

RELOCATION AGREEMENT

ALL-INCLUSIVE RELOCATION SETTLEMENT AGREEMENT AND WAIVER OF ALL CLAIMS

This Agreement ("Agreement") is made as of September 3, 2008, by and between the Redevelopment Agency of the City of Redlands, a public body, corporate and politic ("Agency"), and NVCCF, Inc., a California nonprofit religious corporation ("Business Occupant"). Agency and Business Occupant are hereinafter sometimes referred to collectively as the "Parties."

RECITALS

- A. Business Occupant operates through an affiliated organization a charitable enterprise business commonly known as Joseph's Storehouse located at 457 New York Street, Redlands, California ("Property").
- B. The Property is located within the Project Area of the Redlands Redevelopment Project as established by Ordinance No. 1500 of the City Council of the City of Redlands and subsequently amended (the "Project Area" and the "Redevelopment Project", respectively).
- C. As part of its activities implementing the Redevelopment Project, the Agency has entered into or anticipates entering into an agreement with Property One, LLC, a California limited liability company ("Property Owner") or one of its affiliated entities ("Owner Affiliates") pursuant to which the Property Owner and/or one of the Owner Affiliates will be expanding its business, including the provision of facilities at the Property.
- D. To facilitate the move of Business Occupant to another location within the City of Redlands, which other location (the "New Location") has been selected by the Business Occupant, and to implement the provisions of applicable relocation law (including, without limitation, Sections 7260 to 7270 of the California Government Code and the relocation guidelines of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, Final Rule 49 CFR Part 24), the Agency enters into this Agreement with the Business Occupant.

NOW THEREFORE, the Parties hereto agree as follows:

- 1. Consideration.
 - (a.) Agency agrees to pay to Business Occupant the total sum of One Hundred Thousand Dollars (\$100,000), to be disbursed as follows: a) within ten (10) days after the execution of this Agreement by the Parties, the Agency will disburse to Business Occupant the sum of Ten Thousand Dollars (\$10,000);

and b) based upon submittal of invoices or statements by Business Occupant (or other evidence reasonably acceptable to the Executive Director of the Agency) indicating that such moneys have been expended in connection with the relocation of Business Occupant (which, for purposes of this Agreement, may include retrofitting or adapting the premises at the New Location), the sum of Ninety Thousand Dollars (\$90,000). The amount represents compensation for those items and at the amounts referenced below:

(i) Moving Cost re-imbursement, per State Law, including search costs, re-establishment costs and actual moving costs;

(ii) Improvements Pertaining to the Realty:\$0 (Business Occupant agreeing that Business Occupant holds no compensable interest in property at the Property);

(iii) Loss of Business Goodwill:\$0 (Business Occupant agreeing that its operations at the Property are charitable and generate no income to Business Occupant, and that there is no business goodwill associated with Business Occupant or such operations).

(b.) Business Occupant agrees that the payment received, pursuant to paragraph 1(a) above, constitutes full satisfaction of any and all Agency obligations to Business Occupant, including, without limitation, any obligations for relocation assistance, relocation benefits, improvements pertaining to realty, loss of business goodwill, leasehold interest, tangible and intangible property, or damages of any nature, including attorney's, interest and costs.

2. Vacation of Property

Business Occupant represents and warrants to Agency that Business Occupant and any affiliated organization has fully vacated the Property and therefore Business Occupant hereby transfers any right, title and interest in the Property, any possessory rights it has to the Property, or any remaining personal property and/or fixtures & equipment to the Property Owner or its designee.

3. Release

(a.) Business Occupant and any affiliated organization hereby being fully advised and having been given the opportunity to review such rights and consult with counsel of its own choosing, nevertheless fully releases and waives its rights, further assistance and/or benefits that may be available or due to it under the California Relocation Assistance Law, Government Code Section 7260, *et seq.*, the Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.*, the Relocation Assistance and Property Acquisition Guidelines, 25 C.C.R. 6000, *et seq.*, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. 4200, *et seq.*, and 49 C.F.R. part 24 (hereinafter collectively the "Relocation Laws"). Such waiver includes,

without limitation, all rights which may arise from or relate in any manner to (i) the Agency's acquisition of the Property or the relocation of Business Occupant or the relocation of any person or persons located on the Property, including the specific waiver and release of any right to any relocation benefits, assistance and/or payments under California Government Code Section 7260, *et seq.*, notwithstanding that such relocation assistance, benefits and/or payments may be otherwise required under said sections or other state or federal law; and (ii) compensation for any interest in or the use of the Property, including but not limited to, land and improvements, fixtures, furniture, or equipment thereon, goodwill, severance damage, attorneys' fees or any other compensation of any nature whatsoever. Business Occupant hereby being fully advised and having been given the opportunity to review such rights and consult with counsel of its own choosing, nevertheless fully releases and waives its rights to any inverse condemnation claims against the Agency that may arise from the Agency's acquisition of the Property or any other Agency activities relating to the proposed Project.

- (b.) The Parties hereby fully release and discharge one another and their respective officers, members, agents, employees, attorneys, consultants, contractors, subcontractors, predecessors, successors, partners, and assigns from and do hereby waive any and all claims, demands, liens, controversies, actions, causes of action, liabilities, expenses, attorneys' fees, accounts, and damages of whatever character, nature, or kind, whether in law or in equity, whether known or unknown, which arise from or relate in any manner to the Business Occupant's occupancy of the Property or the displacement of Business Occupant therefrom, or any subject matter related thereto. In this regard the Parties acknowledge that they have been advised concerning the content and meaning of and understand and are familiar with the provisions of California Civil Code section 1542, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

- (c.) The Parties acknowledge that they may hereafter discover facts or law different from or in addition to those which they now believe to be true with respect to the release of claims. The Parties agree that the foregoing release shall be and remain effective in all respects notwithstanding such different additional facts or law or any Party's discovery thereof.
- (d) No Party nor any agents nor any related entities have made any statement or representation to any other party regarding any fact relied

upon in entering into this Agreement, and each Party expressly states it does not rely upon any statement, representation or promise of any other party or any Party's agent or related entities in executing this Agreement, except as is expressly stated in this Agreement. Each Party to this Agreement has made such investigation of the facts and law pertaining to this Agreement, and of all other matters pertaining thereto, as it deems necessary, and has consulted with legal counsel concerning these matters.

4. Indemnity By Business Occupant

Business Occupant shall indemnify, defend and hold Agency and Agency harmless from and against any claims, demands, liabilities, losses, judgments, expenses and attorneys' fees resulting from the breach by Business Occupant of any provision of this Agreement or the falsity of any representation or warranty made by Business Occupant contained in this Agreement.

6. Entire Agreement

This Agreement contains the entire agreement of the parties hereto, and supersedes any prior written or oral agreements between them concerning the subject matter contained herein.

5. Partial Invalidity

In the event that any term, covenant, condition or provision of this Agreement shall be held by a court of competent jurisdiction to be invalid or against public policy, the remaining provisions shall continue in full force and effect.

6. Advice Of Counsel

Each party hereto, by its due execution of this Agreement, represents to every other party that it has reviewed each term of this Agreement with its counsel and that hereafter no party shall deny the validity of this Agreement on the ground that the party did not have advise of counsel. Each party has had the opportunity to receive independent legal advice with respect to the advisability of making this Agreement and with respect to the meaning of California Civil Code section 1542.

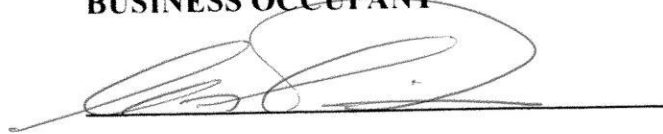
7. Authority To Execute This Agreement

Each entity executing this Agreement represents that it is authorized to execute this Agreement. Each person executing this Agreement on behalf of an entity, other than an individual executing this Agreement on his or her own behalf, represents that he or she is authorized to execute this Agreement on behalf of said entity.

IN WITNESS WHEREOF, the Agency and Business Occupant have signed this Agreement on the dates set forth below.

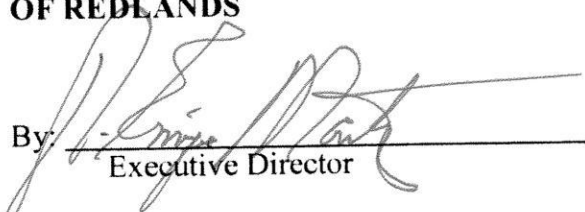
BUSINESS OCCUPANT

Dated: September 29, 2008

A handwritten signature in black ink, appearing to be "B. J. [unclear]", written over a horizontal line.

**REDEVELOPMENT AGENCY OF THE CITY
OF REDLANDS**

Dated: September 30, 2008

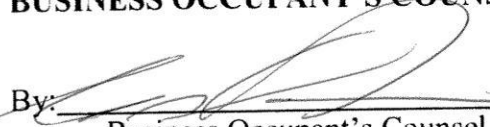
By:  Executive Director

ATTEST:

By:  Agency Secretary

APPROVED AS TO FORM:

BUSINESS OCCUPANT'S COUNSEL

By:  Business Occupant's Counsel

NEW BUSINESS

Owner Participation Agreement - Property One, LLC - Due to a potential conflict of interest, Councilmember Harrison retired from the Council Chambers and did not participate in this matter; a Public Disclosure of Potential Conflict of Interest form is on file in the City Clerk's Office. Redevelopment Agency Director Hobbs reported the City Manager established a task force to look at several issues of concern to ESRI as he wanted us to make sure we were paying sufficient attention to our local premier company in the interest of economic development. The task force was co-chaired by the Redevelopment Agency Director and the Chief of Police. The outstanding issue at the time was the relocation of Joseph's Store House to another location. Joseph's Store House was providing a gathering location for clientele who were not compatible with the employees at ESRI and the community's ability to comfortably and safely use the nearby Jennie Davis Park. In the interest of problem-oriented policing, which solves community problems in order to reduce required police services, the Police Chief engaged in multi-part negotiations. These discussions have resulted in an affiliate of ESRI (Property One, LLC) agreeing to underwrite the relocation of Joseph's Store House to a parcel at 760 East Stuart Avenue (at Church Street). As part of those multi-party discussions, the Redevelopment Agency Director agreed to contribute \$100,000.00 which will be used by Joseph's Store House to handle moving expenses and expenses to sufficiently retrofit the facility at their new location. To execute the understanding among the parties, the Redevelopment Agency prepared an owner participation agreement which assists Joseph Store House in its move in the interest of economic development facilitating the future expansion of ESRI on its campus.

CEQA Exemption - Mr. Aguilar moved to determine that the proposed owner participation agreement with Property One, LLC is exempt from review under the California Environmental Quality Act because this agreement is not a project pursuant to Public Resources Code Section 21065. Motion seconded by Mr. Gallagher and carried by AYE votes of all present with Board Member Harrison having abstained.

Resolution No. 426 - Mr. Aguilar moved to adopt Resolution No. 426 approving the owner participation agreement with Property One, LLC in order to facilitate the move of Joseph's Store House currently located on New York Street. Motion seconded by Mr. Gallagher and carried by AYE votes of all present with Board Member Harrison having abstained.

These actions generated a standing ovation from members of the audience.