

RESOLUTION NO. 114-2006

Adopted August 15, 2006

AUTHORIZING A SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS IN THE LAWSUIT ENTITLED CHONG DUK KIM, ET AL. V. SAN FRANCISCO UNIFIED SCHOOL DISTRICT, ET AL., SAN FRANCISCO SUPERIOR COURT CASE NO. CGC 04 435397

BASIS FOR RESOLUTION

1. On March 16, 2004, eight individual Plaintiffs, all current or former employees of Jin Construction and Electric Company (“Jin”) brought suit in United States District Court in a case entitled Won Woong Im, et al. v. Jin Construction and Electric Company, et. al., United States District Court, Northern District of California, Case No. C 04-01038 SI.
2. The Plaintiffs alleged, among other things, that they were not paid prevailing wages or overtime pay by Jin on numerous public work jobs, including the Notre Dame Apartments located at 1590 Broadway Street and the Antonia Manor located at 180 Turk Street. These two projects are San Francisco Redevelopment Agency (“Agency”) assisted affordable housing projects. No allegation of wrongdoing was alleged against the Agency. The Agency was sued solely as a stakeholder of funds that Plaintiffs now claimed.
3. On May 4, 2004, the Agency Commission authorized the Agency General Counsel to retain outside counsel to defend against the lawsuit. Agency General Counsel retained David Yang of the Law Offices of David Yang, 44 Montgomery Street, San Francisco to represent the Agency.
4. On or about September 24, 2004, the District Court, on jurisdictional grounds, dismissed the Im case without prejudice and ordered that it be transferred to the San Francisco Superior Court.
5. On February 7, 2005, Plaintiffs filed their first amended complaint in San Francisco Superior Court entitled Chong Duk Kim et. al. v. San Francisco Unified School District, et al., San Francisco Superior Court Case No. CGC 04 435397.
6. On March 29, 2006, the Agency brought a Motion for Summary Judgment on the grounds that: (1) the Agency did not receive Stop Notices from six of the eight Plaintiffs which is a necessary prerequisite to their cause of action; and (2) the Agency had disbursed all funds for these projects prior to receiving the Stop Notices from the remaining two Plaintiffs. The Court granted the Agency’s Motion for Summary Judgment on July 31, 2006.
7. Plaintiffs have the right to appeal the Court’s order granting the Agency’s Motion for Summary Judgment. However, Plaintiffs have offered to waive their right to

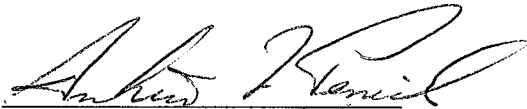
appeal in exchange for the Agency waiving any claim for attorneys' fees and cost. The Agency has incurred approximately \$19,645 in attorneys' fees and cost in this matter.

8. If an appeal were filed, the Agency would incur additional attorneys' fees and costs in defending this matter. In addition, it is highly unlikely that Plaintiffs have the resources to satisfy a demand for attorneys' fees and cost, if the Court were to award them.
9. The Settlement Agreement and Release of Claims, lodged with the Agency General Counsel will avoid an appeal and finally resolve this matter. No funds in settlement will be paid by the Agency in this matter.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute a Settlement Agreement and Release of Claims in the lawsuit entitled Chong Duk Kim et. al. v. San Francisco Unified School District, et al., San Francisco Superior Court Case No. CGC 04 435397, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:



for James B. Morales 8/2/06
Agency General Counsel