

1 [Approval of Ferry Building Sublease Agreement]

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4 **Resolution approving Sublease between Ferry Building Associates, LLC, as**
5 **sublandlord, and San Francisco Port Commission, as subtenant, for the Port**
6 **Commission Hearing Room and Ancillary Premises, located in the Ferry Building.**

7 WHEREAS, By Resolution No. 99-67, the Port Commission approved the form
8 and substance of Lease Disposition and Development Agreement ("LDDA") and Ground
9 Lease ("Lease") with the development entity, Ferry Building Investors, LLC ("FBI") for
10 the historic rehabilitation of the Ferry Building; and

11 WHEREAS, By Resolution No. 1140-99, the Board of Supervisors approved the
12 Lease with FBI; and

13 WHEREAS, FBI has assigned the LDDA and Lease to Ferry Building Associates,
14 LLC ("FBA") as permitted under the Lease in order to accommodate the historic tax
15 credit transaction (approved by the Port Commission by Resolution No. 01-97); and

16 WHEREAS, the LDDA and Lease require FBA to construct and maintain, an
17 appropriate public honorific space of at least 2500 square feet on the 2nd Floor of the
18 Ferry Building for Port Commission public meetings, and Port-related and ceremonial
19 functions, and to sublease certain ancillary support space to the Port on the terms
20 agreed to by Port and FBA under a Term Sheet attached to the LDDA; and

21 WHEREAS, Port staff and FBI have negotiated the form of Sublease, governing
22 the construction and use of the Port Commission hearing room and the construction and
23 sublease of the ancillary premises, consistent with the agreed-upon Term Sheet, and as
24 more particularly described in the memorandum to Port Commissioners, dated May 23,
25 2002; and

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2 WHEREAS, San Francisco Charter Section 9.118 requires Board of Supervisors
3 approval by resolution of contracts or agreements entered into by a department, board
4 or commission having a term in excess of ten years; and

5 WHEREAS, a copy of the proposed form of Sublease is on file with the Clerk of
6 the Board in File No. 021599; now, therefore, be it

7 RESOLVED, That the Board of Supervisors hereby approves the form and
8 substance of the Sublease and the transactions which the Sublease contemplates,
9 incorporating the business terms set forth in the Memorandum for Agenda Item 5A for
10 the Port Commission meeting on May 28, 2002, a copy of which is attached to the Port
11 Commission Resolution 02-14 and is on file with the Clerk of the Board in File No.
12 021599, including a Port Indemnity that provides as follows:

13 Port shall indemnify, defend and hold harmless (“**Indemnify**”)
14 Landlord and its agents from and against any and all claims, costs
15 and expenses, including, without limitation, reasonable attorneys’
16 fees, (collectively, “**Claims**”), incurred as a result of (a) Port’s use of
17 the Premises, (b) any default by Port in the performance of any of
18 its material obligations under this Lease, (c) any negligent acts or
19 omissions of Port or its agents in, on or about the Premises or the
20 Property; (d) any event occurring within the Ancillary Premises; or
21 (e) the performance of any labor or services or the furnishing of any
22 materials or other property with respect to the Premises on Port’s
23 behalf; provided, however, Port shall not be obligated to Indemnify
24 Landlord or its Agents to the extent any Claim arises out of the
25 negligence or willful misconduct of Landlord or its Agents, or the

1 use of the Commission Room Premises by third parties other than
2 Port's authorized agents or Invitees; and be it

3 FURTHER RESOLVED, That the Board of Supervisors authorizes and directs
4 the Executive Director of the Port to execute the Sublease in substantially the form of
5 such agreement on file with the Clerk of the Board in File No. 021599; and, be it

6 FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive
7 Director to take any and all further steps that he deems necessary and appropriate, in
8 consultation with the City Attorney, in order to consummate the transactions
9 contemplated under this Resolution, including executing such further documents or
10 assurances necessary, so long as such actions do not materially increase the
11 obligations or liabilities of the City or Port; and, be it

12 FURTHER RESOLVED, That the Board of Supervisors approves, confirms, and
13 ratifies all prior actions taken by the officials, employees, and agents of the Port
14 Commission of the City with respect to the LDDA, Lease, and Sublease.

15 APPROVED AS TO FORM

16 DENNIS J. HERRERA

17 City Attorney

18 By: 

19 NEIL H. SEKHRI, Deputy City Attorney



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails Resolution

File Number: 021599

Date Passed:

Resolution approving Sublease between Ferry Building Associates, LLC, as sublandlord, and San Francisco Port Commission, as subtenant, for the Port Commission Hearing Room and Ancillary Premises, located in the Ferry Building.

January 21, 2003 Board of Supervisors — ADOPTED

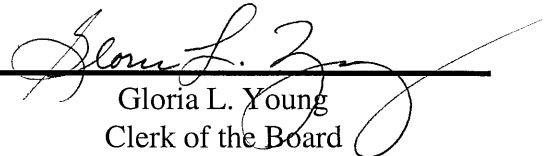
Ayes: 7 - Ammiano, Dufty, Gonzalez, Hall, Ma, McGoldrick, Peskin

Noes: 3 - Daly, Maxwell, Sandoval

Absent: 1 - Newsom

File No. 021599

I hereby certify that the foregoing Resolution was ADOPTED on January 21, 2003 by the Board of Supervisors of the City and County of San Francisco.


Gloria L. Young
Clerk of the Board

JAN 31 2003

Date Approved



Mayor Willie L. Brown Jr.