA 17-06	Direct access and entry to public streets
6.	ALTA 17.2-06	Utility Access.
7.	ALTA 18-06	Single tax parcel.
8.	ALTA 19.1-06	Contiguity (if single parcel)
9.	ALTA 22-06	Location and Map.
10.	ALTA 25-06	Land same as on survey.
11.	ALTA 26.0	Legally Created Parcel
12.	ALTA 28-06	Easement – Damage or Enforced Removal [Subject to survey review].
13.	ALTA 28.1-06	Encroachments [Subject to survey review].
14.	ALTA 39.06	Lack of Signatures for electronically delivered Policy.
15.	CLTA 100.19	Existing Restriction Violations in old CCRs.
16.	CLTA 110.1	Deletion of Arbitration provision

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