

1 CHARLES R. OLSON (SBN 130984)
2 TANYA HERRERA (SBN 177790)
3 STEIN & LUBIN LLP
4 600 Montgomery Street, 14th Floor
5 San Francisco, California 94111
6 Telephone: (415) 981-0550
7 Facsimile: (415) 981-4343
8 colson@steinlubin.com
9 therrera@steinlubin.com

6 Attorneys for Petitioners/Plaintiffs
7 SF MARINA HARBOR ASSOCIATION, BRUCE
8 MUNRO, BRIGHT WINN, PAUL MANNING,
9 ALAN A. CAVEY, GRACE KNIGHT and JOSEPH
10 ANDRESEN

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 COUNTY OF SAN FRANCISCO

12 SF MARINA HARBOR ASSOCIATION,
13 a not-for-profit unincorporated association,
14 BRUCE MUNRO, an individual, BRIGHT
15 WINN, an individual, PAUL MANNING,
16 ALAN A. CAVEY, an individual, GRACE
17 KNIGHT, an individual, and JOSEPH
18 ANDRESEN, an individual

16 Petitioners/Plaintiffs,

17 v.

18 CITY AND COUNTY OF SAN
19 FRANCISCO, a political subdivision of the
20 State of California and municipal
21 corporation; SAN FRANCISCO
22 RECREATION AND PARK
23 DEPARTMENT, an agency of the City and
24 County of San Francisco; MARK BUELL,
25 in his official capacity as President of the
26 San Francisco Recreation and Park
27 Department Commission; PHIL
28 GINSBURG, in his official capacity as
General Manager of the San Francisco
Recreation and Park Department; and
JOHN MOREN, in his official capacity as
Harbormaster for the San Francisco Small
Craft Yacht Harbor, and DOES 1-25,
inclusive,

27 Respondents/Defendants.

ENDORSED
FILED
Superior Court of California
County of San Francisco

JUL 18 2012

CLERK OF THE COURT
BY: WESLEY RAMIREZ
Deputy Clerk

Case No. CPF-12-512277

**PETITIONERS' REPLY TO
RESPONDENTS' OPPOSITION TO
MOTION FOR A PRELIMINARY
INJUNCTION**

Date: July 25, 2012
Time: 9:30 a.m.
Dept: 302
Judge: Hon. Harold E. Kahn

Action Filed: June 20, 2012
Trial Date: None Set

1 **I. INTRODUCTION**

2 Respondents have filed an opposition brief (the “Opposition” or “Opp.”) that misstates the facts,
3 mischaracterizes the relief requested and disregards fundamental notions of fair play. For almost forty
4 years, Respondents operated the San Francisco Marina Small Craft Harbor (the “Marina”) according to a
5 consistent set of rules known as the Rules and Regulations of the Marina (the “Rules”). Petitioners and
6 hundreds of similarly situated boat owners (cumulatively, “Boat Owners”) relied on the Rules, which were
7 expressly incorporated into the Rental Agreement (the “Agreement”), for decades. Among other things,
8 Petitioners relied on their status as parties to the Agreement to support costly renovations to the Marina.

9 On April 19, 2012, with the renovations nearing completion, Respondents adopted a new and
10 completely unanticipated set of rules for the Marina (the “New Rules”). The New Rules purport to
11 terminate the Agreement and eliminate the rights conferred thereby. Despite numerous communications
12 with Petitioners over a period of years, Respondents never said anything to suggest that they were
13 considering such radical revisions to the Rules. To the contrary, Respondents led Petitioners to believe
14 that they would enjoy the same rights to their berths when the renovations were completed, consistent with
15 the pattern and practice at the Marina for almost forty years.

16 Not surprisingly, the New Rules prompted vigorous debate between Petitioners and Respondents.
17 Despite numerous discussions over a period of months, Respondents never suggested that the Rules and/or
18 Agreement were void or unenforceable. Certainly, they never mentioned Section 9.118 of the San
19 Francisco Charter (“Section 9.118”), on which the Opposition principally relies. Instead, Respondents
20 resorted to bullying, intimidation and threats.

21 Though Respondents have recently adopted a more conciliatory tone (undoubtedly as a response
22 to this lawsuit), they continue to demand that Petitioners renounce their rights under the Agreement.
23 Indeed, the long awaited Berthing License Agreement (the “Berthing License”), which Respondents have
24 now produced for the first time (also in response to this lawsuit), confirms that Boat Owners will be
25 required to renounce their rights under the Agreement in order to receive a mandatory berthing license
26 from the Harbor Master. Although Respondents do not explicitly say so, it is clear that Boat Owners who
27 refuse to do so will face the risk of eviction from the Marina.

28 Respondents have mishandled the transition to the New Rules from beginning to end. They have

1 repeatedly misled Petitioners, inducing them to make sacrifices they would not have made had they
2 known Respondents' true intentions. More recently, Respondents have tried to force Petitioners to choose
3 between their contractual and constitutional rights and their practical need to berth their vessels.
4 Respondents should not be allowed to pursue such coercive tactics. The motion should be granted and
5 Respondents enjoined from enforcing or implementing the New Rules and Ordinance 111-12 (the
6 "Ordinance") pending a trial on the merits.

7 **II. ARGUMENT**

8 **A. Petitioners Are Reasonably Likely To Prevail On The Merits Of Their Claims**

9 **1. Petitioners Are Reasonably Likely To Prevail On Their Claim For**
10 **Breach of Contract**

11 **a. The Individuals Never Agreed To The New Rules**

12 Respondents argue that the Individuals agreed to the New Rules when they signed the Agreement,
13 relying on Paragraph 2, which provides, in part, that: "Boat Owner acknowledges the receipt of a copy of
14 the Rules and Regulations of the San Francisco Marina Small Craft Harbor and any subsequent
15 amendments thereto and agrees to abide by said rules and regulations and all ordinances of the City and
16 County of San Francisco . . ." Agreement at ¶ 2. Respondents' argument fails for at least three reasons.

17 First, Paragraph 2 cannot reasonably be interpreted to mean that the Individuals agreed to be
18 bound by the New Rules. Paragraph 2 specifies that the Boat Owner "*acknowledges the receipt of a copy*
19 *of the Rules . . . and any subsequent amendments thereto.*" Obviously, the Individuals could not
20 acknowledge the receipt of the New Rules when they signed the Agreement, since the New Rules did not
21 come into existence until many years later. As a practical matter, the Individuals could only acknowledge
22 the receipt of the Rules and any amendments in existence at the time they signed the Agreement. Thus,
23 Paragraph 2 cannot be interpreted to mean that the Individuals agreed to the New Rules when they signed
24 the Agreement.

25 Second, Paragraph 2 cannot reasonably be interpreted to mean that the Individuals agreed to any
26 and all changes to the Rules, no matter how far-reaching. By its terms, Paragraph 2 refers to
27 "amendments" to the Rules. The New Rules do not purport to "amend" the Rules; they purport to discard
28 the Rules that have governed the Marina for at least forty years and replace them with an entirely new set

1 of rules. Thus, even assuming *arguendo* that the Individuals acknowledged and agreed to be bound by
2 amendments to the Rules that did not exist at the time they signed the Agreement (which, logically, they
3 could not), they did not consent to Respondents' attempt to replace the Rules with an entirely new set of
4 rules.

5 Third, assuming *arguendo* that Respondents reserved the right to unilaterally replace the Rules
6 (which they did not), the implied covenant of good faith and fair dealing required them to exercise their
7 discretion to do so in an "objectively reasonable" manner. *Lazar v. Hertz Corp.* (1983) 143 Cal.App.3d
8 128, 141; *see also Badie v. Bank of America* (1998) 67 Cal.App.4th 779, 795 ("breach of the covenant
9 occurs when the discretionary power is used to 'recapture opportunities foregone' when the contract was
10 entered into") (citations). As discussed in Petitioners' Opening Brief and below, Respondents have not
11 exercised their powers in an objectively reasonable manner.

12 **b. The Agreement Contemplates An Extended Term**

13 Respondents also argue that "[n]othing in the text of the Rental Agreement granted Petitioners a
14 'permanent' right to a berth." Opp. at p. 8. Respondents are wrong. The Agreement expressly
15 incorporates the Rules, which defines the Individuals as "permanent rentals." 91 Rules at p. 1, § A.1. *See*
16 *also* Civ. C. § 1642. Thus, the Agreement provides that Boat Owners will have a "permanent" right to
17 rent their assigned berths, so long as they comply with the terms of the Agreement and the Rules.
18 Although Respondents have recently adopted a different view, Respondents have previously
19 acknowledged that parties to the Agreement were considered "permanent" berth holders unless and until
20 they breached the Agreement or the Rules. Manning Decl. at ¶ 7. Indeed, this was the common
21 understanding at the Marina for decades. *Id.*

22 **c. The Agreement Is Not Unlawful**

23 Next, Respondents argue – for the first time in four decades – that the Agreement is unlawful
24 pursuant to Section 9.118. However, Section 9.118 does not apply to the Agreement, a conclusion which
25 draws support from the fact that the Board has not approved the termination of the Agreement.

26 The Opposition relies on a number of cases for the proposition that Section 9.118 voids the
27 Agreement. *See* Opp. at pp. 8-9. However, only one of the cited cases involves land impressed with a
28 public trust. In *San Francisco Int'l Yachting v. City and County of San Francisco* (1992) 9 Cal.App.4th

1 672, the plaintiff, a developer, negotiated with the Port Commission (the "Port") to lease certain public
2 lands for the development of a maritime, yachting, retail and exhibition center at Piers 24 and 26. The Port
3 agreed to lease the property to plaintiff for two years with an option to renew for fifty years, subject to
4 approval by the Board. The Board did not approve the lease, and the Port accepted a development
5 proposal from another developer.

6 The plaintiff sued for breach of contract and the City defended on the grounds that Section 7.402-1
7 of the Charter, the predecessor to Section 9.118, required the Board to approve the lease. The plaintiff
8 responded that Section 7.402-1 did not apply, because the statute conveying the port property to the City
9 (Stats. 1968, ch. 1333) (the "Act") gave the Port authority to lease port property for periods not exceeding
10 sixty-six years. 9 Cal.App.4th at p. 677. The court of appeal rejected plaintiff's argument, concluding that
11 Section 7.402-1 could be harmonized with the Act. *Id.* at p. 682. However, the Charter was subsequently
12 amended to make clear that "[l]eases of property under the jurisdiction of the Port Commission for
13 maritime use **shall be exempt from the requirements of this section.**" S.F. Charter at § 9.118(c)
14 (emphasis added). Thus, Section 9.118(c) reflects the City's intent to exempt leases for public land where,
15 as here, the conveying statutes authorize a lease term exceeding ten years.¹

16 The City's decision to amend Section 9.118(c) in the wake of the decision in *San Francisco Int'l*
17 *Yachting Ctr., supra*, confirms that the City intended to exempt leases for public land where, as here, the
18 conveying statutes authorize a lease term exceeding ten years. At a minimum, there is a reasonable
19 probability that the City intended to exempt leases for public lands, such as the Agreement, from Section
20 9.118. Under the circumstances, the Court should grant the preliminary injunction to stay implementation
21 of the New Rules pending a resolution of this complex issue which has been raised for the first time in the
22 Opposition.

23 Even assuming *arguendo* that Section 9.118 applies (which Petitioners deny), the Charter does not
24 offer a complete defense to Petitioners' claim for breach of contract. Section 9.118 does not apply to
25 leases for periods of less than ten years. Although Respondents would obviously prefer to ignore the

26 ¹ The statute conveying the tidelands on which the West Harbor is situated authorized the City to lease the property 10 years
27 (Stats. 1935, ch. 437), but was subsequently amended to authorize leases for periods up to 40 years. Stats. 1970, Ch. 670.
28 Likewise, the statute conveying the tidelands on which the East Harbor is situated (Stats. 1963, Ch. 941) authorizes the City to
lease the property for periods up to 66 years. Thus, the applicable conveying statutes, as amended, expressly authorize the City to
lease the public trust property at the Marina for periods exceeding ten years.

1 issue, the evidence establishes that RPD entered into agreements with Boat Owners after 2002 that do not
2 specify a lease term of ten or more years, and do not violate Section 9.118(c).

3 The Association represents the interests of tenants in the Marina, including Boat Owners who
4 became tenants after 2002 (“Post-2002 Tenants”). Munro Decl. at ¶ 3. Post-2002 Tenants are also parties
5 to the Agreement. *Id.* at ¶ 6. The Agreement does not specify a lease term of ten or more years. Munro
6 Decl. Ex. A. Consequently, the Agreements executed by Post-2002 Tenants could be lawfully performed
7 for a period of less than ten years, which would not require the Board’s approval.

8 “Where a contract has several distinct objects, of which one at least is lawful, and one at least is
9 unlawful, in whole or in part, the contract is void as to the latter and valid as to the rest.” Civ. C. § 1599.
10 Section 1599 authorizes the trial court, in appropriate cases, to sever the permissible portion of an
11 otherwise illegal contract in order to permit enforcement of the contract. 1 B.E. Witkin, Summary of
12 California Law: Contracts (10th ed. 2005 & Supp. 2012) (“Witkin”) at § 422, p. 463 (“The California
13 cases take a very loose view of severability, enforcing valid parts of an apparently indivisible contract
14 where the interests of justice or the policy of the law . . . would be furthered”).

15 The interests of justice call for severance of any illegal aspect of the Agreement in this case.
16 Although Post-2002 Tenants may have been “charged with notice of applicable charter requirements”
17 (Opp. at p. 8 (citations)) they could not have been expected to know that Section 9.118 applies to public
18 trust lands, particularly when the conveying statutes for the Marina authorize leases for periods up to 66
19 years. Nor could they be expected to know that Respondents would violate their own leasing
20 requirements for decades at a time, raising the issue only now, when it is convenient for them to do so.
21 Allowing Respondents to void the Agreement entirely would unfairly reward Respondents for their
22 neglect, and penalize Post-2002 Tenants who reasonably believed that Respondents were complying with
23 their own regulations and their fiduciary duties as trustees of lands impressed with a public trust.
24 Accordingly, the term of the Agreement should be severed to comply with Section 9.118.

25 Severance is also appropriate for the Individuals, despite the fact that they executed their
26 Agreements prior to 2002. As discussed in the Opening Brief, the evidence establishes the existence of an
27 oral modification to the Agreement in 2005 by which the Individuals agreed to pay significantly increased
28 rent and accept reduced maintenance in exchange for the promise of an assigned berth in the newly

1 renovated facility. Op. Br. at p. 9. The Agreement, as modified by the parties in 2005 (the “Modified
2 Agreement”), could be lawfully performed for a period of less than ten years, which would not require
3 approval by the Board.

4 The California courts have long recognized that the doctrine of severability applies where, as here,
5 “a new ‘valid’ executory agreement supersede[d] a former illegal agreement.” Witkin at § 429, p. 470.
6 Likewise, in this case, the Modified Agreement can and should be enforced, even if the original
7 Agreement is unenforceable pursuant to Section 9.118.

8 **2. Petitioners Are Reasonably Likely To Prevail On Their Claim For**
9 **Breach Of The Implied Covenant Of Good Faith And Fair Dealing**

10 The Opening Brief demonstrates that Respondents breached the implied covenant of good faith
11 and fair dealing by (a) adopting the New Rules; and (b) inducing the Individuals to pay increased rent and
12 accept reduced maintenance to fund the renovations, then terminating the Agreement once the renovations
13 were complete. In response, Respondents simply repeat their argument that they were entitled to amend
14 the Rules. Once again, Respondents are wrong.

15 As a threshold matter, Respondents read too much into the Agreement. As previously discussed,
16 the Agreement cannot reasonably be interpreted to mean that the Individuals agreed to the New Rules.
17 *See* Section II.A.I.a, *supra*. Furthermore, the New Rules do not “amend” anything. Instead, they purport
18 to replace a relatively straightforward set of rules comprising a mere eight pages with an entirely new set
19 of rules spanning some twenty-four pages. *Id.* Contrary to Respondents’ suggestion, nothing in the
20 Agreement authorizes them to unilaterally replace the Rules.

21 Moreover, and more to the point, the New Rules would deprive Petitioners of the benefits of the
22 Agreement, in violation of the implied covenant of good faith and fair dealing. Respondents do not – and
23 cannot – deny that the New Rules would effectively terminate the Agreement. Significantly, the Berthing
24 License confirms that (a) Boat Owners must have a license to berth their vessels at the Marina; and (b) all
25 previous agreements (including the Agreement) “shall terminate effective as of 12:00 midnight on the date
26 immediately preceding the date the term of this License commences.” Moren Decl. Ex. K at p. 6, ¶ 34.
27 Thus, the New Rules require Petitioners to execute the Berthing License, which, in turn, requires
28 Petitioners to renounce their rights under the Agreement. Respondents cannot credibly contend that the

1 Agreement expressly or impliedly authorizes them to amend the Rules so as to terminate the Agreement.
2 Nor can they deny that their attempt to do so frustrates Petitioners' rights to receive the benefits of the
3 Agreement, in violation of the implied covenant of good faith and fair dealing.

4 Furthermore, though Respondents have understandably attempted to do so, the Court should not
5 ignore the similarities between this case and *Berkeley Lawn Bowling Club v. City of Berkeley* (1974) 42
6 Cal.App.3d 280. In that case – which Respondents do not even attempt to distinguish – the court of appeal
7 concluded that the City of Berkeley (“Berkeley”) breached the implied covenant of good faith and fair
8 dealing by inducing a lawn bowling club (the “Club”) to pay construction costs for a new clubhouse, and
9 then converting one of two adjacent lawn bowling greens to a park, thereby precluding its use for lawn
10 bowling. *Id.* at p. 288. The court of appeal also concluded that Berkeley should be estopped from denying
11 the Club’s nonexclusive right to use the lawn bowling greens, noting that “[t]he government may be
12 bound by an equitable estoppel in the same manner as a private party” in appropriate cases. *Id.* at p. 288.
13 Accordingly, the court of appeal concluded that the City should be estopped to deny the Club’s right to use
14 the two lawn bowling greens. *Id.* Likewise, in this case, Respondents misled Petitioners for many years,
15 allowing them to believe that they would eventually enjoy the right to continue leasing an assigned berth
16 in the newly renovated Marina. Under the circumstances, Respondents can and should be equitably
17 estopped from denying the Individuals’ rights under the Modified Agreement.

18 **3. Petitioners Are Reasonably Likely To Prevail On Their Claim For**
19 **Breach Of Fiduciary Duty**

20 The Opposition does not even attempt to address the merits of Petitioners’ claim for breach of
21 fiduciary duty. Instead, Respondents resort to a series of straw man arguments. First, Respondents argue
22 that they could have satisfied their trust obligations “by turning the Marina into an aquatic playground.”
23 *Opp.* at p. 11. Respondents’ argument is entirely besides the point. It does not matter that Respondents
24 could have committed the tidelands to another use. Having elected to maintain and operate a Marina,
25 Respondents owed fiduciary duties of good faith, fair dealing and candor to all beneficiaries of the
26 tidelands trust, including Petitioners. Second, Respondents suggest that they had no obligation to
27 acknowledge Petitioners’ permanent rights under the Agreement. *Opp.* at p. 11. Respondents’ argument
28 mischaracterizes the Petition. Petitioners do not allege that Respondents breached a fiduciary duty to

1 “acknowledge” anything. Instead, Petitioners contend that Respondents breached their fiduciary duties by
2 misleading them. Finally, Respondents argue that “the law requires the City to maintain the tidelands for
3 the benefit of *the entire state*, not individual yacht owners who want . . . a particular berth.” Opp. at p. 11
4 (emphasis original). Once again, Respondents mischaracterize the Petition. Petitioners do not contend
5 that Respondents owe them fiduciary duties as “individual yacht owners.” Rather, Petitioners contend that
6 Respondents owed Petitioners fiduciary duties as residents of California and beneficiaries of the tidelands
7 trust. Respondents do not – and cannot – deny that they owed Petitioners fiduciary duties of good faith,
8 fair dealing and candor. Nor can they deny that they breached such duties.

9 **4. Petitioners Are Reasonably Likely To Prevail On Their Claim For**
10 **Violations Of The Due Process Clause**

11 **a. The Individuals Have A Property Interest In Their Tenancies**

12 Property interests entitled to due process protection “extend well beyond actual ownership of real
13 estate, chattels or money.” *Board of Regents v. Roth* (1972) 408 U.S. 564, 571-572. Such property
14 interests include the Individuals’ leasehold interests in their berths. *See Brown v. City of Los Angeles*
15 (2002) 102 Cal.App.4th 155, 169 (“A person’s interest in a benefit is a ‘property’ interest for due process
16 purposes if there are such rules or mutually explicit understandings that support his claim of entitlement to
17 the benefit . . .”); *and see Anchor Pacifica Management Co. v. Green* (2012) 205 Cal.App.4th 232, 246 (“a
18 plaintiff complaining of a due process violation may look to the ‘rules and understandings’ or ‘policies and
19 practices’ of the government actor to determine whether he or she has implicitly inquired a legitimate
20 claim to a benefit”).

21 The Opposition ignores these principles – and the facts – to argue that Petitioners fail to
22 demonstrate a course of conduct giving rise to a protected property interest. Opp. at p. 14. Not so. The
23 evidence establishes that Petitioners reasonably believed that they would have the right to continue leasing
24 their assigned berths indefinitely, so long as they complied with the Agreement and Rules, and
25 Respondents fostered that belief by (a) designating the Individuals as “permanent rentals”; (b) allowing the
26 Individuals to lease, transfer and sublet their assigned berths for decades as a matter of policy, pattern and
27 practice; and (c) leading the Individuals to believe that they would continue to enjoy the same rights after
28 the renovations to the Marina were completed. Thus, the evidence establishes that the Individuals have a

1 constitutionally protected property interest in their tenancies at the Marina.

2 The Opposition argues that Petitioners do not have a protected interest in their tenancies because
3 they “could not realistically expect that the 1991 Rules would forever govern their occupancy of their
4 assigned berths in the Marina.” Opp. at p. 13. However, the evidence establishes that RPD followed the
5 same basic rules for almost forty years. The evidence also establishes that Respondents led the Individuals
6 to believe that they would have the right to continue leasing an assigned berth on substantially the same
7 terms after the renovations were completed. Significantly, Respondents do not – and cannot deny – that
8 they made such representations.

9 The Opposition also argues that Petitioners have improperly claimed a property interest in the
10 continuation of the Rules. Opp. at pp. 13-14. According to Respondents, “municipal laws . . . do not give
11 private parties contract rights in the laws’ continuation.” *Id.* at p. 13. However, Petitioners are not
12 claiming a property interest in the Rules; they are also claiming a property interest in the Agreement,
13 which happens to incorporate the Rules. Respondents do not – and cannot – contend that they are entitled
14 to terminate the Agreements without cause or consequence in the exercise of police power.

15 **b. The Individuals Face A Genuine Risk Of Deprivation**

16 Next, Respondents argue that Petitioners’ “allegations of a deprivation are purely speculative,
17 conjectural, and premature.” Opp. at p. 14. According to Respondents, Petitioners have nothing to fear
18 because the Harbor Master does not intend to evict anyone from the Marina. *Id.* However, the Harbor
19 Master has never expressed any such reassurances before. To the contrary, the Harbor Master has
20 repeatedly demanded that the Individuals renounce their rights under the Agreement and threatened to
21 reassign them to inferior berths (in violation of the Marina’s seniority-based berthing assignment policy) if
22 they refuse to do so. There is nothing “speculative” about the Harbor Master’s strong arm tactics, which
23 are amply documented in Petitioners’ moving papers. *See, e.g.,* Op. Br. at pp. 5-6.

24 Furthermore, Respondents have now confirmed that they intend to terminate the Agreement
25 without cause and eliminate the rights conferred thereby. After many months and innumerable requests,
26 Respondents have finally produced a copy of the Berthing License, which retroactively terminates the
27 Agreement upon execution. Moren Decl. Ex. K, p. 5, ¶ 34. Significantly, Respondents do not suggest that
28 any Boat Owners will be excused from executing the Berthing License. Nor can they deny that failure to

1 execute the Berthing License would be grounds for eviction from the Marina under the New Rules. Thus,
2 there can be no dispute that Petitioners face an immediate, non-speculative deprivation of their rights under
3 the Agreement without due process, including the possibility of eviction.

4 **B. The Balance Of Hardships Favors Petitioners**

5 "If the denial of an injunction would result in great harm to the plaintiff, and the defendants would
6 suffer little harm if it were granted, then it is an abuse of discretion to fail to grant the injunction."
7 *Robbins, supra*, 38 Cal.3d at p. 205. In this case, the balance of hardships overwhelmingly favors
8 Petitioners. If they are not enjoined, Petitioners will be forced to either (a) sign the Berthing License
9 (which is required by the New Rules), thereby forfeiting their rights under the Agreement; or (b) face the
10 risk of eviction from the Marina. Either way, Petitioners stand to lose valuable property rights (including
11 the right to transfer their leases to their heirs or sublet their assigned berths) for which there is no adequate
12 remedy of law.²

13 By contrast, Respondents will suffer no harm if they are enjoined. Respondents complain that a
14 preliminary injunction would delay implementation of the New Rules and the Ordinance. However,
15 Respondents have operated the Marina without the New Rules or the Ordinance for decades. A brief
16 delay would cause no harm to Respondents, especially since the New Rules do not change the rents at the
17 Marina. Under the circumstances, there can be no question that the balance of harms favors Petitioners,
18 not Respondents.

19 **III. CONCLUSION**

20 For all of the foregoing reasons, and for the reasons set forth in their Opening Brief, Petitioners
21 respectfully request that the Court grant their motion for preliminary injunction and enjoin Respondents
22 from implementing or enforcing the New Rules pending a trial on the merits.

23 Dated: July 18, 2012

24 By: Charles R. Olson
25 STEIN & LUBIN LLP
26 Attorneys for Plaintiffs/Petitioners
SF MARINA HARBOR ASSOCIATION, BRUCE MUNRO,
BRIGHT WINN, PAUL MANNING, ALAN A. CAVEY, GRACE
KNIGHT and JOSEPH ANDRESEN

27 ² *Vincent v. Grayson* (1973) 30 Cal.App.3d 899, 912 n. 8 ("In a contract for the transfer of an interest in land,
28 whether by sale or lease, it is presumed that damages would be an inadequate remedy as the land is deemed unique
and specific performance is granted as a matter of course").

1 **PROOF OF SERVICE**

2 I, Catherine Montoya, declare:

3 I am a citizen of the United States and employed in San Francisco County, California. I
4 am over the age of eighteen years and not a party to the within-entitled action. My business
5 address is Transamerica Pyramid, 600 Montgomery Street, 14th Floor, San Francisco, California
6 94111. On July 18, 2012, I served a copy of the within document(s):

7 **PETITIONERS' REPLY TO RESPONDENTS' OPPOSITION
8 TO MOTION FOR A PRELIMINARY INJUNCTION**

9 (BY MAIL) by placing the document(s) listed above in a sealed envelope with
10 postage thereon fully prepaid, the United States mail at San Francisco, California
addressed as set forth below.

11 Dennis J. Herrera, City Attorney *Attorneys for*
12 Danny Chou, Deputy City Attorney *Respondents/Defendants*
13 Wayne Snodgrass, Deputy City Attorney *City and County of San*
14 Thomas S. Lakritz, Deputy City Attorney *Francisco*
15 Robert A Bonta, Deputy City Attorney
16 Francesca Gessner, Deputy City Attorney
17 Fox Plaza
18 1390 Market Street, 7th Floor
19 San Francisco, CA 94102
20 Tel.: (415) 554-3963
21 Fax: (415) 554-3985
22 Email: tom.lakritz@sfgov.org

23 I am readily familiar with the firm's practice of collection and processing correspondence
24 for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same
25 day with postage thereon fully prepaid in the ordinary course of business. I am aware that on
26 motion of the party served, service is presumed invalid if postal cancellation date or postage
27 meter date is more than one day after date of deposit for mailing in affidavit.

28 I declare under penalty of perjury under the laws of the State of California that the above
is true and correct.

Executed on July 18, 2012, at San Francisco, California.


Catherine Montoya