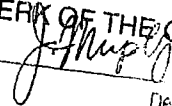


**FILED**  
Superior Court of California  
County of San Francisco

MAY 9 - 2018

CLERK OF THE COURT

BY:



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14 CITY AND COUNTY OF SAN FRANCISCO,  
15 CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE  
AND REVITALIZATION FINANCING DISTRICT NO. 1 (TREASURE ISLAND), AND  
TREASURE ISLAND DEVELOPMENT AUTHORITY

16 SUPERIOR COURT OF THE STATE OF CALIFORNIA

17 COUNTY OF SAN FRANCISCO

18 UNLIMITED JURISDICTION

19 CITY AND COUNTY OF SAN  
20 FRANCISCO, CITY AND COUNTY OF  
SAN FRANCISCO INFRASTRUCTURE  
21 AND REVITALIZATION FINANCING  
DISTRICT NO. 1 (TREASURE ISLAND),  
22 AND TREASURE ISLAND  
DEVELOPMENT AUTHORITY,

23 Plaintiffs,

24 vs.

25 ALL PERSONS INTERESTED IN THE  
26 MATTER OF CITY AND COUNTY OF SAN  
FRANCISCO INFRASTRUCTURE AND  
27 REVITALIZATION FINANCING DISTRICT  
NO. 1 (TREASURE ISLAND), INCLUDING  
28 THE INITIAL PROJECT AREAS THEREIN

Case No. CGC-17-557496

**[PROPOSED] JUDGMENT**

Hearing Date: May 7, 2018

Time: 11:00 a.m.

Place: Dept. 501

Judge: Hon. Ronald Evans Quidachay

Date Action Filed: March 10, 2017

Trial Date: April 9, 2018

[PROPOSED] JUDGMENT

1 AND THE INFRASTRUCTURE  
2 FINANCING PLAN THEREFOR AND  
3 AMENDMENTS THEREOF, PURSUANT  
4 TO WHICH TAX INCREMENT WILL BE  
5 ALLOCATED TO INFRASTRUCTURE  
6 AND REVITALIZATION FINANCING  
7 DISTRICT NO. 1 (TREASURE ISLAND),  
8 INCLUDING THE ADOPTION OF  
9 RESOLUTIONS AND AN ORDINANCE  
10 AND THE AUTHORIZATION OF THE  
11 MATTERS THEREIN, OWNERSHIP OF  
12 PUBLIC IMPROVEMENTS BY TREASURE  
13 ISLAND DEVELOPMENT AUTHORITY  
14 AND ALL BONDS, DEBT, CONTRACTS  
15 AND OTHER MATTERS AND  
16 PROCEEDINGS RELATED THERETO,

17 Defendants.

18  
19 Plaintiffs City and County of San Francisco (“City”), City and County of San  
20 Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (“IRFD  
21 No. 1”), and Treasure Island Development Authority, a California non-profit public benefit  
22 corporation (“TIDA”) (collectively, “Plaintiffs”) came properly before the Court for review and  
23 determination. The Court having reviewed the application, the supporting papers, the other papers  
24 and pleadings on file in this action, and good cause appearing, hereby ORDERS, ADJUDGES AND  
25 DECREES as follows:

26 1. Jurisdiction over all interested persons was obtained by:

27 (a) publishing the summons (the “Summons”) specified in the Revised  
28 Order for Publication, Posting and Mailing Summons in a Validation Action issued by the Court on  
April 11, 2017 (“Order”) pursuant to Code of Civil Procedure Section 861 and Government Code  
Section 6063 in The San Francisco Examiner;

(b) within 10 days of the entry of the Order, posting a copy of the summons  
in one public location in City Hall prior to completion of publication; and

(c) within 10 days of the entry of the Order, mailing copies of the  
Summons and Complaint for Validation to Vincent J. Bartolotta, Jr., Karen R. Frostrom, David E.  
Kleinfeld and Neal A. Markowitz at Thorsnes Bartolotta McGuire LLP, attorneys of record for

1 Ferunges Afifi, Karen Bosko, Evgueni Koulikov, Geoffrey Rayner and William Smith, individually  
2 and purporting to be acting on behalf of all others similarly situated, plaintiffs in Case No. CGC-16-  
3 555455, pending in Superior Court of the State of California, County of San Francisco. Plaintiffs  
4 were prepared to mail copies of the Summons and Complaint for Validation to those persons, if any,  
5 or their attorneys of record, who, not later than 10 days after publication of summons is complete, or  
6 such other time as the Court may order, have notified in writing Plaintiffs' attorneys of record of their  
7 interest in this matter or have filed a responsive pleading challenging the validity of the proceedings;  
8 however, there were no such persons and therefore no such mailing was necessary.

9           2.       The notice procedures were in accordance with the Validation Statute, and the  
10 notice provided by the Plaintiffs in this action, provide due and proper notice to all persons interested  
11 in the subject matter of this action, and pursuant to such notice, this Court has jurisdiction over all  
12 persons and the subject matter of this action.

13           3.       On May 19, 2017, Defendants Fergunges Afifi, Karen Bosko, Evgueni  
14 Koulikov, Geoffrey Rayner, and William Smith, which were the parties served the Summons as noted  
15 in Paragraph 1(c) above, filed an unverified Answer to Complaint for Validation ("Answer").

16           4.       On March 9, 2018, this Court granted Plaintiffs' Motion for Judgment on the  
17 Pleadings Without Leave to Amend with respect to the Answer on the grounds that the unverified  
18 Answer was wholly unresponsive to the Complaint for Validation and the limitations period for  
19 responding to the Plaintiffs' validation action had expired.

20           5.       On the First Cause of Action, the Court hereby determines that:

21                   (a)       This action is properly brought under Government Code Section  
22 53511, Sections 53369.7 and 53369.8, forming a part of Chapter 2.6 of Part 1 of Division 2 of Title  
23 5 of the California Government Code (Gov. Code § 53369 et seq.) ("IRFD Law") and Code of Civil  
24 Procedure 860 *et seq.* ("Validation Statute").

25                   (b)       All proceedings by and for City and IRFD No. 1 in connection with the  
26 IFP, the Bonds and the Bond Contracts, including without limitation the Resolutions and the  
27 Ordinance, and all other matters authorized therein, were, are and will be in conformity with the  
28 applicable provisions of all laws and enactments at any time in force or controlling upon such

1 proceedings, whether imposed by law, constitution, statute, charter or ordinance, and whether federal,  
2 state or municipal, and were, are and will be in conformity with all applicable requirements of  
3 regulatory bodies, agencies or officials having or asserting authority over said proceedings or any part  
4 thereof.

5 (c) All conditions, things and acts required by law to exist, happen or be  
6 performed precedent to the adoption of the Resolutions and Ordinance, and the terms and conditions  
7 thereof, including the authorization for the execution, delivery and performance of the IFP, the Bonds,  
8 the Bond Contracts, the Resolutions and the Ordinance, and all other matters authorized therein,  
9 including the division of taxes described in the IFP, have existed, happened and been performed in  
10 the time, form and manner required by law.

11 (d) The exercise by the City of the State Legislature's Constitutional  
12 authority to apportion property tax revenue to districts, which the State Legislature delegated to the  
13 City in the IRFD Law and which the City exercised by approving the IFP, is in accordance with  
14 Article XIII A of the California Constitution and does not violate the provisions of Article XVI,  
15 Section 18 of the California Constitution (the "Constitutional Debt Limit"), which generally limits  
16 the authority of counties, cities, towns, townships, boards of education, and school districts to incur  
17 indebtedness or liability exceeding in any year the income and revenue provided for such year without  
18 the assent of two-thirds of the voters of the public entity voting at an election to be held for that  
19 purpose.

20 (e) Upon issuance, levy, or execution and delivery thereof, as applicable,  
21 the IFP, the Bonds, the Bond Contracts, the Resolutions and the Ordinance, and all other matters  
22 authorized therein, will be and are valid, legal and binding obligations of the parties thereto in  
23 accordance with their terms.

24 (f) The establishment of IRFD No. 1 by the City and the allocation by the  
25 City to IRFD No. 1 of incremental property tax revenue generated in the Initial Project Areas without  
26 a two-thirds vote of the qualified electors in the City are in accordance with Article XIII A of the  
27 California Constitution and do not violate the Constitutional Debt Limit because the State Legislature  
28

1 properly delegated to the City its constitutional power to allocate incremental property tax revenue to  
2 districts.

3 (g) Because the IRFD Law authorizes IRFD No. 1 to issue the Bonds, the  
4 Bonds will be payable from a special fund established pursuant to the IRFD Law and IRFD No. 1 is  
5 not subject to the Constitutional Debt Limit, the issuance by the City or IRFD No. 1 of the Bonds  
6 without a two-thirds vote of the qualified electors in the City does not violate the Constitutional Debt  
7 Limit.

8 (h) IRFD No. 1 is authorized to use property tax revenues allocated to  
9 IRFD No. 1 from the Initial Project Areas to pay the costs of administering IRFD No. 1.

10 (i) The allocation to IRFD No. 1 by the Board of Supervisors of specific  
11 percentages of incremental property tax revenues from the Initial Project Areas as set forth in the IFP  
12 will be and is valid, legal, binding and irrevocable from and after the effective date of the Ordinance,  
13 and such incremental property tax revenues are available to be pledged to the Bonds.

14 (j) The Board of Supervisors has the legal authority to approve by  
15 ordinance pursuant to the procedures set forth in the IFP certain amendments of the IFP described in  
16 the IFP and any other amendments of the IFP consistent with the IRFD Law, and the IFP, as amended  
17 by any such amendment, is legal, valid and binding, and all actions of the City, IRFD No. 1 and TIDA  
18 in accordance with the IFP, as amended, shall be valid, legal and binding obligations of the City,  
19 IRFD No. 1 and TIDA, respectively.

20 (k) TIDA is a public agency, and an instrumentality and authority of the  
21 City and/or the State of California.

22 (l) The costs for densification and compression of ground upon which  
23 public infrastructure and private improvements are expected to be built may be financed under the  
24 IRFD Law.

25 (m) The following process will govern the judicial validation of future  
26 annexations of property on Yerba Buena Island and Treasure Island into IRFD No. 1:

27 (i) The Court will retain continuing jurisdiction over the validation  
28 cause of action and judgment sought herein for the sole purpose of amending the

1 judgment to validate issues related to the future annexations of property on Yerba  
2 Buena Island and Treasure Island into IRFD No. 1 occurring after entry of such  
3 judgment.

4 (ii) Following each annexation of property into IRFD No. 1, Plaintiffs will  
5 file a supplemental validation action setting forth (1) a description of the property that  
6 has been annexed into IRFD No. 1 and that is, accordingly, the subject of the  
7 supplemental action, (2) a summary of the requested amended judgment, and  
8 (3) applicable causes of action and prayers for relief. The other components of this  
9 action, including a recitation of background facts, may be dispensed with. Plaintiffs  
10 will file in any such supplemental validation action a Notice of Related Case  
11 identifying the within action and judgment.

12 (iii) The continuing jurisdiction of the Court over any such validation action  
13 and judgment for the limited purpose of amending them to address the related issues  
14 raised by the future annexations will last for no longer than 30 days following the  
15 effective date of the ordinance approving the final annexation of territory into IRFD  
16 No. 1.

17 (iv) Any request for an amended judgment will be made after compliance  
18 with the Validation Statute and any amended judgment will be entered in conformity  
19 with state statutes, rules and case authority regarding judgments and amended  
20 judgments.

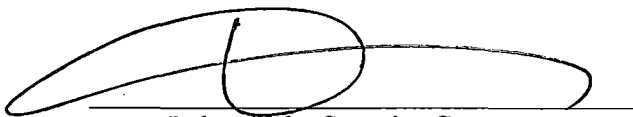
21 (v) The foregoing process for future judicial validations of future  
22 annexations of property on Yerba Buena Island and Treasure Island into IRFD No. 1  
23 and entry of an amended judgment will not in any way alter the judgment received in  
24 this action, other than with respect to the applicable future annexation territory.

25 6. The Court hereby permanently enjoins and restrains all persons from the  
26 institution of any action or proceeding challenging, *inter alia*, the validity of IRFD No. 1, the Bonds,  
27 the Bond Contracts, the IFP, the Resolutions and the Ordinance and any other related contracts or  
28 agreements or actions authorized by the City, or IRFD No. 1 in connection with the financing program

1 described in the IFP and the Resolutions and the Ordinance, or any matters herein adjudicated or  
2 which at this time could have been adjudicated against the Plaintiffs and against all other persons.

3 All capitalized terms used but not defined herein have the meanings given to such terms in  
4 Plaintiff's Complaint for Validation.

5  
6 Dated: 5/7/18

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8   
9 Judge of the Superior Court

10 RONALD E. QUIDACHAY

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