

TOLLING AGREEMENT

This tolling agreement (“Agreement”) is entered into by and between PK Domestic Property LLC, on behalf of itself, its subsidiaries, successors and assigns, and each of them, if any (hereinafter referred to individually and collectively as “CLAIMANT”), and the City and County of San Francisco, together with its elective and/or appointive boards, agents, servants, employees, consultants, departments, commissioners, and officers (hereinafter referred to individually and collectively as “CITY”), hereinafter each referred to as a “Party” and collectively as the “Parties.”

I. Tolling Provision.

The statute of limitations for CLAIMANT to file an action in San Francisco Superior Court for a refund of CLAIMANT’s payment of real property transfer taxes, penalties, interest, and fees under San Francisco Business and Tax Regulations Code Article 12-C for the amounts and on the grounds set forth in CLAIMANT’s claim for refund filed on November 16, 2020, San Francisco Claim Number 21-00848, attached hereto as Exhibit A, is hereby extended to and including June 30, 2023.

II. Modification.

This Agreement can be extended or otherwise modified only in writing signed by the Parties. This Agreement shall constitute the entire understanding between the Parties concerning the subject matter of this Agreement.

III. Sole Purpose of the Agreement; No Effect on Liability.

Except as specifically stated in this Agreement, this Agreement shall in no way affect, waive, or limit any rights, claims, or defenses of any of the Parties to this Agreement, other than the statute of limitations as described above, if any. This Agreement shall not be deemed to constitute an admission of any liability by any of the Parties thereto. This Agreement cannot be introduced into evidence in any action in court, arbitration, or mediation, except to enforce its terms.

IV. Applicability.

This Agreement shall bind and benefit each of the Parties and their respective predecessors, successors, and assigns, as applicable.

V. Governing Law.

This Agreement shall be governed by and interpreted pursuant to the laws of the State of California.

VI. Severability of Provisions.

If any provision of this Agreement is found to be unenforceable or unlawful, the remaining provisions of this Agreement shall remain fully effective and enforceable.

VII. Counterparts.

This Agreement may be signed in counterparts and each signed counterpart shall be deemed an original document, but all of which together shall constitute one and the same instrument.

VIII. Entire Agreement.

This Agreement is the entire agreement of all who are bound by it with respect to the matters addressed herein.

IX. Understanding and Interpretation.

Each Party or other person bound by this Agreement has read and understood this Agreement and so warrants. Each Party or other person bound by this Agreement has received independent legal advice about the advisability of signing this Agreement. All Parties to this Agreement agree that the rule of construction of contracts that ambiguities shall be resolved against the drafter shall not be used or applied in interpretation of any provision of this Agreement. Headings in this Agreement are inserted for convenience only and shall not constitute part hereof for any purpose whatever.

X. Binding Agreement.

Each person signing this Agreement warrants that he or she has authority to bind the entity on whose behalf he or she signs. This Agreement shall be Binding upon and inure to the benefit of each Party signing it and their respective successors, assigns, and legal representatives.

XI. Required Approval.

CLAIMANT acknowledges that this Agreement is contingent upon the approval of the Board of Supervisors by resolution. This Agreement shall not be effective or binding as against either Party unless and until such approval has been obtained.

Dated: 7-2-2022

For Claimant PK Domestic Property LLC

Signature:

Spw VP

Name and Title

City and County of San Francisco

Dated: 7-6-2022

Moe Jamil
Deputy City Attorney

Exhibit A

CITY AND COUNTY OF SAN FRANCISCO

Claim For Tax Refund

Before completing this form please read the instructions on the back. You have one year from the date of payment or the date the return accompanying the payment was due, whichever is later, to submit this form and supporting documentation to CONTROLLER'S OFFICE, CLAIMS DIVISION, 1390 MARKET STREET, 7TH FLOOR, SAN FRANCISCO, CA 94102-5402.

You must file a separate claim for tax refund for each type of tax.

ASSESSOR Ref. 21-00246 **21-00848**

1. CLAIMANT'S NAME: <u>PK Domestic Property LLC</u> (DBA) Owner's Name: <u>c/o Park Hotels & Resorts</u> Address: <u>1775 Tysons Blvd., 7th Floor</u> <u>McLean, VA 22102 c/o Brigham Manrique</u> Telephone: <u>(571) 302-5716</u>	2. IF CLAIMANT IS A BUSINESS: Type of Ownership <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input checked="" type="checkbox"/> Other: <u>LLC</u>
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3. FEDERAL TAXPAYER ID # 27-4010510

4. TAX PAID INFORMATION					
Business Account Number or Assessor's Parcel Number	Paid By	Date Paid	Receipt Number	Amount Paid	Period Covered
a. 0229-020	PK DomesticPropertyLLC	10/05/2020	202026100	\$3,451,266	N/A
b.					
c.					

5. BASIS OF CLAIM: State all facts that support your claim for tax refund. If your refund applies to only a portion of the tax paid, please explain what portion it applies to. <u>The real property transferred on 9/18/19 for a sales price of \$181,000,000. Transfer tax paid was \$5,430,000. Subsequently notice of a deficiency determination was received indicating a real property value of \$259,260,000 and requiring that additional transfer tax of \$2,347,800, penalties in the amount of \$821,730, and interest of \$281,736 for a total of \$3,451,266 be paid. We are requesting a refund for the additional transfer tax, penalties, and interest paid because they were based on an incorrect real property value.</u>	Applicable Tax (check one) <input type="checkbox"/> Gross Receipts Tax <input type="checkbox"/> Hotel Tax <input type="checkbox"/> Parking Tax <input type="checkbox"/> Payroll Expense Tax <input type="checkbox"/> Stadium Operator's Tax <input checked="" type="checkbox"/> Real Property Transfer Tax <input type="checkbox"/> Utility User's Tax <input type="checkbox"/> Other _____
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6. REFUND AMOUNT: \$ 3,451,266.00 plus interest at 3% from date of payment.

7. SIGNATURE OF CLAIMANT OR REPRESENTATIVE: I declare under penalty of perjury that the foregoing is true and correct. "I certify I filed this claim within one year of my paying the tax or, within one year of the due date of my tax return." The undersigned is the taxpayer or other person determined to be liable for the tax or said person's guardian or conservator. I am not an agent or the taxpayer's attorney.	
<u>X</u> <u>Scott Winer</u> Signature of Claimant or Representative	<u>11.09.2020</u> Date
<u>Scott Winer</u> Print Name	<u>Senior Vice President</u> Title

RECEIVED
 NOV 16 PM 3:02
 CITY & COUNTY OF
 SAN FRANCISCO
 CONTROLLER

BEV / JLL Analysis

**Le Meridien San Francisco
San Francisco, CO**

Net Operating Income To The Going Concern		\$17,920,949
Less Brand Premium		\$ 164,630
Personal Property Value	\$ 11,340,000	
TPP Yield Rate (Interest Rate plus Risk)	<u>9.50%</u>	
Less Total Return On and Of Income Attributable to Personal Property		\$ 1,077,300
Net Income Attributed to Property and Brand / Ownership Transition Cost		\$ 16,679,019
Brand / Ownership Transition Cost		
Initial Franchise Fee	\$ 100,000	
Opening Advertising	\$ 125,000	
Pre-Opening Training and Service	\$ 172,900	
Reservation Systems	\$ 314,000	
Start-Up Costs (\$4,000/Room)	\$ 1,440,000	
Working Capital (\$4,000/Room)	\$ 1,440,000	
	<u>\$ 3,591,900</u>	
Return on/of Brand / Ownership Transition Cost (Inte:	<u>14.50%</u>	
Less Total Income Attributed to the Brand / Ownership Transition Cost		\$ 520,826
NET INCOME ATTRIBUTED TO REAL & TANGIBLE PERSONAL PROPERTY		\$ 16,158,194
Capitalization Rate Including Effective Tax Rate		8.25%
Indicated Value of Real and Tangible Personal Property		\$ 195,856,892
Return of Personal Property		\$ 11,340,000
Reserve Fund Transfer (Cash)		\$ 3,737,450
Indicated Value of Real Property		\$ 180,779,442
Rounded		\$ 181,000,000
Per Room		\$ 502,778



October 28, 2020

USPS Certified Mail: 7020 0090 0001 7972 9883

Controller's Office – Claims Division
1390 Market Street – 7th Floor
San Francisco, CA 94102-5402

Re: Claim for Real Property Transfer Tax Refunds

To whom it may concern:

We are submitting the attached executed Claim for Real Property Transfer Tax Refund forms along with supporting documentation and letters of authorization for the following properties:

Hotel Adagio 0305-008/009
Le Meridien 0229-020

Hyatt Centric Fisherman's Wharf 0029-007
JW Marriott Union Square 0229-020

Please contact Jodi Garman either by email jodi.garman@am.jll.com or by phone (813) 229-3991 with any questions.

Thank you for your time.

Sincerely,

A handwritten signature in black ink, appearing to read "Malena Garcia Smith".

Malena Garcia Smith
Executive Assistant

Enclosures



November 10, 2020

USPS Certified Mail: 7020 0090 0001 7972 9883

City and County of San Francisco
Controller's Office – Claims Division
1390 Market Street – 7th Floor
San Francisco, CA 94102-5402

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Thank you for your time.

Sincerely,

A handwritten signature in black ink, appearing to read "Malena Garcia Smith", with a long horizontal flourish extending to the right.

Malena Garcia Smith
Executive Assistant

Enclosures