GOODWIN CONSULTING GROUP

IMPROVEMENT AREA NO. 2 OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TREASURE ISLAND)

CFD TAX ADMINISTRATION REPORT FISCAL YEAR 2026-27

November 6, 2026

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Improvement Area No. 2 of
Community Facilities District No. 2016-1
CFD Tax Administration Report

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EXECUTIVE SUMMARY

The following summary provides a brief overview of the main points from this report regarding Improvement Area No. 2 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) ("Improvement Area No. 2"):

Fiscal Year 2026-27 Special Tax Levy

Number of Taxed Parcels	Total Special Tax Levy
6	$3,266,183

For further detail regarding the special tax levy, or special tax rates, please refer to Section IV of this report.

Development Status for Fiscal Year 2026-27

Development Status	Square Feet
Developed Property	571,338 Square Feet
Vertical DDA Property	100,540 Square Feet
Undeveloped Property	0 Square Feet

For more information regarding the status of development in Improvement Area No. 2, please see Section V of this report.

Outstanding Bonds Summary

Bonds	Original Principal	Amount Retired*	Current Amount Outstanding*
Special Tax Bonds, Series 2022A	$25,130,000	$725,000	$24,405,000
Special Tax Bonds, Series 2023A	$16,975,000	$280,000	$16,695,000

* *As of the date of this report.*

I. INTRODUCTION

Community Facilities District No. 2016-1 (Treasure Island)

On January 24, 2017, the City and County of San Francisco (the "City") adopted Resolution No. 8-17, the Resolution of Formation of Community Facilities District No. 2016-1 (Treasure Island) ("CFD No. 2016-1" or "CFD"). In a landowner election held on the same day, the then-qualified landowner electors authorized the levy of a Mello-Roos special tax on property within CFD No. 2016-1 to fund certain public facilities and services. On April 13, 2020, the qualified landowners signed the Unanimous Approval requesting the annexation of parcels into Improvement Area No. 2. The Unanimous Approval also designated the bonded indebtedness, secured by special taxes levied in Improvement Area No. 2 in an amount not to exceed $278,200,000.

Property in Improvement Area No. 2 consists of a portion of a larger development project known as the Treasure Island Project which includes the development of portions of the naturally-formed Yerba Buena Island and the artificially created Treasure Island. Both islands are located in the middle of the San Francisco Bay between downtown San Francisco and the City of Oakland. The Treasure Island Project consists of approximately 461 acres, of which approximately 5.2 gross acres are within Improvement Area No. 2. Improvement Area No. 2 is located entirely on Treasure Island.

The types of facilities to be funded by special tax revenues generally include the acquisition of land for public improvements; abatement of hazardous materials and disposal of waste; demolition of below-grade, at-grade, and above-grade facilities; supplemental fire water supply system; low pressure water system; water tank facilities; recycled water facilities; storm drainage system; separated sanitary sewer; joint trench improvements; earthwork; retaining walls; highway ramps, roadways, pathways, curb, and gutter improvements; traffic improvements; streetscape improvements; shoreline improvements; park improvements; ferry terminal improvements; hazardous soil removal; community facilities; and any other amounts specifically identified in the DDA as a Qualified Project. In addition, the CFD is also authorized to fund public services. Proceeds of the services special tax levy may be used to pay for parks and open space maintenance and operating and maintaining TIDA owned structures and facilities within the project.

The Mello-Roos Community Facilities Act of 1982

The reduction in property tax revenue that resulted from the passage of Proposition 13 in 1978 required public agencies and real estate developers to look for other means to fund public infrastructure. The funding available from traditional assessment districts was limited by certain requirements of the assessment acts, and it became clear that a more flexible funding tool was needed. In response, the California State Legislature approved the Mello-Roos Community Facilities Act of 1982 (the "Act"), which provides for the levy of a special tax within a defined geographic area, namely a community facilities district, if such a levy is approved by two-thirds of the qualified electors in the area. Community facilities districts can generate funding for a broad

range of facilities, and special taxes can be allocated to property in any reasonable manner other than on an ad valorem basis.

A community facilities district is authorized to issue tax-exempt bonds that are secured by land within the district. If a parcel does not pay the special tax levied on it, a public agency can foreclose on the parcel and use the proceeds of the foreclosure sale to ensure that bondholders receive interest and principal payments on the bonds. Because bonds issued by a community facilities district are land-secured, there is no risk to a public agency's general fund or taxing capacity. In addition, because the bonds are tax-exempt, they typically carry an interest rate that is lower than conventional construction financing.

A community facilities district can also fund a broad range of services. These services include police protection services, fire protection and suppression services, library services, recreation program services, flood and storm protection services, and maintenance of roads, parks, parkways, and open space. Special taxes can be allocated to property in any reasonable manner other than on an ad valorem basis.

II. PURPOSE OF REPORT

This CFD Tax Administration Report (the "Report") presents findings from research and financial analysis performed by Goodwin Consulting Group, Inc. to determine the fiscal year 2026-27 special tax levy for Improvement Area No. 2. The Report is intended to provide information to interested parties regarding Improvement Area No. 2, including the current financial obligations of the CFD and special taxes to be levied in fiscal year 2026-27. The Report also summarizes development activity as well as other pertinent information for Improvement Area No. 2.

The Report is organized into the following sections:

- **Section III** identifies the financial obligations of Improvement Area No. 2 for fiscal year 2026-27.

- **Section IV** provides a summary of the methodology that is used to apportion the special tax among parcels in Improvement Area No. 2.

- **Section V** summarizes the status of development within Improvement Area No. 2.

- **Section VI** provides a summary of state reporting requirements.

III. SPECIAL TAX REQUIREMENT

Special taxes for CFD No. 2016-1 are levied pursuant to the methodology set forth in the Rate and Method of Apportionment of Special Tax ("RMA"), which was adopted as an exhibit to the Resolution of Formation of CFD No. 2016-1. The RMA allows for either a Facilities Special Tax or a Services Special Tax. Up until the Transition Event occurs, the Facilities Special Tax shall be levied. The Transition Event generally refers to the point at which (i) all Bonds secured by the levy and collection of Facilities Special Taxes in the CFD have been fully repaid, all Administrative Expenses from prior Fiscal Years have been paid or reimbursed to the City, and the Capital Reserve Requirement has been fully funded, or (ii) all Bonds secured by the levy and collection of Facilities Special Taxes in the CFD have been fully repaid, all Administrative Expenses from prior Fiscal Years have been paid or reimbursed to the City, and the Facilities Special Tax has been levied within Improvement Area No. 2 for one hundred (100) Fiscal Years. Therefore, starting in the first fiscal year after the Transition Event, the Facilities Special Tax ends and is replaced by the Services Special Tax. The amount of the Facilities Special Tax or Services Special Tax levied in any fiscal year is determined through the application of the Facilities Special Tax Requirement or Services Special Tax Requirement, respectively.

Facilities Special Tax Requirement

Pursuant to the Rate and Method of Apportionment of Special Tax (the "RMA"), which was adopted as an exhibit to the Resolution of Formation for CFD No. 2016-1, the Facilities Special Tax Requirement means the amount that must be levied in a particular fiscal year to (i) pay principal and interest on Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments on the Bonds, (iii) replenish reserve funds created for the Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Facilities Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses; and (vi) pay directly for Authorized Expenditures, including park maintenance, Sea Level Rise Improvements, and capital reserves, in the priority set forth in the Financing Plan, so long as such levy under this clause (vi) does not increase the Facilities Special Tax levied on Undeveloped Property. Notwithstanding the foregoing, in any Fiscal Year in which any portion of a Developer Maintenance Payment is delinquent, the Maximum Facilities Special Tax shall be levied on Undeveloped Property until the amount collected from Undeveloped Property that is used to pay for park maintenance is equal to the aggregate amount of delinquent Developer Maintenance Payments. The amounts referred to in clauses (i) and (ii) of the definition of Facilities Special Tax Requirement may be reduced in any Fiscal Year by: (a) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture; (b) in the sole and absolute discretion of the City, proceeds received by the CFD from the collection of penalties associated with delinquent Facilities Special Taxes; and (c) any other revenues available to pay such costs, each as determined in the sole discretion of the Administrator.

For fiscal year 2026-27, the Facilities Special Tax Requirement is $3,266,183 and is calculated in the table below.

Improvement Area No. 2 of the
Community Facilities District No. 2016-1
Facilities Special Tax Requirement*
Fiscal Year 2026-27

Debt Service	Series 2022A	Series 2023A
Interest Payment (March 1, 2027)	$488,100	$442,681
Interest Payment (September 1, 2027)	$488,100	$442,681
Principal Payment (September 1, 2027)	$260,000	$40,000
Subtotal	$1,236,200	$925,363
Total Debt Service		**$2,161,563**
Ongoing Park Maintenance		**$950,941**
Additional Reserve (Series 2023A Bonds)		**$0**
Other Authorized Expenditures /1		**$0**
Administrative Expenses		
District Administrative Costs		$19,250
City's (OPF) Administrative Costs		$43,537
TIDA Administrative Costs		$37,500
Controller's Accounting Admin Costs (AOSD)		$32,648
Controller's Property Tax Admin Costs		$6,300
Audit Fee		$3,045
Arbitrage Rebate		$7,000
Fiscal Agent Costs		$4,400
Total Administrative Expenses		**$153,680**
Facilities Special Tax Requirement for Fiscal Year 2026-27		**$3,266,183**

**Totals may not sum due to rounding*

/1 Pursuant to the Amended and Restated Financing Plan, since the Maintenance Commencement Date has passed, Remainder Taxes shall be transferred to the Remainder Taxes Holding Account to fund Ongoing Park Maintenance. Any excess Remainder Taxes not needed to fund Ongoing Park Maintenance may be used to finance the Stage 2 Contribution and Qualified Project Costs in the priority specified in the Amended and Restated Financing Plan.

Services Special Tax Requirement

The Services Special Tax Requirement is defined as the amount of revenue needed in any fiscal year to: (i) pay the costs of operations and maintenance or other public services that are included as Authorized Expenditures; (ii) cure delinquencies in the payment of Services Special Taxes in the prior fiscal year; and (iii) pay Administrative Expenses. As of fiscal year 2026-27, the Transition Event has not yet occurred. Therefore, there is no Services Special Tax Requirement for fiscal year 2026-27.

IV. SPECIAL TAX LEVY

Special Tax Categories

Special taxes within CFD No. 2016-1 are levied pursuant to the methodology set forth in the RMA. Among other things, the RMA establishes various special tax categories against which the special tax may be levied, the maximum special tax rates, and the methodology by which the special tax is applied. On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Taxable Parcels. The Administrator shall also determine: (i) whether each Taxable Parcel is Developed Property, Vertical DDA Property, Undeveloped Property, or Expected Taxable Property, (ii) within which Sub-Block each Assessor's Parcel is located, (iii) for Developed Property, the Residential Square Footage, Commercial/Retail Square Footage, and/or Hotel Square Footage on each Parcel, (iv) for Residential Property, the Residential Product Type and number of Market Rate Units, Inclusionary Units, For-Sale Units, Rental Units, and Converted For-Sale Units, (v) whether there are any delinquent Developer Maintenance Payments, and (vi) the Special Tax Requirement for the Fiscal Year. (*Unless otherwise indicated, capitalized terms shall have the same meaning set forth in the RMA, which is included in Appendix C of this Report.)*

Maximum Special Tax Rates

The maximum special tax rates applicable to each Taxable Parcel in Improvement Area No. 2 are set forth in Section C of the RMA. The percentage of the maximum special tax rates that will be levied on each land use category in fiscal year 2026-27 are determined by the method of apportionment included in Section F of the RMA. The table in Appendix A identifies the fiscal year 2026-27 maximum special taxes and actual special taxes for Improvement Area No. 2.

Apportionment of Special Taxes

The amount of special tax that is apportioned to each parcel is determined through application of Section F of the RMA. Once the Special Tax Requirement for the fiscal year is determined, the following steps determine the amount of special tax each property will be taxed.

Step 1: In all Fiscal Years prior to and including the earlier of (i) the Fiscal Year in which the City or TIDA makes a finding that all Qualified Project Costs have been funded pursuant to the Financing Plan, or (ii) 42 years after the first series of Bonds was issued for Improvement Area No. 2, the Maximum Special Tax shall be levied on all Parcels of Developed Property regardless of debt service on Bonds (if any), and any Remainder Special Taxes collected shall be applied as set forth in the Financing Plan.

In all Fiscal Years after the earlier of: (i) the Fiscal Year in which the City or TIDA makes a finding that all Qualified Project Costs have been funded pursuant to the Financing Plan, or (ii) 42 years after the first series of Bonds was issued for Improvement Area No. 2, the Special Tax shall be

levied Proportionately on each Parcel of Developed Property, up to 100% of the Maximum Special Tax for each Parcel of Developed Property until the amount levied is equal to the Special Tax Requirement.

Step 2: If additional revenue is needed after Step 1 in order to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Vertical DDA Property, up to 100% of the Maximum Special Tax for each Parcel of Vertical DDA Property for such Fiscal Year.

Step 3: If additional revenue is needed after Step 2 in order to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property, up to 100% of the Maximum Special Tax for each Parcel of Undeveloped Property for such Fiscal Year.

Step 4: If additional revenue is needed after Step 3 in order to meet the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Expected Taxable Property, up to 100% of the Maximum Special Tax for each Parcel of Expected Taxable Property.

The special tax roll, which identifies the special tax to be levied against each parcel in Improvement Area No. 2 in fiscal year 2026-27, is provided in Appendix B.

V. DEVELOPMENT STATUS

As of June 30, 2026, four building permits have been issued within Improvement Area No. 2. Based on the current status of development in Improvement Area No. 2, the following table summarizes the amount of Developed Property by land use category:

Improvement Area No. 2
Developed Property Summary
Fiscal Year 2026-27

Land Use Category	Square Feet
Low-Rise Units	141,926 Square Feet
Mid-Rise Units	0 Square Feet
Tower Units	0 Square Feet
Treasure Island Townhome Units	0 Square Feet
Yerba Buena Townhome Units	0 Square Feet
Rental Unit	421,822 Square Feet
Hotel Condominiums	0 Square Feet
Commercial/Retail Square Footage	7,590 Square Feet
Hotel Square Footage	0 Square Feet

VI. STATE REPORTING REQUIREMENTS

Senate Bill No. 165

On September 18, 2000, former Governor Gray Davis signed Senate Bill 165 which enacted the Local Agency Special Tax and Bond Accountability Act. In approving the bill, the Legislature declared that local agencies need to demonstrate to the voters that special taxes and bond proceeds are being spent on the facilities and services for which they were intended. To further this objective, the Legislature added Sections 50075.3 and 53411 to the California Government Code setting forth annual reporting requirements relative to special taxes collected and bonds issued by a local public agency. Pursuant to the Sections 50075.3 and 53411, the "chief fiscal officer" of the public agency will, by January 1, 2002, and at least once a year thereafter, file a report with the City setting forth (i) the amount of special taxes that have been collected and expended; (ii) the status of any project required or authorized to be funded by the special taxes; (iii) if bonds have been issued, the amount of bonds that have been collected and expended; and (iv) if bonds have been issued, the status of any project required or authorized to be funded from bond proceeds.

Assembly Bill No. 1666

On July 25, 2016, Governor Jerry Brown signed Assembly Bill No. 1666, adding Section 53343.2 to the California Government Code ("GC"). The bill enhances the transparency of community facilities districts by requiring that certain reports be accessible on a local agency's web site. Pursuant to Section 53343.2, a local agency that has a web site shall, within seven months after the last day of each fiscal year of the district, display prominently on its web site the following information:

Item (a): A copy of an annual report, if requested, pursuant to GC Section 53343.1. The report required by Section 53343.1 includes CFD budgetary information for the prior fiscal year and is only prepared by a community facilities district at the request of a person who resides in or owns property in the community facilities district. If the annual report has not been requested to be prepared, then a posting to the web site would not be necessary.

Item (b): A copy of the report provided to the California Debt and Investment Advisory Commission ("CDIAC") pursuant to GC Section 53359.5. Under Section 53359.5, local agencies must provide CDIAC with the following: (i) notice of proposed sale of bonds; (ii) annual reports on the fiscal status of bonded districts; and (iii) notice of any failure to pay debt service on bonds, or of any draw on a reserve fund to pay debt service on bonds.

Item (c): A copy of the report provided to the State Controller's Office pursuant to GC Section 12463.2. This section refers to the parcel tax portion of a local agency's Financial Transactions Report that is prepared for the State Controller's Office annually. Note that school districts are not subject to the reporting required by GC Section 12463.2.

Assembly Bill No. 1483

On October 9, 2019, Governor Gavin Newsom signed Assembly Bill No. 1483, adding Section 65940.1 to the California Government Code. The law requires that a city, county, or special district that has an internet website, maintain on its website a current schedule of fees, exactions, and affordability requirements imposed by the public agency on all housing development projects. Pursuant to Section 65940.1, the definition of an exaction includes a special tax levied pursuant to the Mello-Roos Community Facilities Act.

Assembly Bill No. 1483 defines a housing development project as consisting of (a) residential units only; or (b) mixed-use developments consisting of residential and non-residential land uses with at least two-thirds of the square footage designated for residential use; or (c) transitional housing or supportive housing. Assembly Bill No. 1483 also requires a city, county, or special district to update this information on their website within 30 days of any changes made to the information.

APPENDIX A

Summary of Fiscal Year 2026-27
Special Tax Levy

Improvement Area No. 2 of the
City and County of San Francisco
Community Facilities District No. 2016-1
(Treasure Island)
Fiscal Year 2026-27 Special Tax Levy Summary

Development Status and Land Use Category	Expected Taxable Square Feet	FY 2026-27 Base Facilities Special Tax	FY 2026-27 Actual Facilities Special Tax	Total FY 2026-27 Facilities Special Tax Levy
Developed Property				
Low-Rise Unit	141,926	$7.48 per sf	$7.48 per sf	$1,061,315
Mid-Rise Unit	0	$8.66 per sf	$8.66 per sf	$0
Tower Unit	0	$9.92 per sf	$9.92 per sf	$0
Treasure Island Townhome Unit	0	$6.57 per sf	$6.57 per sf	$0
Yerba Buena Townhome Unit	0	$7.10 per sf	$7.10 per sf	$0
Rental Unit	421,822	$3.41 per sf	$3.41 per sf	$1,439,086
Hotel Condominium	0	$7.24 per sf	$7.24 per sf	$0
Commercial/Retail Square Footage	7,590	$1.84 per sf	$1.84 per sf	$13,950
Hotel Square Footage	0	$3.66 per sf	$3.66 per sf	$0
Subtotal	571,338			$2,514,351
Vertical DDA Property				
Low-Rise Unit	100,540	$7.48 per sf	$7.48 per sf	$751,832
Mid-Rise Unit	0	$8.66 per sf	$8.66 per sf	$0
Tower Unit	0	$9.92 per sf	$9.92 per sf	$0
Treasure Island Townhome Unit	0	$6.57 per sf	$6.57 per sf	$0
Yerba Buena Townhome Unit	0	$7.10 per sf	$7.10 per sf	$0
Rental Unit	0	$3.41 per sf	$3.41 per sf	$0
Hotel Condominium	0	$7.24 per sf	$7.24 per sf	$0
Commercial/Retail Square Footage	0	$1.84 per sf	$1.84 per sf	$0
Hotel Square Footage	0	$3.66 per sf	$3.66 per sf	$0
Subtotal	100,540			$751,832
TOTAL	**671,878**			**$3,266,183**

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APPENDIX B

Fiscal Year 2026-27 Special Tax Levy
for Individual Assessor's Parcels

Improvement Area No. 2 of the
City and County of San Francisco
Community Facilities District No. 2016-1
(Treasure Island)
Fiscal Year 2026-27 Special Tax Levy

Block and Lot	Sub-Block	Development Status	FY 2026-27 Maximum Special Tax	FY 2026-27 Actual Special Tax
8901-003	B1	Developed	$170,961	$170,961
8901-004	B1	Developed	$171,972	$171,972
8903-004	C2.2	Developed	$460,404	$460,404
8904-004	C2.3	VDDA	$751,832	$751,832
8904-005	C2.4	Developed	$649,699	$649,699
8906-009	C3.4	Developed	$1,061,315	$1,061,315
Total Special Tax Levy			**$3,266,183**	**$3,266,183**

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APPENDIX C

Rate and Method of Apportionment of Special Tax

EXHIBIT B

IMPROVEMENT AREA NO. 2 OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TREASURE ISLAND)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Taxable Parcel in Improvement Area No. 2 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) shall be levied and collected according to the tax liability determined by the Administrator through the application of the appropriate amount or rate for Taxable Parcels, as described below. All Taxable Parcels in Improvement Area No. 2 shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to Improvement Area No. 2.

This RMA provides for the levy of Special Taxes on leasehold interests in property owned by TIDA that is subject to an LDDA. In the event that any such leasehold interest is terminated, the Special Taxes shall be levied on any successor leasehold interest that is subject to an LDDA. If a leasehold interest terminates while a Special Tax that was previously levied remains unpaid, the owner of the successor leasehold interest will take the interest subject to the obligation to pay the unpaid Special Tax along with any applicable penalties and interest.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Accessory Square Footage" means, within a non-residential building on a Taxable Parcel, any square footage within the building that is not used directly as part of the business or hotel operations, including, but not limited to, walkways, elevator shafts, mezzanines, corridors, and stairwells.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City and TIDA carrying out duties with respect to the CFD and the Bonds, including, but not limited to, levying and collecting the Special Tax, the fees and expenses of legal counsel, charges levied by the City Controller's Office and/or the City Treasurer and Tax Collector's Office, costs related to property owner inquiries regarding the Special Tax, costs associated with appeals or requests for interpretation associated with the Special Tax and this RMA, amounts needed to pay rebate to the federal government with respect to the Bonds, costs associated with complying with any continuing disclosure requirements for the City and any major property owner, costs associated with foreclosure and collection of delinquent Special Taxes, and all other costs and expenses of the City and TIDA in any way related to the establishment or administration of the CFD.

"Administrator" means the Director of the Office of Public Finance or his/her designee who shall be responsible for administering the Special Tax according to this RMA.

"Airspace Parcel" means a parcel with an assigned Assessor's Parcel number that constitutes vertical space of an underlying land parcel.

"Assessor's Parcel" or **"Parcel"** means a lot or parcel, including an Airspace Parcel, shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the County Assessor designating Parcels by Assessor's Parcel number.

"Association Property" means any property within the boundaries of Improvement Area No. 2 that is owned in fee or by easement by a homeowners association or property owners association and does not fall within a Land Use Category, not including any such property that is located directly under a residential structure.

"Authority Housing Lot" means the lots identified as owned or expected to be owned by TIDA, as originally shown in the Housing Plan, and as may be amended in the Development Approval Documents. Authority Housing Lots expected within Improvement Area No. 2 at the time of CFD Formation are identified in Attachment 3 hereto.

"Authority Housing Unit" means a For-Sale Unit or Rental Unit developed on an Authority Housing Lot.

"Authorized Expenditures" means those public facilities and public services authorized to be funded by the CFD as set forth in the documents adopted by the Board at CFD Formation, as may be amended from time to time.

"Base Facilities Special Tax" means, for any Land Use Category, the per-square foot Facilities Special Tax for square footage within such Land Use Category, as identified in Section C.2a below.

"Base Services Special Tax" means, for any Land Use Category, the per-square foot Services Special Tax for square footage within such Land Use Category, as identified in Section C.2b below.

"Base Special Tax" means, collectively, the Base Facilities Special Tax and Base Services Special Tax.

"Board" means the Board of Supervisors of the City, acting as the legislative body of CFD No. 2016-1.

"Bonds" means bonds or other debt (as defined in the Act), whether in one or more series, that are issued or assumed by or for Improvement Area No. 2 to finance Authorized Expenditures and are secured by the Facilities Special Tax.

"Building Height" means the proposed height, as defined in the D4D, of a residential, non-residential, or mixed-use structure, as set forth on the Building Permit issued for the building, or if the height is not clearly indicated on the Building Permit, the height determined by reference to the Sub-Phase Application, Vertical DDA, condominium plan, or architectural drawings for the building. If there is any question as to the Building Height of any building in the CFD, the Administrator shall coordinate with the Review Authority to make the determination, and such determination shall be conclusive and binding.

"Building Permit" means the first permit, whether a site permit or building permit, issued by the City that, immediately upon issuance or ultimately after addenda to the permit, allows for vertical construction of a building or buildings.

"Capital Reserve Requirement" means, for the Project as a whole, the target amount of capital reserves to be established for Sea Level Rise Improvements, which shall be $250 million in Fiscal Year 2016-17 dollars, escalating, on July 1, 2017 and on each July 1 thereafter, by the Escalator.

"Capitalized Interest" means funds in any capitalized interest account available to pay debt service on Bonds.

"CFD" or **"CFD No. 2016-1"** means the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island).

"CFD Formation" means the date on which the Board approved documents to form the CFD.

"City" means the City and County of San Francisco, California.

"Commercial/Retail Square Footage" means the net saleable or net leasable square footage within a building that is or is expected to be square footage of a commercial establishment that sells general merchandise, hard goods, food and beverage, personal services, and other items directly to consumers, including but not limited to, museums, restaurants, bars, entertainment venues, health clubs, spas, laundromats, dry cleaners, repair shops, storage facilities, and parcel delivery shops. In addition, any other square footage in a building that is used for commercial, office, or industrial business operations and is not Accessory Square Footage or Association Property shall be taxed as Commercial/Retail Square Footage. Commercial/Retail Square Footage shall be determined based on reference to the condominium plan, site plan, Building Permit, or Development Approval Documents, or as provided by the Developer or the City. The Administrator, in conjunction with the Review Authority, shall make the final determination as to the amount of Commercial/Retail Square Footage on any Parcel within Improvement Area No. 2, and such determination shall be conclusive and binding. Commercial/Retail Square Foot means a single square-foot unit of Commercial/Retail Square Footage. Incidental retail or commercial uses in an otherwise exempt building (e.g., a snack bar in a recreation center on Association Property) shall not constitute Commercial/Retail Square Footage.

"Converted Rental Residential Building" means, in any Fiscal Year, a building: (i) that had, in the prior Fiscal Year, been a Rental Residential Building, and (ii) within which one or more Residential Units have been sold to individual homeowners or investors, which investors shall not include parties involved in the sale of the building to a subsequent landlord that intends to

operate the building as a Rental Residential Building. In the first Fiscal Year in which the Administrator identifies a building as a Converted Rental Residential Building, the Administrator shall determine if the building is part of a Low-Rise Project, Mid-Rise Project, Tower Project, or Townhome Project and, based on such determination, assign the Converted For-Sale Units in the building to the appropriate Residential Product Type. Rental Units in the Converted Rental Residential Building shall continue to be taxed as Rental Units unless and until such units become Converted For-Sale Units.

"Converted For-Sale Unit" means, in any Fiscal Year, an individual Residential Unit within a Converted Rental Residential Building for which an escrow has closed, on or prior to June 30 of the preceding Fiscal Year, in a sale to an individual homeowner or investor, as determined by the Administrator. Once identified, the Administrator shall categorize Converted For-Sale Units to the appropriate Residential Product Type for purposes of taxing the unit pursuant to this RMA.

"County" means the City and County of San Francisco, California.

"D4D" means the Treasure Island and Yerba Buena Island Design for Development, approved by the Planning Commission and TIDA, and dated June 28, 2011, and as amended from time to time.

"DA" means the Development Agreement Relative to Treasure Island/Yerba Buena Island, including all exhibits and attachments, executed by the City and TICD, dated June 28, 2011, and as amended from time to time.

"DDA" means the Disposition and Development Agreement (Treasure Island/Yerba Buena Island), including all exhibits and attachments, executed by TIDA and TICD, dated June 28, 2011, and as amended from time to time.

"Developed Property" means, in any Fiscal Year, all Taxable Parcels for which a Building Permit was issued prior to June 30 of the preceding Fiscal Year, but not prior to January 1, 2015.

"Developer" means the developer of a Major Phase or Sub-Phase located in Improvement Area No. 2, which shall not include a Vertical Developer that has entered into a Vertical DDA.

"Developer Maintenance Payment" means a payment that TIDA requires to be made by the Developer to pay for Ongoing Park Maintenance as described in and pursuant to Section 2.7 of the Financing Plan.

"Development Approval Documents" means, collectively, any Major Phase Application, Sub-Phase Application, Vertical DDA, tentative subdivision map, Final Map, Review Authority approval, or other such approved or recorded document or plan that identifies the type of structure(s), acreage, square footage, and/or number of Residential Units approved for development on Taxable Parcels.

"Development Project" means a residential, non-residential, or mixed-use development that includes one or more buildings that are planned and entitled in a single Building Permit.

"Escalator" means the lesser of the following: (i) the increase, if any, in the Consumer Price Index (CPI) for All Urban Consumers in the San Francisco-Oakland-San Jose region (base years 1982-1984=100) published by the Bureau of Labor Statistics of the United States Department of Labor, or, if such index is no longer published, a similar escalator that is determined by TIDA and the City to be appropriate, and (ii) five percent (5%).

"Estimated Base Facilities Special Tax Revenues" means, at any point in time, the amount calculated by the Administrator by multiplying the Base Facilities Special Tax by square footage within each Land Use Category proposed for development on a Parcel or within a Sub-Block.

"Expected Land Uses" means the total square footage in each Land Use Category expected within each Sub-Block in Improvement Area No. 2. The Expected Land Uses at the time of CFD Formation are identified in Attachment 2 and may be revised pursuant to Sections B, C, D, and E below.

"Expected Maximum Facilities Special Tax Revenues" means the aggregate Facilities Special Tax that can be levied based on application of the Base Facilities Special Tax to the Expected Land Uses. The Expected Maximum Facilities Special Tax Revenues for each Sub-Block at the time of CFD Formation are shown in Attachment 2 and may be revised pursuant to Sections B, C, D, and E below.

"Expected Taxable Property" means any Parcel within Improvement Area No. 2 that: (i) pursuant to the Development Approval Documents, was expected to be a Taxable Parcel, (ii) based on the Expected Land Uses and as determined by the Administrator, was assigned Expected Maximum Facilities Special Tax Revenues, and (iii) subsequently falls within one or more of the categories that would otherwise be exempt from the Special Tax as set forth in Section H below. Notwithstanding the foregoing, any Parcels owned by TIDA within the Tidelands Trust Overlay Zone will not be Expected Taxable Property, and such Parcels shall only be taxed as Expected Taxable Property if an LDDA or other leasehold interest with a term of twenty (20) years or more is in place on the Parcel.

"Facilities Special Tax" means a special tax levied in any Fiscal Year to pay the Facilities Special Tax Requirement.

"Facilities Special Tax Requirement" means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments on the Bonds, (iii) replenish reserve funds created for the Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Facilities Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses; and (vi) pay directly for Authorized Expenditures, including park maintenance, Sea Level Rise Improvements, and capital reserves, in the priority set forth in the Financing Plan, so long as such levy under this clause (vi) does not increase the Facilities Special Tax levied on Undeveloped Property. Notwithstanding the foregoing, in any Fiscal Year in which any portion of a Developer Maintenance Payment is delinquent, the Maximum Facilities Special Tax shall be levied on Undeveloped Property until the amount collected from Undeveloped Property that is used to pay for park maintenance is equal to the

aggregate amount of delinquent Developer Maintenance Payments. The amounts referred to in clauses (i) and (ii) of the definition of Facilities Special Tax Requirement may be reduced in any Fiscal Year by: (a) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture; (b) in the sole and absolute discretion of the City, proceeds received by the CFD from the collection of penalties associated with delinquent Facilities Special Taxes; and (c) any other revenues available to pay such costs, each as determined in the sole discretion of the Administrator.

"Final Map" means a final map, or portion thereof, recorded by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates individual lots on which Building Permits for new construction may be issued without further subdivision.

"Financing Plan" means the Financing Plan attached as Exhibit D to the DA and Exhibit EE to the DDA, as such plan may be amended or supplemented from time to time in accordance with the terms of the DA and DDA.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"For-Sale Units" means: (i) Residential Units that are available or, upon completion, will be available for sale to individual homeowners or investors, (ii) Converted For-Sale Units, and (iii) all Residential Units in a building within which one or more Residential Units are available for sale to individual homeowners or investors, unless such building is a Converted Rental Residential Building. The Administrator shall make the final determination as to whether a Residential Unit is a For-Sale Unit or a Rental Unit. After the first series of Bonds has been issued for Improvement Area No. 2, a For-Sale Unit shall never be re-categorized as a Rental Unit, regardless of changes of use in the building or a decision to permanently or temporarily rent the For-Sale Unit.

"Future Annexation Area" means that geographic area that, at the time of CFD Formation, was considered potential annexation area for the CFD and which was, therefore, identified as "future annexation area" on the recorded CFD boundary map. Such designation does not mean that any or all of the Future Annexation Area will annex into Improvement Area No. 2, but should property designated as Future Annexation Area choose to annex, the annexation may be processed pursuant to the annexation procedures in the Act for territory included in a future annexation area, as well as the procedures established by the Board.

"Hotel" means a structure or portion of a structure that constitutes a place of lodging, providing temporary sleeping accommodations for travelers, which structure may include one or more of the following: spa services, restaurants, gift shops, meeting and convention facilities. Residential Units that are offered for rent to travelers (e.g., units offered through Airbnb) shall not be categorized as Hotel.

"Hotel Condominium" means a Residential Unit within a Hotel Project.

"Hotel Project" means a Development Project within which a building proposed to be constructed is either a Hotel or a residential or mixed-use building being developed in

conjunction with a Hotel that will share common area and amenities with the Hotel. Notwithstanding the foregoing, if a Development Project includes multiple buildings, one of which is a Hotel, and one or more other buildings in the Development Project do not share common area or amenities with the Hotel and are not otherwise affiliated with the Hotel, such other building(s) shall be considered a separate Development Project for purposes of this RMA and shall be categorized as a Low-Rise Project, Mid-Rise Project, Tower Project, or Townhome Project based on the definitions set forth herein. If a Hotel Project is constructed on a Parcel that is owned by TIDA, such Parcel shall be treated as a Hotel Project, not Public Property, for purposes of this RMA.

"Hotel Square Footage" means the usable square footage within a building that is, or is expected to be, a Hotel, as reflected on a condominium plan, site plan, or Building Permit, as provided by the Developer or the City, or as expected pursuant to Development Approval Documents. All square footage that is not Residential Square Footage or Accessory Square Footage and shares an Assessor's Parcel number within such a structure, including square footage of restaurants, meeting and convention facilities, gift shops, spas, offices, and other related uses, shall be categorized as Hotel Square Footage. Upon assignment of Assessor's Parcel numbers to the Airspace Parcels for any Hotel Condominiums, the Hotel Condominiums shall be assigned a Maximum Special Tax based on application of the appropriate Base Special Tax for Hotel Condominiums, as set forth in Section C below. If there are separate Assessor's Parcel numbers for the retail uses associated with the Hotel, the Base Special Tax for Commercial/Retail Square Footage shall be used to determine the Maximum Special Tax for such Parcels, and the Base Special Tax for Hotel Square Footage shall be used to determine the Maximum Special Tax for Parcels on which uses in the building other than Hotel Condominiums and retail uses are located, including office space associated with Hotel operations. The Administrator, in conjunction with the Review Authority, shall make the final determination as to the amount of Hotel Square Footage within a building, and such determination shall be conclusive and binding. Hotel Square Foot means a single square-foot unit of Hotel Square Footage.

"Housing Plan" means Exhibit E to the DDA, which sets forth the plan for development of Market Rate Units, Inclusionary Units, and Authority Housing Units on Treasure Island and Yerba Buena Island.

"Improvement Area No. 2" means Improvement Area No. 2 of the CFD, as it exists at CFD Formation and as expanded with future annexations to Improvement Area No. 2 (if any).

"Inclusionary Unit" means a Residential Unit that is, pursuant to the Housing Plan, subject to restrictions related to the affordability of the Residential Unit or income restrictions for its occupants, and is not an Authority Housing Unit.

"Indenture" means any indenture, fiscal agent agreement, resolution, or other instrument pursuant to which Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

"Land Use Category" means, individually, Low-Rise Units, Mid-Rise Units, Tower Units, Treasure Island Townhome Units, Yerba Buena Island Townhome Units, Rental Units, Hotel Condominiums, Hotel Square Footage, or Commercial/Retail Square Footage.

"Land Use Change" means a change to the Expected Land Uses within Improvement Area No. 2 after CFD Formation.

"LDDA" means a Disposition and Development Agreement between TIDA and a Vertical Developer that has a leasehold interest in property that is subject to the Public Trust, as defined in the DDA.

"Low-Rise Project" means a Development Project that meets either of the following criteria: (i) the highest residential or mixed-use building with Residential Units, not including Rental Residential Buildings has or, based on the Building Permit, will have a Building Height that is greater than 50 feet and less than or equal to 70 feet, or (ii) the highest residential or mixed-use building with Residential Units, not including Rental Residential Buildings, has or, based on the Building Permit, will have a Building Height that is less than or equal to 50 feet and one or more of the ground floor Residential Units within such building do not have a main entry door that is directly accessible from a public street, private street, or courtyard instead of from a common corridor.

All For-Sale Units within a Low-Rise Project, regardless of the height of each individual building within the Development Project, shall be categorized as Low-Rise Units for purposes of this RMA. For example, if a Development Project includes three separate buildings, the highest building is proposed to be 50 feet tall, and one or more of the ground floor Residential Units within the 50-foot tall building will not have a main entry door that is directly accessible from a street or courtyard, then the For-Sale Units in all three buildings in the Development Project will be taxed as Low-Rise Units. If a Development Project includes two buildings that have the same proposed Building Height, both buildings are less than 50 feet tall, and only one of the two buildings has ground floor Residential Units, all of which have main entry doors that will be directly accessible from a street or courtyard, the For-Sale Units within the Development Project will be categorized as Low-Rise Units and not Treasure Island Townhome Units or Yerba Buena Townhome Units.

"Low-Rise Unit" means a For-Sale Unit in a Low-Rise Project.

"Major Phase" is defined in the DDA.

"Major Phase Application" means the application and associated documents required to be submitted for each Major Phase Approval, as defined in the DDA.

"Market Rate Unit" means a Residential Unit that is not an Authority Housing Unit or Inclusionary Unit.

"**Maximum Facilities Special Tax"** means the greatest amount of Facilities Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C, D, and E below.

"Maximum IA2 Revenues" means, at any point in time, the aggregate Maximum Facilities Special Tax that can be levied on all Taxable Parcels.

"**Maximum Services Special Tax"** means the greatest amount of Services Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C, D, and E below.

"**Maximum Special Tax"** means, prior to the Transition Year, the Maximum Facilities Special Tax and, in the Transition Year and each Fiscal Year thereafter, the Maximum Services Special Tax. Notwithstanding the foregoing, if there are any delinquent Facilities Special Taxes to be collected from a Parcel in or after the Transition Year, such delinquent Facilities Special Taxes shall continue to be levied against the Parcel and shall, in addition to the Services Special Tax, be part of the Maximum Special Tax for the Parcel until paid.

"Mid-Rise Project" means a Development Project within which the highest residential or mixed-use building with Residential Units, not including Rental Residential Buildings, has or, based on the Building Permit, will have a Building Height that is greater than 70 feet but less than or equal to 125 feet. All For-Sale Units within a Mid-Rise Project, regardless of the height of each individual building within the Development Project, shall be categorized as Mid-Rise Units for purposes of this RMA. For example, if a Development Project proposes three buildings that are 90 feet, 60 feet, and 40 feet, respectively, all For-Sale Units within all three buildings will be categorized as Mid-Rise Units.

"Mid-Rise Unit" means a For-Sale Residential Unit within a Mid-Rise Project.

"Planning Code" means the Planning Code of the City and County of San Francisco, as it may be amended from time to time.

"Project" is defined in the DDA.

"Proportionately" means, for Developed Property, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Parcels of Developed Property. For Vertical DDA Property, "Proportionately" means that the ratio of the actual Special Tax levied to the Maximum Special Tax authorized to be levied is equal for all Parcels of Vertical DDA Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Parcels of Undeveloped Property. For Expected Taxable Property, "Proportionately" means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Parcels of Expected Taxable Property.

"Public Property" means any property within the boundaries of Improvement Area No. 2 that is owned by the federal government, the State of California, TIDA, the City, or other public agency. Notwithstanding the foregoing, any property subject to an LDDA with a term of twenty (20) years or more shall not, during the lease term, be considered Public Property and shall be taxed and classified according to the use on the Parcel(s) unless such Parcel is an Authority Housing Lot. However, any Special Taxes levied on property owned by TIDA and subject to an LDDA shall be levied on the leasehold interest in such property pursuant to Section 53340.1 of the Act.

"Qualified Project Costs" has the meaning set forth in the Financing Plan and refers to the Project as a whole.

"Remainder Special Taxes" means, as calculated between September 1st and December 31st of any Fiscal Year, any Facilities Special Tax revenues that were collected in the prior Fiscal Year and were not needed to: (i) pay debt service on the Bonds that was due in the calendar year in which the Remainder Special Taxes are being calculated; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments on the Bonds; (iii) replenish reserve funds created for the Bonds under the Indenture; (iv) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses that have been incurred, or are expected to be incurred, by the City prior to the receipt of additional Facilities Special Tax proceeds, or (vi) apply towards park maintenance costs that are not fully funded because of delinquent Developer Maintenance Payments.

"Rental Residential Building" means a building within Improvement Area No. 2 for which a building permit or use permit has been issued or is expected to be issued for construction of a residential structure within which all Residential Units are offered for rent to the general public, and cannot be purchased by individual homeowners or investors.

"Rental Unit" means (i) Residential Units within a Rental Residential Building, and (ii) all Rental Units within a Converted Rental Residential Building that have yet to be sold to an individual homeowner or investor. "Rental Unit" shall not include: (i) any Residential Unit which has been purchased by a homeowner or investor and subsequently offered for rent to the general public, or (ii) any Residential Units within a building that includes one or more For-Sale Units unless such building is a Converted Rental Residential Building. The Administrator shall make the final determination as to whether a Residential Unit is a For-Sale Unit or a Rental Unit.

"Required Coverage" means the amount by which the Maximum IA2 Revenues must exceed the Bond debt service and priority Administrative Expenses (if any), as set forth in the Indenture, Certificate of Special Tax Consultant, or other formation or bond document that sets forth the minimum required debt service coverage.

"Residential Product Type" means a Low-Rise Unit, Mid-Rise Unit, Tower Unit, Treasure Island Townhome Unit, Yerba Buena Townhome Unit, or Hotel Condominium. If there is any confusion as to the Residential Product Type that applies to Residential Units within a Development Project, the Administrator shall coordinate with the Review Authority to make the determination, which shall be conclusive and binding.

"Residential Property" means, in any Fiscal Year, all Taxable Parcels for which Building Permits have been issued, or based on Development Approval Documents, are expected to be issued for construction of a structure that includes one or more Residential Units.

"Residential Square Footage" means the square footage of a Residential Unit or residential structure reflected on a condominium plan, site plan, or Building Permit, provided by the Developer or the City, or expected pursuant to Development Approval Documents. The Administrator, in conjunction with the Review Authority, shall make the final determination as to the amount of Residential Square Footage on a Taxable Parcel, and such determination shall be conclusive and binding. Residential Square Foot means a single square-foot unit of Residential Square Footage.

"Residential Unit" means a room or suite of two or more rooms that is designed for residential occupancy for 32 consecutive days or more, including provisions for sleeping, eating and sanitation. "Residential Unit" will include, but not be limited to, an individual townhome, condominium, flat, apartment, or loft unit, and individual units within a senior or assisted living facility.

"Review Authority" means, for Parcels within the Tidelands Trust Overlay Zone, the Executive Director of TIDA, and for Parcels outside the Tidelands Trust Overlay Zone, the City Planning Director, or an alternate designee from TIDA or the City who is responsible for approvals and entitlements of a Development Project.

"RMA" means this Rate and Method of Apportionment of Special Tax.

"Sea Level Rise Improvements" means public improvements necessary to ensure that shoreline, public facilities, and public access improvements will be protected due to sea level rise at the perimeters of Treasure Island and Yerba Buena Island.

"Services Special Tax" means a special tax levied in any Fiscal Year to pay the Services Special Tax Requirement.

"Services Special Tax Requirement" means the amount necessary in any Fiscal Year to: (i) pay the costs of operations and maintenance or other public services that are included as Authorized Expenditures; (ii) cure delinquencies in the payment of Services Special Taxes in the prior Fiscal Year; and (iii) pay Administrative Expenses.

"Special Tax" means, prior to the Transition Year, the Facilities Special Tax and, in and after the Transition Year, the Services Special Tax.

"Special Tax Requirement" means, prior to the Transition Year, the Facilities Special Tax Requirement and, in and after the Transition Year, the Services Special Tax Requirement. Notwithstanding the foregoing, if there are any delinquent Facilities Special Taxes to be collected from a Parcel in or after the Transition Year, such delinquent Facilities Special Taxes shall continue to be levied against the Parcel in addition to the Services Special Tax Requirement for that Fiscal Year.

"Special Use District" means the Treasure Island/Yerba Buena Island Special Use District, included as Section 249.52 of the Planning Code.

"Sub-Block" means a specific geographic area within Improvement Area No. 2 for which Expected Land Uses have been identified. Sub-Blocks and Expected Land Uses within Improvement Area No. 2 at the time of CFD Formation are identified in Attachments 1 and 2 of this RMA and may be revised pursuant to Sections B, C, D, and E below.

"Sub-Phase" is defined in the DDA.

"Sub-Phase Application" means the application and associated documents required to be submitted for each Sub-Phase Approval, as defined and set forth in the DDA.

"Taxable Parcel" means any Parcel within Improvement Area No. 2 that is not exempt from the Special Tax pursuant to law or Section H below.

"TICD" means Treasure Island Community Development, LLC, a California limited liability company, and its successors and permitted assigns under the DDA.

"TIDA" means the Treasure Island Development Authority, a California non-profit public benefit corporation, or any successor public agency designated by or under law, which may include the City or the San Francisco Port Commission.

"Tidelands Trust Overlay Zone" means the areas on Treasure Island and Yerba Buena Island that are subject to the Tidelands Trust after completion of all Tidelands Trust exchanges, as identified in figures set forth in the Special Use District.

"Tower Project" means a Development Project within which the highest residential or mixed-use building with Residential Units, not including Rental Residential Buildings, has or, based on the Building Permit, will have a Building Height that is greater than 125 feet. All For-Sale Units within a Tower Project, regardless of the height of each individual building within the Development Project, will be categorized as Tower Units for purposes of this RMA. For example, if a Development Project proposes three buildings that are 140 feet, 90 feet, and 40 feet, respectively, all For-Sale Units within all three buildings will be categorized as Tower Units.

"Tower Unit" means a Residential Unit within a Tower Project.

"Townhome Project" means a Development Project that meets both of the following criteria: (i) the highest residential or mixed-use building with Residential Units, not including Rental Residential Buildings, has or, based on the Building Permit, will have a Building Height that is less than or equal to 50 feet, and (ii) the main entry doors for all ground floor Residential Units within such building will be directly accessible from a public street, private street, or courtyard instead of from a common corridor. All For-Sale Units within a Townhome Project will be categorized as Treasure Island Townhome Units or Yerba Buena Townhome Units for purposes of this RMA.

"Transition Event" shall be deemed to have occurred when the Administrator determines that either of the following events have occurred: (i) all Bonds secured by the levy and collection of Facilities Special Taxes in the CFD have been fully repaid, all Administrative Expenses from prior Fiscal Years have been paid or reimbursed to the City, and the Capital Reserve Requirement has been fully funded, or (ii) all Bonds secured by the levy and collection of Facilities Special Taxes in the CFD have been fully repaid, all Administrative Expenses from prior Fiscal Years have been paid or reimbursed to the City, and the Facilities Special Tax has been levied within Improvement Area No. 2 for one hundred (100) Fiscal Years.

"Transition Year" means the first Fiscal Year in which the Administrator determines that the Transition Event occurred in the prior Fiscal Year.

"Treasure Island Townhome Unit" means a Residential Unit within a Townhome Project proposed for development on Treasure Island.

"Undeveloped Property" means, in any Fiscal Year, all Taxable Parcels that are not Developed Property, Vertical DDA Property, or Expected Taxable Property.

"Vertical DDA" means a Vertical DDA or a Vertical LDDA, as defined in the DDA, for a Taxable Parcel.

"Vertical DDA Property" means, in any Fiscal Year, any Parcel that is not yet Developed Property against which a Vertical DDA has been recorded, and for which the Developer or the Vertical Developer has, by June 30 of the prior Fiscal Year, notified the Administrator of such recording.

"Vertical Developer" means a developer that has entered into a Vertical DDA for construction of vertical improvements on a Taxable Parcel.

"Yerba Buena Townhome Unit" means a Residential Unit within a Townhome Project proposed for development on Yerba Buena Island.

B. DATA FOR CFD ADMINISTRATION

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Taxable Parcels. The Administrator shall also determine: (i) whether each Taxable Parcel is Developed Property, Vertical DDA Property, Undeveloped Property, or Expected Taxable Property, (ii) within which Sub-Block each Assessor's Parcel is located, (iii) for Developed Property, the Residential Square Footage, Commercial/Retail Square Footage, and/or Hotel Square Footage on each Parcel, (iv) for Residential Property, the Residential Product Type, number of Market Rate Units, Inclusionary Units, For-Sale Units, Rental Units, and Converted For-Sale Units, (v) whether there are any delinquent Developer Maintenance Payments, and (vi) the Special Tax Requirement for the Fiscal Year.

The Administrator shall review Development Approval Documents and coordinate with TIDA, the Developer, and Vertical Developers to identify the number of Inclusionary Units within each building. If there are transfers of Inclusionary Units and Market Rate Units, the Administrator shall refer to Section D.2 to determine the Maximum Special Tax for each Parcel after such transfer. If, at any time after issuance of the first series of Bonds, it is determined that an increase in the number of Inclusionary Units will decrease Maximum IA2 Revenues to a point at which Required Coverage cannot be maintained, then some or all of the Inclusionary Units that were not originally part of the Expected Land Uses shall be designated as Expected Taxable Property and shall be subject to the levy of the Facilities Special Tax pursuant to Step 4 in Section F below. In such a case, the Administrator shall determine how many Inclusionary Units must be subject to the Facilities Special Tax in order to maintain Required Coverage, and TIDA and the City shall determine which Inclusionary Units will be Expected Taxable Property, and the Administrator shall update Attachment 2 accordingly.

If TIDA notifies the Administrator of a change in the number or location of Authority Housing Lots, then at the request of TIDA and the owner of any private Parcel(s) affected by the change, the Administrator shall (i) amend and replace Attachment 3 to reflect the then-current location and designation of Authority Housing Lots, and (ii) amend and replace Attachment 2 to reflect the then-current Expected Land Uses on, and the Expected Maximum Facilities Special Tax Revenues for, the Parcel(s) that are affected by the change. If, at any time after issuance of the first series of Bonds, it is determined that an increase in the number of Authority Housing Units will decrease Maximum IA2 Revenues to a point at which Required Coverage cannot be maintained, then some or all of the Authority Housing Lots that were not originally part of the Expected Land Uses shall be designated as Expected Taxable Property and shall be subject to the levy of the Special Tax pursuant to Step 4 in Section F below. In such a case, the Administrator shall determine how many Authority Housing Units must be subject to the Special Tax in order to maintain Required Coverage, and TIDA shall determine which Authority Housing Lots will be Expected Taxable Property, and the Administrator shall update Attachment 2 accordingly.

If a Building Permit has been issued for development of a structure, and additional structures are anticipated to be built within the Sub-Block as shown in the Development Approval Documents, the Administrator shall, regardless of the definitions set forth herein, categorize the building(s) for which the Building Permit was issued as Developed Property and any remaining buildings for which Building Permits have not yet been issued as Vertical DDA Property for purposes of levying the Special Tax. If the buildings share an Assessor's Parcel, the Administrator shall take the sum of the Special Taxes determined for each building after application of the steps in Section F to determine the Special Tax levy for the Parcel.

In any Fiscal Year, if it is determined that (i) a parcel map or condominium plan was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the map or plan was recorded, the Assessor does not yet recognize the newly-created parcels, and (iii) one or more of the newly-created parcels meets the definition of Developed Property or Vertical DDA Property, the Administrator shall calculate the Special Tax for the property affected by recordation of the map or plan by determining the Special Tax that applies separately to each newly-created parcel, then applying the sum of the individual Special Taxes to the Assessor's Parcel that was subdivided by recordation of the parcel map or condominium plan.

In addition to the tasks set forth above, on an ongoing basis, the Administrator will review the Development Approval Documents for property in Improvement Area No. 2 and communicate with the Developer regarding proposed Land Use Changes. The Administrator will, upon receipt of each recorded Vertical DDA, and upon any proposed Land Use Change that is made known to the Administrator, update Attachment 2 to reflect the then-current Expected Land Uses on, and Expected Maximum Facilities Special Tax Revenues for, each Sub-Block.

C. MAXIMUM SPECIAL TAX

1. Undeveloped Property

1a. Facilities Special Tax

Prior to the Transition Year, the Maximum Facilities Special Tax for Undeveloped Property in Improvement Area No. 2 shall be the Expected Maximum Facilities Special Tax Revenues shown in Attachment 2 of this RMA, as it may be amended as set forth herein. If, in any Fiscal Year, separate Assessor's Parcels have not yet been created for property within each Sub-Block, the Administrator shall sum the Expected Maximum Facilities Special Tax Revenues for all Sub-Blocks within an Assessor's Parcel to determine the Maximum Facilities Special Tax that shall apply to the Parcel in such Fiscal Year.

If an Assessor's Parcel contains a portion of one or more Sub-Blocks, the Maximum Facilities Special Tax shall be determined by allocating the Expected Maximum Facilities Special Tax Revenues for each Sub-Block proportionately among such Assessor's Parcels based on the Expected Land Uses on each Parcel, as determined by the Administrator. The Maximum IA2 Revenues after such allocation shall not be less than the Maximum IA2 Revenues prior to this allocation.

In the Transition Year and each Fiscal Year thereafter, no Facilities Special Tax shall be levied on Undeveloped Property in Improvement Area No. 2, unless there are delinquent Facilities Special Taxes on a Parcel of Undeveloped Property, in which case such delinquent Facilities Special Taxes can continue to be levied against the Parcel until they are collected.

1b. Services Special Tax

Prior to the Transition Year, there shall be no Services Special Tax levied on Undeveloped Property in Improvement Area No. 2. In the Transition Year and each Fiscal Year thereafter, the Maximum Services Special Tax for Undeveloped Property in Improvement Area No. 2 shall be $171,595 per acre, which amount shall be escalated as set forth in Section D.2 below.

2. Vertical DDA Property

2a. Facilities Special Tax

Prior to the Transition Year, when a Parcel becomes Vertical DDA Property, the Administrator shall review the recorded Vertical DDA and coordinate with the Developer and/or the Vertical Developer to confirm the Expected Land Uses on the Sub-Block(s) covered by the Vertical DDA. Using the Base Facilities Special Taxes shown in Table 1 below, the Administrator shall calculate the Estimated Base Facilities Special Tax Revenues based on the Expected Land Uses reflected in the Vertical DDA and the square footage estimated by the Vertical Developer. Prior to issuance of the first series of

Bonds, the Maximum Special Tax for each Parcel shall be the Estimated Base Facilities Special Tax Revenues for the Parcel.

Table 1
Base Facilities Special Tax

Land Use Category	Base Facilities Special Tax Before the Transition Year (in Fiscal Year 2019-20 dollars) *	Base Facilities Special Tax In and After the Transition Year (in Fiscal Year 2019-20 dollars) *
Low-Rise Units	$6.51 per square foot	$0.00 per square foot
Mid-Rise Units	$7.54 per square foot	$0.00 per square foot
Tower Units	$8.64 per square foot	$0.00 per square foot
Treasure Island Townhome Units	$5.72 per square foot	$0.00 per square foot
Yerba Buena Townhome Units	$6.18 per square foot	$0.00 per square foot
Rental Units	$2.97 per square foot	$0.00 per square foot
Hotel Condominiums	$6.30 per square foot	$0.00 per square foot
Commercial/Retail Square Footage	$1.60 per square foot	$0.00 per square foot
Hotel Square Footage	$3.19 per square foot	$0.00 per square foot

*** The Base Facilities Special Taxes shown above shall be escalated as set forth in Section D.1.**

After issuance of the first series of Bonds, for the Sub-Block(s) included in the Vertical DDA, the Administrator shall compare the Estimated Base Facilities Special Tax Revenues to the Expected Maximum Facilities Special Tax Revenues for the Sub-Block as reflected in Attachment 2, and:

- *If the Estimated Base Facilities Special Tax Revenues are greater than or equal to the Expected Maximum Facilities Special Tax Revenues*, then the Maximum Facilities Special Tax for the Vertical DDA Property shall be the Estimated Base Facilities Special Tax Revenues. The Administrator shall update Attachment 2 to reflect this amount as the Expected Maximum Facilities Special Tax Revenues for the Sub-Block(s) in the Vertical DDA.

- *If the Estimated Base Facilities Special Tax Revenues are less than the Expected Maximum Facilities Special Tax Revenues, but the Maximum IA2 Revenues are still sufficient to provide Required Coverage*, then the Maximum Facilities Special Tax for the Vertical DDA Property shall be the Estimated Base Facilities Special Tax Revenues. The Administrator shall revise Attachment 2 to reflect the decreased Expected Maximum Facilities Special Tax Revenues for the Sub-Block(s) within the Vertical DDA and the decreased Maximum IA2 Revenues.

- *If the Estimated Base Facilities Special Tax Revenues are less than the Expected Maximum Facilities Special Tax Revenues, and such reduction causes the Maximum IA2 Revenues to be insufficient to provide Required Coverage*, then the Base Facilities Special Taxes applied to each Land Use

Category in the Vertical DDA shall be increased proportionately until the amount that can be levied on Expected Land Uses in the Vertical DDA, combined with the Expected Maximum Facilities Special Tax Revenues from other Sub-Blocks in Improvement Area No. 2, is sufficient to maintain Required Coverage. The Administrator shall revise Attachment 2 to reflect the new Expected Facilities Maximum Special Tax Revenues for the Sub-Block(s) within the Vertical DDA.

If it is determined that only a portion of a Sub-Block is included within a Vertical DDA, the Administrator shall refer to Attachments 1 and 2 to estimate the Expected Land Uses that should be assigned to the portion of the Sub-Block that is included within the Vertical DDA. The Administrator shall confirm this determination with the Review Authority, the Developer, and the Vertical Developer.

In the Transition Year and each Fiscal Year thereafter, no Facilities Special Tax shall be levied on Vertical DDA Property in Improvement Area No. 2, unless there are delinquent Facilities Special Taxes on a Parcel of Vertical DDA Property, in which case such delinquent Facilities Special Taxes can continue to be levied against the Parcel until they are collected.

2b. Services Special Tax

Prior to the Transition Year, there shall be no Services Special Tax levied on Vertical DDA Property in Improvement Area No. 2. In the Transition Year and each Fiscal Year thereafter, the Maximum Services Special Tax for a Parcel of Vertical DDA Property shall be determined by applying the Base Services Special Taxes identified in Table 2 below by the Expected Land Uses for the Parcel, as determined by the Administrator.

Table 2
Base Services Special Tax

Land Use Category	Base Services Special Tax Before the Transition Year (in Fiscal Year 2019-20 dollars) *	Base Services Special Tax In and After the Transition Year (in Fiscal Year 2019-20 dollars) *
Low-Rise Units	$0.00 per square foot	$1.96 per square foot
Mid-Rise Units	$0.00 per square foot	$2.27 per square foot
Tower Units	$0.00 per square foot	$2.60 per square foot
Treasure Island Townhome Units	$0.00 per square foot	$1.73 per square foot
Yerba Buena Townhome Units	$0.00 per square foot	$1.86 per square foot
Rental Units	$0.00 per square foot	$0.90 per square foot
Hotel Condominiums	$0.00 per square foot	$1.91 per square foot
Commercial/Retail Square Footage	$0.00 per square foot	$0.49 per square foot
Hotel Square Footage	$0.00 per square foot	$0.97 per square foot

*** The Base Services Special Taxes shown above shall be escalated as set forth in Section D.2.**

3. Developed Property

3a. Facilities Special Tax

Prior to the Transition Year, when a Building Permit is issued, the Administrator shall apply the following steps to determine the Maximum Facilities Special Tax for each Taxable Parcel that has been or will be created for land uses within the building:

Step 1. Review the Building Permit, condominium plan, architectural drawings, information provided by the Developer and/or Vertical Developer, and any other documents that identify the Building Height, number of Residential Units, square footage within each Land Use Category, and expected layout of Airspace Parcels within the building(s) that will be constructed pursuant to the Building Permit. If additional Building Permits will be issued for other buildings that are within the same Development Project, coordinate with the Review Authority, the Developer, and the Vertical Developer to determine the Building Height for buildings that remain to be developed within the Development Project in order to determine the appropriate Residential Product Type for all Residential Units within the Development Project.

Step 2. Determine the Residential Square Footage of each Residential Unit that will be constructed pursuant to the Building Permit, as well as the Commercial/Retail Square Footage and Hotel Square Footage within the building(s).

. *Step 3.* Identify the number of Inclusionary Units within the building, as well as the Residential Square Footage of each Inclusionary Unit.

Step 4. Using the information from the first three steps, the Administrator shall separately calculate the following:

- For Market Rate Units in the building, multiply the applicable Base Facilities Special Tax from Table 1 for the Residential Product Type that applies to the Development Project by the total aggregate Residential Square Footage of all Market Rate Units expected within the building.

- Multiply the Base Facilities Special Tax from Table 1 for Commercial/Retail Square Footage by the total Commercial/Retail Square Footage expected in the building.

- Multiply the Base Facilities Special Tax from Table 1 for Hotel Square Footage by the total Hotel Square Footage expected in the building.

- If, based on the Expected Land Uses, the Administrator determines that there is Expected Taxable Property within the building, multiply the applicable Base Facilities Special Tax from Table 1 based on what had been anticipated on the Expected Taxable Property by the square footage of the Expected Land Uses for that property.

Prior to issuance of the first series of Bonds, the Maximum Facilities Special Tax for each Taxable Parcel in the building shall be determined by adding all of the amounts calculated above. Steps 5 and 6 below shall not apply.

After issuance of the first series of Bonds, the Administrator shall apply Steps 5 and 6 to determine the Maximum Facilities Special Tax for each Taxable Parcel.

Step 5. Sum the amounts calculated in Step 4 to determine the Estimated Base Facilities Special Tax Revenues for the building(s) for which a Building Permit was issued.

Step 6. Compare the Estimated Base Facilities Special Tax Revenues from Step 5 to the Expected Maximum Facilities Special Tax Revenues for the property, and apply one of the following, as applicable:

- *If the Estimated Base Facilities Special Tax Revenues are greater than or equal to the Expected Maximum Facilities Special Tax Revenues*, then the Maximum Facilities Special Tax for each Taxable Parcel that has been or will be created shall be determined by multiplying the applicable Base Facilities Special Tax by the square footage of each Land Use Category expected on each Taxable Parcel within the building(s) for which the Building Permit has been issued. The Administrator shall update Attachment 2 to reflect the adjusted Expected Maximum Facilities Special Tax Revenues for the Sub-Block and the increased Maximum IA2 Revenues.

- *If the Estimated Base Facilities Special Tax Revenues are less than the Expected Maximum Facilities Special Tax Revenues, but the Maximum IA2 Revenues are still sufficient to provide Required Coverage*, then the Maximum Facilities Special Tax for each Taxable Parcel that has been or will be created shall be determined by multiplying the applicable Base Facilities Special Tax by the square footage of each Land Use Category expected on each Taxable Parcel within the building(s) for which the Building Permit has been issued. The Administrator shall revise Attachment 2 to reflect the decreased Expected Maximum Facilities Special Tax Revenues for the Sub-Block(s) and the decreased Maximum IA2 Revenues.

- *If the Estimated Base Facilities Special Tax Revenues are less than the Expected Maximum Facilities Special Tax Revenues, and such reduction causes the Maximum IA2 Revenues to be insufficient to provide Required Coverage,* then the Base Facilities Special Taxes that were applied in Step 4 shall be increased proportionately until the amount that can be levied on Taxable Parcels within the building for which the Building Permit was issued, combined with the Expected Maximum Facilities

Special Tax Revenues from other Sub-Blocks in Improvement Area No. 2, is sufficient to maintain Required Coverage.

After proportionately increasing the Base Facilities Special Taxes to an amount that will maintain Required Coverage, the Administrator shall use these adjusted per-square foot rates to calculate the Maximum Facilities Special Tax for each Taxable Parcel that has been, or is expected to be, created within the building(s) for which the Building Permit has been issued. The Administrator shall also revise Attachment 2 to reflect the new Expected Maximum Facilities Special Tax Revenues.

Until individual Assessor's Parcels are created for each Residential Unit and for any Commercial/Retail Square Footage, and/or Hotel Square Footage, within a building, the Administrator shall sum the Facilities Special Tax that, pursuant to Section F below, would be levied on all land uses on a Parcel and levy this aggregate Facilities Special Tax amount on the Parcel.

In the Transition Year and each Fiscal Year thereafter, no Facilities Special Tax shall be levied on Developed Property in Improvement Area No. 2, unless there are delinquent Facilities Special Taxes on a Parcel of Developed Property, in which case such delinquent Facilities Special Taxes can continue to be levied against the Parcel until they are collected.

3b. Services Special Tax

Prior to the Transition Year, there shall be no Services Special Tax levied on Developed Property in Improvement Area No. 2. In the Transition Year, the Maximum Services Special Tax for a Parcel of Developed Property shall be determined by the Administrator as follows:

If the Parcel had been taxed as Developed Property in the Fiscal Year prior to the Transition Year and the Administrator is not aware of any changes to land uses on the Parcel since the Facilities Special Tax was levied, the Administrator shall, based on the information that was used to prepare the prior year's Facilities Special Tax levy, apply the Base Services Special Taxes from Table 2 to the square footage within each Land Use Category on each Parcel to calculate the Maximum Services Special Tax for each Parcel, which amount shall be escalated in future Fiscal Years as set forth in Section D.2 below.

If the Parcel had been taxed as Developed Property in the Fiscal Year prior to the Transition Year and the Administrator is aware of changes to the Land Use Categories or square footage on the Parcel since the Facilities Special Tax was levied, the Administrator shall update the land use information and apply the Base Services Special Taxes from Table 2 to the square footage within each Land Use Category on each Parcel to calculate the Maximum Services Special Tax for each Parcel which amount shall be escalated in future Fiscal Years as set forth in Section D.2 below.

If the Parcel becomes Developed Property after the Transition Year, the Administrator shall update the land use information and apply the Base Services Special Taxes from Table 2 to the square footage within each Land Use Category on each Parcel to calculate the Maximum Services Special Tax for each Parcel, which amount shall be escalated in future Fiscal Years as set forth in Section D.2 below.

4. Expected Taxable Property

4a. Facilities Special Tax

Prior to the Transition Year, the Maximum Facilities Special Tax assigned to any Parcel of Expected Taxable Property shall be the Expected Maximum Facilities Special Tax Revenues that were assigned to the Parcel (as determined by the Administrator) based on the Expected Land Uses prior to the Administrator determining that such Parcel had become Expected Taxable Property. In the Transition Year and each Fiscal Year thereafter, no Facilities Special Tax shall be levied on Expected Taxable Property.

4b. Services Special Tax

Prior to the Transition Year, there shall be no Services Special Tax levied on Expected Taxable Property. In the Transition Year and each Fiscal Year thereafter, the Maximum Services Special Tax assigned to any Parcel of Expected Taxable Property shall be determined by the Administrator by applying the Base Services Special Tax to each Land Use Category that is built on each Parcel of Expected Taxable Property, and such determination shall be conclusive and binding.

D. CHANGES TO THE MAXIMUM SPECIAL TAX

1. Annual Escalation of Facilities Special Tax

Beginning July 1, 2020 and each July 1 thereafter, the Base Facilities Special Taxes in Table 1, the Expected Maximum Facilities Special Tax Revenues in Attachment 2, and the Maximum Facilities Special Tax assigned to each Parcel in Improvement Area No. 2 shall be increased by 2% of the amount in effect in the prior Fiscal Year.

2. Annual Escalation of Services Special Tax

Beginning July 1, 2020 and each July 1 thereafter until the Transition Year, the Base Services Special Taxes in Table 2 shall be increased by 3.4% of the amount in effect in the prior Fiscal Year. On July 1 of the Transition Year and each July 1 thereafter, the Base Services Special Taxes and the Maximum Services Special Tax assigned to each Parcel in Improvement Area No. 2 shall be escalated by the Escalator.

3. Inclusionary Unit and Market Rate Unit Transfers

If, in any Fiscal Year after issuance of the first series of Bonds, the Administrator determines that a Residential Unit that had previously been designated as an Inclusionary Unit no longer

qualifies as such, the Maximum Facilities Special Tax on the Residential Unit shall be increased to the Maximum Facilities Special Tax that would be levied on a Market Rate Unit of the same square footage. If, after issuance of the first series of Bonds, a Market Rate Unit becomes an Inclusionary Unit after it has been taxed in prior Fiscal Years as a Market Rate Unit and, by exempting the Inclusionary Unit, the Administrator determines that Maximum IA2 Revenues will be reduced to a point at which Required Coverage cannot be maintained, then the Inclusionary Unit shall be designated as Expected Taxable Property and shall be subject to the levy of the Facilities Special Tax pursuant to Step 4 in Section F below.

4. Changes in Land Use Category on a Parcel of Developed Property

If the square footage on any Parcel that had been taxed as Developed Property in a prior Fiscal Year is rezoned or otherwise changes Land Use Category, the Administrator shall multiply the applicable Base Special Taxes by the square footage within each of the new Land Use Category(ies); if the first series of Bonds has not yet been issued, this amount shall be the Maximum Special Tax for the Parcel. If the first series of Bonds has been issued, the Administrator shall apply the remainder of this Section D.4.

If the amount determined is greater than the Maximum Facilities Special Tax that applied to the Parcel prior to the Land Use Change, the Administrator shall increase the Maximum Facilities Special Tax for the Parcel to the amount calculated for the new Land Use Category(ies). If the amount determined is less than the Maximum Facilities Special Tax that applied prior to the Land Use Change, there will be no change to the Maximum Facilities Special Tax for the Parcel. Under no circumstances shall the Maximum Facilities Special Tax on any Parcel of Developed Property be reduced, regardless of changes in Land Use Category or square footage on the Parcel, including reductions in square footage that may occur due to demolition, fire, water damage, or acts of God.

5. Reduction in Maximum Facilities Special Taxes Prior to First Bond Sale

As set forth in, and subject to the requirements of, Section 2.3(n) of the Financing Plan, the Maximum Facilities Special Taxes assigned to Taxable Parcels in Improvement Area No. 2 may be proportionately or disproportionately reduced once prior to issuance of the first series of Bonds. Such reduction shall be made without a vote of the qualified CFD electors following: (i) initiation upon written request of TICD, and (ii) consultation with the City and TIDA regarding such request. The reduction shall be codified by recordation of an amended Notice of Special Tax Lien against all Taxable Parcels within Improvement Area No. 2.

6. Converted Rental Residential Building

If a Rental Residential Building in the CFD becomes a Converted Rental Residential Building, the Administrator shall rely on information from the County Assessor, site visits to the sales office, data provided by the entity that is selling Residential Units within the building, and any other available source of information to track sales of Residential Units. In the first Fiscal Year in which there is a Converted For-Sale Unit within the building, the Administrator shall determine the applicable Base Special Tax based on the appropriate Residential Product Type for For-Sale Units in the Development Project. Such Base Special Tax shall be used to calculate the Maximum Special Tax for all Converted For-Sale Units in the building in that Fiscal Year. In addition, this Base Special Tax, escalated as set forth in Section D.1 or, as applicable, D.2 above,

shall be used to calculate the Maximum Special Tax for all future Converted For-Sale Units within the building. Rental Units within the Converted Rental Residential Building shall continue to be subject to the Maximum Special Tax for Rental Units until such time as the units become Converted For-Sale Units. The Maximum Special Tax for all Residential Units within the building shall escalate each Fiscal Year as set forth in Section D.1 or, as applicable, D.2 above.

E. ANNEXATIONS

If, in any Fiscal Year, a property owner within the Future Annexation Area wants to annex property into Improvement Area No. 2, the Administrator shall apply the following steps as part of the annexation proceedings:

Step 1. Working with City staff and the landowner, the Administrator shall determine the Expected Land Uses for the area to be annexed.

Step 2. The Administrator shall prepare and keep on file updated Attachments 1, 2, and 3 to reflect the annexed property and identify the revised Expected Land Uses and Maximum IA2 Revenues. After the annexation is complete, the application of Sections C and F of this RMA shall be based on the adjusted Expected Land Uses and Maximum IA2 Revenues including the newly annexed property.

Step 3. The Administrator shall ensure that a Notice of Special Tax Lien is recorded against all Parcels that are annexed to the CFD.

F. METHOD OF LEVY OF THE SPECIAL TAX

Each Fiscal Year, the Special Tax shall be levied according to the steps outlined below:

Step 1. In all Fiscal Years prior to and including the earlier of (i) the Fiscal Year in which the City or TIDA makes a finding that all Qualified Project Costs have been funded pursuant to the Financing Plan, or (ii) 42 years after the first series of Bonds was issued for Improvement Area No. 2, the Maximum Special Tax shall be levied on all Parcels of Developed Property regardless of debt service on Bonds (if any), and any Remainder Special Taxes collected shall be applied as set forth in the Financing Plan.

In all Fiscal Years after the earlier of: (i) the Fiscal Year in which the City or TIDA makes a finding that all Qualified Project Costs have been funded pursuant to the Financing Plan, or (ii) 42 years after the first series of Bonds was issued for Improvement Area No. 2, the Special Tax shall be levied Proportionately on each Parcel of Developed Property, up to 100% of the Maximum Special Tax for each Parcel of Developed Property until the amount levied is equal to the Special Tax Requirement.

Step 2. If additional revenue is needed after Step 1 in order to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Vertical DDA Property, up to 100% of the Maximum Special Tax for each Parcel of Vertical DDA Property for such Fiscal Year.

Step 3. If additional revenue is needed after Step 2 in order to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property, up to 100% of the Maximum Special Tax for each Parcel of Undeveloped Property for such Fiscal Year.

Step 4: If additional revenue is needed after Step 3 in order to meet the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Expected Taxable Property, up to 100% of the Maximum Special Tax for each Parcel of Expected Taxable Property.

G. COLLECTION OF SPECIAL TAX

Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the City may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods. The Special Tax bill for any Parcel subject to a leasehold interest will be sent to the same party that receives the possessory interest tax bill associated with the leasehold.

The Facilities Special Tax shall be levied and collected until the earlier of: (i) the Fiscal Year in which the City determines that all Qualified Project Costs have been funded pursuant to the Financing Plan and all other Authorized Expenditures that will be funded by the CFD have been funded, and (ii) the Transition Year. The Services Special Tax shall be levied and collected in perpetuity beginning in the Transition Year. Pursuant to Section 53321(d) of the Act, the Facilities Special Tax levied against a Parcel used for private residential purposes shall under no circumstances increase more than ten percent (10%) as a consequence of delinquency or default by the owner of any other Parcel or Parcels and shall, in no event, exceed the Maximum Special Tax in effect for the Fiscal Year in which the Special Tax is being levied.

H. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on: (i) Public Property or Association Property, except Public Property or Association Property that is determined to be Expected Taxable Property or a Hotel Project, (ii) Authority Housing Lots or Inclusionary Units unless any such lots or units have been determined to be Expected Taxable Property, (iii) Parcels that are or are intended to be used as streets, walkways, alleys, rights of way, parks, or open space, and (iv) the Yerba Buena Officers Quarters.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City may interpret, clarify, and revise this RMA to correct any inconsistency, vagueness, or ambiguity, by resolution and/or ordinance, as long as such interpretation, clarification, or revision does not materially affect the levy and collection of the Special Tax and any security for any Bonds.

J. SPECIAL TAX APPEALS

Any taxpayer who wishes to challenge the accuracy of computation of the Special Tax in any Fiscal Year may file an application with the Administrator. The Administrator, in consultation with the City Attorney, shall promptly review the taxpayer's application. If the Administrator concludes that the computation of the Special Tax was not correct, the Administrator shall correct the Special Tax levy and, if applicable in any case, a refund shall be granted. If the Administrator concludes that the computation of the Special Tax was correct, then such determination shall be final and conclusive, and the taxpayer shall have no appeal to the Board from the decision of the Administrator.

The filing of an application or an appeal shall not relieve the taxpayer of the obligation to pay the Special Tax when due.

Nothing in this Section J shall be interpreted to allow a taxpayer to bring a claim that would otherwise be barred by applicable statutes of limitation set forth in the Act or elsewhere in applicable law.

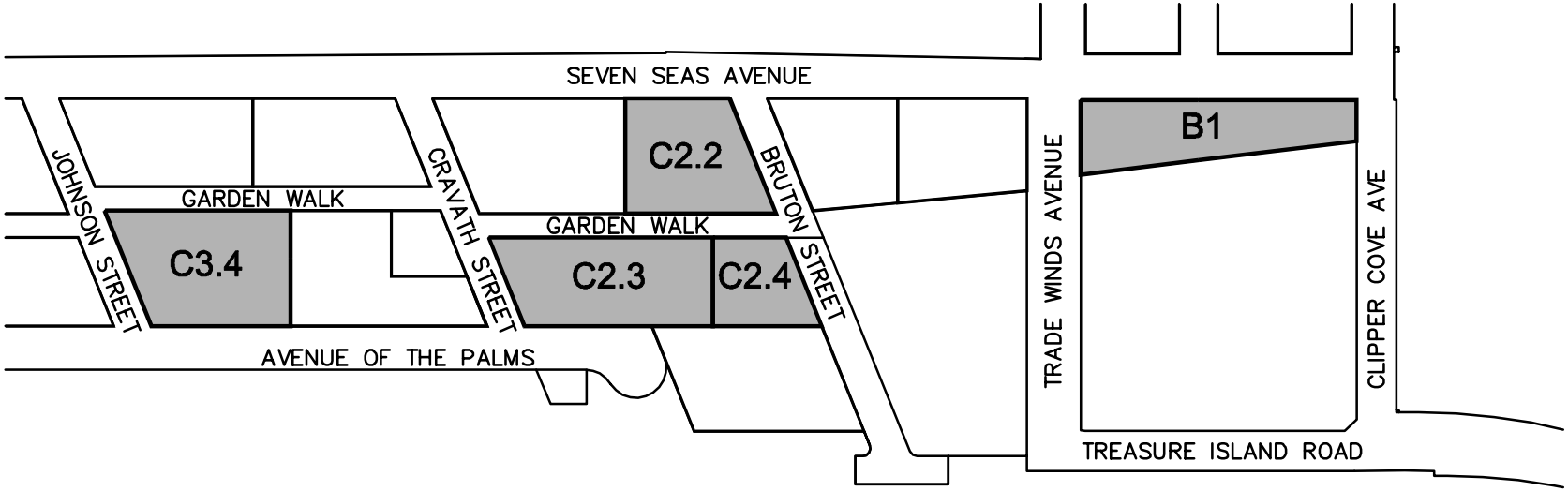
ATTACHMENT 1

Improvement Area No. 2 of the
City and County of San Francisco
Community Facilities District No. 2016-1
(Treasure Island)

Identification of Sub-Blocks in
Improvement Area No. 2

ATTACHMENT 1
Improvement Area No. 2 of the
City and County of San Francisco
Community Facilities District No. 2016-1
(Treasure Island)

Identification of Sub-Blocks





NOT TO SCALE

Legend

Improvement Area No. 2 Sub-blocks

ATTACHMENT 2

Improvement Area No. 2 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)

Expected Land Uses and Expected Maximum Facilities Special Tax Revenues by Sub-Block

Sub-Block /1	Expected Land Use	Expected Number of Residential Units	Expected Square Footage	Base Facilities Special Tax (FY 2019-20) /1	Expected Maximum Facilities Special Tax Revenues (FY 2019-20) /1
C2.2	Rental Residential				
	Market Rate Units	166	132,050	$2.97 per square foot	$392,189
	Inclusionary Units	9	6,935	$0.00 per square foot	$0
C2.4	Rental Residential				
	Market Rate Units	223	189,780	$2.97 per square foot	$563,647
	Inclusionary Units	24	19,464	$0.00 per square foot	$0
B1	Rental Residential				
	Market Rate Units	114	78,150	$2.97 per square foot	$232,106
	Inclusionary Units	6	4,160	$0.00 per square foot	$0
C2.3	Low-Rise Units	108	93,161	$6.51 per square foot	$606,478
	Inclusionary Units	6	5,401	$0.00 per square foot	$0
C3.4	Low-Rise Units	152	134,200	$6.51 per square foot	$873,642
	Inclusionary Units	8	6,425	$0.00 per square foot	$0
Total Expected Units/Square Feet		816	669,726	N/A	N/A
Maximum IA2 Revenues (Fiscal Year 2019-20 $)					**$2,668,062**

1. See Attachment 1 for the geographic area associated with each Sub-Block.
2. Beginning July 1, 2020 and each July 1 thereafter, the dollar amounts shown above shall be escalated as set forth in Section D.1.

ATTACHMENT 3

Improvement Area No. 2 of the
City and County of San Francisco
Community Facilities District No. 2016-1
(Treasure Island)

Identification of Authority Housing Lots
in Improvement Area No. 2

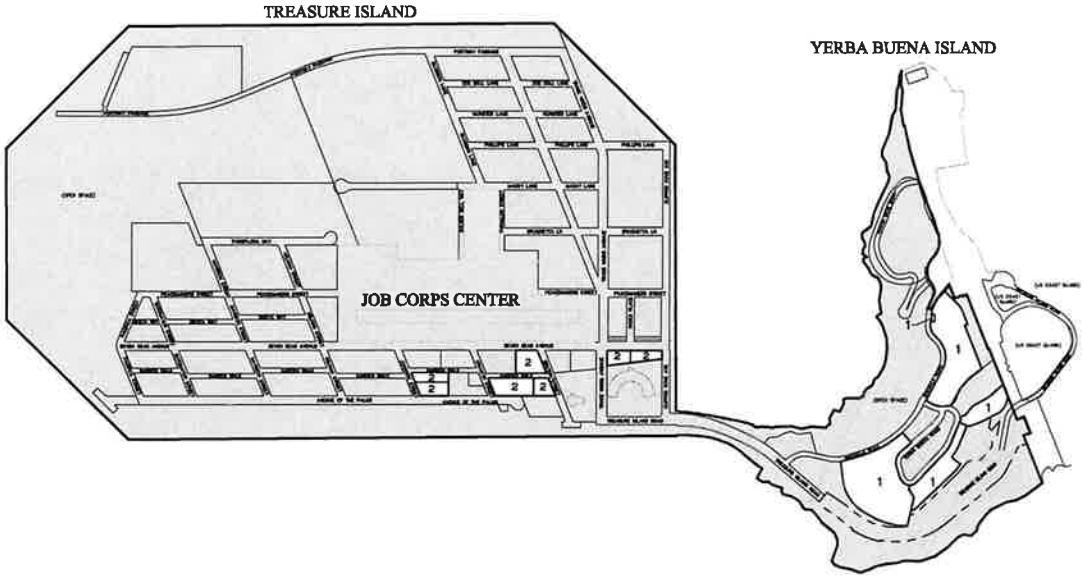
[*No Authority Housing Lots are expected within Improvement Area No. 2.]*

APPENDIX D

Boundary Map of
Community Facilities District No. 2016-1

CONSOLIDATED BOUNDARY MAP OF
CITY AND COUNTY OF SAN FRANCISCO
COMMUNITY FACILITIES DISTRICT NO. 2016-1
(TREASURE ISLAND)
CITY AND COUNTY OF SAN FRANCISCO
STATE OF CALIFORNIA

TAXES LEVIED BY THIS DISTRICT MAY BE USED TO PAY FOR CLEANUP OF HAZARDOUS SUBSTANCES



LEGEND

- Community Facilities District No. 2016-1
- Future Annexation Area

This Consolidated Boundary Map reflects the annexation of certain parcels from the Future Annexation Area into City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), City and County of San Francisco, State of California as Improvement Area No. 2 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), City and County of San Francisco, State of California". This Consolidated Boundary Map supersedes the map entitled "Proposed Boundaries of City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), City and County of San Francisco, State of California" recorded on the 20th day of December, 2016, at the hour of 1:53 o'clock p.m., in Book 1 of Maps of Assessment and Community Facilities Districts at Page 114, in the office of the Assessor-Recorder of the City and County of San Francisco, State of California.

(1) Filed in the office of the Clerk of the Board of Supervisors of the City and County of San Francisco this _____ day of _____, 20__.

(Clerk of the Board of Supervisors)

(2) I hereby certify that the within Consolidated Boundary Map of City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), City and County of San Francisco, State of California, was approved by the Board of Supervisors of the City and County of San Francisco at a meeting thereof, held on the _____ day of _____, 20__, by its Resolution No. _____.

(Clerk of the Board of Supervisors)

(3) Filed this _____ day of _____, 20__, at the hour of _____ o'clock___m., in Book _____ of Maps of Assessment and Community Facilities Districts at Page _____ in the office of the Assessor-Recorder of the City and County of San Francisco, State of California.

(Assessor-Recorder of the City and County of San Francisco)

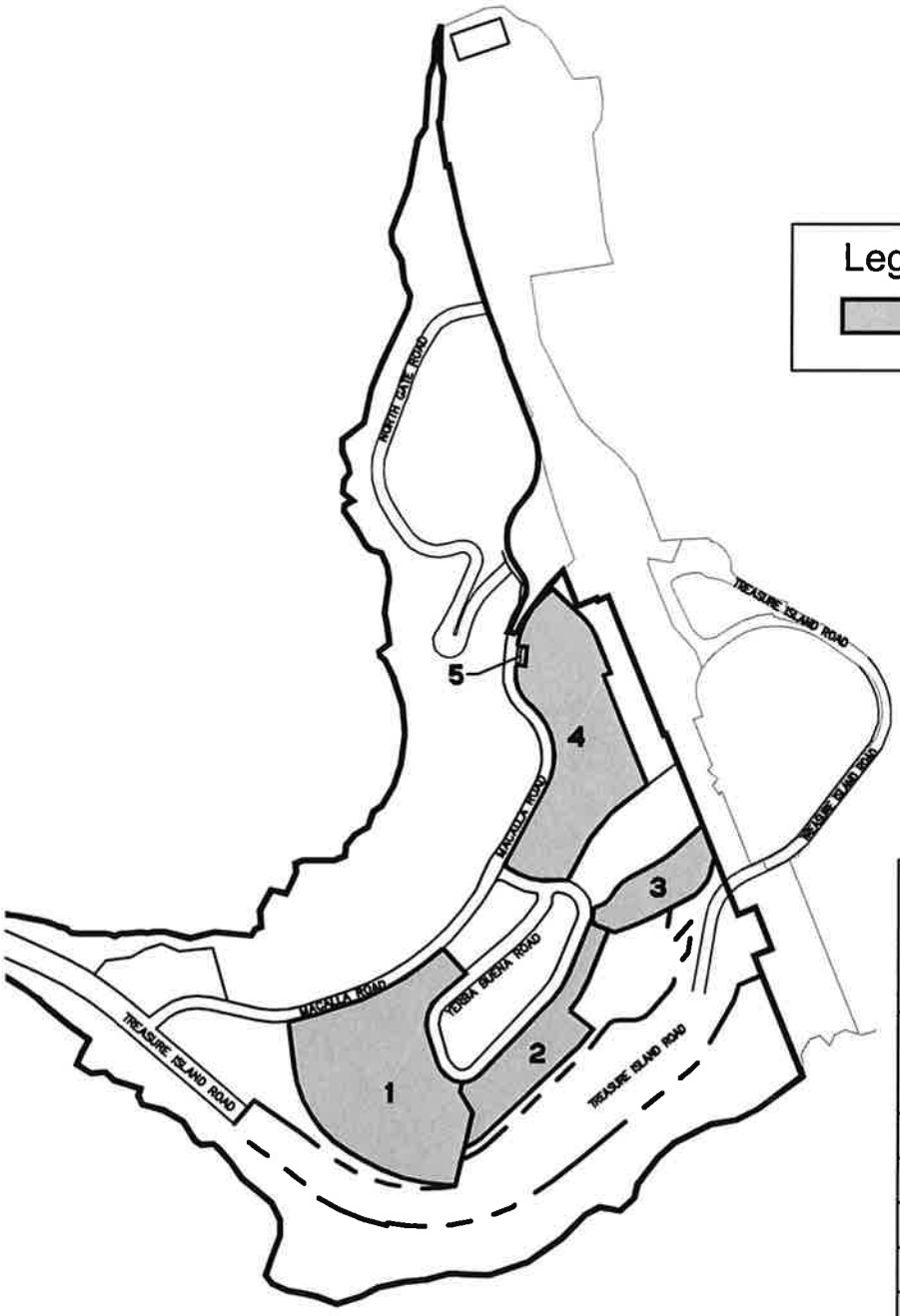
Improvement Areas of Community Facilities District 2016-1		
ID #	Improvement Area	Reference Page #
1	1	2
2	2	3

Reference is hereby made to the maps maintained by the Office of the Assessor-Recorded of the City and County of San Francisco for an exact description of the lines and dimensions of each lot and parcel.

Prepared by:
BKF Engineers

Consolidated Boundary Map of
City and County of San Francisco
Community Facilities District No. 2016-1
(Treasure Island)
City and County of San Francisco
State of California

Improvement Area No.1 Detail



NOT TO SCALE

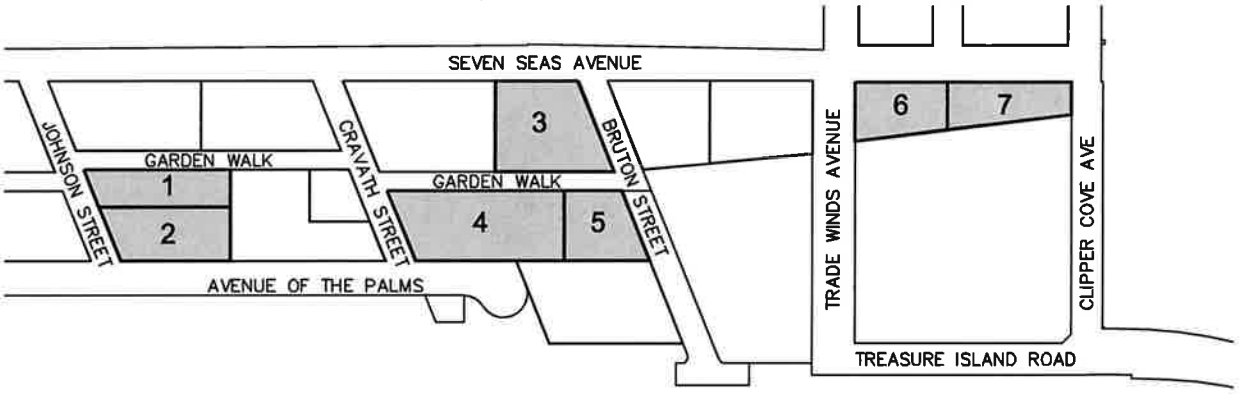
Legend

Improvement Area No. 1 of
Community Facilities District No. 2016-1

Assessor's Parcel Number of Property in Improvement Area No. 1	
Reference Number	Assessor's Parcel Number(s)
1	8948-001
2	8949-002
3	8952-001
4	8954-002
5	8954-003

Consolidated Boundary Map of
City and County of San Francisco
Community Facilities District No. 2016-1
(Treasure Island)
City and County of San Francisco
State of California

Improvement Area No.2 Detail



NOT TO SCALE

Legend

Improvement Area No. 2 of
Community Facilities District No. 2016-1

Assessor's Parcel Number of Property in Improvement Area No. 2	
Reference Number	Assessor's Parcel Number(s)
1	8906-005
2	8906-006
3	8903-004
4	8904-004
5	8904-005
6	8901-003
7	8901-004