

1 [Tolling Agreement - PK Domestic Property LLC - Hotel Adagio - Real Property Transfer Tax
2 Dispute]

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3 **Resolution approving a Tolling Agreement to extend the statute of limitations for**
4 **PK Domestic Property LLC for Hotel Adagio to bring potential litigation against the City**
5 **and County of San Francisco for a refund of real property transfer tax to allow for**
6 **possible resolution of the matter without litigation.**

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8 WHEREAS, The City and County of San Francisco (the “City”) imposed real property
9 transfer taxes, penalties, and interest for the September 18, 2019 change in ownership of the
10 Hotel Adagio, based on a consideration or value of the real property of \$111,050,000, rather
11 than the declared consideration or value of the real property of \$63,000,000; and

12 WHEREAS, PK Domestic Property LLC paid the transfer taxes, penalties, and interest
13 on October 5, 2020, and filed a claim for refund on November 16, 2020 (the “Claim”); and

14 WHEREAS, The value of the Hotel Adagio real property as of the September 18, 2019
15 change in ownership is currently the subject of an assessment appeal before the
16 San Francisco Assessment Appeals Board, the outcome of which may permit the City and
17 PK Domestic Property LLC to resolve the Claim without litigation; and

18 WHEREAS, To avoid the need for potentially unnecessary litigation, the City and
19 PK Domestic Property LLC have agreed that the limitations period for any potential litigation
20 related to the Claim shall be extended under the terms set forth in the Tolling Agreement on
21 file with the Clerk of the Board of Supervisors in File No 220798, now, therefore, be

22 RESOLVED, That the Board of Supervisors authorizes the City to agree that the
23 statute of limitations for PK Domestic Property LLC to file an action against the City with

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1 respect to the Claim shall be extended to and including June 30, 2023, under the terms set
2 forth in the Tolling Agreement.

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