

SETTLEMENT AGREEMENT REGARDING PURCHASE OF LEASEHOLD INTEREST,
BUSINESS GOODWILL, FIXTURES AND EQUIPMENT AND
PROVISION FOR RELOCATION BENEFITS

THIS AGREEMENT, entered into on this 5th day of August, 1997, by and between the City of Redlands (hereinafter referred to as "City"), and Richard Hickey, (hereinafter referred to collectively as "Tenant").

RECITALS

WHEREAS, Tenant occupies and conducts a business on that parcel of real property situated at 506 N. Eureka Street, Redlands, California, Assessor's Parcel No. 169-156-19 (hereinafter referred to as "Subject Property") pursuant to a lease and/or rental agreement with Subject Property owner; and

WHEREAS, City is in the process of acquiring the Subject Property for a public use pursuant to California eminent domain law which acquisition will require the relocation of Tenant's business; and

WHEREAS, Tenant 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, the leasehold interest, business goodwill, fixtures and equipment, relocation benefits and all matters relating thereto; and

WHEREAS, Tenant is satisfied that the aforesaid procedural requirements have been fulfilled in the appraisal, negotiation and agreement relative to the interests in the lease, business goodwill, fixtures and equipment, relocation benefits and all matters relating thereto; and

WHEREAS, Tenant has been apprised and is aware of relocation benefits assistance provided for by the statutory and decisional law of the State of California and the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and is satisfied that the provisions of the aforesaid relocation law have been fulfilled in the negotiation, of the leasehold interests, fixtures and equipment and business goodwill; and

WHEREAS, the parties are in agreement and wish to provide for the payment to Tenant by City for the acquisition of the property interests, fixtures and equipment, payment for loss of business goodwill, relocation benefits and all other matters arising from the possible 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 Tenant's interest in the Subject Property,

Now, therefore, the City of Redlands and Richard Hickey agree as follows:

1. City shall pay to Tenant the total sum of \$13,750 of which \$6,875 shall be payable upon execution of this Agreement by Tenant and the remaining \$6,875 payable upon vacation of the Subject Property directly to Tenant and upon City's receipt of an executed quitclaim deed conveying Tenant's interest in the Subject Property, the lease and leasehold improvements, fixtures and equipment, free and clear of all liens, encumbrances, conditions, assessments restrictions, easements, delinquent tax liens and all subleasehold interests, if any.

2. Tenant 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 property interests involved herein and agrees to defend and hold the City harmless and reimburse it for any and all loss of 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.

3. Tenant agrees that the City has satisfied all legal requirements imposed by Title 1, Division 7, Chapter 16 of the Government Code Section 7261, 7267.1 and 7267.2.

4. It is understood and agreed that Tenant will vacate the premises on or before September 1, 1997 at which time the payment by City to Tenant of the remaining balance of the \$6,875 will be made.

5. Tenant hereby releases and forever discharges the 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 Tenant has made or could have made in any eminent domain action against the 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 Tenant 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 the City's acquisition of the property, and/or property interests herein; (iii) any claim it has made or could have made against the City, its elected officials, officers, employees or agents in connection with the carrying out of the public project in which the Subject Property is situated.

6. Tenant 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 lease and business, which are the subject of this Agreement, and that no document has been signed by or on behalf of Tenant for the purpose of creating any lien, encumbrance or security interest, assignment, or transfer in said property and/or property interests.

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

8. In consideration of this Agreement, Tenant hereby releases the City, its elected officials, officers, employees and agents and hereby waives any and all claims, liabilities and obligations in any matter against the City, its elected officials, officers, employees and agents, arising out of Tenant's ownership of or interest in the real property, lease, fixtures, equipment, improvements, and/or business, which is the subject of this Agreement, 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, Tenant 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."

9. Except for claims for damages, or other remedies arising out of violations or breaches of this Agreement by the City, Tenant 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 the 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 Tenant will assist and cooperate with the City in any eminent domain action if requested by the City.

10. 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.

11. 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.

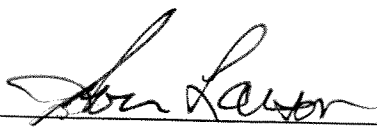
12. The parties have herein set forth the whole of their agreement. The performance of this Agreement constitutes the entire consideration of said document and shall relieve the City, its elected officials, officers, employees and agents of all further obligations or claims of this account, or on account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

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

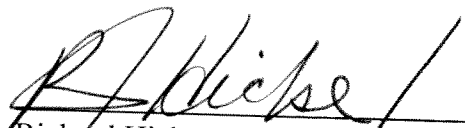
14. This Agreement shall bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, this Agreement is executed this ^{5th day of August} ~~10th day of July~~, 1997, at
Redlands, California.

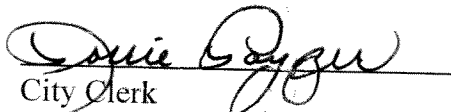
CITY


Swen Larson, Mayor

TENANT


Richard Hickey

Attest:


City Clerk