

## RESOLUTION NO. 2-2003

*Adopted January 14, 2003*

**AUTHORIZING THE SEVENTH AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH ARMAX YERBA BUENA LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO REVISE THE SCHEDULE OF PERFORMANCE AND MODIFY CERTAIN TERMS AND CONDITIONS REGARDING A FULL-SERVICE GROCERY STORE AT 399 FOURTH STREET (PARCEL 3751-H), IN ACCORDANCE WITH THE APPROVED AND EXECUTED SETTLEMENT AGREEMENT; YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT AREA**

### BASIS FOR RESOLUTION

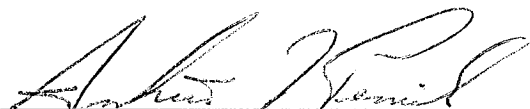
1. On February 27, 1996, the Redevelopment Agency of the City and County of San Francisco ("Agency") authorized a Disposition and Development Agreement ("DDA") with Armax International, Inc. ("Armax"), in connection with the purchase and development of Parcel 3751-H, Lot 410 of Assessor's Block 3751, located at the northeast corner of Fourth and Harrison Streets in the Yerba Buena Center Approved Redevelopment Project Area.
2. The Agency approved the First, Second, and Third Amendments to the DDA dated May 14, 1996, November 19, 1996 and March 25, 1998, respectively.
3. On October 3, 1997, the Agency transferred title to the Site to Armax by Grant Deed recorded in the Office of the Recorder of the City and County of San Francisco.
4. On November 4, 1997, by Resolution No. 223-97, the Agency approved an Assignment of the DDA by Armax to Armax Yerba Buena LLC, a California limited liability company ("Developer").
5. The Agency approved the Fourth, Fifth and Sixth Amendments to the DDA dated August 11, 1998, February 23, 1999 and September 28, 1999, respectively.
6. Developer has been unable to complete construction of the commercial improvements on the Site in accordance with the DDA and has requested Agency approval of a Seventh Amendment to revise the Schedule of Performance and provide for modifications to other provisions of the DDA to facilitate completion of its remaining obligations.
7. A dispute arose between the Agency and Developer during negotiations of the Seventh Amendment and both the Agency and Developer brought suit seeking a determination of each party's respective rights and responsibilities.

8. On October 8, 2002, the Agency Commission met in closed session and voted to accept a settlement proposal that resolved all outstanding issues and required the Commission to approve the proposed Seventh Amendment to the DDA. Pursuant to the Brown Act, the action taken in closed session was reported in open session on October 15, 2002.

### RESOLUTION

**ACCORDINGLY, IT IS RESOLVED** by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to enter into and execute a Seventh Amendment to the Disposition and Development Agreement with Armax Yerba Buena LLC, a California limited liability company, which among other things, revises the Schedule of Performance, substantially in the form lodged with the Agency General Counsel and hereby approved with such changes as hereafter become necessary, which changes do not materially affect the substance of said Seventh Amendment or materially increase the obligations of the Agency.

### APPROVED AS TO FORM:

  
for Bertha A. Ontiveros 1/9/03  
Agency General Counsel