

AGREEMENT REGARDING PURCHASE OF FEE INTEREST

This Agreement is made and entered into on this 7th day of August, 2001, by and between the City of Redlands (hereinafter referred to as "City"), and Andrew B. Lee and Janet Lee, (hereinafter referred to collectively as "Owner").

RECITALS

WHEREAS, Owner is the fee owner of that real property more particularly described in Exhibits "A" and "B" which are attached hereto and incorporated herein by this reference (hereinafter the "Subject Property"); and

WHEREAS, City has made a good faith offer to Owner to acquire the Subject Property for a public use pursuant to California eminent domain law; and

WHEREAS, Owner has been apprised, and is aware, of the statutory requirements relating to appraisals, offers and pertinent procedural requirements as to the acquisition of the Subject Property, and all matters relating thereto; and

WHEREAS, Owner is satisfied that the aforesaid procedural requirements have been fulfilled in the appraisal, negotiation and the terms and conditions of this Agreement relative to Owner's interest in the Subject Property and all matters relating thereto; and

WHEREAS, the parties are in agreement and wish to provide for the payment to Owner by City for the acquisition of the Subject Property, for the City's public project and the settlement of all claims arising out of the public project as it affects Owner's interest in the Subject Property,

Now, therefore, the City of Redlands and Andrew B. Lee and Janet Lee agree as follows:

1. City shall pay to Owner the total sum of \$552.00 upon City's receipt of an executed deed conveying Owner's interest in the Subject Property to City, free and clear of all liens, encumbrances, conditions, assessments restrictions, easements, delinquent tax liens and all subleasehold interests, if any.

2. Owner warrants that there are no oral or written leases, sub-leases, rental agreements, licenses, ownership claim or other rights of possession and/or ownership on all or any portion of the Subject Property and agrees to defend, indemnify and hold the City harmless for any and all loss or expense occasioned by reason of any lease, sub-lease, rental agreement, license or other right of ownership, lien, encumbrance and/or possession held by any other party in the Subject Property.

3. Owner agrees that City has satisfied all legal requirements imposed by Government Code Sections 7261, 7267.1 and 7267.2.

4. Owner hereby releases and forever discharges City and its elected officials, officers, employees and agents from any and all causes of action, judgements, liens, indebtedness, obligations, losses, claims, damages, liabilities and demands of whatsoever kind or character in any manner whatsoever asserted or assertable as of, or prior to, the date of this Agreement and it is agreed that the consideration as provided by the terms of this Agreement is in full settlement of (i) any claim Owner has made or could have made in any eminent domain action against City, its elected officials, officers, employees or agents, including, but not limited, to claims for the Subject Property, including fixtures and equipment, the leasehold interest in the property, if any, loss of business goodwill and unreasonable precondemnation activity; (ii) any claim Owner has made or could have made under the Relocation Law (Government Code Section 7260, et seq.) against the City, its elected officials, officers, employees or agents, by reason of City's acquisition of the Subject Property; (iii) any claim Owner has made or could have made against City, its elected officials, officers, employees or agents in connection with the carrying out of the public project for which the Subject Property is acquired.

5. Owner represents, warrants and certifies under penalty of perjury that it has the authority to enter into and grant the settlement and releases herein given, and that it holds title to the Subject Property and that no document has been signed by or on behalf of Owner for the purpose of creating any lien, encumbrance or security interest, assignment, or transfer in the Subject Property.

6. The parties shall upon request, execute, acknowledge and deliver such documents or take such action as may be necessary or convenient to carry out this Agreement.

7. In consideration of this Agreement, Owner hereby releases City, its elected officials, officers, employees and agents and hereby waives any and all claims, liabilities and obligations in any matter against City, its elected officials, officers, employees and agents, arising out of Owner's ownership of or interest in the Subject Property, whether or not now known, suspected or claimed, including but not limited to, any claims for inverse condemnation, pre-condemnation damages, relocation benefits, business goodwill, and/or eminent domain. In this respect, Owner expressly waives the benefits and provisions of Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims which the creditor does not know or expect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

8. Except for claims for damages, or other remedies arising out of violations or breaches of this Agreement by City, Owner further covenants and agrees that it will not bring, commence, institute, maintain or prosecute, or voluntarily aid any action at law, proceeding in equity including, but not limited to inverse condemnation or eminent domain, or otherwise prosecute or sue City, its elected officials, officers, employees and agents, either affirmatively or by way of cross-complaint, defense or counterclaim or by any other manner or at all, on any alleged claim, demand, liability or cause of action in any manner arising out of the occupancy and location of the property, which is the subject of this Agreement. It is expressly understood that Owner will assist and cooperate with City in any eminent domain action if requested by City.

9. This Agreement may be pleaded as a full and complete defense to and may be used as the basis for any injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted by any party hereto in breach thereof.

10. The parties hereto agree that neither this Agreement, nor the payment of any consideration hereunder, nor the execution, nor the doing of any act hereunder shall be taken or construed to be at any time or place an admission on the part of any party that they or any of them have at any time or in any manner violated the rights and/or the interests of any party.

11. The parties have herein set forth the whole of their agreement. The performance of this Agreement constitutes the entire consideration of said document and shall relieve the City, its elected officials, officers, employees and agents of all further obligations or claims of this account, or on account of the location, construction, implementation of any public improvement and/or project.

12. In this Agreement, time is of the essence.

13. This Agreement shall bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, this Agreement is executed this 7th day of August, 2001, at Redlands, California.

CITY

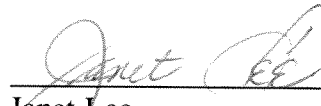


Pat Gilbreath, Mayor

OWNER

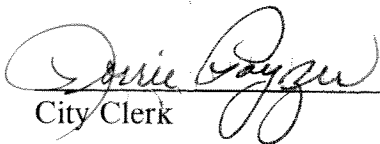


Andrew B. Lee



Janet Lee

Attest:



City Clerk

EXHIBIT "A"

LEGAL DESCRIPTION

That portion of that land conveyed to Andrew B. Lee, Jr. and Janet Lee, husband and wife as joint tenants, recorded on October 16, 1975, in Book 8785, Page 118, Official Records of San Bernardino County, California.

Said portion being the east 3 feet thereof, together with the triangular-shaped portion bound on the east by the west line of said 3 feet, on the south by the south line of said land, on the west by the arc of a curve, concave northwesterly, tangent to aforementioned west and south lines and having a radius of 18 feet of the following described property:

The easterly 40 feet of Lot 28, Berkeley Tract, in the City of Redlands, County of San Bernardino, State of California, as per plat recorded in Book, 15 of Maps, Page(s) 85 and 86, records of said County.

Affects: APN 171-342-08

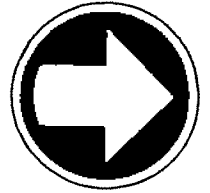
Contains: Approximately 460 square feet



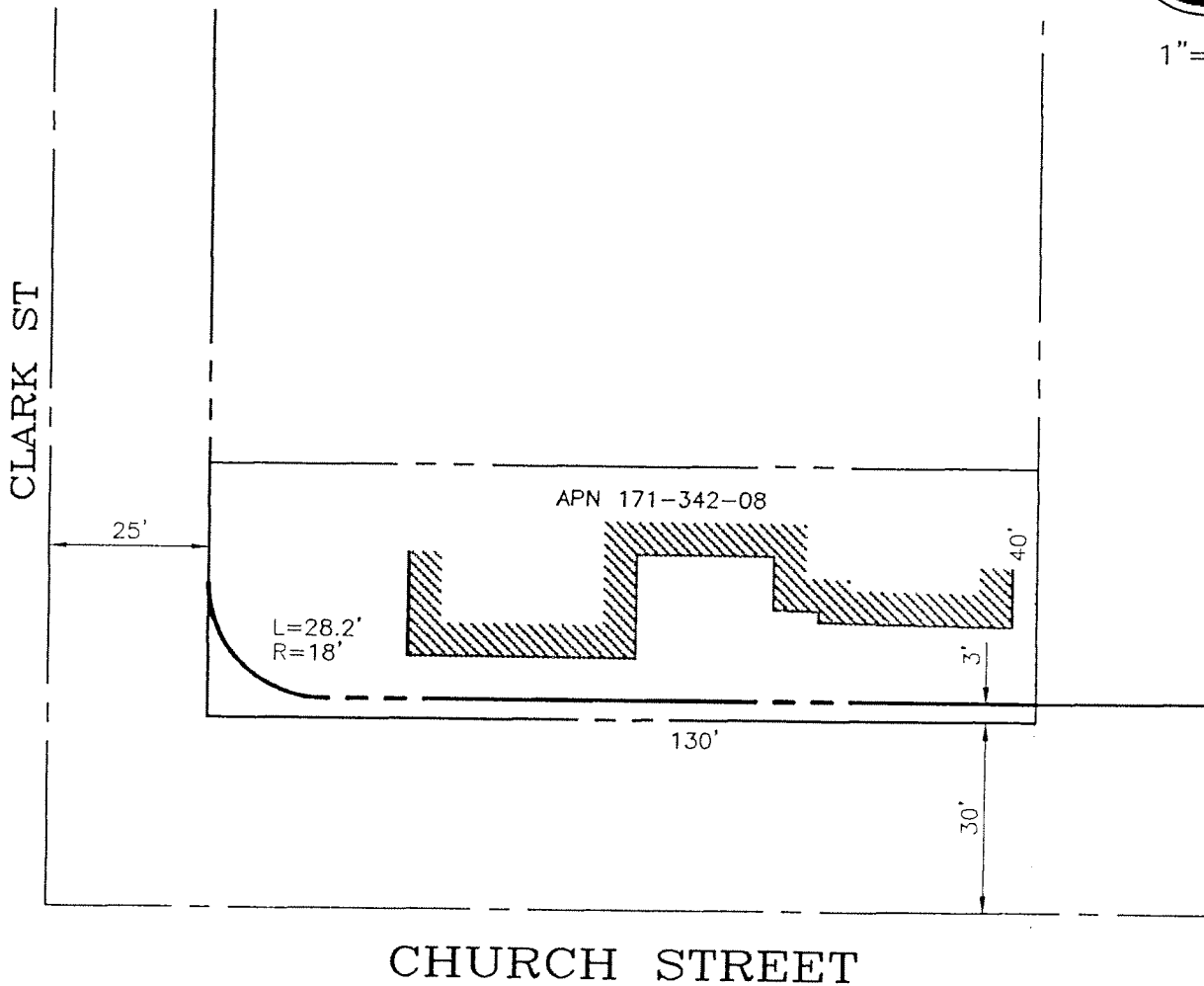
REGISTERED PROFESSIONAL ENGINEER
Felipe Rodriguez Cabral
No. 29001
Exp. 3/31/03
CIVIL ENGINEER
STATE OF CALIFORNIA

Felipe Rodriguez Cabral

CITY OF REDLANDS
COUNTY OF SAN BERNARDINO

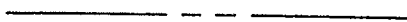





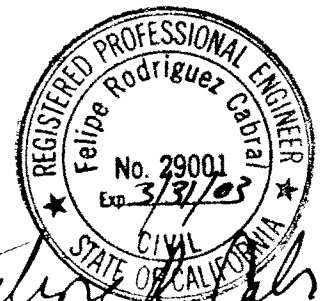
1"=30'



**RIGHT-OF-WAY PLAT
EXHIBIT "B"**

LEGEND

-  EXIST RIGHT-OF-WAY LINE
-  PROPERTY LINE
-  PROPOSED RIGHT-OF-WAY LINE
-  EXIST STRUCTURE



Felipe Rodriguez Cabral

PREPARED BY:
JOHN EGAN & ASSOCIATES, INC.
CONSULTING ENGINEERS