

**EXCLUSIVE NEGOTIATION AGREEMENT
HABITAT FOR HUMANITY SAN BERNARDINO AREA, INC.**

This Exclusive Negotiation Agreement ("ENA") is dated July 5, 2006 ("Effective Date"), and is entered into by and between the Redevelopment Agency of the City of Redlands, a public body ("Agency"); and Habitat for Humanity San Bernardino Area, Inc. ("Habitat"). The Agency and Habitat are sometimes herein individually referred to as a "Party" and, together, as the "Parties."

RECITALS

A. The Agency has undertaken a program for the construction of affordable housing within the City of Redlands ("City").

B. Habitat has proposed to assist the Agency in increasing the availability of affordable housing units in the City, by proposing the development of an affordable single family home (the "Project") on a single parcel of real property commonly known as County of San Bernardino Assessor's Parcel No. 0169-106-08 located adjacent to 830 Tribune Street (92374), outside of the Agency's Redevelopment Project Area boundaries.

C. The Parties desire to enter into negotiations leading to the development of the Project and the execution of a Participation Agreement and/or Regulatory Agreement (the "Agreement") between the Parties, to achieve the goal of constructing an affordable housing unit on the Site. The purpose of this ENA is to establish a period during which Habitat shall have the right to exclusively negotiate with the Agency for that purpose.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Agency and Habitat agree as follows:

EXCLUSIVE NEGOTIATION AGREEMENT

Section 1. Negotiations. The Parties shall conduct their negotiations under this ENA as follows:

1.01 Exclusive Negotiations. The Agency shall negotiate exclusively with Habitat and with regard to the drafting of an Agreement for the Project proposed on the Site. During the term hereof, the Agency shall refrain from discussing and/or negotiating with, or reviewing and considering proposals from, persons or entities other than Habitat concerning the development of the Site. Notwithstanding the foregoing, nothing in this ENA shall prohibit the Agency from: (i) providing information concerning its Redevelopment Plan or information the Agency may have in its possession concerning the Site to others (provided this information is not confidential information within the meaning of Section 3.03 of this ENA); or (ii) referring commercial and residential tenants and builders and/or other similar types of persons or entities to Habitat for consideration by Habitat for their participation as partners, joint ventures, developers or contractors with regard to development of the Site or any portion thereof.

1.02 Negotiating Period. This ENA shall expire on July 6, 2007 (the "Termination Date"). If, within thirty (30) days prior to the Termination Date, Habitat has executed the Agreement and submitted the Agreement to the Agency's Board, then this ENA shall be automatically extended for an additional forty-five (45) days during which time the Agency's Board shall review and consider the Agreement for possible approval and give such public notices and hold such public meetings or hearings which the Agency, in its sole discretion, deems to be either necessary or prudent for compliance with the Community Redevelopment Law (Health and Safety Code §§ 33000 *et seq.*), the Ralph M. Brown Act (Government Code §§ 54950 *et seq.*) and the California Environmental Quality Act (Pub. Res. Code §§ 21000 *et seq.*). In the event that the Agency's Board, after due consideration, decides in its sole discretion not to approve the Agreement, then this ENA shall immediately expire and all rights and obligations of the Parties under this ENA shall terminate upon the date of the Agency's written notice to Habitat of the same.

1.03 Cooperation and Good Faith. At all times during the term of this ENA, the Parties shall negotiate diligently and in good faith to carry out the obligations of this ENA and shall cooperate with each other and supply such information and documents as may be within each Party's possession and reasonably requested by the other Party.

1.04 Early Termination. This ENA shall expire, and all rights and obligations of the Parties under this ENA shall be immediately terminated, upon the occurrence of any of the following circumstances:

1.04.1 The mutual agreement of the Parties;

1.04.2 A determination by the Agency's Board, after at least thirty (30) days prior written notice to Authority of the Board's intent to consider the issue, that the negotiations between the Parties, despite the good faith of each Party, will not lead to approval of an Agreement for the Site; or

1.04.3 The expiration of thirty (30) days after one Party personally serves the other Party written notice of the noticed Party's failure to timely and diligently performs any of its obligations under this ENA, and the noticed Party's failure to cure or correct the failure to perform within the same thirty (30) day period.

1.04.4 On the date of the Agency's approval of the OPA.

Section 2. Authority's Obligations. Habitat shall diligently pursue, and use its best efforts to complete within the times required herein, the following obligations:

2.01 Project Concept Development. Habitat has provided the Agency with a conceptual plan for the Project as depicted in Habitat's proposal letter of June 9, 2006, attached as Exhibit "A." The Parties acknowledge and agree that the conceptual plan is speculative in nature and may change significantly from its initial submittal. Notwithstanding the foregoing, during the term hereof, Habitat shall cooperate with the Agency to formalize the conceptual plan into a comprehensive development proposal for the Project of sufficient detail for the Agreement. The

extent of the Agency's participation in the Project depends in part upon the affordability covenants to be recorded for residential units developed on the Site.

2.02 Submittals. During the term hereof, Habitat shall provide to the Agency the following documents and information:

2.02.1 Schedule. Within sixty (60) days of the Effective Date of this ENA, Habitat shall prepare and provide to the Agency a proposed Project schedule, which includes milestones, for Habitat's acquisition of the parcel comprising the Site, obtaining entitlements and permits, commencement of construction and completion of the Project, and occupancy.

2.02.2 Proforma and Financing Documents. Within ninety (90) days of the Effective Date of this ENA, Habitat shall prepare and provide to the Agency a financial proforma for the Project with a level of detail reasonably satisfactory to the Agency. Habitat shall also provide evidence, satisfactory to the Agency, that it has the financial capacity and a business plan to complete the Project. This evidence shall include, but is not limited to: (i) a detailed description of the methods of financing to be used to carry out and complete the Project, including design costs and construction costs; (ii) a detailed description of the assistance, if any, Habitat seeks from the Agency for completion of the Project; (iii) documents evidencing lenders' commitments to provide construction and take-out financing; and (iv) the sources and amount of equity contribution by Habitat, its principals and/or its investors, including financial statements and similar records of Habitat, its principals and/or its investors, demonstrating that they have and are entitled to use funds or other liquid assets in an amount sufficient to make the proposed contribution. Habitat shall answer all additional and supplemental requests for financing information made by the Agency to the full extent such information is available.

2.02.3 Planning Documents. Within one hundred twenty (120) days of the Effective Date of this ENA, Habitat shall provide the Agency with such site plans and other planning documents as will be necessary for Habitat to prepare and submit an application for the land use approvals required by the City for the Project.

2.03 Report on Status. At regular sixty (60) day intervals during the term hereof, Habitat shall provide a written report to the Agency on the status of the performance of its obligations under this ENA to the Agency.

2.04 Information. Habitat shall respond to all Agency requests for information and documentation that is reasonably necessary for the Agency's drafting of the Agreement by promptly providing such information and documentation that is in the possession, custody and control of Habitat.

Section 3. Agency Obligations. The Agency agrees to use its reasonable efforts to complete the following obligations within the times required herein:

3.01 Preparation of Agreement. Contingent upon Habitat's reasonable satisfaction of its obligations as set forth in Section 2 of this ENA, the Agency shall prepare a draft Agreement for the Project. The OPA shall be in a form consistent with the California Redevelopment Law and which best suits the needs of the Parties under the existing circumstances and the goal of achieving development of the Project by Habitat in a manner consistent with the Agency's Redevelopment Plan. The OPA shall contain such terms, conditions and covenants as are mutually agreed upon by the Parties, provided however, that such terms, conditions and covenants are consistent with the following:

3.01.1 Development of the Site. The Agreement shall require Habitat to provide the Agency with a binding commitment to develop the Site with the Project, subject to such terms, conditions and covenants to which the Parties may mutually agree. It is understood that the Project to be developed on the Site shall be consistent with the Agency's Redevelopment Plan and the City's land use regulations, including, but not limited to, the City's General Plan and the provisions of the Redlands Municipal Code, and that Habitat shall be responsible for obtaining all required land use approvals and permits necessary for development, construction and completion of the Project.

3.02 Confidentiality of Information. The Agency shall consider as confidential all of the financial information concerning Habitat, any proformas or similar documents prepared by Habitat which relate to the Project and any work-product of Habitat or its consultants related to the Project, which is supplied by Habitat to the Agency. In this regard, the Agency shall refrain from releasing such information to any person or entity other than Habitat or its designees, unless and until the Agency's legal counsel has determined, either with the agreement of Habitat's legal counsel or after affording Habitat an opportunity to challenge legally such determination, that the release of such information is required by the California Public Records Act (Government Code § 6250 *et seq.*), the U.S. Freedom of Information Act (5 U.S.C. § 552 *et seq.*) or other applicable federal, state or City laws, or as may be required by an order of a court of competent jurisdiction.

Section 4. General Limiting Conditions.

4.01 Limit of Agency's Participation. Notwithstanding the Agency's agreement to negotiate exclusively with Habitat, it is understood and agreed by the Parties that no provision of this ENA or the Agreement (unless otherwise agreed to herein by the Agency) shall require the Agency to incur any material cost or expense or to provide any monetary or financial assistance to Habitat for the development of the Project on the Site.

4.02 Discretionary Approval. By execution of this ENA, the Agency is not committing itself to or agreeing to undertake: (i) any acquisition of land, or disposition of land to, Habitat; or (ii) any other acts or activities requiring the subsequent independent exercise of discretion by the Agency. This ENA does not constitute a disposition of property or exercise of control over property by the Agency and does not require a public hearing. Execution of this ENA by the Agency is merely an agreement to enter into a period of exclusive negotiations according to the terms hereof, reserving final discretion and approval by the Agency as to any Agreement. Nothing herein shall be deemed a covenant, promise or commitment by the Agency or the City to issue any entitlement with

regard to the development of the Project on the Site or to approve any Agreement with Habitat. This ENA does not vest Habitat with any entitlement. The Agreement shall not be binding upon the Agency unless and until the Agency has made such public notices and held such public hearings or meetings as the Agency determines, in its sole discretion, may be necessary for the appropriate approval of the Agreement, and the Agency's Board has had an adequate opportunity to consider the Agreement for approval and has, in the free exercise of its discretion, approved the Agreement. Habitat acknowledges and agrees that nothing herein restricts nor shall be deemed to restrict the Agency's Board in the free exercise of its discretion or in the free exercise of its executive, quasi-judicative or legislative powers except as expressly provided herein.

Section 5. General Terms and Conditions. The following general terms, conditions, and covenants shall apply to this ENA:

5.01 Assignment. There shall be no assignment or other transfer ("Assignment") of the rights and/or obligations of Habitat under this ENA unless the Agency has given its prior written approval to the Assignment.

5.02 Nondiscrimination. Habitat shall refrain from discriminating against persons in the course of its conduct under this ENA on the basis of race, color, creed, religion, sex, marital status, ancestry, national origin, familial status, physical disability, mental disability or medical condition of any person or group of persons, and shall comply with the applicable anti-discrimination provisions of the Americans with Disabilities Act (42 U.S.C. § 12101 *et seq.*) and the California Fair Employment and Housing Act (Government Code § 12900 *et seq.*), as they exist on the date of this ENA or as they may thereafter be amended, repealed and reenacted, or otherwise modified. Habitat further agrees not to establish or permit any such practice or practices of discrimination or segregation with reference to its conduct under this ENA. Any further agreement between the Parties shall contain appropriate, Agency approved, non-discrimination and non-segregation provisions binding Habitat and its successors and assignees, and shall be covenants running with all parcels comprising the Site.

5.03 Non-liability of Agency Officials and Employees. No Agency Board member, official, consultant, attorney or employee shall be personally liable to Habitat, or any successor, assign or any person claiming under or through them, in the event of any default or breach by the Agency or for any amount which may become due to Habitat or to its successor, or on any obligations arising under this ENA.

5.04 Conflicts of Interest. No Agency Board member, official, consultant, attorney or employee of the Agency shall have any personal interest, direct or indirect, in this ENA nor shall any such member, official or employee participate in any decision relating to this ENA which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is, directly or indirectly, interested.

5.05 Warranty Against Payment of Consideration for ENA. Habitat represents and warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this ENA, other than payments to consultants retained by Habitat to

assist it in the negotiation of this ENA, excepting however, any contributions which this ENA requires Habitat to make to the Project.

5.06 No Third Party Beneficiaries. This ENA is for the sole and exclusive benefit of the Agency and Habitat. No other parties or entities are intended to be, or shall be considered, a beneficiary of the performance of any of the Parties' obligations under this ENA.

5.07 Integration. This ENA and its Exhibits constitute the entire understanding and agreement of the Parties, and supersedes all negotiations or previous agreements between the Parties, with respect to all or any part of the subject matter hereof.

5.08 Titles and Captions. Titles and captions of this ENA are for convenience of reference only and do not define, describe or limit the scope or the intent of this ENA or any of its terms. References to section numbers are to sections in this ENA unless expressly stated otherwise.

5.09 Interpretation. This ENA is the product of mutual arms-length negotiation and drafting and each Party represents and warrants to the other that it has been represented by legal counsel in the negotiation and drafting of this ENA. Accordingly, the rule of construction which provides that ambiguities in a document shall be construed against the drafter of that document shall have no application to the interpretation and enforcement of this ENA. In any action or proceeding to interpret or enforce this ENA, the finder of fact may refer to such extrinsic evidence not in direct conflict with any specific provision of this ENA to determine and give effect to the intention of the Parties hereto.

5.10 Severability. Each provision, term, condition, covenant and/or restriction, in whole and in part, of this ENA shall be considered severable. In the event any provision, term, condition, covenant and/or restriction, in whole and/or in part, of this ENA is declared invalid, unconstitutional or void for any reason, such provision or part thereof shall be severed from this ENA and shall not affect any other provision, term, condition, covenant and/or restriction of this ENA, and the remainder of this ENA shall continue in full force and effect unless to do so would deprive one of the Parties of a material benefit of its bargain.

5.11 Amendments to ENA. Any amendment to this ENA shall be in writing and signed by the appropriate authorities of the Agency and Habitat.

5.12 Notices, Demands and Communications Between the Parties. Notices, demands and communications between the Parties shall be given in writing and personally served or dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the Parties, as designated in this Section, or faxed to the facsimile number listed below followed by dispatch as above described. Such written notices, demands and communications may be sent in the same manner to such other addresses as either Party may from time to time designate by mail as provided in this Section. Any such notice shall be deemed to have been received upon the date personal service is effected, if given by personal service, or upon the expiration of three (3) business days after mailing, if given by certified mail, return receipt requested, postage prepaid.

If notice is to be made to the Agency:

Attention: Don Gee
Redevelopment Director
Redevelopment Agency of the City of Redlands
35 Cajon Street, Suite 204
P.O. Box 3005 (mailing)
Redlands CA 92373
Tel. No. (909) 335-4755
Fax No. (909) 798-7503

If notice is to be made to Habitat:

Attention: Paula Akompong
Executive Director
Habitat for Humanity San Bernardino Area, Inc.
1235 Indiana Court, Suite 111
P.O. Box 1550 (mailing)
Redlands, CA 92373
Tel. No. (909) 307-2362
Fax No. (909) 307-5961

5.13 Computation of Time. The term "day" or "days" shall mean a calendar day, or calendar days, except as otherwise expressly provided for herein. The time in which any act is to be done under this ENA is computed by excluding the first day (such as the day escrow opens) and including the last day, unless the last day is a holiday, Saturday or Sunday, and then that day is also excluded. The term "holiday" shall mean all holidays as specified in Government Code sections 6700 and 6701. If any act is to be done by a particular time during a day, that time shall be Pacific Standard Zone time.

5.14 Authority. The individuals executing this ENA on behalf of Habitat represent and warrant that they have the legal power, right and actual authority to bind Habitat to the terms and conditions hereof and thereof.

5.15 Counterpart Originals. This ENA may be executed in duplicate originals, each of which is deemed to be an original.

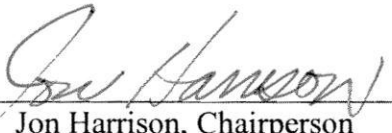
5.16 Attorneys' Fees. In the event any action is commenced to enforce or interpret the terms or conditions of this ENA the prevailing party in such action, whether resolved by mediation, arbitration or judgment, shall, in addition to any costs and other relief, be entitled to the recovery of its reasonable attorneys' fees, including, in the case of the Agency, attorneys' fees incurred for in-house counsel at rates prevailing in San Bernardino County, California.

5.17 Defense and Indemnity. Habitat shall defend, indemnify and hold harmless the Agency, its officials, officers, employees and agents from and against (i) any and all third party claims, losses, proceedings, damages, causes of action, liability, costs and expenses (including reasonable attorneys' fees) arising from or in connection with or caused by any negligent or intentionally wrongful act or omission of Habitat and its contractors, agents and employees in connection with Habitat carrying out its obligations under this ENA; and (ii) any action or proceeding brought by any third party challenging the validity of any provision of, or the entirety of, this ENA. The Agency shall fully cooperate in the defense of any such actions and shall provide to Habitat such documents and records as are relevant to such actions.

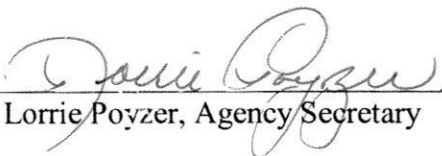
5.18 Governing Law. This ENA shall be governed by, and construed in accordance with, the laws of the State of California.

IN WITNESS WHEREOF, the Parties hereto have executed this ENA on the date and year first-above written.

**REDEVELOPMENT AGENCY OF THE
CITY OF REDLANDS**

By: 
Jon Harrison, Chairperson

ATTEST:

By: 
Lorrie Poyzer, Agency Secretary

**HABITAT FOR HUMANITY SAN
BERNARDINO AREA, INC.**

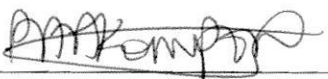
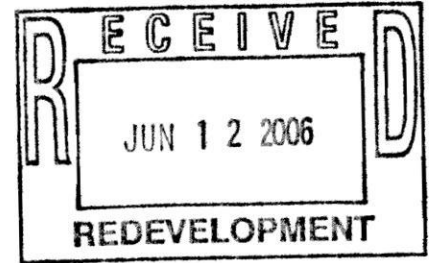
By: 
Paula Akompong, Executive Director

Exhibit “A”



Mr. Don Gee
Redevelopment Director
Redevelopment Department
City of Redlands
35 Cajon Street, Suite 200
Redlands, CA 92373

June 9, 2006

Re: 830 Tribune St. Redlands, CA

Dear Mr. Gee:

As you know Habitat for Humanity, San Bernardino Area, has been committed to providing decent, affordable housing to our communities for several years. In Redlands, we have built many homes for families and the city and your agency has been an invaluable resource in completing those projects.

We have recently identified the above referenced parcel as a potential site. Per our discussion, we have attached supporting documents to open negotiations with the agency and your staff on this project.

We have also identified financial supporters for this project in the event our donors and volunteers are delayed or unable to complete the project within your/our timeframe.

I hope you will agree that this project is worthy of consideration and that we can proceed quickly to provide a home to another family in need. Please contact our office if you need any additional information or to schedule a meeting.

Best Regards,

Matt Le Vesque

Chairman, Resource Development Committee
Board Member

PO Box 1550
Redlands, CA 92373
909.307.2362 (t)
909.307.5961 (f)
www.habitat4humanity.net

Attachments: Cost Breakdown
Parcel Map
Proposed Site Plan
Letter-First Centennial Bank
Letter-Jacinto Construction
Letter-University of Redlands

CC: Committee Chairs & Board of Directors
Executive Director



830 Tribune
 Redlands
 1100 SF-SFR w/attached 2CG

Acquisition and Development Fees & Costs

DESCRIPTION	DAYS
1 Lot	
2 Escrow, closing, etc.	
3 Dev. Impact Fees	
4 B & S Fees	
5 Red. Sch. Dist Fees	
6 Utility Fees	

Total Acquisition & Development Fees/Costs:

Construction Costs

1 Temporary Facilities	1
2 Site Rough Grading	3
3 Underground Utility Piping	1
4 Retaining Wall Footings	3
5 Wall & Site Drains	1
6 Masonry Retaining Walls	6
7 Concrete Foundations & Slabs	5
8A Framing Materials	30
8B Framing-Trusses	30
8C Framing Labor	30
9 Windows & Skylights	3
10 Exterior Doors	3
11 Wood Siding	6
12 Rough Mechanical	3
13 Plumbing (Rough, Top-Out & Finish)	5
14 Shower Pans (Vinyl Membrane)	1
15 Rough Electrical,	5
16 Phone, Alarm, Stereo, Cable TV wiring	1
17 Sheetmetal (G.I.)	3
18 Plaster Lath	25
19 Roofing	3
20 Insulation	1
21 Drywall	8
22 Finish Carpentry	5
23 Cabinets	3

24 Interior/Exterior Painting	5
25 Counter Tops	2
26 Tile Tub & Shower Wainscot-Inserts	5
27 Tile Floors	3
28 Glass Shower Enclosures	1
29 Hardwood Floors	7
30 Mirrors	1
31 Finish Hardware	1
32 Finish Mechanical, Plumbing, Electrical	5
33 Carpeting & Vinyl Floor Covering	2
34 Flatwork & Planters	5
35 Gutters & Downspouts	1
36 Clean-up (Interior)- Roll-offs/Recycle	2
37 Garage Doors & Openers	1
38 Landscaping	8

Total Construction Costs

Contingency/Reserve @ 20% of Construction Costs

Contingency/Reserve @ 20% of "Other" Acquisition Costs

Project Total

Less Volunteer Contributions:

Projected Sponsorships

HEDCO Grant	\$ 50,000.00
First Centennial Bank Grant	\$ 25,000.00
Larry Jacinto	\$ 25,000.00
<i>Total Projected House Sponsorships</i>	<i>\$ 100,000.00</i>

Less Projected Contributions:

Acquisition/Construction Gap:



COST(Materials & Labor)

\$	103,500.00
\$	5,000.00
\$	10,000.00
\$	5,000.00
\$	5,000.00
\$	3,000.00

\$ 131,500.00

\$	500.00
\$	4,500.00
\$	4,000.00

na

na

na

\$	6,600.00
\$	12,000.00
\$	4,000.00
\$	15,000.00
\$	4,000.00
\$	600.00

na

\$	2,000.00
\$	4,000.00
\$	400.00
\$	5,000.00
\$	1,000.00
\$	1,000.00
\$	15,000.00
\$	5,000.00
\$	1,100.00
\$	3,500.00
\$	1,100.00
\$	4,000.00

\$	2,000.00
\$	2,000.00
\$	2,000.00
	na
	na
	na
\$	200.00
\$	500.00
\$	2,500.00
\$	3,000.00
\$	2,000.00
	na
\$	1,000.00
\$	400.00
\$	1,000.00

\$ 110,900.00

\$ 22,180.00

\$5,600.00

\$ 270,180.00

\$(110,900.00)

\$(100,000.00)

\$ 59,280.00



May 30, 2006

Paula Akompong
Executive Director
Habitat for Humanity
1235 Indiana Court, #111
Redlands, CA 92373

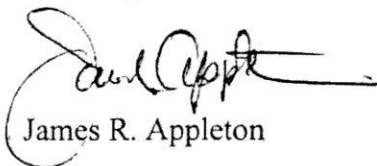
Dear Ms. Akompong:

I am pleased that Habitat for Humanity has now secured initial funding that could lead to a Habitat House in Redlands. I understand that there is a lot available if an additional \$50,000 can be secured.

In light of this prospect, I will submit to the Hedco Foundation a proposal for these additional resources. As you know we had previously secured a grant of \$50,000 but withdrew the funds when the original property became unavailable. The Board of Hedco agreed to reconsider a new proposal once this matter had been resolved. I am optimistic about a new proposal being funded.

I encourage you and the area leadership to resubmit this proposal to me with the new information as soon as possible. Please indicate that, with the cost now being \$100,000 that, if funded, a Hedco grant of \$50,000 would be a match to already existing commitments. Also, emphasize the involvement of the University and our students working with community volunteers on this project.

Cordially,



James R. Appleton



May 30, 2006

Paula Akompong
Executive Director
Habitat for Humanity
P.O. Box 1550
1235 Indiana Court
Redlands, CA 92373

RE: Donation

Dear Ms. Akompong

Please be advised that 1st Centennial Bank is committed to a donation of \$25,000 to Habitat for Humanity, contingent on the following:

- 1) The donation of \$25,000 each from Larry Jacinto and 1st Centennial Bank totaling \$50,000.
- 2) The City of Redlands Redevelopment District donates land suitable to requirements established by Habitat for Humanity.
- 3) Construction on the new home starts within six (6) months.

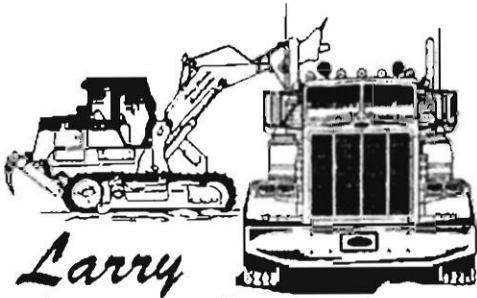
Please advise if this arrangement is acceptable.

Sincerely,



John Lang
EVP/Chief Credit Officer

Cc: Don Gee, City of Redlands Redevelopment Director



**Larry
Jacinto Construction**
MENTONE BEACH

P.O. Box 615
Mentone, California 92359
Telephone (909) 794-2151
FAX (909) 794-9382

May 25, 2006

Paula Akompong
Executive Director
Habitat for Humanity
P.O. Box 1550
1235 Indiana Court
Redlands, CA 92373

RE: Donation

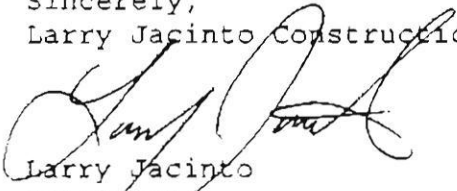
Dear Ms. Akompong

Please be advised that Larry Jacinto is committed to a donation of \$25,000 to Habitat for Humanity, contingent on the following:

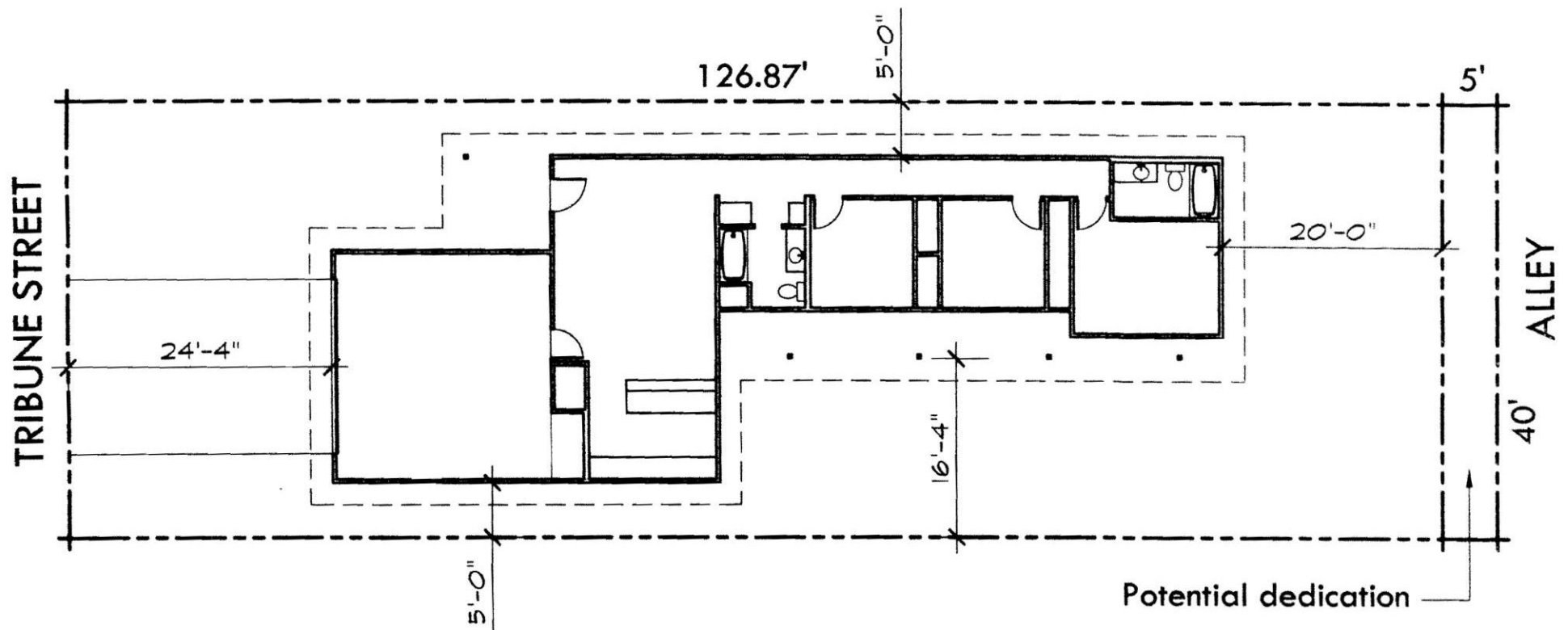
- 1) The City of Redlands Redevelopment District donates land suitable to requirements established by Habitat for Humanity.
- 2) Habitat for Humanity funds the costs to build a home, with Jean Marie Ortiz as the selected homeowner.
- 3) Construction on the new home starts within six (6) months.

Please advise if this arrangement is acceptable.

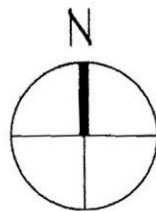
Sincerely,
Larry Jacinto Construction, Inc.


Larry Jacinto
President

CC: Don Gee, City of Redlands Redevelopment Director



Lot size: 5,075 square feet
(after dedication)
Residence: 1,150 square feet
Garage: 453 square feet



830 TRIBUNE STREET

Habitat for Humanity, San Bernardino Area, Inc.

June 12, 2006

MetroScan / San Bernardino (CA)

Parcel	: 0169 106 08 0000	Sequence :	Land	: \$15,300	
Owner	: Hendrickson Melvin G		Structure	:	
CoOwner	: Hendrickson Melvin G		Other	:	
Site	: 830 Tribune St Redlands 92374		Total	: \$15,300	
Mail	: 830 Tribune St Redlands Ca 92374		Exempt	:	
Xfered	: 08/15/2005	Doc #	: 596199 Multi-parcel	Type	:
Price	:	Deed	: Grant Deed	% Improved	:
Loan Amt	:	Loan	:	% Owned	: 100
MapGrid	: 608 C6	IntTy	:	TaxArea	: 005000
Vest Type	: Unmarried Person		05-06 Tax	: \$190.23	
Lender	:		Phone	:	
LandUse	: 0000 Vac,Vacant		Owner Ph	:	
PropType	: SINGLE FAMILY RESIDENTIAL		Tenant Ph	:	
Legal	: CASA LOMA ADD LOT 36				
Census	: Tract: 80.02 Block : 4				

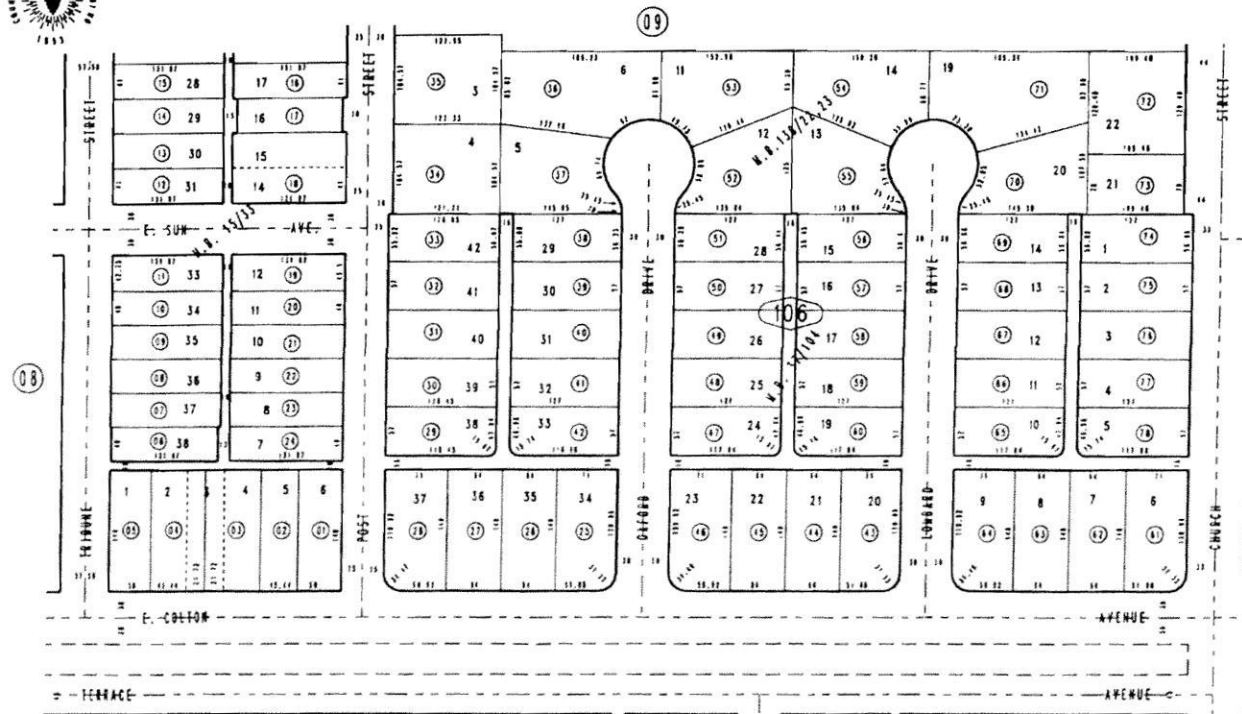
Bedrooms :	Fireplace :	Garage SqFt :	Construction :
Bathrooms :	Pool :	Garage Space :	Roof Type :
Family :	Pat/Porch :	Bldg SF :	StreetAccess :
Total Rms :	BsmntSqFt :	Acres : .12	View Quality :
Heating :	YearBuilt :	LotSqFt : 5,275	View Type :
Cooling :	Bldg Type :	LotSize :	Nuisance :

THIS MAP IS FOR THE PURPOSE
OF AD VALOREM TAXATION ONLY

Casa Loma Add., M.B. 15/33

Redlands City
Tax Rate Area
5000

0169 - 10



0170
01

WUM 09 1994

Plm Tract No. 9801, W.B. 136/22, 23
Sierra Vista Tract No. 2681, W.B. 37/104

Assessor's Map
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San Bernardino County

REVISED
02/01/98 JAZ
07/26/98 BUB
04/19/94 DUM

Exclusive Negotiation Agreement - Habitat for Humanity - Redevelopment Agency Director Gee reported that Habitat for Humanity San Bernardino Area, Inc. has proposed to the Redevelopment Agency that it enter into an exclusive negotiation agreement to determine the feasibility of the Redevelopment Agency's participation in the development of a new affordable single family home adjacent to 830 Tribune Street which is outside the Redevelopment Project Area. The project includes a commitment by Habitat for Humanity to work with staff to develop, construct and provide this unit with long-term affordability covenants to a low- to moderate-income family or individual as defined by California Community Redevelopment Law. Representatives from Habitat for Humanity presented their proposal. Mr. Aguilar moved to approve the exclusive negotiation agreement with Habitat for Humanity San Bernardino Area, Inc. and authorized execution of the document. Motion seconded by Mrs. Gilbreath and carried unanimously.

Meeting Attendance - No reports forthcoming.

PUBLIC COMMENTS

None forthcoming.

CLOSED SESSION

The Board of Directors' meeting of the Redevelopment Agency recessed at 4:49 P.M. to a closed session to discuss the following:

1. Conference with real property negotiator - Government Code Section 54956.8
Property: 330 Third Street, APNs 162-050-21 and 169-281-47 through 50
Negotiating parties: John Davidson, Don Gee and Howard Floyd
Under negotiation: Terms and price

ADJOURNMENT

No report was expected following the closed session. The next regular meeting will be held on July 18, 2006.

Secretary