



San Francisco Assessor-Recorder  
Carmen Chu, Assessor-Recorder  
**DOC- 2016-K270353-00**

Acct 28-SFCC Board of Supervisors  
Monday, JUN 06, 2016 16:05:15  
Ttl Pd \$0.00 Rcpt # 0005391334  
dm2/FT/1-25

**Recording Requested by:**

Board of Supervisors  
Clerk of the Board, Room 244

**When recorded, mail to:**

Board of Supervisors  
Clerk of the Board, Room 244  
Attn: Operations Division

*n/c  
ns*

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**Title**

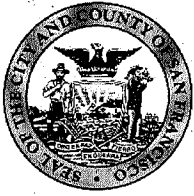
Resolution No. 205-16

Report of Delinquent Real Property Transfer Taxes:  
Hotel Rex, San Francisco

*HOTEL REX, 562 SUTTER STREET*

*ASSESSOR'S PARCEL BLOCK NO. 0284,*

*LOT NO. 010*



City and County of San Francisco

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

Certified Copy

Resolution

160438

[ Report of Delinquent Real Property Transfer Taxes ]

Sponsors: Tang; Peskin

Resolution confirming report of delinquent real property transfer tax under Business and Tax Regulations Code, Section 1115.1(c), for Assessor's Parcel Block No. 0284, Lot No. 010 (562 Sutter Street) and Block No. 0330, Lot No. 023 (55 Cyril Magnin Street), and directing transmission of said report to the Controller and Tax Collector for collection and deposit into the General Fund. (Assessor-Recorder)

5/24/2016 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

6/3/2016 Mayor - APPROVED

STATE OF CALIFORNIA  
CITY AND COUNTY OF SAN FRANCISCO

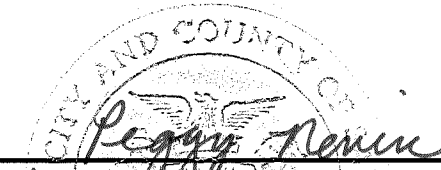
CLERK'S CERTIFICATE

I do hereby certify that the foregoing Resolution is a full, true, and correct copy of the original thereof on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City and County of San Francisco.

June 06, 2016

Date

  
to Angela Calvillo  
Clerk of the Board

1 [Report of Delinquent Real Property Transfer Taxes]

2  
3 **Resolution confirming report of delinquent real property transfer tax under Business**  
4 **and Tax Regulations Code, Section 1115.1(c), for Assessor's Parcel Block No. 0284, Lot**  
5 **No. 010 (562 Sutter Street) and Block No. 0330, Lot No. 023 (55 Cyril Magnin Street), and**  
6 **directing transmission of said report to the Controller and Tax Collector for collection**  
7 **and deposit into the General Fund.**

8  
9 WHEREAS, The Office of the Assessor-Recorder issued demand letters to the owners  
10 of Assessor's Parcel Block No. 0284, Lot No. 010 (562 Sutter Street) and Block No. 0330, Lot  
11 No. 023 (55 Cyril Magnin Street) for unpaid transfer tax liability, plus penalties and interest,  
12 and per Section 1115(d) of Article 12-C of the Business and Tax Regulations Code, recorded  
13 a Notice of Delinquent Real Property Transfer Taxes, and mailed a copy of the recorded  
14 notice, indicating that the Assessor-Recorder would initiate lien proceedings if the delinquency  
15 was not paid; and

16 WHEREAS, The Assessor-Recorder has requested that the Board of Supervisors  
17 initiate proceedings to impose a lien under Business and Tax Regulations Code, Section  
18 1115.1(a) for the total unpaid balance against the real property transferred by Document  
19 2016-K188248, Assessor's Parcel Block No. 0284, Lot No. 010 (562 Sutter Street) and  
20 Document 2016-K188583, Assessor's Parcel Block No. 0330, Lot No. 023 (55 Cyril Magnin  
21 Street), and confirm costs outlined in said Report of Delinquent Real Property Transfer Taxes;  
22 and

23 WHEREAS, The Board of Supervisors held a hearing on May 24, 2016; now, therefore,  
24 be it

1 RESOLVED, That the Report of Delinquent Real Property Transfer Taxes is hereby  
2 confirmed by the Board; and, be it

3 FURTHER RESOLVED, That a copy of this resolution and a copy of the Report of  
4 Delinquent Real Property Transfer Taxes confirmed by the Board shall be transmitted to the  
5 Controller and Tax Collector of the City and County, whereupon it shall be the duty of said  
6 officers to add the amount of the delinquent transfer tax, penalties, and interest to the next  
7 regular bill for property taxes levied against the respective parcel of land, and shall be  
8 collected at the same time and in the same manner as ordinary City and County property  
9 taxes are collected, and shall be subject to the same procedure under foreclosure and sale in  
10 case of delinquency under the laws of the City and County and of the State of California; and,  
11 be it

12 FURTHER RESOLVED, That all monies received in payment of the transfer tax,  
13 interest and penalties shall be credited to the General Fund, Fund 1G AGF AAA Index Code  
14 995031, Sub-Object 12510.

15  
16  
17 APPROVED:

18  
19   
20 \_\_\_\_\_  
21 Carmen Chu  
22 Assessor-Recorder  
23  
24  
25



**City and County of San Francisco**

**Tails  
Resolution**

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**File Number:** 160438

**Date Passed:** May 24, 2016


Resolution confirming report of delinquent real property transfer tax under Business and Tax Regulations Code, Section 1115.1(c), for Assessor's Parcel Block No. 0284, Lot No. 010 (562 Sutter Street) and Block No. 0330, Lot No. 023 (55 Cyril Magnin Street), and directing transmission of said report to the Controller and Tax Collector for collection and deposit into the General Fund.

May 24, 2016 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

File No. 160438

I hereby certify that the foregoing Resolution was ADOPTED on 5/24/2016 by the Board of Supervisors of the City and County of San Francisco.

  
\_\_\_\_\_  
Angela Calvillo  
Clerk of the Board

  
\_\_\_\_\_  
Mayor

6/3/16  
\_\_\_\_\_  
Date Approved

CARMEN CHU  
ASSESSOR-RECORDER



SAN FRANCISCO  
OFFICE OF THE ASSESSOR-RECORDER

March 25, 2016

Angela Calvillo, Clerk of the Board  
Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689

**RE: Requesting that the Board of Supervisors Initiate Tax Lien Proceedings under San Francisco Business and Tax Regulations Code section 1115.1 for Delinquent Real Property Transfer Taxes – Hotel Rex, San Francisco**

Dear Ms. Calvillo:

The Assessor-Recorder hereby submits the attached report to the City and County of San Francisco Board of Supervisors under Section 1115.1(a) of Article 12-C of the San Francisco Business and Tax Regulations Code. This matter involves delinquent real property transfer taxes related to the sale of the Hotel Rex (562 Sutter Street, APN 0284-010) in 2012. The amount of delinquent transfer tax, penalties and interest totals \$440,038 (as of April 8, 2016), as further described below.

On November 14, 2012, a grant deed was recorded as Document 2012-J542526 transferring title of the Hotel Rex from Rising Rex LLP and LV Rex 7 LLC to Diamond Rock SF Sutter Street Owner LLC. The purchase price reported on the Preliminary Change of Ownership Report (PCOR) and transfer tax affidavit accompanying the grant deed was \$18,842,000, exclusive of non-realty tangible and intangible personal property, and transfer tax of \$471,050 was paid.

On September 16, 2015, the Assessor-Recorder completed its valuation of the November 14, 2012 transaction. The Assessor-Recorder determined that entire purchase price was \$29,500,000 and the value of the real estate, exclusive of non-realty, tangible and intangible personal property, was \$28,900,000, or approximately \$10 million more than what was declared at the time of recording. This value differential results in a transfer tax liability of an additional \$251,450.

On September 25, 2015 the Assessor-Recorder issued a demand letter to the new owner, Diamond Rock SF Sutter Street Owner LLC for the unpaid transfer tax liability, plus penalties and interest per Section 1115 of Article 12-C of the City and County of San Francisco Business and Tax Regulations Code. The total amount due was \$424,951 (if paid by October 14, 2015). On December 21, 2015 the Assessor-Recorder received a response to this demand letter stating that the seller did not agree with the Assessor-Recorder's valuation.

Report to the Board of Supervisors  
Re: Hotel Rex  
March 25, 2016  
Page 2 of 2

On January 15, 2016 the Assessor-Recorder recorded a Notice of Delinquent Real Property Transfer Taxes as Document 2016-K188248, which indicated a total amount due of \$435,009 (if paid by February 14, 2016). A copy of the recorded notice was sent via email and US Mail to Diamond Rock SF Sutter Street Owner LLC on January 15, 2016. This notice included a cover letter indicating that the Assessor-Recorder would initiate lien proceedings if the delinquency was not paid by February 14, 2016.

Based on the foregoing, the Assessor-Recorder requests the City and County of San Francisco Board of Supervisors initiate proceedings to impose a lien under San Francisco Business and Tax Regulations Code section 1115.1 for the total unpaid balance against the real property transferred by Document 2012-J542526, 562 Sutter Street, APN 0284-010).

Sincerely,

A handwritten signature in black ink, appearing to be 'Carmen Chu', with a long horizontal flourish extending to the right.

Carmen Chu  
Assessor-Recorder



**Report to the City and County of San Francisco Board of Supervisors  
Pursuant to San Francisco Business and Tax Regulations Code Section 1115.1(a)  
Hotel Rex, San Francisco**

The San Francisco Assessor-Recorder has determined that insufficient transfer tax was paid on the Hotel Rex sale (562 Sutter Street) recorded on November 14, 2012 as Document # 2012-J542526.

A Notice of Delinquent Real Property Transfer Taxes was recorded on January 15, 2016 as Document # 2016-K188248 (attached); the delinquent taxes, penalties and interest total \$435,009 (as of February 14, 2016).

Pursuant to San Francisco Business and Tax Regulations Code section 1115.1, the Assessor-Recorder requests that the Board initiate proceedings to impose a lien for the unpaid tax, together with penalties and interest, against the real property described in the attached Notice of Delinquent Real Property Transfer Taxes, and summarized below.

Property Location:	562 Sutter Street
Property Name:	Hotel Rex
Assessor's Parcel Number:	0284-010
Document Number:	2012-J542526
Recording Date:	11/14/2012
Delinquency Date:	12/14/2012
Grantee:	Diamondrock SF Sutter Street Owner, LLC c/o DiamondRock Hospitality Company 3 Bethesda Metro Center, Suite 1500 Bethesda, MD 20814
Grantor:	Rising Rex L.P. c/o Skyline Pacific Properties, LLC 558 Sacramento Street, Suite 400 San Francisco, CA 94111
Grantor:	LV Rex 7, LLC c/o Land Value Management 5082 N. Palm Avenue, Suite B Fresno, CA 93704



CARMEN CHU  
ASSESSOR-RECORDER



SAN FRANCISCO  
OFFICE OF THE ASSESSOR-RECORDER

**VIA EMAIL AND US MAIL**

January 15, 2016

Ms. Briony R. Quinn  
Chief Accounting Officer and Corporate Controller  
DiamondRock SF Sutter Street Owner, LLC  
c/o DiamondRock Hospitality Company  
3 Bethesda Metro Center, Suite 1500  
Bethesda, MD 20814

**RE: Notice of Delinquent Real Property Transfer Taxes – Hotel Rex, San Francisco**

Dear Ms. Quinn:

The San Francisco Assessor-Recorder has determined that insufficient transfer tax was paid on the Hotel Rex sale recorded on November 14, 2012 as Document # 2012-J542526; this tax is delinquent.

As indicated in the attached Notice of Delinquent Real Property Transfer Taxes, recorded on January 15, 2016, as Document # 2016-K188248, the delinquent taxes, penalties and interest total \$435,009. Under San Francisco Business and Tax Regulations Code section 1115.1, if the total amount due is not paid within 30 days of the recordation date of this notice, this office will initiate proceedings at a noticed public hearing before the San Francisco Board of Supervisors to impose a lien for the unpaid tax, together with penalties and interest, against the real property described in the delinquency notice.

Please remit \$435,009 by February 14, 2016, to my attention at the address listed below. If you have any questions or need additional information, I can be reached at 415-554-4806.


Very truly yours,

Douglas Legg  
Deputy Assessor-Recorder  
Office of the Assessor-Recorder  
1 Dr. Carlton B. Goodlett Place, Room 190  
San Francisco, CA 94102-4698

CC: Carmen Chu, Assessor-Recorder  
Margaret Tseng, Recording Division Manager

Recording Request by and when  
Recorded return to:

City and County of San Francisco  
Office of the Assessor-Recorder  
1 Dr. Carlton B. Goodlett Place  
City Hall, Room 190  
San Francisco, CA 94102

  
San Francisco Assessor-Recorder  
Carmen Chu, Assessor-Recorder  
**DOC- 2016-K188248-00**

Acct 23-San Francisco County Recorder  
Friday, JAN 15, 2016 11:35:10  
Ttl Pd \$0.00 Rcpt # 0005297346  
o j i / J L / 1 - 8

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**NOTICE OF DELINQUENT REAL PROPERTY TRANSFER TAXES**

*(Filed pursuant to San Francisco Business and Tax Regulations Code Section 1115)*

**THIS IS TO NOTIFY YOU THAT TAX LIEN PROCEEDINGS WILL BE INITIATED IF PAYMENT OF  
OUTSTANDING TAXES, PENALTIES, and INTEREST ARE NOT REMITTED WITHIN 30 DAYS OF THIS NOTICE**

Property Location: 562 Sutter Street  
Property Name: Hotel Rex  
Assessor's Parcel Number: 0284-010  
Document Number: 2012-J542526 (attached)  
Recording Date: 11/14/2012  
Delinquency Date: 12/14/2012  
Grantee: Diamondrock SF Sutter Street Owner, LLC

The Grantee named herein is liable to the City and County of San Francisco for the total unpaid amount as set forth herein:

Tax Paid at Recordation	\$471,050
Total Tax Due	<u>\$722,500</u>
Delinquent Amount	<b>\$251,450</b>
+ 25% Delinquency Penalty	<b>\$62,863</b>
+ 10% Delinquency Penalty	<b>\$25,145</b>
+ Interest	<u>\$95,551</u>
<b>TOTAL Due if paid by 2/14/2016</b>	<b>\$435,009</b>

The total amount due includes penalties and interest. Additional interest will continue to accrue at the rate of one (1.0) percent per month as prescribed by law.

Under San Francisco Business and Tax Regulations Code Section 1115.1 if the Grantee does not remit the total amount due within 30 days of the recordation date of this notice, this office will initiate proceedings at a noticed hearing before the San Francisco Board of Supervisors to impose a lien for the unpaid tax, together with penalties and interest, against the real property described in this delinquency notice.

AFTER RECORDING  
RETURN TO:

First American Title Insurance Company  
1825 Eye Street, NW, Suite 302  
Washington, DC 20006  
Attention: Joshua Slan, Esq.

San Francisco Assessor-Recorder  
Phil Ting, Assessor-Recorder  
DOC- 2012-J542526-00

Check Number 8725-1504  
Wednesday, NOV 14, 2012 15:45:30  
Ttl Pd \$42.00 Rept # 0004551285  
REEL K773 IMAGE 0800  
DAT/KC/1-7

MAIL TAX STATEMENTS TO:

DiamondRock SF Sutter Street Owner, LLC  
3 Bethesda Metro Center, Suite 1500  
Bethesda, MD 20814

Space above this line for Recorder's Use

76

DOCUMENTARY TRANSFER TAX PER SEPARATE STATEMENT

562 Sutter St  
0284-010

GRANT DEED

THIS GRANT DEED is made and entered as of November 9, 2012, by and between RISING REX, L.P., a California limited partnership whose address is c/o Skyline Pacific Properties, LLC, 558 Sacramento Street, Suite 400, San Francisco, CA 94111, and LV REX 7, LLC, a California limited liability company whose address is c/o Land Valuc Management, 5082 N. Palm Avenue, Suite B, Fresno, CA 93704, as their respective interests may appear (collectively, "Grantor"), and DIAMONDROCK SF SUTTER STREET OWNER, LLC, a Delaware limited liability company ("Grantee"), whose address is c/o DiamondRock Hospitality Company, 3 Bethesda Metro Center, Suite 1500, Bethesda, MD 20814.

WITNESS:

That for and in consideration of Ten Dollars (\$10.00), cash in hand paid and other good and valuable consideration, receipt of which is hereby acknowledged, Grantor does hereby grant unto Grantee, in fee simple, all that certain lot or parcel of land, situate and being in the State of California, and more particularly described on Exhibit A attached hereto.

TOGETHER WITH (i) buildings, improvements and other structures located on said property, (ii) all easements, licenses, rights-of-way, rights, development rights, ways, waters, privileges, appurtenances, advantages, tenements, hereditaments and all mineral, gas and oil rights thereto belonging or appertaining, (iii) all strips, gores and gaps adjoining said property, and (iv) all adjoining streets, roads, highways, whether on said property.

SI 4371 10 2012 11 14 15:45:30 Phil Ting, Assessor-Recorder, San Francisco, California

TO HAVE AND TO HOLD the said described land and premises unto and to the use of Grantee, its successors and assigns forever, with Grantor's covenant that it will execute such further assurances of the said land as may be requisite.

This Grant Deed may be executed in counterparts, and if so executed, each such counterpart is to be deemed an original for all purposes, and all such counterparts shall, collectively, constitute one Grant Deed.

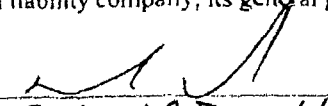
(SIGNATURE APPEARS ON NEXT PAGE)

IN WITNESS WHEREOF, Grantor, has, as of the day and year first above written, executed and delivered this Deed.

SELLER:

RISING REX, L.P., a California limited partnership

By: HOTEL REX SPE GP, LLC, a Delaware limited liability company, its general partner

By:   
Name: RICHARD C. RONALD  
Title: Authorized Signatory

LV REX 7, LLC, a California limited liability company

Recording concurrently herewith

By: \_\_\_\_\_  
Name: James Huelskamp  
Title: Manager

IN WITNESS WHEREOF, Grantor, has, as of the day and year first above written, executed and delivered this Deed.


SELLER:

RISING REX, L.P., a California limited partnership

By: HOTEL REX SPE GP, LLC, a Delaware  
limited liability company, its general partner

By: Recording concurrently herewith  
Name:  
Title: Authorized Signatory

LV REX 7, LLC, a California limited liability  
company

By:   
Name: James Huelskamp  
Title: Manager

State of California  
County of SAN FRANCISCO *AA*

On 11.7.2012 before me, JT Benitz, a notary public, personally appeared RICHARD C RONALD, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing is true and correct.

Witness my hand and official seal.

Signature  (Seal)



State of California  
County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_, a notary public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing is true and correct.

Witness my hand and official seal.

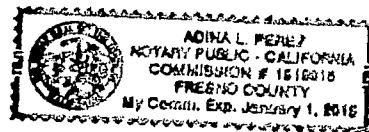
State of California  
County of FRESNO

On November 6, 2012 before me, Adina L. Perez, a notary public, personally appeared James Huelskamp, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing is true and correct.

Witness my hand and official seal.

Signature Adina L. Perez (Seal)



State of California  
County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_, a notary public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing is true and correct.

Witness my hand and official seal.



Exhibit A

to

Grant Deed

THAT CERTAIN LAND SITUATED IN THE CITY OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF SUTTER STREET DISTANT THEREON 87 FEET 9 1/4 INCHES EASTERLY FROM THE EASTERLY LINE OF MASON STREET; THENCE EASTERLY ALONG SAID LINE OF SUTTER STREET 49 FEET 8 3/4 INCHES; THENCE AT A RIGHT ANGLE NORTHERLY 137 FEET 6 INCHES; THENCE AT A RIGHT ANGLE WESTERLY 50 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 50 FEET; THENCE AT A RIGHT ANGLE EASTERLY 3 1/4 INCHES; THENCE AT A RIGHT ANGLE SOUTHERLY 87 FEET 6 INCHES TO THE POINT OF BEGINNING.

BEING A PORTION OF 50 VARA LOT NO. 358 IN BLOCK NO. 166.

Assessor's Lot 010, Block 0284

CARMEN CHU  
ASSESSOR-RECORDER



SAN FRANCISCO  
OFFICE OF THE ASSESSOR-RECORDER

**Report to the City and County of San Francisco Board of Supervisors  
Pursuant to San Francisco Business and Tax Regulations Code Section 1115.1(a)  
Parc 55 Hotel, San Francisco**

The San Francisco Assessor-Recorder has determined that insufficient transfer tax was paid on the Parc 55 sale (55 Cyril Magnin Street) recorded on February 19, 2015 as Document Number 2015-K021395.

A Notice of Delinquent Real Property Transfer Taxes was recorded on January 19, 2016 as Document # 2016-K188583 (attached); the delinquent taxes, penalties and interest total \$5,150,369 (as of February 19, 2016).

Pursuant to San Francisco Business and Tax Regulations Code section 1115.1, the Assessor-Recorder requests that the Board initiate proceedings to impose a lien for the unpaid tax, together with penalties and interest, against the real property described in the attached Notice of Delinquent Real Property Transfer Taxes, and summarized below.

Property Location:	55 Cyril Magnin Street
Property Name:	Parc 55 Hotel
Assessor's Parcel Number:	0330-026
Document Number:	2015-K021395
Recording Date:	2/19/2015
Delinquency Date:	3/21/2015
Grantee:	P55 Hotel Owner, LLC c/o Hilton Worldwide, Inc. 7930 Jones Branch Drive McLean, VA 22102
Grantor:	BRE Parc 55 Owner, LLC P.O. BOX 396 Boca Raton, FL 33429

CARMEN CHU  
ASSESSOR-RECORDER



SAN FRANCISCO  
OFFICE OF THE ASSESSOR-RECORDER

**VIA EMAIL AND US MAIL**

January 19, 2016

Mr. W. Steven Standefer  
P55 Hotel Owner LLC  
c/o Hilton Worldwide, Inc.  
7930 Jones Branch Drive  
McLean, VA 22102

**RE: Notice of Delinquent Real Property Transfer Taxes – Parc 55 Hotel, San Francisco**

Dear Mr. Standefer:

The San Francisco Assessor-Recorder has determined that insufficient transfer tax was paid on the Parc 55 sale recorded on February 19, 2015 as Document Number 2015-K021395; this tax is delinquent.

As indicated in the attached Notice of Delinquent Real Property Transfer Taxes, recorded on January 19, 2016, as Document # 2016-K188583, the delinquent taxes, penalties and interest total \$5,150,369. Under San Francisco Business and Tax Regulations Code section 1115.1, if the total amount due is not paid within 30 days of the recordation date of this notice, this office will initiate proceedings at a noticed public hearing before the San Francisco Board of Supervisors to impose a lien for the unpaid tax, together with penalties and interest, against the real property described in the delinquency notice.

Please remit \$5,150,369 by February 19, 2016, to my attention at the address listed below. If you have any questions or need additional information, I can be reached at 415-554-4806.

Very truly yours,

Douglas Legg  
Deputy Assessor-Recorder  
Office of the Assessor-Recorder  
1 Dr. Carlton B. Goodlett Place, Room 190  
San Francisco, CA 94102-4698

CC: Carmen Chu, Assessor-Recorder  
Margaret Tseng, Recording Division Manager

Recording Request by and when  
Recorded return to.

City and County of San Francisco  
Office of the Assessor-Recorder  
1 Dr. Carlton B. Goodlett Place  
City Hall, Room 190  
San Francisco, CA 94102

San Francisco Assessor-Recorder  
Carmen Chu, Assessor-Recorder  
**DOC- 2016-K188583-00**  
Acct 23-San Francisco County Recorder  
Tuesday, JAN 19, 2016 08:43:53  
Ttl Pd \$0.00 Rcpt # 0005297791  
oar/AB/1-6

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**NOTICE OF DELINQUENT REAL PROPERTY TRANSFER TAXES**

*(Filed pursuant to San Francisco Business and Tax Regulations Code Section 1115)*

**THIS IS TO NOTIFY YOU THAT TAX LIEN PROCEEDINGS WILL BE INITIATED IF PAYMENT OF  
OUTSTANDING TAXES, PENALTIES, and INTEREST ARE NOT REMITTED WITHIN 30 DAYS OF THIS NOTICE**

Property Location: 55 Cyril Magnin Street  
Property Name: Parc 55 Hotel.  
Assessor's Parcel Number: 0330-026  
Document Number: 2015-K021395 (attached)  
Recording Date: 2/19/2015  
Delinquency Date: 3/21/2015  
Grantee: P55 Hotel Owner, LLC

The Grantee named herein is liable to the City and County of San Francisco for the total unpaid amount as set forth herein:

Tax Paid at Recordation	\$8,986,100
Total Tax Due	<u>\$12,513,750</u>
Delinquent Amount	<u>\$3,527,650</u>
+ 25% Delinquency Penalty	<u>\$881,913</u>
+ 10% Delinquency Penalty	<u>\$352,765</u>
+ Interest	<u>\$388,042</u>
<b>TOTAL Due if paid by 2/19/2016</b>	<b>\$5,150,369</b>

The total amount due includes penalties and interest. Additional interest will continue to accrue at the rate of one (1.0) percent per month as prescribed by law

Under San Francisco Business and Tax Regulations Code Section 1115 I, if the Grantee does not remit the total amount due within 30 days of the recordation date of this notice, this office will initiate proceedings at a noticed hearing before the San Francisco Board of Supervisors to impose a lien for the unpaid tax, together with penalties and interest, against the real property described in this delinquency notice

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RECORDING REQUESTED BY  
**CHICAGO TITLE COMPANY**  
FWPN - TO 14001367

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

Dentons US LLP  
2398 East Camelback Road, Suite 850  
Phoenix, AZ 85016-9007  
Attention: Meghan Cocci

**MAIL TAX BILLS TO:**

Hilton Worldwide Inc.  
c/o Property Tax Department  
7930 Jones Branch Drive  
McLean, VA 22102

Lot 026, Block 0330

[Space Above This Line For Recorder's Use]

55 Cyril Magnin St.

**GRANT DEED**

The amount of the documentary transfer tax due is \$ 9,986,000.00 and is based on full value of the real property being conveyed.

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, BRE PARC 55 OWNER LLC, a Delaware limited liability company ("Grantor"), does hereby GRANT to P55 HOTEL OWNER LLC, a Delaware limited liability company ("Grantee"), all of that certain real property in the County of San Francisco, State of California, as more particularly described in Exhibit A attached hereto and incorporated herein by this reference and made a part hereof (the "Land"), together with all of Grantor's right, title and interest in any and all structures and improvements located thereon, and all of Grantor's right, title and interest in and to the rights, benefits, privileges, easements, tenements, hereditaments and appurtenances to the extent belonging or pertaining to the Land or such structures and improvements (collectively, the "Property").

THIS CONVEYANCE IS MADE AND ACCEPTED SUBJECT TO (i) real estate taxes and assessments for the year 2015 not yet delinquent as of the date hereof and all subsequent years, (ii) applicable zoning ordinance and governmental regulations, (iii) conditions, restrictions, covenants, limitations, and easements of record, (iv) unrecorded leases, and (v) all matters that would be reflected on an accurate survey or shown by physical inspection of the Property, as of the date hereof.

Mail tax statements is directed to:

No further text on this page. The next page is the signature page.

EXHIBIT A

LEGAL

The land is situated in the City of San Francisco, County of San Francisco, State of California, and is described as follows:

PARCEL ONE:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF EDDY STREET, DISTANT THEREON 43 FEET 9 INCHES EASTERLY FROM THE EASTERLY LINE OF MASON STREET, RUNNING THENCE EASTERLY ALONG SAID LINE OF EDDY STREET 25 FEET, THENCE AT A RIGHT ANGLE NORTHERLY 85 FEET, THENCE AT A RIGHT ANGLE WESTERLY 25 FEET, THENCE AT A RIGHT ANGLE SOUTHERLY 85 FEET TO THE POINT OF BEGINNING.

BEING A PART OF 50 VARA BLOCK NO. 171.

PARCEL TWO:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHERLY LINE OF ELLIS STREET WITH THE EASTERLY LINE OF MASON STREET; RUNNING THENCE EASTERLY ALONG SAID LINE OF ELLIS STREET 35 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 100 FEET; THENCE AT A RIGHT ANGLE 35 FEET TO THE EASTERLY LINE OF MASON STREET; THENCE AT A RIGHT ANGLE NORTHERLY AND ALONG SAID LINE OF MASON STREET 100 FEET TO THE POINT OF BEGINNING.

BEING A PART OF 50 VARA BLOCK NO. 171.

PARCEL THREE:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF ELLIS STREET, DISTANT THEREON 35 FEET EASTERLY FROM THE EASTERLY LINE OF MASON STREET; RUNNING THENCE EASTERLY ALONG SAID LINE OF ELLIS STREET 52 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE SOUTHERLY 120 FEET (DEED), 100 FEET MEASURED; THENCE AT A RIGHT ANGLE WESTERLY 52 FEET 6 INCHES; THENCE AT A RIGHT ANGLE NORTHERLY 100 FEET TO THE POINT OF BEGINNING.

BEING A PART OF 50 VARA BLOCK NO. 171.

PARCEL FOUR:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF ELLIS STREET, DISTANT THEREON 87 FEET AND 6 INCHES EASTERLY FROM THE EASTERLY LINE OF MASON STREET; RUNNING THENCE EASTERLY ALONG SAID LINE OF ELLIS STREET 50 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 100 FEET; THENCE AT

A RIGHT ANGLE WESTERLY 50 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 100 FEET TO THE POINT OF BEGINNING.

BEING A PART OF 50 VARA BLOCK NO. 171.

PARCEL FIVE:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF ELLIS STREET, DISTANT THEREON 137 FEET AND 6 INCHES EASTERLY FROM THE EASTERLY LINE OF MASON STREET; RUNNING THENCE EASTERLY AND ALONG SAID LINE OF ELLIS STREET 36 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE SOUTHERLY 89 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE WESTERLY 36 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE 89 FEET AND 6 INCHES TO THE POINT OF BEGINNING.

BEING PART OF 50 VARA BLOCK NO. 171.

PARCEL SIX:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF EDDY STREET, DISTANT THEREON 68 FEET, 9 INCHES EASTERLY FROM THE EASTERLY LINE OF MASON STREET, RUNNING THENCE EASTERLY ALONG SAID LINE OF EDDY STREET 105 FEET 3 INCHES TO THE NORTHWESTERLY CORNER OF EDDY STREET AND FIFTH STREET, NORTH RUNNING THENCE NORTHERLY ALONG FIFTH STREET NORTH 185 FEET 6 INCHES (DEED), 185.625' MEASURED, TO A POINT 89 FEET 6 INCHES SOUTHERLY FROM THE SOUTHWESTERLY CORNER OF ELLIS STREET AND FIFTH STREET NORTH; THENCE AT A RIGHT ANGLE WESTERLY 36 FEET, 6 INCHES; THENCE AT A RIGHT ANGLE SOUTHERLY 10 FEET, 6 INCHES; THENCE AT A RIGHT ANGLE WESTERLY 68 FEET 9 INCHES; THENCE AT A RIGHT ANGLE SOUTHERLY 175 FEET (DEED), 175.125' MEASURED, TO THE TRUE POINT OF BEGINNING.

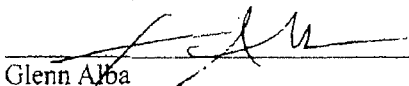
PARCEL SEVEN:

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF THE NORTHERLY LINE OF EDDY STREET AND THE EASTERLY LINE OF MASON STREET; RUNNING THENCE EASTERLY ALONG SAID NORTHERLY LINE OF EDDY STREET 43 FEET AND 9 INCHES; THENCE AT A RIGHT ANGLE NORTHERLY 85 FEET; THENCE AT A RIGHT ANGLE WESTERLY 43 FEET AND 9 INCHES TO THE EASTERLY LINE OF MASON STREET; THENCE SOUTHERLY ALONG SAID EASTERLY LINE OF MASON STREET 85 FEET TO ITS INTERSECTION WITH THE NORTHERLY LINE OF EDDY STREET AND THE POINT OF BEGINNING.

Assessor's Lot 026, Block 0590

**In Witness Whereof**, Grantor has hereunto set Grantor's hand and seal the day and year first above written.

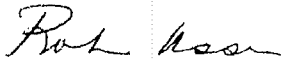
BRE PARC 55 OWNER LLC,  
a Delaware limited liability company

By:   
Name: Glenn Alba  
Title: Managing Director and Vice President



State of NEW YORK            )  
County of NEW YORK        ) SS

On the 10<sup>th</sup> day of February in the year 2015 before me, the undersigned, personally appeared Glenn Alba, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to this instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

ROBIN ASSA  
NOTARY PUBLIC, State of New York  
No. 01 AS6166670  
Qualified in Kings County  
Commission Expires May 21, 2016



San Francisco Assessor-Recorder  
Carmen Chu, Assessor-Recorder  
**DOC- 2016-K270353-00**

**Recording Requested by:**

Board of Supervisors  
Clerk of the Board, Room 244

Acct 28-SFCC Board of Supervisors  
Monday, JUN 06, 2016 16:05:15  
Ttl Pd \$0.00 Rcpt # 0005391334  
dm2/FT/1-25

**When recorded, mail to:**

Board of Supervisors  
Clerk of the Board, Room 244  
Attn: Operations Division

**CERTIFIED COPY**

*mlc  
25*

**Title**

Resolution No. 205-16

Report of Delinquent Real Property Transfer Taxes:  
Hotel Rex, San Francisco

*Hotel rex, 562 SUTTER STREET*

*ASSESSOR'S PARCEL Block NO. 0284,*

*LOT NO. 010*



City and County of San Francisco

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

Certified Copy

Resolution

CERTIFIED COPY

160438 [ Report of Delinquent Real Property Transfer Taxes ]

Sponsors: Tang; Peskin

Resolution confirming report of delinquent real property transfer tax under Business and Tax Regulations Code, Section 1115.1(c), for Assessor's Parcel Block No. 0284, Lot No. 010 (562 Sutter Street) and Block No. 0330, Lot No. 023 (55 Cyril Magnin Street), and directing transmission of said report to the Controller and Tax Collector for collection and deposit into the General Fund. (Assessor-Recorder)

5/24/2016 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

6/3/2016 Mayor - APPROVED

STATE OF CALIFORNIA  
CITY AND COUNTY OF SAN FRANCISCO

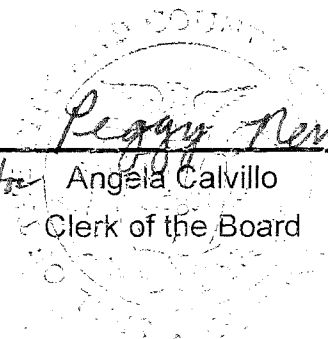
CLERK'S CERTIFICATE

I do hereby certify that the foregoing Resolution is a full, true, and correct copy of the original thereof on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City and County of San Francisco.

June 06, 2016

Date

  
*Peggy Navin*  
for Angela Calvillo  
Clerk of the Board

CERTIFIED COPY

1 [Report of Delinquent Real Property Transfer Taxes]

2  
3 **Resolution confirming report of delinquent real property transfer tax under Business**  
4 **and Tax Regulations Code, Section 1115.1(c), for Assessor's Parcel Block No. 0284, Lot**  
5 **No. 010 (562 Sutter Street) and Block No. 0330, Lot No. 023 (55 Cyril Magnin Street), and**  
6 **directing transmission of said report to the Controller and Tax Collector for collection**  
7 **and deposit into the General Fund.**

8  
9 WHEREAS, The Office of the Assessor-Recorder issued demand letters to the owners  
10 of Assessor's Parcel Block No. 0284, Lot No. 010 (562 Sutter Street) and Block No. 0330, Lot  
11 No. 023 (55 Cyril Magnin Street) for unpaid transfer tax liability, plus penalties and interest,  
12 and per Section 1115(d) of Article 12-C of the Business and Tax Regulations Code, recorded  
13 a Notice of Delinquent Real Property Transfer Taxes, and mailed a copy of the recorded  
14 notice, indicating that the Assessor-Recorder would initiate lien proceedings if the delinquency  
15 was not paid; and

16 WHEREAS, The Assessor-Recorder has requested that the Board of Supervisors  
17 initiate proceedings to impose a lien under Business and Tax Regulations Code, Section  
18 1115.1(a) for the total unpaid balance against the real property transferred by Document  
19 2016-K188248, Assessor's Parcel Block No. 0284, Lot No. 010 (562 Sutter Street) and  
20 Document 2016-K188583, Assessor's Parcel Block No. 0330, Lot No. 023 (55 Cyril Magnin  
21 Street), and confirm costs outlined in said Report of Delinquent Real Property Transfer Taxes;  
22 and

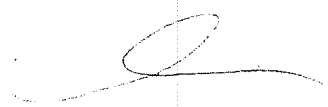
23 WHEREAS, The Board of Supervisors held a hearing on May 24, 2016; now, therefore,  
24 be it

1 RESOLVED, That the Report of Delinquent Real Property Transfer Taxes is hereby  
2 confirmed by the Board; and, be it

3 FURTHER RESOLVED, That a copy of this resolution and a copy of the Report of  
4 Delinquent Real Property Transfer Taxes confirmed by the Board shall be transmitted to the  
5 Controller and Tax Collector of the City and County, whereupon it shall be the duty of said  
6 officers to add the amount of the delinquent transfer tax, penalties, and interest to the next  
7 regular bill for property taxes levied against the respective parcel of land, and shall be  
8 collected at the same time and in the same manner as ordinary City and County property  
9 taxes are collected, and shall be subject to the same procedure under foreclosure and sale in  
10 case of delinquency under the laws of the City and County and of the State of California; and,  
11 be it

12 FURTHER RESOLVED, That all monies received in payment of the transfer tax,  
13 interest and penalties shall be credited to the General Fund, Fund 1G AGF AAA Index Code  
14 995031, Sub-Object 12510.

15  
16  
17 APPROVED:

18  
19   
20 \_\_\_\_\_  
21 Carmen Chu  
22 Assessor-Recorder  
23  
24  
25



City and County of San Francisco

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

Tails  
Resolution

File Number: 160438

Date Passed: May 24, 2016

Resolution confirming report of delinquent real property transfer tax under Business and Tax Regulations Code, Section 1115.1(c), for Assessor's Parcel Block No. 0284, Lot No. 010 (562 Sutter Street) and Block No. 0330, Lot No. 023 (55 Cyril Magnin Street), and directing transmission of said report to the Controller and Tax Collector for collection and deposit into the General Fund.

May 24, 2016 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

File No. 160438

I hereby certify that the foregoing Resolution was ADOPTED on 5/24/2016 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo  
Clerk of the Board

  
Mayor

6/3/16

Date Approved

CARMEN CHU  
ASSESSOR-RECORDER



SAN FRANCISCO  
OFFICE OF THE ASSESSOR-RECORDER

March 25, 2016

Angela Calvillo, Clerk of the Board  
Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689

**RE: Requesting that the Board of Supervisors Initiate Tax Lien Proceedings under San Francisco Business and Tax Regulations Code section 1115.1 for Delinquent Real Property Transfer Taxes – Hotel Rex, San Francisco**

Dear Ms. Calvillo:

The Assessor-Recorder hereby submits the attached report to the City and County of San Francisco Board of Supervisors under Section 1115.1(a) of Article 12-C of the San Francisco Business and Tax Regulations Code. This matter involves delinquent real property transfer taxes related to the sale of the Hotel Rex (562 Sutter Street, APN 0284-010) in 2012. The amount of delinquent transfer tax, penalties and interest totals \$440,038 (as of April 8, 2016), as further described below.

On November 14, 2012, a grant deed was recorded as Document 2012-J542526 transferring title of the Hotel Rex from Rising Rex LLP and LV Rex 7 LLC to Diamond Rock SF Sutter Street Owner LLC. The purchase price reported on the Preliminary Change of Ownership Report (PCOR) and transfer tax affidavit accompanying the grant deed was \$18,842,000, exclusive of non-realty tangible and intangible personal property, and transfer tax of \$471,050 was paid.

On September 16, 2015, the Assessor-Recorder completed its valuation of the November 14, 2012 transaction. The Assessor-Recorder determined that entire purchase price was \$29,500,000 and the value of the real estate, exclusive of non-realty, tangible and intangible personal property, was \$28,900,000, or approximately \$10 million more than what was declared at the time of recording. This value differential results in a transfer tax liability of an additional \$251,450.

On September 25, 2015 the Assessor-Recorder issued a demand letter to the new owner, Diamond Rock SF Sutter Street Owner LLC for the unpaid transfer tax liability, plus penalties and interest per Section 1115 of Article 12-C of the City and County of San Francisco Business and Tax Regulations Code. The total amount due was \$424,951 (if paid by October 14, 2015). On December 21, 2015 the Assessor-Recorder received a response to this demand letter stating that the seller did not agree with the Assessor-Recorder's valuation.

CERTIFIED COPY

Report to the Board of Supervisors  
Re: Hotel Rex  
March 25, 2016  
Page 2 of 2

On January 15, 2016 the Assessor-Recorder recorded a Notice of Delinquent Real Property Transfer Taxes as Document 2016-K188248, which indicated a total amount due of \$435,009 (if paid by February 14, 2016). A copy of the recorded notice was sent via email and US Mail to Diamond Rock SF Sutter Street Owner LLC on January 15, 2016. This notice included a cover letter indicating that the Assessor-Recorder would initiate lien proceedings if the delinquency was not paid by February 14, 2016.

Based on the foregoing, the Assessor-Recorder requests the City and County of San Francisco Board of Supervisors initiate proceedings to impose a lien under San Francisco Business and Tax Regulations Code section 1115.1 for the total unpaid balance against the real property transferred by Document 2012-J542526, 562 Sutter Street, APN 0284-010).

Sincerely,

A handwritten signature in black ink, appearing to be 'Carmen Chu', written in a cursive style.

Carmen Chu  
Assessor-Recorder



CARMEN CHU  
ASSESSOR-RECORDER



SAN FRANCISCO  
OFFICE OF THE ASSESSOR-RECORDER

**Report to the City and County of San Francisco Board of Supervisors  
Pursuant to San Francisco Business and Tax Regulations Code Section 1115.1(a)  
Hotel Rex, San Francisco**

The San Francisco Assessor-Recorder has determined that insufficient transfer tax was paid on the Hotel Rex sale (562 Sutter Street) recorded on November 14, 2012 as Document # 2012-J542526.

A Notice of Delinquent Real Property Transfer Taxes was recorded on January 15, 2016 as Document # 2016-K188248 (attached); the delinquent taxes, penalties and interest total \$435,009 (as of February 14, 2016).

Pursuant to San Francisco Business and Tax Regulations Code section 1115.1, the Assessor-Recorder requests that the Board initiate proceedings to impose a lien for the unpaid tax, together with penalties and interest, against the real property described in the attached Notice of Delinquent Real Property Transfer Taxes, and summarized below.

Property Location: 562 Sutter Street  
Property Name: Hotel Rex  
Assessor's Parcel Number: 0284-010  
Document Number: 2012-J542526  
Recording Date: 11/14/2012  
Delinquency Date: 12/14/2012

Grantee: Diamondrock SF Sutter Street Owner, LLC  
c/o DiamondRock Hospitality Company  
3 Bethesda Metro Center, Suite 1500  
Bethesda, MD 20814

Grantor: Rising Rex L.P.  
c/o Skyline Pacific Properties, LLC  
558 Sacramento Street, Suite 400  
San Francisco, CA 94111

Grantor: LV Rex 7, LLC  
c/o Land Value Management  
5082 N. Palm Avenue, Suite B  
Fresno, CA 93704

CERTIFIED COPY

CARMEN CHU  
ASSESSOR-RECORDER



SAN FRANCISCO  
OFFICE OF THE ASSESSOR-RECORDER

VIA EMAIL AND US MAIL

January 15, 2016

Ms. Briony R. Quinn  
Chief Accounting Officer and Corporate Controller  
DiamondRock SF Sutter Street Owner, LLC  
c/o DiamondRock Hospitality Company  
3 Bethesda Metro Center, Suite 1500  
Bethesda, MD 20814

**RE: Notice of Delinquent Real Property Transfer Taxes – Hotel Rex, San Francisco**


Dear Ms. Quinn:

The San Francisco Assessor-Recorder has determined that insufficient transfer tax was paid on the Hotel Rex sale recorded on November 14, 2012 as Document # 2012-J542526; this tax is delinquent.

As indicated in the attached Notice of Delinquent Real Property Transfer Taxes, recorded on January 15, 2016, as Document # 2016-K188248, the delinquent taxes, penalties and interest total \$435,009. Under San Francisco Business and Tax Regulations Code section 1115.1, if the total amount due is not paid within 30 days of the recordation date of this notice, this office will initiate proceedings at a noticed public hearing before the San Francisco Board of Supervisors to impose a lien for the unpaid tax, together with penalties and interest, against the real property described in the delinquency notice.

Please remit \$435,009 by February 14, 2016, to my attention at the address listed below. If you have any questions or need additional information, I can be reached at 415-554-4806.

Very truly yours,

  
Douglas Legg  
Deputy Assessor-Recorder  
Office of the Assessor-Recorder  
1 Dr. Carlton B. Goodlett Place, Room 190  
San Francisco, CA 94102-4698

CC: Carmen Chu, Assessor-Recorder  
Margaret Tseng, Recording Division Manager

CERTIFIED COPY

Recording Request by and when  
Recorded return to:



San Francisco Assessor-Recorder  
Carmen Chu, Assessor-Recorder  
**DOC- 2016-K188248-00**

City and County of San Francisco  
Office of the Assessor-Recorder  
1 Dr. Carlton B. Goodlett Place  
City Hall, Room 190  
San Francisco, CA 94102

Acct 23-San Francisco County Recorder  
Friday, JAN 15, 2016 11:35:10  
Ttl Pd \$0.00 Rcpt # 0005297346  
oj1/JL/1-8

**NOTICE OF DELINQUENT REAL PROPERTY TRANSFER TAXES**

*(Filed pursuant to San Francisco Business and Tax Regulations Code Section 1115)*

**THIS IS TO NOTIFY YOU THAT TAX LIEN PROCEEDINGS WILL BE INITIATED IF PAYMENT OF  
OUTSTANDING TAXES, PENALTIES, and INTEREST ARE NOT REMITTED WITHIN 30 DAYS OF THIS NOTICE**

Property Location: 562 Sutter Street  
Property Name: Hotel Rex  
Assessor's Parcel Number: 0284-010  
Document Number: 2012-J542526 (attached)  
Recording Date: 11/14/2012  
Delinquency Date: 12/14/2012  
Grantee: Diamondrock SF Sutter Street Owner, LLC

The Grantee named herein is liable to the City and County of San Francisco for the total unpaid amount as set forth herein:

Tax Paid at Recordation	\$471,050
Total Tax Due	<u>\$722,500</u>
Delinquent Amount	<u>\$251,450</u>
+ 25% Delinquency Penalty	\$62,863
+ 10% Delinquency Penalty	\$25,145
+ Interest	<u>\$95,551</u>
<b>TOTAL Due if paid by 2/14/2016</b>	<b>\$435,009</b>

The total amount due includes penalties and interest. Additional interest will continue to accrue at the rate of one (1%) percent per month as prescribed by law.

Under San Francisco Business and Tax Regulations Code Section 1115.1, if the Grantee does not remit the total amount due within 30 days of the recordation date of this notice, this office will initiate proceedings, including hearing before the Tax Collector's Board of Appeal, to enforce collection of the tax, penalties and interest due. The Board of Appeal is not an administrative appeals body and does not have the authority to suspend or waive the tax, penalties and interest.

CERTIFIED COPY

AFTER RECORDING  
RETURN TO:

First American Title Insurance Company  
1825 Eye Street, NW, Suite 302  
Washington, DC 20006  
Attention: Joshua Slan, Esq.

San Francisco Assessor-Recorder  
Phil Ting, Assessor-Recorder  
DOC- 2012-J542526-00

Check Number 8725-1504  
Wednesday, NOV 14, 2012 15:45:30  
Ttl Pd \$42.00 Rcpt # 0004551285  
REEL K773 IMAGE 0800  
08R/KC/1-7

MAIL TAX STATEMENTS TO:

DiamondRock SF Sutter Street Owner, LLC  
3 Bethesda Metro Center, Suite 1500  
Bethesda, MD 20814

Space above this line for Recorder's Use

76

DOCUMENTARY TRANSFER TAX PER SEPARATE STATEMENT

561 Sutter St  
0284-010

GRANT DEED

THIS GRANT DEED is made and entered as of November 9, 2012, by and between RISING REX, L.P., a California limited partnership whose address is c/o Skyline Pacific Properties, LLC, 558 Sacramento Street, Suite 400, San Francisco, CA 94111, and LV REX 7, LLC, a California limited liability company whose address is c/o Land Value Management, 5082 N. Palm Avenue, Suite B, Fresno, CA 93704, as their respective interests may appear (collectively, "Grantor"), and DIAMONDROCK SF SUTTER STREET OWNER, LLC, a Delaware limited liability company ("Grantee"), whose address is c/o DiamondRock Hospitality Company, 3 Bethesda Metro Center, Suite 1500, Bethesda, MD 20814.

WITNESS:

That for and in consideration of Ten Dollars (\$10.00), cash in hand paid and other good and valuable consideration, receipt of which is hereby acknowledged, Grantor does hereby grant unto Grantee, in fee simple, all that certain lot or parcel of land, situate and being in the State of California, and more particularly described on Exhibit A attached hereto.

TOGETHER WITH (i) buildings, improvements and other structures located on said property, (ii) all easements, licenses, rights-of-way, rights, development rights, ways, waters, privileges, appurtenances, and intangibles, tenements, hereditaments, and all mineral, gas and oil rights thereon belonging or appertaining, (iii) all appurtenances and gaps adjoining and proper to the above described property, and (iv) all other rights and interests in and to the above described property.

Witness my hand and seal of said office this 14th day of November, 2012.

CERTIFIED COPY

TO HAVE AND TO HOLD the said described land and premises unto and to the use of Grantee, its successors and assigns forever, with Grantor's covenant that it will execute such further assurances of the said land as may be requisite.

This Grant Deed may be executed in counterparts, and if so executed, each such counterpart is to be deemed an original for all purposes, and all such counterparts shall, collectively, constitute one Grant Deed.

(SIGNATURE APPEARS ON NEXT PAGE)

CERTIFIED COPY

IN WITNESS WHEREOF, Grantor, has, as of the day and year first above written, executed and delivered this Deed.

SELLER:

RISING REX, L.P., a California limited partnership

By: HOTEL REX SPE GP, LLC, a Delaware limited liability company, its general partner

By: \_\_\_\_\_

Name: *Richard C. Ronald*

Title: Authorized Signatory

LV REX 7, LLC, a California limited liability company

Recording concurrently herewith

By: \_\_\_\_\_

Name: James Huelskamp

Title: Manager

CERTIFIED COPY

IN WITNESS WHEREOF, Grantor, has, as of the day and year first above written, executed and delivered this Deed.

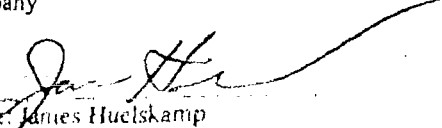
SELLER:

RISING REX, L.P., a California limited partnership

By: HOTEL REX SPE GP, LLC, a Delaware  
limited liability company, its general partner

By: Recording concurrently herewith  
Name:  
Title: Authorized Signatory

LV REX 7, LLC, a California limited liability  
company

By:   
Name: James Huelskamp  
Title: Manager

CERTIFIED COPY

State of California  
County of SAN FRANCISCO

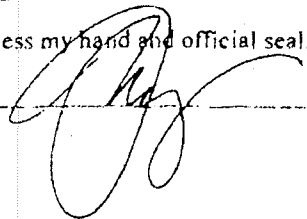
*HA*

On 11.7.2012 before me, J. T. Benitz, a notary public, personally appeared RICHARD C. RONALD, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing is true and correct.

Witness my hand and official seal.

Signature \_\_\_\_\_



(Seal)



State of California  
County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_, a notary public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing is true and correct.

Witness my hand and official seal.



CERTIFIED COPY

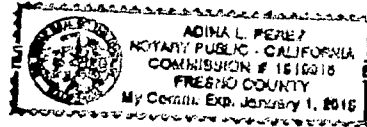
State of California  
County of FRESNO

On November 6, 2012 before me, Adina L. Perez, a notary public, personally appeared James Huelskamp, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing is true and correct.

Witness my hand and official seal.

Signature Adina L. Perez (Seal)



State of California  
County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_, a notary public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing is true and correct.

Witness my hand and official seal.

CERTIFIED COPY

Exhibit A

to

Grant Deed

THAT CERTAIN LAND SITUATED IN THE CITY OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF SUTTER STREET DISTANT THEREON 87 FEET 9 1/4 INCHES EASTERLY FROM THE EASTERLY LINE OF MASON STREET; THENCE EASTERLY ALONG SAID LINE OF SUTTER STREET 49 FEET 8 3/4 INCHES; THENCE AT A RIGHT ANGLE NORTHERLY 137 FEET 6 INCHES; THENCE AT A RIGHT ANGLE WESTERLY 50 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 50 FEET; THENCE AT A RIGHT ANGLE EASTERLY 3 1/4 INCHES; THENCE AT A RIGHT ANGLE SOUTHERLY 87 FEET 6 INCHES TO THE POINT OF BEGINNING.

BEING A PORTION OF 50 VARA LOT NO. 358 IN BLOCK NO. 166.

Assessor's Lot 010, Block 0284

CERTIFIED COPY

CARMEN CHU  
ASSESSOR-RECORDER



SAN FRANCISCO  
OFFICE OF THE ASSESSOR-RECORDER

**Report to the City and County of San Francisco Board of Supervisors  
Pursuant to San Francisco Business and Tax Regulations Code Section 1115.1(a)  
Parc 55 Hotel, San Francisco**

The San Francisco Assessor-Recorder has determined that insufficient transfer tax was paid on the Parc 55 sale (55 Cyril Magnin Street) recorded on February 19, 2015 as Document Number 2015-K021395.

A Notice of Delinquent Real Property Transfer Taxes was recorded on January 19, 2016 as Document # 2016-K188583 (attached); the delinquent taxes, penalties and interest total \$5,150,369 (as of February 19, 2016).

Pursuant to San Francisco Business and Tax Regulations Code section 1115.1, the Assessor-Recorder requests that the Board initiate proceedings to impose a lien for the unpaid tax, together with penalties and interest, against the real property described in the attached Notice of Delinquent Real Property Transfer Taxes, and summarized below.

Property Location:	55 Cyril Magnin Street
Property Name:	Parc 55 Hotel
Assessor's Parcel Number:	0330-026
Document Number:	2015-K021395
Recording Date:	2/19/2015
Delinquency Date:	3/21/2015
Grantee:	P55 Hotel Owner, LLC c/o Hilton Worldwide, Inc. 7930 Jones Branch Drive McLean, VA 22102
Grantor:	BRE Parc 55 Owner, LLC P.O. BOX 396 Boca Raton, FL 33429

CERTIFIED COPY

CARMEN CHU  
ASSESSOR-RECORDER



SAN FRANCISCO  
OFFICE OF THE ASSESSOR-RECORDER

VIA EMAIL AND US MAIL

January 19, 2016

Mr. W. Steven Standefer  
P55 Hotel Owner LLC  
c/o Hilton Worldwide, Inc.  
7930 Jones Branch Drive  
McLean, VA 22102

**RE: Notice of Delinquent Real Property Transfer Taxes – Parc 55 Hotel, San Francisco**

Dear Mr. Standefer:

The San Francisco Assessor-Recorder has determined that insufficient transfer tax was paid on the Parc 55 sale recorded on February 19, 2015 as Document Number 2015-K021395; this tax is delinquent.

As indicated in the attached Notice of Delinquent Real Property Transfer Taxes, recorded on January 19, 2016, as Document # 2016-K188583, the delinquent taxes, penalties and interest total \$5,150,369. Under San Francisco Business and Tax Regulations Code section 1115.1, if the total amount due is not paid within 30 days of the recordation date of this notice, this office will initiate proceedings at a noticed public hearing before the San Francisco Board of Supervisors to impose a lien for the unpaid tax, together with penalties and interest, against the real property described in the delinquency notice.

Please remit \$5,150,369 by February 19, 2016, to my attention at the address listed below. If you have any questions or need additional information, I can be reached at 415-554-4806.

Very truly yours,

A handwritten signature in cursive script that reads "Douglas Legg".

Douglas Legg  
Deputy Assessor-Recorder  
Office of the Assessor-Recorder  
1 Dr. Carlton B. Goodlett Place, Room 190  
San Francisco, CA 94102-4698

CC: Carmen Chu, Assessor-Recorder  
Margaret Tseng, Recording Division Manager

CERTIFIED COPY

Recording Request by and when  
Recorded return to.



San Francisco Assessor-Recorder  
Carmen Chu, Assessor-Recorder  
**DOC- 2016-K188583-00**

Acct 23-San Francisco County Recorder  
Tuesday, JAN 19, 2016 08:43:53

Ttl Pd \$0.00 Rcpt # 0005297791  
aar/AB/1-6

City and County of San Francisco  
Office of the Assessor-Recorder  
1 Dr. Carlton B. Goodlett Place  
City Hall, Room 190  
San Francisco, CA 94102

**NOTICE OF DELINQUENT REAL PROPERTY TRANSFER TAXES**

*(Filed pursuant to San Francisco Business and Tax Regulations Code Section 1115)*

**THIS IS TO NOTIFY YOU THAT TAX LIEN PROCEEDINGS WILL BE INITIATED IF PAYMENT OF  
OUTSTANDING TAXES, PENALTIES, and INTEREST ARE NOT REMITTED WITHIN 30 DAYS OF THIS NOTICE**

Property Location: 55 Cyril Magnin Street  
Property Name: Parc 55 Hotel  
Assessor's Parcel Number: 0330-026  
Document Number: 2015-K021395 (attached)  
Recording Date: 2/19/2015  
Delinquency Date: 3/21/2015  
Grantee: P55 Hotel Owner, LLC

The Grantee named herein is liable to the City and County of San Francisco for the total unpaid amount as set forth herein:

Tax Paid at Recordation	\$8,986,100
Total Tax Due	\$12,513,750
Delinquent Amount	\$3,527,650
+ 25% Delinquency Penalty	\$881,913
+ 10% Delinquency Penalty	\$352,765
+ Interest	\$388,042
<b>TOTAL Due if paid by 2/19/2016</b>	<b>\$5,150,369</b>

The total amount due includes penalties and interest. Additional interest will continue to accrue at the rate of one (1.0) percent per month as prescribed by law.

Under San Francisco Business and Tax Regulations Code Section 1115.1, if the Grantee does not remit the total amount due within 30 days of the recording date of this notice, this office will initiate proceedings to enforce the amount before the San Francisco Board of Supervisors to enforce the total amount tax, together with penalties and interest, against the real property described in this delinquent notice.

RECORDING REQUESTED BY  
**CHICAGO TITLE COMPANY**  
FWPN - TO 14001367

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

Dentons US LLP  
2398 East Camelback Road, Suite 850  
Phoenix, AZ 85016-9007  
Attention: Meghan Cocci

MAIL TAX BILLS TO:

Hilton Worldwide Inc.  
c/o Property Tax Department  
7930 Jones Branch Drive  
McLean, VA 22102

Lot 026, Block 0330

[Space Above This Line For Recorder's Use]

55 Cyril Magnin St.

GRANT DEED

The amount of the documentary transfer tax due is \$ 8,986,000.00 and is based on full value of the real property being conveyed.

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, BRE PARC 55 OWNER LLC, a Delaware limited liability company ("Grantor"), does hereby GRANT to P55 HOTEL OWNER LLC, a Delaware limited liability company ("Grantee"), all of that certain real property in the County of San Francisco, State of California, as more particularly described in Exhibit A attached hereto and incorporated herein by this reference and made a part hereof (the "Land"), together with all of Grantor's right, title and interest in any and all structures and improvements located thereon, and all of Grantor's right, title and interest in and to the rights, benefits, privileges, easements, tenements, hereditaments and appurtenances to the extent belonging or pertaining to the Land or such structures and improvements (collectively, the "Property").

THIS CONVEYANCE IS MADE AND ACCEPTED SUBJECT TO (i) real estate taxes and assessments for the year 2015 not yet delinquent as of the date hereof and all subsequent years, (ii) applicable zoning ordinance and governmental regulations, (iii) conditions, restrictions, covenants, limitations and easements of record, (iv) unrecorded leases, and (v) all matters that would be reflected on an accurate map or shown by physical inspection of the Property as of the date hereof.

20159K02139500005  
San Francisco Assessor-Recorder  
Carmen Chu, Assessor-Recorder  
DOC 2015-K021395-00  
Acct 2001-Chicago Title Company Concord  
Thursday, FEB 19, 2015 12:25:06  
Ttl Pd\$8,986,03' Nbr-0005103163  
oma/RE/1-5

CERTIFIED COPY

EXHIBIT A

## LEGAL

The land is situated in the City of San Francisco, County of San Francisco, State of California, and is described as follows:

## PARCEL ONE:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF EDDY STREET, DISTANT THEREON 43 FEET 9 INCHES EASTERLY FROM THE EASTERLY LINE OF MASON STREET, RUNNING THENCE EASTERLY ALONG SAID LINE OF EDDY STREET 25 FEET, THENCE AT A RIGHT ANGLE NORTHERLY 85 FEET, THENCE AT A RIGHT ANGLE WESTERLY 25 FEET, THENCE AT A RIGHT ANGLE SOUTHERLY 85 FEET TO THE POINT OF BEGINNING.

BEING A PART OF 50 VARA BLOCK NO. 171.

## PARCEL TWO:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHERLY LINE OF ELLIS STREET WITH THE EASTERLY LINE OF MASON STREET; RUNNING THENCE EASTERLY ALONG SAID LINE OF ELLIS STREET 35 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 100 FEET; THENCE AT A RIGHT ANGLE 35 FEET TO THE EASTERLY LINE OF MASON STREET; THENCE AT A RIGHT ANGLE NORTHERLY AND ALONG SAID LINE OF MASON STREET 100 FEET TO THE POINT OF BEGINNING.

BEING A PART OF 50 VARA BLOCK NO. 171.

## PARCEL THREE:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF ELLIS STREET, DISTANT THEREON 35 FEET EASTERLY FROM THE EASTERLY LINE OF MASON STREET; RUNNING THENCE EASTERLY ALONG SAID LINE OF ELLIS STREET 52 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE SOUTHERLY 120 FEET (DEED), 100 FEET MEASURED; THENCE AT A RIGHT ANGLE WESTERLY 52 FEET 6 INCHES; THENCE AT A RIGHT ANGLE NORTHERLY 100 FEET TO THE POINT OF BEGINNING.

BEING A PART OF 50 VARA BLOCK NO. 171.

## PARCEL FOUR:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF ELLIS STREET, DISTANT THEREON 87 FEET AND 6 INCHES EASTERLY FROM THE EASTERLY LINE OF MASON STREET, RUNNING THENCE EASTERLY ALONG SAID LINE OF ELLIS STREET 50 FEET, THENCE AT A RIGHT ANGLE SOUTHERLY 100 FEET, THENCE AT

CERTIFIED COPY

A RIGHT ANGLE WESTERLY 50 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 100 FEET TO THE POINT OF BEGINNING.

BEING A PART OF 50 VARA BLOCK NO. 171.

PARCEL FIVE:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF ELLIS STREET, DISTANT THEREON 137 FEET AND 6 INCHES EASTERLY FROM THE EASTERLY LINE OF MASON STREET; RUNNING THENCE EASTERLY AND ALONG SAID LINE OF ELLIS STREET 36 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE SOUTHERLY 89 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE WESTERLY 36 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE 89 FEET AND 6 INCHES TO THE POINT OF BEGINNING.

BEING PART OF 50 VARA BLOCK NO. 171.

PARCEL SIX:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF EDDY STREET, DISTANT THEREON 68 FEET, 9 INCHES EASTERLY FROM THE EASTERLY LINE OF MASON STREET, RUNNING THENCE EASTERLY ALONG SAID LINE OF EDDY STREET 105 FEET 3 INCHES TO THE NORTHWESTERLY CORNER OF EDDY STREET AND FIFTH STREET, NORTH RUNNING THENCE NORTHERLY ALONG FIFTH STREET NORTH 185 FEET 6 INCHES (DEED), 185.625' MEASURED, TO A POINT 89 FEET 6 INCHES SOUTHERLY FROM THE SOUTHWESTERLY CORNER OF ELLIS STREET AND FIFTH STREET NORTH; THENCE AT A RIGHT ANGLE WESTERLY 36 FEET, 6 INCHES; THENCE AT A RIGHT ANGLE SOUTHERLY 10 FEET, 6 INCHES; THENCE AT A RIGHT ANGLE WESTERLY 68 FEET 9 INCHES; THENCE AT A RIGHT ANGLE SOUTHERLY 175 FEET (DEED), 175.125' MEASURED, TO THE TRUE POINT OF BEGINNING.

PARCEL SEVEN:

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF THE NORTHERLY LINE OF EDDY STREET AND THE EASTERLY LINE OF MASON STREET; RUNNING THENCE EASTERLY ALONG SAID NORTHERLY LINE OF EDDY STREET 43 FEET AND 9 INCHES; THENCE AT A RIGHT ANGLE NORTHERLY 35 FEET; THENCE AT A RIGHT ANGLE WESTERLY 43 FEET AND 9 INCHES TO THE EASTERLY LINE OF MASON STREET; THENCE SOUTHERLY ALONG SAID EASTERLY LINE OF MASON STREET 85 FEET TO ITS INTERSECTION WITH THE NORTHERLY LINE OF EDDY STREET AND THE POINT OF BEGINNING.



CERTIFIED COPY

In Witness Whereof, Grantor has hereunto set Grantor's hand and seal the day and year first above written.

BRE PARC 55 OWNER LLC,  
a Delaware limited liability company

By: 

Name: Glenn Alba

Title: Managing Director and Vice President

State of NEW YORK )  
County of NEW YORK )<sup>13</sup>

On the 10<sup>th</sup> day of February in the year 2015 before me, the undersigned, personally appeared Glenn Alba, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to this instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Robin Assa

Notary Public

ROBIN ASSA  
NOTARY PUBLIC, State of New York  
No. 01AS6166570  
Qualified in Kings County  
Commission Expires May 21, 2016

CERTIFIED COPY

This is a true certified copy of the record  
if it bears the seal, imprinted in purple ink,  
of the Assessor-Recorder

CARMEN CHU

JUN 06 2016



ASSESSOR-RECORDER  
SAN FRANCISCO COUNTY CALIFORNIA

BY: [Signature]



San Francisco Assessor-Recorder  
Carmen Chu, Assessor-Recorder  
**DOC- 2016-K270354-00**

Acct 28-SFCC Board of Supervisors  
Monday, JUN 06, 2016 16:05:41  
Ttl Pd \$0.00 Rcpt # 0005391335  
dm2/FT/1-15

**Recording Requested by:**

Board of Supervisors  
Clerk of the Board, Room 244

**When recorded, mail to:**

Board of Supervisors  
Clerk of the Board, Room 244  
Attn: Operations Division

n/c  
15

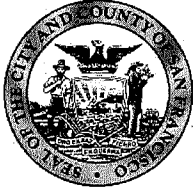
**Title**

Resolution No. 205-16

Report of Delinquent Real Property Transfer Taxes:  
Parc 55 Hotel, San Francisco

PARC 55 HOTEL, 55 CYRIL MAGNIN STREET  
ASSESSOR'S PARCEL BLOCK NO. 0330  
LOT NO. 026

*Separate Page Pursuant to Government Code Section 27361.6*



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Certified Copy

Resolution

160438 [ Report of Delinquent Real Property Transfer Taxes ]

Sponsors: Tang; Peskin

Resolution confirming report of delinquent real property transfer tax under Business and Tax Regulations Code, Section 1115.1(c), for Assessor's Parcel Block No. 0284, Lot No. 010 (562 Sutter Street) and Block No. 0330, Lot No. 023 (55 Cyril Magnin Street), and directing transmission of said report to the Controller and Tax Collector for collection and deposit into the General Fund. (Assessor-Recorder)

5/24/2016 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

6/3/2016 Mayor - APPROVED

STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO

CLERK'S CERTIFICATE

I do hereby certify that the foregoing Resolution is a full, true, and correct copy of the original thereof on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City and County of San Francisco.

June 06, 2016

Date

Official seal of the City and County of San Francisco with signature of Angela Calvillo, Clerk of the Board.

1 [Report of Delinquent Real Property Transfer Taxes]

2  
3 **Resolution confirming report of delinquent real property transfer tax under Business**  
4 **and Tax Regulations Code, Section 1115.1(c), for Assessor's Parcel Block No. 0284, Lot**  
5 **No. 010 (562 Sutter Street) and Block No. 0330, Lot No. 023 (55 Cyril Magnin Street), and**  
6 **directing transmission of said report to the Controller and Tax Collector for collection**  
7 **and deposit into the General Fund.**

8  
9 WHEREAS, The Office of the Assessor-Recorder issued demand letters to the owners  
10 of Assessor's Parcel Block No. 0284, Lot No. 010 (562 Sutter Street) and Block No. 0330, Lot  
11 No. 023 (55 Cyril Magnin Street) for unpaid transfer tax liability, plus penalties and interest,  
12 and per Section 1115(d) of Article 12-C of the Business and Tax Regulations Code, recorded  
13 a Notice of Delinquent Real Property Transfer Taxes, and mailed a copy of the recorded  
14 notice, indicating that the Assessor-Recorder would initiate lien proceedings if the delinquency  
15 was not paid; and

16 WHEREAS, The Assessor-Recorder has requested that the Board of Supervisors  
17 initiate proceedings to impose a lien under Business and Tax Regulations Code, Section  
18 1115.1(a) for the total unpaid balance against the real property transferred by Document  
19 2016-K188248, Assessor's Parcel Block No. 0284, Lot No. 010 (562 Sutter Street) and  
20 Document 2016-K188583, Assessor's Parcel Block No. 0330, Lot No. 023 (55 Cyril Magnin  
21 Street), and confirm costs outlined in said Report of Delinquent Real Property Transfer Taxes;  
22 and

23 WHEREAS, The Board of Supervisors held a hearing on May 24, 2016; now, therefore,  
24 be it

1 RESOLVED, That the Report of Delinquent Real Property Transfer Taxes is hereby  
2 confirmed by the Board; and, be it

3 FURTHER RESOLVED, That a copy of this resolution and a copy of the Report of  
4 Delinquent Real Property Transfer Taxes confirmed by the Board shall be transmitted to the  
5 Controller and Tax Collector of the City and County, whereupon it shall be the duty of said  
6 officers to add the amount of the delinquent transfer tax, penalties, and interest to the next  
7 regular bill for property taxes levied against the respective parcel of land, and shall be  
8 collected at the same time and in the same manner as ordinary City and County property  
9 taxes are collected, and shall be subject to the same procedure under foreclosure and sale in  
10 case of delinquency under the laws of the City and County and of the State of California; and,  
11 be it

12 FURTHER RESOLVED, That all monies received in payment of the transfer tax,  
13 interest and penalties shall be credited to the General Fund, Fund 1G AGF AAA Index Code  
14 995031, Sub-Object 12510.

15  
16  
17 APPROVED:

18  
19 

20 \_\_\_\_\_  
21 Carmen Chu  
22 Assessor-Recorder  
23  
24  
25



**City and County of San Francisco**

**Tails  
Resolution**

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**File Number:** 160438

**Date Passed:** May 24, 2016

Resolution confirming report of delinquent real property transfer tax under Business and Tax Regulations Code, Section 1115.1(c), for Assessor's Parcel Block No. 0284, Lot No. 010 (562 Sutter Street) and Block No. 0330, Lot No. 023 (55 Cyril Magnin Street), and directing transmission of said report to the Controller and Tax Collector for collection and deposit into the General Fund.

May 24, 2016 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

File No. 160438

I hereby certify that the foregoing Resolution was ADOPTED on 5/24/2016 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo  
Clerk of the Board

Mayor

6/3/16

Date Approved

CARMEN CHU  
ASSESSOR-RECORDER



SAN FRANCISCO  
OFFICE OF THE ASSESSOR-RECORDER

March 25, 2016

Angela Calvillo, Clerk of the Board  
Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689

**RE: Requesting that the Board of Supervisors Initiate Tax Lien Proceedings under San Francisco Business and Tax Regulations Code section 1115.1 for Delinquent Real Property Transfer Taxes – Parc 55 Hotel, San Francisco**

Dear Ms. Calvillo:

The Assessor-Recorder hereby submits the attached report to the City and County of San Francisco Board of Supervisors under Section 1115.1(a) of Article 12-C of the San Francisco Business and Tax Regulations Code. This matter involves delinquent real property transfer taxes related to the sale of the Parc 55 Hotel (55 Cyril Magnin Street, APN 0330-026) in 2015. The amount of delinquent transfer tax, penalties and interest totals \$5,220,922 (as of April 19, 2016), as further described below.

On February 19, 2015, a grant deed was recorded as Document 2015-K021395 transferring title of the Parc 55 Hotel from BRE Parc 55 Owner LLC to P55 Hotel Owner LLC. The purchase price reported on the Preliminary Change of Ownership Report (PCOR) and transfer tax affidavit accompanying the grant deed was \$359,440,000, exclusive of non-realty tangible and intangible personal property, and transfer tax of \$8,986,000 was paid.

On February 19, 2015, the Assessor-Recorder sent a letter to the new owner, P55 Hotel Owner LLC c/o Hilton Worldwide Inc., requesting documentation in support of the declared purchase price, including (1) the Purchase and Sale Agreement; (2) Buyer's closing statement; (3) Any other information pertaining to the consideration paid for personal property, FF&E or any other non-realty; and (4) a copy of the fully executed ground lease, if applicable.

On April 28, 2015 the Assessor-Recorder received documentation from the Paradigm Tax Group, representatives of P55 Hotel Owner LLC, including (1) Purchase and Sale Agreement, dated February 6, 2015; (2) Buyer and Sellers Settlement Statement, dated February 12, 2015; and (3) "Acquisition Price Allocation," prepared by Ryan, LLC.

Upon review of these materials, the Assessor-Recorder determined that the entire purchase price was \$525,000,000 and the value of the real estate, exclusive of non-realty, tangible and intangible



personal property, was \$500,550,000, or \$141,110,000 more than was declared at the time of recording. This value differential results in a transfer tax liability of an additional \$3,527,750.

On December 14, 2015 the Assessor-Recorder issued a demand letter to P55 Hotel Owner LLC for the unpaid transfer tax liability, plus penalties and interest per Section 1115 of Article 12-C of the City and County of San Francisco Business and Tax Regulations Code. The total amount due was \$5,079,960 (if paid by December 21, 2015).

There was no response to this demand letter. On January 19, 2016 the Assessor-Recorder recorded a Notice of Delinquent Real Property Transfer Taxes as Document 2016-K188583, which indicated a total amount due of \$5,150,369 (if paid by February 19, 2016). A copy of the recorded notice was sent via email and US Mail to P55 Hotel Owner LLC on January 19, 2016. This notice included a cover letter indicating that the Assessor-Recorder would initiate lien proceedings if the delinquency was not paid by February 19, 2016.

On February 23, 2016, the Assessor-Recorder received a voicemail from Mr. Glenn Alba, the managing director of Blackstone (the entity behind the seller, BRE Parc 55 Owner LLC), requesting wiring instructions to remit payment.

On February 24, 2016, the Assessor-Recorder provided Mr. Alba wiring instructions via email. Mr. Alba confirmed receipt and indicated the transfer would be made on Friday, February 26 or Monday, February 29, 2016. When no payment was received, the Assessor-Recorder inquired as to the status of the wire transfer via emails sent to Mr. Alba on February 29, 2016 and March 4, 2016. These inquiries were not answered.

Based on the foregoing, the Assessor-Recorder requests the City and County of San Francisco Board of Supervisors initiate proceedings to impose a lien under San Francisco Business and Tax Regulations Code section 1115.1 for the total unpaid balance against the real property transferred by Document 2015-K021395, 55 Cyril Magnin Street (APN 0330-026).

Sincerely,

A handwritten signature in black ink, appearing to be 'Carmen Chu', written in a cursive style.

Carmen Chu  
Assessor-Recorder

CARMEN CHU  
ASSESSOR-RECORDER



SAN FRANCISCO  
OFFICE OF THE ASSESSOR-RECORDER

**Report to the City and County of San Francisco Board of Supervisors  
Pursuant to San Francisco Business and Tax Regulations Code Section 1115.1(a)  
Parc 55 Hotel, San Francisco**

The San Francisco Assessor-Recorder has determined that insufficient transfer tax was paid on the Parc 55 sale (55 Cyril Magnin Street) recorded on February 19, 2015 as Document Number 2015-K021395.

A Notice of Delinquent Real Property Transfer Taxes was recorded on January 19, 2016 as Document # 2016-K188583 (attached); the delinquent taxes, penalties and interest total \$5,150,369 (as of February 19, 2016).

Pursuant to San Francisco Business and Tax Regulations Code section 1115.1, the Assessor-Recorder requests that the Board initiate proceedings to impose a lien for the unpaid tax, together with penalties and interest, against the real property described in the attached Notice of Delinquent Real Property Transfer Taxes, and summarized below.

Property Location: 55 Cyril Magnin Street  
Property Name: Parc 55 Hotel  
Assessor's Parcel Number: 0330-026  
Document Number: 2015-K021395  
Recording Date: 2/19/2015  
Delinquency Date: 3/21/2015  
Grantee: P55 Hotel Owner, LLC  
c/o Hilton Worldwide, Inc.  
7930 Jones Branch Drive  
McLean, VA 22102

Grantor: BRE Parc 55 Owner, LLC  
P.O. BOX 396  
Boca Raton, FL 33429

CARMEN CHU  
ASSESSOR-RECORDER



SAN FRANCISCO  
OFFICE OF THE ASSESSOR-RECORDER

**VIA EMAIL AND US MAIL**

January 19, 2016

Mr. W. Steven Standefer  
P55 Hotel Owner LLC  
c/o Hilton Worldwide, Inc.  
7930 Jones Branch Drive  
McLean, VA 22102

**RE: Notice of Delinquent Real Property Transfer Taxes – Parc 55 Hotel, San Francisco**

Dear Mr. Standefer:

The San Francisco Assessor-Recorder has determined that insufficient transfer tax was paid on the Parc 55 sale recorded on February 19, 2015 as Document Number 2015-K021395; this tax is delinquent.

As indicated in the attached Notice of Delinquent Real Property Transfer Taxes, recorded on January 19, 2016, as Document # 2016-K188583, the delinquent taxes, penalties and interest total \$5,150,369. Under San Francisco Business and Tax Regulations Code section 1115.1, if the total amount due is not paid within 30 days of the recordation date of this notice, this office will initiate proceedings at a noticed public hearing before the San Francisco Board of Supervisors to impose a lien for the unpaid tax, together with penalties and interest, against the real property described in the delinquency notice.

Please remit \$5,150,369 by February 19, 2016, to my attention at the address listed below. If you have any questions or need additional information, I can be reached at 415-554-4806.

Very truly yours,

A handwritten signature in black ink, appearing to read "Douglas Legg".

Douglas Legg  
Deputy Assessor-Recorder  
Office of the Assessor-Recorder  
1 Dr. Carlton B. Goodlett Place, Room 190  
San Francisco, CA 94102-4698

CC: Carmen Chu, Assessor-Recorder  
Margaret Tseng, Recording Division Manager

Recording Request by and when  
Recorded return to.

City and County of San Francisco  
Office of the Assessor-Recorder  
1 Dr. Carlton B. Goodlett Place  
City Hall, Room 190  
San Francisco, CA 94102

San Francisco Assessor-Recorder  
Carmen Chu, Assessor-Recorder  
**DOC- 2016-K188583-00**  
Acct 23-San Francisco County Recorder  
Tuesday, JAN 19, 2016 08:43:53  
Ttl Pd \$0.00 Rcpt # 0005297791  
par/AB/1-6

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**NOTICE OF DELINQUENT REAL PROPERTY TRANSFER TAXES**

*(Filed pursuant to San Francisco Business and Tax Regulations Code Section 1115)*

**THIS IS TO NOTIFY YOU THAT TAX LIEN PROCEEDINGS WILL BE INITIATED IF PAYMENT OF  
OUTSTANDING TAXES, PENALTIES, and INTEREST ARE NOT REMITTED WITHIN 30 DAYS OF THIS NOTICE**

Property Location: 55 Cyril Magnin Street  
Property Name: Parc 55 Hotel  
Assessor's Parcel Number: 0330-026  
Document Number: 2015-K021395 (attached)  
Recording Date: 2/19/2015  
Delinquency Date: 3/21/2015  
Grantee: P55 Hotel Owner, LLC

The Grantee named herein is liable to the City and County of San Francisco for the total unpaid amount as set forth herein:

Tax Paid at Recordation	\$8,986,100
Total Tax Due	\$12,513,750
Delinquent Amount	\$3,527,650
+ 25% Delinquency Penalty	\$881,913
+ 10% Delinquency Penalty	\$352,765
+ Interest	\$388,042
<b>TOTAL Due if paid by 2/19/2016</b>	<b>\$5,150,369</b>

The total amount due includes penalties and interest. Additional interest will continue to accrue at the rate of one (1.0) percent per month as prescribed by law

Under San Francisco Business and Tax Regulations Code Section 1115.1, if the Grantee does not remit the total amount due within 30 days of the recordation date of this notice, this office will initiate proceedings at a noticed hearing before the San Francisco Board of Supervisors to impose a lien for the unpaid tax, together with penalties and interest, against the real property described in this delinquency notice

---

RECORDING REQUESTED BY  
**CHICAGO TITLE COMPANY**

*FWPN - TO 14001367*

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

Dentons US LLP  
2398 East Camelback Road, Suite 850  
Phoenix, AZ 85016-9007  
Attention: Meghan Cocci

MAIL TAX BILLS TO:

Hilton Worldwide Inc.  
c/o Property Tax Department  
7930 Jones Branch Drive  
McLean, VA 22102

*Lot 026, Block 0330*  
{Space Above This Line For Recorder's Use}

*55 Cyril Magnin St.*

GRANT DEED

The amount of the documentary transfer tax due is \$ 8,986,000.00 and is based on full value of the real property being conveyed.

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, BRE PARC 55 OWNER LLC, a Delaware limited liability company ("Grantor"), does hereby GRANT to P55 HOTEL OWNER LLC, a Delaware limited liability company ("Grantee"), all of that certain real property in the County of San Francisco, State of California, as more particularly described in Exhibit A attached hereto and incorporated herein by this reference and made a part hereof (the "Land"), together with all of Grantor's right, title and interest in any and all structures and improvements located thereon, and all of Grantor's right, title and interest in and to the rights, benefits, privileges, easements, tenements, hereditaments and appurtenances to the extent belonging or pertaining to the Land or such structures and improvements (collectively, the "Property").

THIS CONVEYANCE IS MADE AND ACCEPTED SUBJECT TO (i) real estate taxes and assessments for the year 2015 not yet delinquent as of the date hereof and all subsequent years, (ii) applicable zoning ordinance and governmental regulations, (iii) conditions, restrictions, covenants, limitations, and easements of record, (iv) unrecorded leases, and (v) all matters that would be reflected on an accurate survey or shown by physical inspection of the Property, as of the date hereof.

Mail tax statements is attached etc

*{No further text on this page. The next page is the signature page.}*

20159K02139500005  
San Francisco Assessor-Recorder  
Carmen Chu, Assessor-Recorder  
DOC 2015-K021395-00  
Acct 2001-Chicago Title Company Concord  
Thursday, FEB 19, 2015 12:25:06  
Ttl Pd\$8,986,03\* Nbr-0005103163  
oma/RE/1-5

EXHIBIT A

LEGAL

The land is situated in the City of San Francisco, County of San Francisco, State of California, and is described as follows:

PARCEL ONE:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF EDDY STREET, DISTANT THEREON 43 FEET 9 INCHES EASTERLY FROM THE EASTERLY LINE OF MASON STREET, RUNNING THENCE EASTERLY ALONG SAID LINE OF EDDY STREET 25 FEET, THENCE AT A RIGHT ANGLE NORTHERLY 85 FEET, THENCE AT A RIGHT ANGLE WESTERLY 25 FEET, THENCE AT A RIGHT ANGLE SOUTHERLY 85 FEET TO THE POINT OF BEGINNING.

BEING A PART OF 50 VARA BLOCK NO. 171.

PARCEL TWO:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHERLY LINE OF ELLIS STREET WITH THE EASTERLY LINE OF MASON STREET; RUNNING THENCE EASTERLY ALONG SAID LINE OF ELLIS STREET 35 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 100 FEET; THENCE AT A RIGHT ANGLE 35 FEET TO THE EASTERLY LINE OF MASON STREET; THENCE AT A RIGHT ANGLE NORTHERLY AND ALONG SAID LINE OF MASON STREET 100 FEET TO THE POINT OF BEGINNING.

BEING A PART OF 50 VARA BLOCK NO. 171.

PARCEL THREE:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF ELLIS STREET, DISTANT THEREON 35 FEET EASTERLY FROM THE EASTERLY LINE OF MASON STREET; RUNNING THENCE EASTERLY ALONG SAID LINE OF ELLIS STREET 52 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE SOUTHERLY 120 FEET (DEED), 100 FEET MEASURED; THENCE AT A RIGHT ANGLE WESTERLY 52 FEET 6 INCHES; THENCE AT A RIGHT ANGLE NORTHERLY 100 FEET TO THE POINT OF BEGINNING.

BEING A PART OF 50 VARA BLOCK NO. 171.

PARCEL FOUR:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF ELLIS STREET, DISTANT THEREON 87 FEET AND 6 INCHES EASTERLY FROM THE EASTERLY LINE OF MASON STREET; RUNNING THENCE EASTERLY ALONG SAID LINE OF ELLIS STREET 50 FEET, THENCE AT A RIGHT ANGLE SOUTHERLY 100 FEET; THENCE AT

A RIGHT ANGLE WESTERLY 50 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 100 FEET TO THE POINT OF BEGINNING.

BEING A PART OF 50 VARA BLOCK NO. 171.

PARCEL FIVE:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF ELLIS STREET, DISTANT THEREON 137 FEET AND 6 INCHES EASTERLY FROM THE EASTERLY LINE OF MASON STREET; RUNNING THENCE EASTERLY AND ALONG SAID LINE OF ELLIS STREET 36 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE SOUTHERLY 89 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE WESTERLY 36 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE 89 FEET AND 6 INCHES TO THE POINT OF BEGINNING.

BEING PART OF 50 VARA BLOCK NO. 171.

PARCEL SIX:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF EDDY STREET, DISTANT THEREON 68 FEET, 9 INCHES EASTERLY FROM THE EASTERLY LINE OF MASON STREET, RUNNING THENCE EASTERLY ALONG SAID LINE OF EDDY STREET 105 FEET 3 INCHES TO THE NORTHWESTERLY CORNER OF EDDY STREET AND FIFTH STREET, NORTH RUNNING THENCE NORTHERLY ALONG FIFTH STREET NORTH 185 FEET 6 INCHES (DEED), 185.625' MEASURED, TO A POINT 89 FEET 6 INCHES SOUTHERLY FROM THE SOUTHWESTERLY CORNER OF ELLIS STREET AND FIFTH STREET NORTH; THENCE AT A RIGHT ANGLE WESTERLY 36 FEET, 6 INCHES; THENCE AT A RIGHT ANGLE SOUTHERLY 10 FEET, 6 INCHES; THENCE AT A RIGHT ANGLE WESTERLY 68 FEET 9 INCHES; THENCE AT A RIGHT ANGLE SOUTHERLY 175 FEET (DEED), 175.125' MEASURED, TO THE TRUE POINT OF BEGINNING.

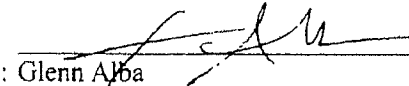
PARCEL SEVEN:

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF THE NORTHERLY LINE OF EDDY STREET AND THE EASTERLY LINE OF MASON STREET; RUNNING THENCE EASTERLY ALONG SAID NORTHERLY LINE OF EDDY STREET 43 FEET AND 9 INCHES; THENCE AT A RIGHT ANGLE NORTHERLY 85 FEET; THENCE AT A RIGHT ANGLE WESTERLY 43 FEET AND 9 INCHES TO THE EASTERLY LINE OF MASON STREET; THENCE SOUTHERLY ALONG SAID EASTERLY LINE OF MASON STREET 85 FEET TO ITS INTERSECTION WITH THE NORTHERLY LINE OF EDDY STREET AND THE POINT OF BEGINNING.

Assessor's Lot 926, Block 1570

**In Witness Whereof**, Grantor has hereunto set Grantor's hand and seal the day and year first above written.


BRE PARC 55 OWNER LLC,  
a Delaware limited liability company

By:   
Name: Glenn Alba  
Title: Managing Director and Vice President



State of NEW YORK            )  
County of NEW YORK        ) ss

On the 10<sup>th</sup> day of February in the year 2015 before me, the undersigned, personally appeared Glenn Alba, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to this instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

ROBIN ASSA  
NOTARY PUBLIC, State of New York  
No. 01AS6166670  
Qualified in Kings County  
Commission Expires May 21, 2016



San Francisco Assessor-Recorder  
Carmen Chu, Assessor-Recorder  
**DOC- 2016-K270354-00**

Acct 28-SFCC Board of Supervisors  
Monday, JUN 06, 2016 16:05:41  
Ttl Pd \$0.00 Rcpt # 0005391335  
dm2/FT/1-15

**Recording Requested by:**

Board of Supervisors  
Clerk of the Board, Room 244

**When recorded, mail to:**

Board of Supervisors  
Clerk of the Board, Room 244  
Attn: Operations Division

**CERTIFIED COPY**

*W/C  
15*

**Title**

Resolution No. 205-16

Report of Delinquent Real Property Transfer Taxes:  
Parc 55 Hotel, San Francisco

*PARC 55 HOTEL, 55 CYRIL MAGNIN STREET  
ASSESSOR'S PARCEL BLOCK NO. 0330  
LOT NO. 026*



City and County of San Francisco

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

Certified Copy

Resolution

160438 [ Report of Delinquent Real Property Transfer Taxes ]

Sponsors: Tang; Peskin

Resolution confirming report of delinquent real property transfer tax under Business and Tax Regulations Code, Section 1115.1(c), for Assessor's Parcel Block No. 0284, Lot No. 010 (562 Sutter Street) and Block No. 0330, Lot No. 023 (55 Cyril Magnin Street), and directing transmission of said report to the Controller and Tax Collector for collection and deposit into the General Fund. (Assessor-Recorder)

5/24/2016 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

6/3/2016 Mayor - APPROVED

STATE OF CALIFORNIA  
CITY AND COUNTY OF SAN FRANCISCO

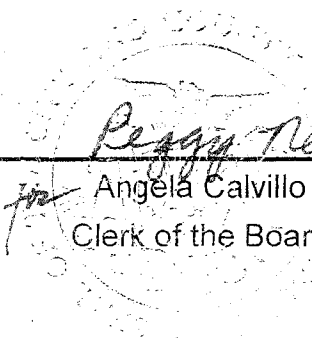
CLERK'S CERTIFICATE

I do hereby certify that the foregoing Resolution is a full, true, and correct copy of the original thereof on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City and County of San Francisco.

June 06, 2016

Date

  
*Peggy Rivera*  
for Angela Calvillo  
Clerk of the Board

CERTIFIED COPY

1 [Report of Delinquent Real Property Transfer Taxes]

2  
3 **Resolution confirming report of delinquent real property transfer tax under Business**  
4 **and Tax Regulations Code, Section 1115.1(c), for Assessor's Parcel Block No. 0284, Lot**  
5 **No. 010 (562 Sutter Street) and Block No. 0330, Lot No. 023 (55 Cyril Magnin Street), and**  
6 **directing transmission of said report to the Controller and Tax Collector for collection**  
7 **and deposit into the General Fund.**

8  
9 WHEREAS, The Office of the Assessor-Recorder issued demand letters to the owners  
10 of Assessor's Parcel Block No. 0284, Lot No. 010 (562 Sutter Street) and Block No. 0330, Lot  
11 No. 023 (55 Cyril Magnin Street) for unpaid transfer tax liability, plus penalties and interest,  
12 and per Section 1115(d) of Article 12-C of the Business and Tax Regulations Code, recorded  
13 a Notice of Delinquent Real Property Transfer Taxes, and mailed a copy of the recorded  
14 notice, indicating that the Assessor-Recorder would initiate lien proceedings if the delinquency  
15 was not paid; and

16 WHEREAS, The Assessor-Recorder has requested that the Board of Supervisors  
17 initiate proceedings to impose a lien under Business and Tax Regulations Code, Section  
18 1115.1(a) for the total unpaid balance against the real property transferred by Document  
19 2016-K188248, Assessor's Parcel Block No. 0284, Lot No. 010 (562 Sutter Street) and  
20 Document 2016-K188583, Assessor's Parcel Block No. 0330, Lot No. 023 (55 Cyril Magnin  
21 Street), and confirm costs outlined in said Report of Delinquent Real Property Transfer Taxes;  
22 and

23 WHEREAS, The Board of Supervisors held a hearing on May 24, 2016; now, therefore,  
24 be it


CERTIFIED COPY

1 RESOLVED, That the Report of Delinquent Real Property Transfer Taxes is hereby  
2 confirmed by the Board; and, be it

3 FURTHER RESOLVED, That a copy of this resolution and a copy of the Report of  
4 Delinquent Real Property Transfer Taxes confirmed by the Board shall be transmitted to the  
5 Controller and Tax Collector of the City and County, whereupon it shall be the duty of said  
6 officers to add the amount of the delinquent transfer tax, penalties, and interest to the next  
7 regular bill for property taxes levied against the respective parcel of land, and shall be  
8 collected at the same time and in the same manner as ordinary City and County property  
9 taxes are collected, and shall be subject to the same procedure under foreclosure and sale in  
10 case of delinquency under the laws of the City and County and of the State of California; and,  
11 be it

12 FURTHER RESOLVED, That all monies received in payment of the transfer tax,  
13 interest and penalties shall be credited to the General Fund, Fund 1G AGF AAA Index Code  
14 995031, Sub-Object 12510.

15  
16  
17 APPROVED:

18  
19   
20 \_\_\_\_\_  
21 Carmen Chu  
22 Assessor-Recorder  
23  
24  
25

CERTIFIED COPY



City and County of San Francisco

Tails  
Resolution

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

File Number: 160438

Date Passed: May 24, 2016

Resolution confirming report of delinquent real property transfer tax under Business and Tax Regulations Code, Section 1115.1(c), for Assessor's Parcel Block No. 0284, Lot No. 010 (562 Sutter Street) and Block No. 0330, Lot No. 023 (55 Cyril Magnin Street), and directing transmission of said report to the Controller and Tax Collector for collection and deposit into the General Fund.

May 24, 2016 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

File No. 160438

I hereby certify that the foregoing Resolution was ADOPTED on 5/24/2016 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo  
Clerk of the Board

  
Mayor

6/3/16

Date Approved

CARMEN CHU  
ASSESSOR-RECORDER



SAN FRANCISCO  
OFFICE OF THE ASSESSOR-RECORDER

**CERTIFIED COPY**

March 25, 2016

Angela Calvillo, Clerk of the Board  
Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689

**RE: Requesting that the Board of Supervisors Initiate Tax Lien Proceedings under San Francisco Business and Tax Regulations Code section 1115.1 for Delinquent Real Property Transfer Taxes – Parc 55 Hotel, San Francisco**

Dear Ms. Calvillo:

The Assessor-Recorder hereby submits the attached report to the City and County of San Francisco Board of Supervisors under Section 1115.1(a) of Article 12-C of the San Francisco Business and Tax Regulations Code. This matter involves delinquent real property transfer taxes related to the sale of the Parc 55 Hotel (55 Cyril Magnin Street, APN 0330-026) in 2015. The amount of delinquent transfer tax, penalties and interest totals \$5,220,922 (as of April 19, 2016), as further described below.

On February 19, 2015, a grant deed was recorded as Document 2015-K021395 transferring title of the Parc 55 Hotel from BRE Parc 55 Owner LLC to P55 Hotel Owner LLC. The purchase price reported on the Preliminary Change of Ownership Report (PCOR) and transfer tax affidavit accompanying the grant deed was \$359,440,000, exclusive of non-realty tangible and intangible personal property, and transfer tax of \$8,986,000 was paid.

On February 19, 2015, the Assessor-Recorder sent a letter to the new owner, P55 Hotel Owner LLC c/o Hilton Worldwide Inc., requesting documentation in support of the declared purchase price, including (1) the Purchase and Sale Agreement; (2) Buyer's closing statement; (3) Any other information pertaining to the consideration paid for personal property, FF&E or any other non-realty; and (4) a copy of the fully executed ground lease, if applicable.

On April 28, 2015 the Assessor-Recorder received documentation from the Paradigm Tax Group, representatives of P55 Hotel Owner LLC, including (1) Purchase and Sale Agreement, dated February 6, 2015; (2) Buyer and Sellers Settlement Statement, dated February 12, 2015; and (3) "Acquisition Price Allocation," prepared by Ryan, LLC.

Upon review of these materials, the Assessor-Recorder determined that the entire purchase price was \$525,000,000 and the value of the real estate, exclusive of non-realty, tangible and intangible

personal property, was \$500,550,000, or \$141,110,000 more than was declared at the time of recording. This value differential results in a transfer tax liability of an additional \$3,527,750.

On December 14, 2015 the Assessor-Recorder issued a demand letter to P55 Hotel Owner LLC for the unpaid transfer tax liability, plus penalties and interest per Section 1115 of Article 12-C of the City and County of San Francisco Business and Tax Regulations Code. The total amount due was \$5,079,960 (if paid by December 21, 2015).

There was no response to this demand letter. On January 19, 2016 the Assessor-Recorder recorded a Notice of Delinquent Real Property Transfer Taxes as Document 2016-K188583, which indicated a total amount due of \$5,150,369 (if paid by February 19, 2016). A copy of the recorded notice was sent via email and US Mail to P55 Hotel Owner LLC on January 19, 2016. This notice included a cover letter indicating that the Assessor-Recorder would initiate lien proceedings if the delinquency was not paid by February 19, 2016.

On February 23, 2016, the Assessor-Recorder received a voicemail from Mr. Glenn Alba, the managing director of Blackstone (the entity behind the seller, BRE Parc 55 Owner LLC), requesting wiring instructions to remit payment.

On February 24, 2016, the Assessor-Recorder provided Mr. Alba wiring instructions via email. Mr. Alba confirmed receipt and indicated the transfer would be made on Friday, February 26 or Monday, February 29, 2016. When no payment was received, the Assessor-Recorder inquired as to the status of the wire transfer via emails sent to Mr. Alba on February 29, 2016 and March 4, 2016. These inquiries were not answered.

Based on the foregoing, the Assessor-Recorder requests the City and County of San Francisco Board of Supervisors initiate proceedings to impose a lien under San Francisco Business and Tax Regulations Code section 1115.1 for the total unpaid balance against the real property transferred by Document 2015-K021395, 55 Cyril Magnin Street (APN 0330-026).

Sincerely,



Carmen Chu  
Assessor-Recorder



CARMEN CHU  
ASSESSOR-RECORDER



SAN FRANCISCO  
OFFICE OF THE ASSESSOR-RECORDER

**Report to the City and County of San Francisco Board of Supervisors  
Pursuant to San Francisco Business and Tax Regulations Code Section 1115.1(a)  
Parc 55 Hotel, San Francisco**

The San Francisco Assessor-Recorder has determined that insufficient transfer tax was paid on the Parc 55 sale (55 Cyril Magnin Street) recorded on February 19, 2015 as Document Number 2015-K021395.

A Notice of Delinquent Real Property Transfer Taxes was recorded on January 19, 2016 as Document # 2016-K188583 (attached); the delinquent taxes, penalties and interest total \$5,150,369 (as of February 19, 2016).

Pursuant to San Francisco Business and Tax Regulations Code section 1115.1, the Assessor-Recorder requests that the Board initiate proceedings to impose a lien for the unpaid tax, together with penalties and interest, against the real property described in the attached Notice of Delinquent Real Property Transfer Taxes, and summarized below.

Property Location:	55 Cyril Magnin Street
Property Name:	Parc 55 Hotel
Assessor's Parcel Number:	0330-026
Document Number:	2015-K021395
Recording Date:	2/19/2015
Delinquency Date:	3/21/2015
Grantee:	P55 Hotel Owner, LLC c/o Hilton Worldwide, Inc. 7930 Jones Branch Drive McLean, VA 22102
Grantor:	BRE Parc 55 Owner, LLC P.O. BOX 396 Boca Raton, FL 33429

CARMEN CHU  
ASSESSOR-RECORDER



SAN FRANCISCO  
OFFICE OF THE ASSESSOR-RECORDER

VIA EMAIL AND US MAIL

January 19, 2016

Mr. W. Steven Standefer  
P55 Hotel Owner LLC  
c/o Hilton Worldwide, Inc.  
7930 Jones Branch Drive  
McLean, VA 22102

**RE: Notice of Delinquent Real Property Transfer Taxes – Parc 55 Hotel, San Francisco**

Dear Mr. Standefer:

The San Francisco Assessor-Recorder has determined that insufficient transfer tax was paid on the Parc 55 sale recorded on February 19, 2015 as Document Number 2015-K021395; this tax is delinquent.

As indicated in the attached Notice of Delinquent Real Property Transfer Taxes, recorded on January 19, 2016, as Document # 2016-K188583, the delinquent taxes, penalties and interest total \$5,150,369. Under San Francisco Business and Tax Regulations Code section 1115.1, if the total amount due is not paid within 30 days of the recordation date of this notice, this office will initiate proceedings at a noticed public hearing before the San Francisco Board of Supervisors to impose a lien for the unpaid tax, together with penalties and interest, against the real property described in the delinquency notice.

Please remit \$5,150,369 by February 19, 2016, to my attention at the address listed below. If you have any questions or need additional information, I can be reached at 415-554-4806.

Very truly yours,

A handwritten signature in cursive script that reads "Douglas Legg".

Douglas Legg  
Deputy Assessor-Recorder  
Office of the Assessor-Recorder  
1 Dr. Carlton B. Goodlett Place, Room 190  
San Francisco, CA 94102-4698

CC: Carmen Chu, Assessor-Recorder  
Margaret Tseng, Recording Division Manager

Recording Request by and when  
Recorded return to.



San Francisco Assessor-Recorder  
Carmen Chu, Assessor-Recorder  
**DOC- 2016-K188583-00**

Acct 23-San Francisco County Recorder  
Tuesday, JAN 19, 2016 08:43:53

Ttl Pd \$0.00 Rcpt # 0005297791

car/AB/1-6

City and County of San Francisco  
Office of the Assessor-Recorder  
1 Dr. Carlton B. Goodlett Place  
City Hall, Room 190  
San Francisco, CA 94102

**NOTICE OF DELINQUENT REAL PROPERTY TRANSFER TAXES**

*(Filed pursuant to San Francisco Business and Tax Regulations Code Section 1115)*

**THIS IS TO NOTIFY YOU THAT TAX LIEN PROCEEDINGS WILL BE INITIATED IF PAYMENT OF  
OUTSTANDING TAXES, PENALTIES, and INTEREST ARE NOT REMITTED WITHIN 30 DAYS OF THIS NOTICE**

Property Location: 55 Cyril Magnin Street  
Property Name: Parc 55 Hotel  
Assessor's Parcel Number: 0330-026  
Document Number: 2015-K021395 (attached)  
Recording Date: 2/19/2015  
Delinquency Date: 3/21/2015  
Grantee: P55 Hotel Owner, LLC

The Grantee named herein is liable to the City and County of San Francisco for the total unpaid amount as set forth herein:

Tax Paid at Recordation	\$8,986,100
Total Tax Due	<u>\$12,513,750</u>
Delinquent Amount	\$3,527,650
+ 25% Delinquency Penalty	\$881,913
+ 10% Delinquency Penalty	\$352,765
+ Interest	<u>\$388,042</u>
<b>TOTAL Due if paid by 2/19/2016</b>	<b>\$5,150,369</b>

The total amount due includes penalties and interest. Additional interest will continue to accrue at the rate of one (1.0) percent per month as prescribed by law.

Under San Francisco Business and Tax Regulations Code Section 1115.1, if the Grantee does not remit the total amount due within 30 days of the recording date of this notice, this office will initiate proceedings to enforce a lien against the San Francisco parcel of property described above and to provide a lien for the unpaid tax together with penalties and interest against the real property described in this notice against the property.

RECORDING REQUESTED BY  
**CHICAGO TITLE COMPANY**  
FWPN - TO 14001367

20159K02139500005  
San Francisco Assessor-Recorder  
Carmen Chu, Assessor-Recorder  
DOC 2015-K021395-00  
Acct 2001-Chicago Title Company Concord  
Thursday, FEB 19, 2015 12:25:06  
Ttl Pd\$8,986,037 Nbr-0005103163  
oma/RE/1-5

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

Dentons US LLP  
2398 East Camelback Road, Suite 850  
Phoenix, AZ 85016-9007  
Attention: Meghan Cocci

MAIL TAX BILLS TO:

Hilton Worldwide Inc.  
c/o Property Tax Department  
7930 Jones Branch Drive  
McLean, VA 22102

Lot 026, Block 0330  
[Space Above This Line For Recorder's Use]

55 Cyril Magnin St.

GRANT DEED

The amount of the documentary transfer tax due is \$ 8,986,000.00 and is based on full value of the real property being conveyed.

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, BRE PARC 55 OWNER LLC, a Delaware limited liability company ("**Grantor**"), does hereby GRANT to P55 HOTEL OWNER LLC, a Delaware limited liability company ("**Grantee**"), all of that certain real property in the County of San Francisco, State of California, as more particularly described in Exhibit A attached hereto and incorporated herein by this reference and made a part hereof (the "**Land**"), together with all of Grantor's right, title and interest in any and all structures and improvements located thereon, and all of Grantor's right, title and interest in and to the rights, benefits, privileges, easements, tenements, hereditaments and appurtenances to the extent belonging or pertaining to the Land or such structures and improvements (collectively, the "**Property**").

THIS CONVEYANCE IS MADE AND ACCEPTED SUBJECT TO (i) real estate taxes and assessments for the year 2015 not yet delinquent as of the date hereof and all subsequent years, (ii) applicable zoning ordinances and governmental regulations, (iii) conditions, restrictions, covenants, limitations and easements of record, (iv) unrecorded leases, and (v) all matters that would be reflected on an accurate map, or shown by physical inspection of the property, or of the title report.

\_\_\_\_\_  
Notary Public in and for the State of California

CERTIFIED COPY

EXHIBIT A

LEGAL

The land is situated in the City of San Francisco, County of San Francisco, State of California, and is described as follows:

PARCEL ONE:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF EDDY STREET, DISTANT THEREON 43 FEET 9 INCHES EASTERLY FROM THE EASTERLY LINE OF MASON STREET, RUNNING THENCE EASTERLY ALONG SAID LINE OF EDDY STREET 25 FEET, THENCE AT A RIGHT ANGLE NORTHERLY 85 FEET, THENCE AT A RIGHT ANGLE WESTERLY 25 FEET, THENCE AT A RIGHT ANGLE SOUTHERLY 85 FEET TO THE POINT OF BEGINNING.

BEING A PART OF 50 VARA BLOCK NO. 171.

PARCEL TWO:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHERLY LINE OF ELLIS STREET WITH THE EASTERLY LINE OF MASON STREET; RUNNING THENCE EASTERLY ALONG SAID LINE OF ELLIS STREET 35 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 100 FEET; THENCE AT A RIGHT ANGLE 35 FEET TO THE EASTERLY LINE OF MASON STREET; THENCE AT A RIGHT ANGLE NORTHERLY AND ALONG SAID LINE OF MASON STREET 100 FEET TO THE POINT OF BEGINNING.

BEING A PART OF 50 VARA BLOCK NO. 171.

PARCEL THREE:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF ELLIS STREET, DISTANT THEREON 35 FEET EASTERLY FROM THE EASTERLY LINE OF MASON STREET; RUNNING THENCE EASTERLY ALONG SAID LINE OF ELLIS STREET 52 FEET AND 6 INCHES, THENCE AT A RIGHT ANGLE SOUTHERLY 120 FEET (DEED), 100 FEET MEASURED; THENCE AT A RIGHT ANGLE WESTERLY 52 FEET 6 INCHES; THENCE AT A RIGHT ANGLE NORTHERLY 100 FEET TO THE POINT OF BEGINNING.

BEING A PART OF 50 VARA BLOCK NO. 171.

PARCEL FOUR:

BEGINNING AT A POINT ON THE SOUTHERLY CORNER OF ELLIS STREET, DISTANT THEREON 87 FEET AND 6 INCHES EASTERLY FROM THE EASTERLY LINE OF MASON STREET; RUNNING THENCE EASTERLY ALONG SAID LINE OF ELLIS STREET 30 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 100 FEET; THENCE AT

A RIGHT ANGLE WESTERLY 50 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 100 FEET TO THE POINT OF BEGINNING.

BEING A PART OF 50 VARA BLOCK NO. 171.

PARCEL FIVE:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF ELLIS STREET, DISTANT THEREON 137 FEET AND 6 INCHES EASTERLY FROM THE EASTERLY LINE OF MASON STREET; RUNNING THENCE EASTERLY AND ALONG SAID LINE OF ELLIS STREET 36 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE SOUTHERLY 89 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE WESTERLY 36 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE 89 FEET AND 6 INCHES TO THE POINT OF BEGINNING.

BEING PART OF 50 VARA BLOCK NO. 171.

PARCEL SIX:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF EDDY STREET, DISTANT THEREON 68 FEET, 9 INCHES EASTERLY FROM THE EASTERLY LINE OF MASON STREET, RUNNING THENCE EASTERLY ALONG SAID LINE OF EDDY STREET 105 FEET 3 INCHES TO THE NORTHWESTERLY CORNER OF EDDY STREET AND FIFTH STREET, NORTH RUNNING THENCE NORTHERLY ALONG FIFTH STREET NORTH 185 FEET 6 INCHES (DEED), 185.625' MEASURED, TO A POINT 89 FEET 6 INCHES SOUTHERLY FROM THE SOUTHWESTERLY CORNER OF ELLIS STREET AND FIFTH STREET NORTH; THENCE AT A RIGHT ANGLE WESTERLY 36 FEET, 6 INCHES; THENCE AT A RIGHT ANGLE SOUTHERLY 10 FEET, 6 INCHES; THENCE AT A RIGHT ANGLE WESTERLY 68 FEET 9 INCHES; THENCE AT A RIGHT ANGLE SOUTHERLY 175 FEET (DEED), 175.125' MEASURED, TO THE TRUE POINT OF BEGINNING.

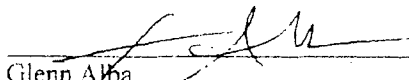
PARCEL SEVEN:

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF THE NORTHERLY LINE OF EDDY STREET AND THE EASTERLY LINE OF MASON STREET; RUNNING THENCE EASTERLY ALONG SAID NORTHERLY LINE OF EDDY STREET 43 FEET AND 9 INCHES; THENCE AT A RIGHT ANGLE NORTHERLY 35 FEET; THENCE AT A RIGHT ANGLE WESTERLY 43 FEET AND 9 INCHES TO THE EASTERLY LINE OF MASON STREET; THENCE SOUTHERLY ALONG SAID EASTERLY LINE OF MASON STREET 85 FEET TO ITS INTERSECTION WITH THE NORTHERLY LINE OF EDDY STREET AND THE POINT OF BEGINNING.

CERTIFIED COPY

In Witness Whereof, Grantor has hereunto set Grantor's hand and seal the day and year first above written.

BRE PARC 55 OWNER LLC,  
a Delaware limited liability company

By:   
Name: Glenn Alba  
Title: Managing Director and Vice President

State of NEW YORK )  
County of NEW YORK )

On the 10<sup>th</sup> day of February in the year 2015 before me, the undersigned, personally appeared Glenn Alba, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to this instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Robin Assa

Notary Public

ROBIN ASSA  
NOTARY PUBLIC, State of New York  
No. 01AS0168670  
Qualified in Kings County  
Commission Expires May 21, 2016

CERTIFIED COPY

This is a true certified copy of the record  
if it bears the seal, imprinted in purple ink,  
of the Assessor-Recorder

CARMEN CHU

JUN 06 2016



ASSESSOR - RECORDER

SAN FRANCISCO COUNTY CALIFORNIA

BY

[Signature]