

1 [Settlement of San Francisco’s potential claims against companies for images stenciled on  
2 city sidewalks for reimbursement to city in the amount of \$7,000.00, and a \$96,000 donation  
3 to the San Francisco Clean City Coalition.]

4 **Resolution approving settlement of San Francisco’s potential claims for fines,**  
5 **penalties and damages against NBC Universal, Inc., the USA Network, and related**  
6 **entities (the “Companies”) arising out of the stenciling of marketing images on City**  
7 **sidewalks. Under the settlement, the companies: (1) shall pay \$7,000.00 to San**  
8 **Francisco to reimburse the City for its out-of-pocket costs arising out of the incident;**  
9 **(2) shall make a \$96,000.00 donation to the San Francisco Clean City Coalition; and (3)**  
10 **agree to make best efforts to prevent the perpetration of similar acts in the future. In**  
11 **exchange, San Francisco shall fully release the Companies from potential claims**  
12 **arising out of the stencils.**

13  
14 WHEREAS, On June 23, 2004, the Department of Public Works began to receive  
15 complaints about images stenciled on City sidewalks without the permission of the City and  
16 County of San Francisco; and

17 WHEREAS, The City publicly expressed its disapproval of the images by enacting  
18 Resolution No. 466-04, which, among other things, required the Department of Public Works  
19 to track its costs in responding to the images and urged the City Attorney’s Office to take  
20 certain action; and

21 WHEREAS, When NBC Universal, Inc., the USA Network, and related entities  
22 (hereafter, the “Companies”) learned of the City’s reaction to the images, they took immediate  
23 steps to cease the stenciling and to clean and remove the existing images from City  
24 sidewalks; and

1           WHEREAS, The Companies have expressed their regret for the images and condemn  
2 such unauthorized markings on public property; and

3           WHEREAS, The Companies have also expressed their commitment to ameliorating  
4 any harm that the images caused to the City; and

5           WHEREAS, The Department of Public Works incurred costs and expenses in the  
6 amount of approximately \$4,000.00 in connection with the stenciled images; and

7           WHEREAS, The Office of the City Attorney performed services in connection with the  
8 incident in the amount of approximately \$3,000.00; and

9           WHEREAS, The Companies and the City desire and have agreed to resolve any and  
10 all of the City's potential claims against the Companies for fines, penalties and damages  
11 arising out of the stenciling of marketing messages on City sidewalks; and

12           WHEREAS, Under an agreement between the Companies and the City, the  
13 Companies: (1) shall pay the city \$7,000.00 to reimburse the City for its out-of-pocket costs  
14 arising out of the images, (2) shall make a \$96,000.00 donation to the San Francisco Clean  
15 City Coalition, a nonprofit organization, and (3) agree to make best efforts to prevent the  
16 perpetration of similar acts in the future.

17           WHEREAS, Under the Agreement the City, in turn, shall fully release and discharge the  
18 Companies from any and all claims for fines, penalties and damages as a consequence of the  
19 images; and

20           WHEREAS, On file with the Clerk of the Board of Supervisors is File No. \_\_\_\_\_, which  
21 sets forth the specific terms of the agreement between the Companies and the City, and  
22 which is hereby declared to be a part of this resolution as if set forth fully herein; and

23           WHEREAS, The issues and concerns that were stated in Board Resolution 466-04  
24 have been addressed and resolved to the City's satisfaction pursuant to this agreement; now,  
25 therefore, be it

1 RESOLVED, That the agreement between the City and the Companies set forth herein  
2 is approved.

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8 APPROVED AS TO FORM AND RECOMMENDED:

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10 DENNIS J. HERRERA  
11 City Attorney

12 \_\_\_\_\_  
13 JOANNE HOEPER  
14 Chief Trial Deputy