

Recording Requested by:

Clerk of the Board of Supervisors
City and County of San Francisco
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

When Recorded Mail to:

Clerk of the Board of Supervisors
City and County of San Francisco
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Assessor Parcel Numbers (APN): 4110-012; 4112-003; 4113-003; 4114-007

CTC ESC # _____

NOTICE OF SPECIAL TAX LIEN

Please fill in Document Title(s) above this line)

This document is exempt from the \$75 Building Homes and Jobs Act Fee (per Government Code §27388.1) because:

- Document is a transfer of real property subject to the imposition of transfer tax
- Document is a transfer of real property that is a residential dwelling to an owner-occupier
- Document is recorded in connection with an exempt transfer of real property (i.e., subject to transfer tax or owner-occupied). If not recorded concurrently, provide recording date and document number of related transfer document:
Recording date _____ Document Number _____
- The \$225 per transaction cap is reached
- Document is not related to real property

**This page added to provide adequate space for recording information
(additional recording fee applies)**

NOTICE OF SPECIAL TAX LIEN

**CITY AND COUNTY OF SAN FRANCISCO
Special Tax District No. 2019-1
(Pier 70 Condominiums)**

Pursuant to the requirements of Section 3114.5 of the California Streets and Highways Code of California and Section 53328.3 of the California Government Code, the undersigned Clerk of the Board of Supervisors of the City and County of San Francisco, State of California, hereby gives notice that a lien to secure payment of a special tax is hereby imposed by the Board of Supervisors of the City and County of San Francisco, State of California. The special tax secured by this lien is authorized to be levied for the purpose of (1) financing directly the acquisition and construction of all or a portion of the facilities described in Exhibit B attached hereto (the "Authorized Facilities"), (2) financing the services described in Exhibit B attached hereto (the "Authorized Services"), (3) paying principal and interest on bonds (and other debt as defined in the Mello-Roos Community Facilities Act of 1982 cited below), the proceeds of which are being used to finance the acquisition and construction of all or a portion of the Authorized Facilities, and (4) paying the cost of administering the Special Tax District (defined below).

TAXES LEVIED BY THE SPECIAL TAX DISTRICT MAY BE USED TO PAY FOR CLEANUP OF HAZARDOUS SUBSTANCES.

The special tax is authorized to be levied within "City and County of San Francisco Special Tax District No. 2019-1 (Pier 70 Condominiums)" (the "Special Tax District") which has now been officially formed under the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X), which incorporates the Mello-Roos Community Facilities Act of 1982 (Cal. Gov't Code Section 53311 et seq.), and the lien of the special tax is a continuing lien that shall secure each annual levy of the special tax and that shall continue in force and effect until the special tax obligation is prepaid, permanently satisfied, and canceled in accordance with law or until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Government Code.

The rate, method of apportionment, and manner of collection of the authorized special tax is as set forth in Exhibit C attached hereto and hereby made a part hereof. Conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied and the lien of the special tax canceled are as follows: None.

Notice is further given that upon the recording of this notice in the office of the Assessor-Recorder the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within the Special Tax District in accordance with Section 3115.5 of the Streets and Highways Code of California.

The name(s) of the owner(s) and the assessor's tax parcel numbers of the real property included within the Special Tax District and not exempt from the special tax are as set forth in Exhibit A attached hereto and hereby made a part hereof.

Reference is made to the boundary map of the Special Tax District recorded on _____, 2020 at _____ [a.m./p.m.] as Document No. _____ in Book _____ Page _____ of the Book of Maps of Assessment and Special Tax Districts in the office of the Assessor-Recorder for the City

and County of San Francisco, State of California, which map is now the final boundary map of the Special Tax District.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the Director of the Office of Public Finance, City and County of San Francisco, 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102; Telephone: (415) 554-5956.

Dated: As of _____, 2020

By: _____
Clerk of the Board of Supervisors,
City and County of San Francisco

EXHIBIT A

NOTICE OF SPECIAL TAX LIEN

**CITY AND COUNTY OF SAN FRANCISCO
Special Tax District No. 2019-1
(Pier 70 Condominiums)**

**ASSESSOR'S PARCEL NUMBERS AND OWNERS OF LAND
WITHIN SPECIAL TAX DISTRICT**

Assessor's Tax Parcel Number	Landowner
4110-012	64 PKN OWNER, LLC, a Delaware limited liability company
4112-003, 4113-003, 4114-007	CITY AND COUNTY OF SAN FRANCISCO, ACTING BY AND THROUGH THE SAN FRANCISCO PORT COMMISSION

EXHIBIT B

NOTICE OF SPECIAL TAX LIEN

CITY AND COUNTY OF SAN FRANCISCO Special Tax District No. 2019-1 (Pier 70 Condominiums)

DESCRIPTION OF AUTHORIZED FACILITIES AND SERVICES

City and County of San Francisco Special Tax District No. 2019-1 (Pier 70 Condominiums) (as originally configured and as expanded through annexation of property in the future, the “**Special Tax District**”), is authorized to finance the Facilities, Services and Incidental Costs described in this Exhibit A. Capitalized terms used in this Exhibit A but not defined herein have the meaning given them in (1) the Appendix to Transaction Documents for the Pier 70 28-Acre Site Project, attached as an appendix to the Disposition and Development Agreement (“**DDA**”), dated as of May 2, 2018, by and between the Port and the Developer, including all exhibits and attachments, as may be amended from time to time and (2) those definitions included in the Vertical Disposition and Development Agreement for Parcel K North, dated February 8, 2019 (“**VDDA**”). When used in this Exhibit A, “**including**” has the meaning given to it in the DDA.

AUTHORIZED FACILITIES

The Special Tax District is authorized to finance the purchase, construction, reconstruction, expansion, improvement, or rehabilitation of all or any portion of the facilities authorized to be financed by the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X) and the Mello-Roos Community Facilities Act of 1982 (Cal. Gov’t Code Section 53311 et seq.), including:

1. Land Acquisition – includes, but is not limited to, acquisition of land for public improvements or for other requirements under the DDA and VDDA.
2. Demolition and Abatement – includes, but is not limited to, Site Preparation costs, including abatement of hazardous materials, removal of below-grade, at-grade, and above-grade facilities, and recycling or disposal of waste, including demolition and abatement within future vertical sites that is necessary for Horizontal Improvements.
3. Auxiliary Water Supply System - includes, but is not limited to, main pipe, laterals, valves, fire hydrants, cathodic protection, tie-ins, and any other components required for onsite and offsite high pressure water supply network intended for fire suppression.
4. Low Pressure Water - includes, but is not limited to, main pipe, laterals, water meters, water meter boxes, back flow preventers, gate valves, air valves, blow-offs, fire hydrants, cathodic protection, tie-ins, and any other components required for onsite and offsite low pressure water supply network intended for domestic use.
5. Non-Potable Water - includes, but is not limited to, main pipe, laterals, water meters, water meter boxes, back flow preventers, gate valves, air valves, blow-offs, cathodic protection,

tie-ins, blackwater treatment facility (whether publicly or privately owned), and any other components required for non-potable water supply network intended to provide treated wastewater for use in, among other things, irrigation of parks, landscaping, and non-potable uses within buildings.

6. Combined Sanitary Sewer and Stormwater Management– includes, but is not limited to, retrofit of existing combined sewer facilities, new gravity main pipe, force main pipe and associated valves, laterals, manholes, catch basins, traps, air vents, pump stations, outfalls, lift stations, connections to existing systems, stormwater treatment BMPs such as detention vaults, and any other components required for a network intended to convey storm water and sanitary sewage, including components, such as ejector pumps, associated with vertical buildings to meet design criteria for the Horizontal Improvements.
7. Joint Trench & Dry Utilities – includes, but is not limited to, installation of primary and secondary conduits, overhead poles, pull boxes, vaults, subsurface enclosures, gas main, and anodes for dry utilities including electrical, gas, telephone, cable, internet, and information systems.
8. Earthwork and Retaining Walls – includes, but is not limited to, Site Preparation activities including importation of clean fill materials, clearing and grubbing, slope stabilization, ground improvement, installation of geogrid, surcharging, wick drains, excavation, rock fragmentation, grading, placement of fill, compaction, retaining walls, subdrainage, erosion control, temporary fencing, and post-construction stabilization such as hydroseeding. Also, includes, but is not limited to, excavation of future vertical development sites if the excavated soils is used on site for purposes of raising Horizontal Improvements.
9. Roadways – includes, but is not limited to, Public ROWs, road subgrade preparation, aggregate base, concrete roadway base, asphalt wearing surface, concrete curb, concrete gutter, medians, colored asphalt and concrete, pavers, speed bumps, sawcutting, grinding, conform paving, resurfacing, any other components required for onsite and offsite roadways, transit stops, bus facilities, permanent pavement marking and striping, traffic control signage, traffic light signals, offsite traffic improvements, and any other components or appurtenant features as required in the approved Improvement Plan details and specifications. through the permitting process.
10. Streetscape – includes, but is not limited to, subgrade preparation, aggregate base, sidewalks, pavers, ADA curb ramps with detectable tiles, streetlights, light pole foundations, signage, emergency services infrastructure, landscaping (including trees and silva cells and/or structural soil), irrigation, street furniture, waste receptacles, bike racks, shared bike parking facilities (whether publicly or privately owned), newspaper stands, any other components or appurtenant features as required in the approved Improvement Plan details and specifications through the permitting process, and interpretative signage and facilities.
11. Parks and Public Space – includes, but is not limited to, fine grading, storm drainage and treatment, sanitary sewer, low pressure water, park lighting, community wifi, security infrastructure, low-voltage electrical, various hardscaping, irrigation, landscaping, various concrete structures, site furnishings, public art, viewing platforms, retrofit of shoreline structures and slopes (including demolition, excavation, installation of revetment, structural repair, and any other components, e.g., Shoreline Improvements), and any other

associated work in publicly accessible spaces such as parks, open spaces, plazas, and mid-block passages, including publicly-accessible parks, plazas, mid-block passages and open space that is located on private property, but identified as public open space, mid-block passages, streets or streetscapes in the DDA or Design for Development.

12. Historic Rehabilitation Required for Horizontal Improvements – includes, but is not limited to, eligible cost for relocation, structural retrofit, repair, and rehabilitation of historic buildings associated with horizontal public improvements, such as Building 12 lifting, Building 21 relocation, Building 108 reuse for blackwater treatment, and Building 15 structural frame.
13. Hazardous Soil Removal – includes, but is not limited to, removal and disposal of contaminated soil which cannot be reused on site in accordance with the Pier 70 Risk Management Plan, Pier 70 Master Plan Area, dated July 25, 2013, and associated with Horizontal Improvements.
14. Shoreline Adaptation Studies - includes, but is not limited to, analysis and planning to characterize the preferred Shoreline Protection Project and alternatives, including pre-entitlement planning and design work, environmental review, negotiation, and Regulatory Approvals related to the Shoreline Protection Facilities, conducted in accordance with Pier 70 Financing Plan Section 4.7(f) (Determining Pier 70 Shoreline Protection Facilities).
15. Shoreline Protection Facilities includes, but is not limited to, future waterfront Improvements at the San Francisco shoreline to protect the area from perils associated with seismic events and climate change, including sea level rise and floods, and other public improvements approved by the Port Commission and the Board of Supervisors.
16. Noonan Replacement Space, a space to accommodate the Noonan Space Lease in a new or rehabilitated building that meets the requirements of DDA § 7.13 (Noonan Replacement Space) for which the Port has issued a Temporary Certificate of Occupancy and Noonan moving costs related to relocating Noonan Tenants from the existing Noonan Building to the Noonan Replacement Space.
17. Arts Building, a new building on Parcel E4 with space dedicated and restricted to arts/light industrial uses in accordance with DDA § 7.12 (Arts Building) and the Arts Program, as well as community space that can be funded under the Financing Plan.
18. Historic Building Feasibility Gap as specified in Financing Plan Section 11.1 (Subsidy for Historic Buildings 12 and 21).
19. Deferred Infrastructure.
20. Entitlement costs, including Entitlement Costs and costs to obtain approvals necessary to proceed with development, incurred after the Reference Date to develop improvements authorized to be financed by the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X) and the Mello-Roos Community Facilities Act of 1982 (Cal. Gov't Code Section 53311 et seq.), such as the cost to comply with the California Environmental Quality Act, negotiate transaction documents, permitting of Horizontal Improvements, subdivision mapping, conduct community outreach, and prepare development design and

land use requirements, but not expenses related to any campaign or ballot measure or any other expenses prohibited by law. Entitlement costs may include interim costs as approved from time to time by the Board of Supervisors.

21. Associated Public Benefits.
22. Miscellaneous Horizontal Development Costs - any other Horizontal Development Costs associated with implementing the DDA and VDDA, including any additional costs that the Parties agree shall be incurred by the Developer for the Project, including workforce liaisons; studies and consultants required to comply with the DDA, such as auditors, inspectors, attorneys and appraisers; replacement and rework costs, including repairs to correct incidental damage that occurs throughout the course of construction and restoration of roadway pavement in areas where there are trenches excavated after the initial roadway is paved, and maintenance prior to acceptance by the City and/or Port.
23. Any other costs authorized to be financed by the Special Tax District under the DDA and VDDA.
24. Soft Costs required to support the construction of the Horizontal Improvements and implementation of the DDA and VDDA, including developer management costs, construction management Fees, and asset management costs.
25. Developer Mitigation Measures, including the formation of the Transportation Management Association and dust, vibration and asbestos monitoring.
26. Miscellaneous Costs, such as costs associated with implementing the DDA and VDDA, including any additional costs that the Parties have agreed shall be incurred by the Developer for the Project, such as master planning for each phase, audits, appraisals, workforce development costs (such as a liaison), cash payments and community outreach initiatives.

Any facility authorized to be financed by the Special Tax District may be financed through the construction and acquisition of the facility or through the payment of fees for such facility.

The facilities authorized to be financed may be located within or outside the boundaries of the Special Tax District.

The facilities to be financed shall include all Hard Costs and Soft Costs associated with the facilities, including the costs of the acquisition of land and rights-of-way, the costs of design, engineering and planning, the costs of any environmental or traffic studies, surveys or other reports, costs related to landscaping and irrigation, soils and other environmental testing and observation, permits, plan check, and inspection fees, insurance, legal and related overhead costs, bonding, trailer rental, utility bills, site security, coordination and supervision and any other costs or appurtenances related to any of the foregoing as further defined in one or more acquisition agreements with the developer of the property in the Special Tax District.

The facilities to be financed shall also include all incidental expenses, defined as follows:

- (1) The cost of planning and designing facilities to be financed by the Special Tax District, including the cost of environmental evaluations of those facilities.

- (2) The costs associated with the creation of the Special Tax District, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the Special Tax District.
- (3) Any other expenses incidental to the construction, completion, and inspection of the authorized work, including costs for temporary facilities with a useful life of at least 3 years that are required to construct an authorized facility.
- (4) Special taxes levied on a property in the Special Tax District and paid by the Master Developer on behalf of a local agency or other landowner prior to the development of the property.

The facilities to be financed also includes the interim cost of the facilities, which shall mean the Developer Return or Port Return, as applicable, and any interest payable on any promissory note payable to the Special Tax District.

The Special Tax District may also apply bond proceeds and special taxes to repay the Port Commission for advances made to pay for authorized costs, under any promissory note or otherwise.

Special taxes may be collected and set-aside in designated funds and collected over several years (i.e., reserves), and used to fund facilities authorized to be financed by the Special Tax District.

AUTHORIZED SERVICES

Special taxes collected in the Special Tax District may finance, in whole or in part, the services authorized to be financed by the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X) and the Mello-Roos Community Facilities Act of 1982 (Cal. Gov't Code Section 53311 et seq.), for the FC Project Area, and areas outside the FC Project Area, not including the 20th Street CFD, including:

- Maintenance, capital repair, replacement and operation (including public events) of Public Spaces, including facilities for public enjoyment, such as public parks, public recreational facilities, public access, open space, and other public amenities, some of which may be rooftop facilities or located on private property but identified as public open space in the DDA or Design for Development.
- Maintenance, capital repair, replacement and operation of Public Right-of-Ways (ROWs), including public streets, sidewalks, shared public ways, mid-block passages, bicycle lanes, and other paths of travel, associated landscaping and furnishings, retaining walls within the ROWs, and related amenities in the FC Project Area, including any portion of the Building 15 structure over 22nd Street, some of which may be located on private property but identified as public open space in the DDA or Design for Development.

- Maintenance, capital repair, replacement and operation of Shoreline Improvements in and adjacent to the FC Project Area that were completed per the DDA, such as shoreline restoration, including installation of stone columns, pilings, secant walls, and other structures to stabilize the seawall or shoreline, removal of bay fill, creation of waterfront public access to or environmental remediation of the San Francisco waterfront.
- Maintenance, capital repair, replacement and operation of landscaping and irrigation systems and other equipment, material, and supplies directly related to maintaining and replacing landscaped areas and water features in Public Spaces and Public ROWs.
- Maintenance, capital repair, replacement and operation as needed of Public Spaces, including street cleaning and paving.
- Maintenance, capital repair, replacement and operation of lighting, rest rooms, trash receptacles, park benches, planting containers, picnic tables, bollards, bicycle racks and corrals, and other furniture and fixtures and signage in Public Spaces and Public ROWs.
- Maintenance, capital repair, replacement and operation of utilities in Public Spaces and Public ROWs.
- General liability insurance for any Public ROWs or structures in Public ROWs that Public Works does not submit to the Board of Supervisors for City acceptance for City General Fund liability purposes and other commercially reasonable insurance coverages.
- Port, City, or third party personnel, administrative, and overhead costs related to maintenance or to contracting for and managing third-party maintenance, including rent for storage space needed to support the maintenance activities.
- Any other costs authorized to be financed by the Special Tax District under the DDA and VDDA.

Special taxes may be collected and set-aside in designated funds and collected over several years (i.e., reserves), and used to fund services authorized to be financed by the Special Tax District. The term “**operation**” includes providing security and hosting special events.

INCIDENTAL COSTS

Special taxes collected in the Special Tax District will also fund, in whole or in part, the incidental costs associated with the facilities and services authorized to be financed. Incidental costs include, but are not limited to:

1. Administrative expenses and fees including costs incurred to form the Special Tax District, to annex territory to the Special Tax District, to annually administer the Special Tax District, to levy and collect special taxes for the Special Tax District, and any other costs incurred in standard administration of the Special Tax District by the City or their authorized consultants;

2. Any amounts needed to cure actual or estimated delinquencies in special taxes for the current or previous fiscal years;
3. Bond related expenses, including underwriters discount, reserve fund, capitalized interest, bond, disclosure, and underwriter counsel fees and all other incidental expenses; and
4. Reimbursement of costs related to the formation of the Special Tax District advanced by the City and any landowner(s) in the Special Tax District, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the City or any landowner(s) in the Special Tax District or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the Special Tax District.

EXHIBIT C

NOTICE OF SPECIAL TAX LIEN

CITY AND COUNTY OF SAN FRANCISCO

Special Tax District No. 2019-1

(Pier 70 Condominiums)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX