

RESOLUTION NO. 3-2003

Adopted January 14, 2003

AUTHORIZING APPROVAL OF THE REINSTATED LEASE BETWEEN ARMAX YERBA BUENA LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AND WHOLE FOODS MARKET CALIFORNIA, INC., A CALIFORNIA CORPORATION, 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

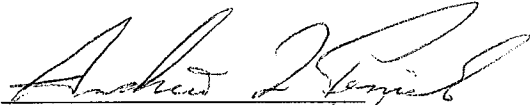
BASIS FOR RESOLUTION

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, located at the northeast corner of Fourth and Harrison Streets in the Yerba Buena Center Approved Redevelopment Project Area. On October 3, 1997, the Agency transferred title to Armax. On November 4, 1997, the Agency approved the Assignment of the DDA, as amended, to Armax Yerba Buena LLC, a California limited liability company ("Developer").
2. The Developer is required to submit an executed lease agreement with a full-service grocery store in accordance with the requirements of Section 5.10 of the amended DDA.
3. The Developer submitted to the Agency for approval an executed lease with Whole Foods Market California, Inc., a California corporation, ("Whole Foods") for a 33,000 square foot "full service supermarket" which will operate for a term of twenty-five (25) years.
4. A dispute arose between the Agency and Developer as to whether the lease was in compliance with Agency policies. Both the Agency and Developer brought suit seeking a determination of each party's respective rights and responsibilities.
5. 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 executed lease. Pursuant to the Brown Act, the action taken in closed session was reported in open session on October 15, 2002.
6. The Agency has determined that the lease meets the DDA criteria and desires to approve the lease.
7. Concurrently, by Resolution No. 2-2003, the Agency has approved the Seventh Amendment to the Disposition and Development Agreement ("Seventh Amendment") extending the Schedule of Performance for Developer's completion of construction of the project from February, 2000 until September, 2004.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the supermarket lease between Armax Yerba Buena LLC, a California limited liability company, and Whole Foods Market California, Inc., a California corporation for a full-service grocery store at 399 Fourth Street, substantially in the form lodged with the Agency General Counsel is hereby approved.

APPROVED AS TO FORM:



for Bertha A. Ontiveros 6/18/07
Agency General Counsel