

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement And Release ("Settlement Agreement") is entered into as of June 17, 2016 (the "Effective Date") between Harbor Missionary Church Corporation ("Harbor") and its head pastor Sam Gallucci (Harbor and Sam Gallucci are referred to as "Plaintiff," both collectively and, where the context requires, individually), and Defendants the City of San Buenaventura ("the City"), Jeffrey Lambert, Mark Watkins, Cheryl Heitman, Erik Nasarenko, Neal Andrews, James Monahan, Carl E. Morehouse, Mike Tracy, Christy Weir, Dan Long, Nancy Francis, Christopher Beck, Scott Boydstun, Laura Dunbar, David Ferrin, and Rondi Guthrie.

RECITALS

A. Harbor initiated this action in the United States District Court for the Central District of California, Case Number 2:14-CV-03730 R (VBK) ("the Litigation"). Plaintiff contends that in denying Harbor's application for a conditional use permit ("CUP") to serve the homeless through its Operation Embrace ministry at Plaintiff's church located in the City of San Buenaventura at 3100 Preble Avenue ("the Property"), Defendants violated Plaintiff's rights under the Religious Land Use and Institutionalized Persons Act ("RLUIPA"; 42 U.S.C. §2000cc) and the First Amendment of the United States Constitution.

B. Defendants deny and dispute Plaintiff's allegations, claims, contentions and arguments in the Litigation and otherwise. By entering into this Settlement Agreement, Defendants do not make any admission of liability or wrongdoing, and explicitly deny that Defendants engaged in any wrongful conduct, or in any of the unlawful conduct alleged by Plaintiff.

C. The Parties' participation in this Settlement Agreement does not indicate they have changed their position on the merits of their allegations in the Litigation.

D. For purposes of this Settlement Agreement, the Parties refer to the claims and contentions raised by the Parties in the Litigation and the disagreements described in these recitals as the "Dispute."

E. Plaintiff and Defendants desire to avoid further litigation and agree that Case Number 2:14-CV-03730 R (VBK) should be compromised, settled and resolved without further litigation.

F. Plaintiff and Defendants further desire to resolve any and all claims that could arise from or in any manner relate to the Parties' entry into, execution of and/or satisfaction, discharge or implementation of this Settlement Agreement.

G. The Parties therefore have agreed to enter into this Settlement Agreement regarding all claims that were or could have been brought in the Litigation by any of them.

AGREEMENT

1. Recitals Incorporated. The Parties hereby incorporate by this reference the Recitals above into the terms of this Settlement Agreement.

2. Payment By City To Plaintiff; Escrow. Defendant City (and no other Defendant) shall pay for the benefit of Plaintiff the total sum of two million, three hundred thousand dollars (\$2,300,000) to (i) resolve all of the claims of Plaintiff for injunctive relief, damages, attorneys' fees, costs, and expenses, including without limitation any and all costs and expenses Plaintiff will or may incur in relocating from the Property, and (ii) purchase all of Plaintiff's interest in the Property according to the terms of this Settlement Agreement.

On or before June 17, 2016, the City shall deliver the payment by draft, check, or wire transfer to an escrow to be established at or through First American Title Insurance Company contemporaneously with the Plaintiff's delivery to the same escrow of a fully executed and notarized Quitclaim Deed of the Property to the City. A true and correct copy of the form of the Quitclaim Deed is attached hereto as **Exhibit "A."** The sum of \$1,600,000 is agreed by Harbor and City to be the value of the real property commonly known as 3100 Preble Avenue in the City of San Buenaventura, California. Although the Property is being transferred "as is, where is" by the Quitclaim Deed, the Plaintiff and the City agree that prior to close of escrow (i) any monetary liens or encumbrances of any kind against the Property shall be paid through escrow as a deduction from the City's \$2,300,000 settlement, (ii) they shall cooperate in good faith to seek to resolve any and all issues between them regarding other exceptions to title, and (iii) they shall enter into a Lease Agreement in the form attached hereto as **Exhibit "B."** During the escrow, on reasonable prior notice to Harbor (which notice may be by telephone) and during business hours, Plaintiff agrees to permit the City and its authorized representatives to enter all portions of the Property to inspect the external and internal condition of the Property on two different days; notice must be given at least two (2) days prior to each proposed entry by the City. The first inspection shall take place within three (3) days of the signing of this Settlement Agreement and the second inspection shall take place no more than two (2) days prior to the close of escrow. The close of escrow shall occur within thirty (30) days of its opening if the original Lease Agreement (Exhibit B) is signed and delivered by Harbor prior to closing. To ensure the Property is transferred to the City in "as is" condition, Plaintiff agrees that between the signing of this Settlement Agreement and the close of escrow or execution of the lease between Harbor and the City, Plaintiff shall not make any material changes to the Property, but shall repair all portions of the Property that stop functioning or sustain material damage between the first and second inspections of the Property, whether structural or non-structural, including, without limitation, all equipment and all plumbing, heating, air conditioning, ventilating, electrical and other facilities and utilities serving the Premises, and all walls, floors, ceilings, roofs, windows, doors, plate glass, driveways, sidewalks, parking lots, fences and landscaping. Under no circumstances does Plaintiff have an obligation to make any improvements to the Property or otherwise repair any portions of the Property that were not functioning or sustained material damage prior to the signing of this Settlement Agreement. At the close of escrow, the outstanding balance shall promptly be dispensed, in its entirety, to Harbor.

3. Dismissal. Contemporaneous with the signing of this Settlement Agreement by the Parties, their respective counsel shall jointly execute an original Federal Rule of Civil

Procedure Rule 41(A)(1)(a)(ii) Stipulated Notice of Dismissal in the form attached hereto as **Exhibit “C.”**

4. Leaseback of the Property. Upon closing, Defendant City shall lease the Property to Plaintiff for a period of at least one (1) year in accordance with the terms set forth in “Exhibit B.”

5. Homeless Services. As of the Effective Date, Plaintiff shall permanently and forever terminate, and shall never recommence at the Property or otherwise in the City of San Buenaventura, its Operation Embrace ministry or any other similar homeless services or homeless outreach services. Plaintiff, however, may maintain the status quo of activity at the Property that has prevailed since July 9, 2014—including Worship Services on Wednesday evening and Sunday morning—until Plaintiff vacates the Property. Nothing in this paragraph shall be construed in any manner to prevent Plaintiff from planning, commencing, establishing, or maintaining a homeless ministry, homeless services, or homeless outreach services outside the City of San Buenaventura—including any informal or formal efforts to secure required permits or permissions—and Defendants expressly agree, both on their own behalf and on behalf of their agents and staff in their official capacities, not to interfere with or detract from Plaintiff’s ability to relocate its provision of homeless services. Defendants further agree to take all lawful action to prevent their agents and staff from engaging in such interference or detraction, including by distributing a written memorandum to them requiring cooperation with the provisions of this paragraph consistent with their duties and responsibilities to the City. Nothing in this paragraph is intended to prevent City agents and staff from truthfully answering unsolicited questions.

6. Church Uses. Upon vacating the Property, and without limitation on Plaintiff’s rights and obligations under Paragraph 5 of this Settlement Agreement, Plaintiff shall permanently and forever terminate any and all church uses, functions, and operations at the Property, and shall not recommence any such substantially similar church uses, functions, or operations at a property in the City of San Buenaventura. Nothing in this paragraph shall be construed in any manner to prevent Plaintiff from commencing, establishing and maintaining such church uses, functions, or operations outside the City of San Buenaventura, and Defendants expressly agree, both on their own behalf and on behalf of their agents and staff in their official capacities, not to interfere with or detract from Plaintiff’s ability to relocate its church uses. Defendants further agree to take all lawful action to prevent their agents and staff from engaging in such interference or detraction, including by distributing to them a written memorandum requiring cooperation with the provisions of this paragraph consistent with their duties and responsibilities to the City. Nothing in this paragraph is intended to prevent City agents and staff from truthfully answering unsolicited questions.

7. Relocated Uses, Functions, And Operations Outside San Buenaventura.

A. Plaintiff acknowledges and agrees that Harbor, after consultation with its Board of Elders and counsel and in exchange for a higher monetary payment under this Settlement Agreement, has made the election to move out of the City of San Buenaventura as provided in this Settlement Agreement and that the City is assisting Harbor in accomplishing Harbor’s objective to move.

B. The Parties acknowledge and agree that they explored the possibility of Harbor relocating its church uses, including its provision of homeless services, to a location within the City of San Buenaventura at which the City's zoning regulations allow such uses by right and without discretionary review, in exchange for a lower payment.

C. Plaintiff warrants and represents that Plaintiff and no person on Plaintiff's behalf may contend that negotiation of and entry into this Settlement Agreement by City or City's representatives violates any constitutional provision or law of the United States of America or the State of California.

8. Waiver, Release and Covenant Not To Sue By Plaintiff.

A. Plaintiff, on behalf of itself/himself and its/his representatives, affiliated entities, parent corporations, attorneys, predecessors, successors, descendants, dependents, heirs, and assigns, hereby fully and forever releases, acquits, covenants not to sue and forever discharges City as well as its agents, officers, officials, boards and commissions, board and commission members, employees, departments, department heads, representatives, trustees, City Council members, insurers and attorneys, past or present, and its and their respective predecessors, successors, and assigns, and all persons acting by, through, under, or in concert with any of them, and each of them (the "Plaintiff's Releasees"), from any and all claims, debts, charges, complaints, liabilities, obligations, promises, benefits, agreements, controversies, costs, losses, debts, expenses, damages, actions, causes of action, suits, rights, and demands of any nature whatsoever, known or unknown, suspected or unsuspected, concealed or hidden, whether civil, statutory, administrative, or otherwise, which (i) were or could have been asserted in the Litigation (Case Number 2:14-CV-03730 R (VBK)) or (ii) arise from or in any manner relate to the Parties' entry into or execution (but not performance or enforcement) of this Settlement Agreement ("Plaintiff's Released Claims"), which Plaintiff now has, may in the future have, or previously had, without regard to whether such Plaintiff's Released Claims arise under or are related to federal, state, regional, county, and/or City constitutions, statutes, charters, rules, ordinances, codes, regulations, manuals, general orders, consent decrees, contracts, common law, or otherwise. Plaintiff expressly acknowledges and agrees that the Plaintiff's Released Claims are forever barred, waived, settled, compromised and released by this Agreement, except for and subject to the terms and conditions set forth herein.

B. Plaintiff expressly acknowledges and agrees that the Plaintiff's Released Claims specifically include, but are not limited to, any rights or asserted rights to recovery or remedy for or as to any and all costs and expenses, attorneys' fees, compensatory damages, exemplary or punitive damages, restitution, reimbursement, recoupment, specific performance, equitable relief, declaratory relief, medical expenses, loss of income, loss of earning capacity, emotional distress, financial distress, or any other remedy or recovery of whatever kind or nature, whether known or unknown, suspected or unsuspected, fixed or contingent, concealed or hidden.

C. Plaintiff further expressly acknowledges and agrees that he/it is aware that he/it may hereafter discover claims or facts in addition to or different from those he/it now knows or believes to be true with respect to the Dispute and matters related herein. Nevertheless, it is Plaintiff's intention to fully, finally, and forever settle and release all such matters, and all claims relative thereto, which do now exist, may exist, or have previously existed between Plaintiff and

the City except as otherwise expressly provided in this Agreement. In furtherance of such intention, the release given by Plaintiff shall be and remain in effect as a full and complete general release of all such matters (except as otherwise expressly provided in this Agreement), notwithstanding the discovery or existence of any additional or different claims or facts relative thereto.

D. This is intended as a full and complete release and discharge, and accord and satisfaction, of any and all claims that the undersigned may or might have or had by reason of the incidents or activities as alleged in the Litigation (Case Number 2:14-CV-03730 R (VBK)).

E. Plaintiff hereby covenants, represents and warrants that it/he and/or anyone acting on its/his behalf has not filed any other suit besides Case Number 2:14-CV-03730 R (VBK), and will not file at any time in the future, any writ, suit, complaint, petition, claim, appeal, or charge of any kind whatsoever with any state or federal court, administrative agency, public agency, or tribunal of any kind whatsoever, or any other proceeding in the state or federal courts, administrative tribunal, or any other forum to recover damages, legal or equitable relief, for any of the claims for relief that were asserted or could have been asserted in Case Number 2:14-CV-03730 R (VBK).

F. Plaintiff warrants and represents that it/he is not aware of any persons or entities who do or may seek to bring a claim similar to the claims raised in the Litigation (Case Number 2:14-CV-03730 R (VBK)) against the Plaintiff's Releasees.

G. Plaintiff further warrants and represents that it/he is not aware of any persons or entities who do or may seek to bring a claim arising from or in any manner related to the Parties' entry into, execution of and/or satisfaction, discharge or implementation of this Settlement Agreement except to the extent Plaintiff may seek to ensure its performance or enforcement.

9. Plaintiff Not To Encourage Or Assist Claims; Indemnity.

A. Plaintiff on its own behalf and on behalf of its agents and staff shall not in any manner aid, abet, encourage or assist any other persons or entities who may at any time seek to bring a claim related to the claims raised in the Litigation (Case Number 2:14-CV-03730 R (VBK)) against the Plaintiff's Releasees.

B. Plaintiff on its own behalf and on behalf of its agents and staff further shall not in any manner aid, abet, encourage or assist any other persons or entities who may at any time seek to bring a claim against the Plaintiff's Releasees arising from or in any manner related to the Parties' entry into, execution of and/or satisfaction, discharge or implementation of this Settlement Agreement except to the extent Plaintiff may seek to ensure its performance or enforcement.

C. Plaintiff hereby agrees to indemnify, defend and hold City and each and all of City's representatives and agents harmless from and against any and all damages, actions, claims, demands, suits, penalties, fines, judgments, injuries, costs, defenses, liabilities, losses and expenses, including legal expenses, related to, resulting from, or arising out of any actions by Plaintiff or anyone authorized to act on behalf of Plaintiff against the Plaintiff's Releasees that relate to, result from, or arise out of the Dispute and/or homeless-related services at the Property

during Plaintiff's occupancy. Plaintiff acknowledges that the following persons are presumptively authorized to act on behalf of the Plaintiff: Sid Ward, David Christensen, Krysta Christensen, Guillermo Garcia, Ory Brochet, Anne Reinders, and Jenni Garcia. As used in this Agreement, "legal expenses" of a person shall mean any and all attorney's fees, costs, expenses and other fees of any kind reasonably incurred by such person in defending against, or providing evidence, producing documents or taking other action with respect to, any claims, demands, or lawsuits.

10. Waiver of Rights Under Civil Code Section 1542. Plaintiff hereby waives all rights under Section 1542 of the Civil Code of the State of California. Plaintiffs understand that said Section 1542 of the California Civil Code provides:

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.

11. Parties Advised By Counsel. The undersigned hereby each declare and represent that the undersigned are executing this Agreement after having received full legal advice as to their rights from their legal counsel. Plaintiff acknowledges being advised by the counsel of their choice with respect to the advisability of making the settlement provided for herein, with respect to the advisability of executing this Settlement Agreement, and with respect to the meaning of California Civil Code Section 1542.

12. Signatories Competent and Authorized. Each signatory is legally competent and authorized to execute this agreement on behalf of the party whose name is subscribed at the signatories' line. Each signatory represents and warrants that he/she/it has consulted with and has had the advice and counsel of attorneys of his/her/its choice and that he/she/it has entered into this Agreement voluntarily, after independent investigation, and without fraud, duress, or undue influence.

13. Construction. This Agreement was mutually negotiated by the Parties and their counsel.

14. Governing Law. This Agreement has been executed and delivered within the State of California, and the rights and obligations of the Parties shall be construed and enforced in accordance with, and governed by, the laws of the State of California.

15. Full Integration. This Agreement is the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. This Agreement supersedes all prior negotiations, discussion, deal points, and drafts of settlement terms, except as otherwise expressly provided herein.

16. Amendments. No modification, amendment or waiver of any of the provisions contained in this Agreement, or any future representation, promise, or condition in connection with the subject matter of this Agreement, shall be binding upon any Party to this Agreement unless made in writing and signed by such Party.

17. Severability. In the event that any term, covenant, condition, provision, or agreement contained in this Agreement is held to be invalid or void by any court of competent jurisdiction, the invalidity of any such term, covenant, condition, provision, or agreement shall in no way affect any other term, covenant, condition, provision, or agreement and the remainder of this Agreement shall still be in full force and effect.

18. Counterparts. This Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all Parties.

19. No Third Party Beneficiaries. The Parties acknowledge and agree that there are no intended or unintended third party beneficiaries of this Agreement, and that the settlement provided for herein is for the benefit of the named individual and institutional plaintiffs only on the one hand, and for the named individual defendants, other employees and agents of the City and the City on the other hand.

20. Parties To Make Good Faith Effort To Resolve Disputes. The Parties shall attempt in good faith to work out any disputes that arise under the terms of this Settlement Agreement. Only after good faith attempts have been exhausted will the parties request the assistance of the court in resolving such disputes.

21. No Admission. It is understood and agreed by the Parties that this Settlement Agreement is the compromise of a disputed claim and that the payment of monies by the City is not to be construed as an admission of liability and that any liability is expressly denied.

22. Attorney's Fees. The Parties agree to bear their own costs and attorney fees arising from all aspects of the Dispute and Litigation, including, but not limited to, those arising in the permit application process with the City and thereafter in the courts and negotiation of settlement. The prevailing Party shall be entitled to recover its reasonable attorney's fees in any action or proceeding to enforce or interpret this Settlement Agreement.

Harbor Missionary Church Corporation

Dated: June 17, 2016

By: 

Sam Gallucci

Its: Sr Pastor and Board Member

By: _____

David Reinders

Its: Board Member

17. Severability. In the event that any term, covenant, condition, provision, or agreement contained in this Agreement is held to be invalid or void by any court of competent jurisdiction, the invalidity of any such term, covenant, condition, provision, or agreement shall in no way affect any other term, covenant, condition, provision, or agreement and the remainder of this Agreement shall still be in full force and effect.

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Harbor Missionary Church Corporation

Dated: June 17, 2016

By: _____
Sam Gallucci

Its: Sr Pastor and Board Member

By:  _____
David Reinders


Its: Board Member

Dated: June __, 2016

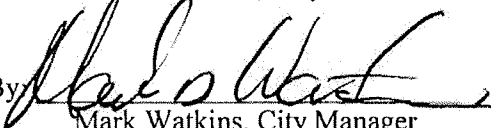
Sam Gallucci

City of San Buenaventura

Dated: June 16, 2016

By: 
Erik Nasarenko, Mayor

Dated: June 17, 2016

By: 
Mark Watkins, City Manager

APPROVED AS TO FORM:

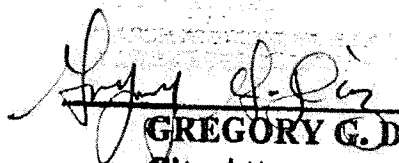
 6/15/2016
GREGORY G. DIAZ
City Attorney

EXHIBIT A

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City of San Buenaventura
501 Poli Street
San Buenaventura, California
93002-0099
Attention: City Clerk

Fee Exempt per Government
Code § 6103 and § 27383

Space above this line for Recorder's Use

THE UNDERSIGNED GRANTOR DECLARES THAT THE CITY OF SAN BUENAVENTURA IS ACQUIRING TITLE AND IS
EXEMPT FROM DOCUMENTARY TRANSFER TAX PURSUANT TO R & T 11922

QUITCLAIM DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, HARBOR MINISTRY CHURCH CORPORATION, a California corporation ("**Grantor**"), hereby remises, releases and quitclaims to THE CITY OF SAN BUENAVENTURA ("**Grantee**"), all of Grantor's right, title and interest in that certain real property located in the County of Ventura, State of California, described in **Exhibit "A"** attached hereto and incorporated herein by this reference.

IN WITNESS WHEREOF, the undersigned has executed this Quitclaim Deed on the date set forth below.

Dated: _____, 2016.

HARBOR MINISTRY CHURCH
CORPORATION

By: _____

Its: _____

By: _____

Its: _____

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss
County of Ventura)

On _____, before me, _____,
(Name of Notary)

notary public, personally appeared _____
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Notary Signature)

EXHIBIT "A"

Legal Description

That portion of Lot 468 of Ventura Mutual Homes, in the City of Ventura, County of Ventura, State of California, as per map recorded in Book 22, Page 1 of Maps, in the office of the County Recorder of said County.

Beginning at the Northerly terminus of that certain course in the Westerly line of said Lot 468, shown on said map as having a length of "600 feet"; thence, along said Westerly line,

1st: South $13^{\circ} 32' 20''$ West 191.70 feet; thence, at right angles,

2nd: South $76^{\circ} 27' 40''$ East 158.29 feet; thence, in a direct line,

3rd: North $13^{\circ} 32' 20''$ East 206.70 feet to a point in the Northerly line of said Lot 468 and the Easterly terminus of that certain course shown on said map as "North $76^{\circ} 27' 40''$ West 143.29 feet"; thence, along the Northerly and Northwesterly line of said Lot 468 by the following two courses,

4th: North $76^{\circ} 27' 40''$ West 143.29 feet to the beginning of a tangent curve, concave Southeasterly, having a radius of 15 feet; thence,

5th: Southwesterly along said curve through an angle of 90° , an arc distance of 23.56 feet to the point of beginning.

EXCEPT THEREFROM all oil, gas, other hydrocarbon substances and minerals in and under said land, but without the right to enter upon the surface thereof or within 500 feet beneath the surface for the purpose of exploring for or extracting such oil, gas, or other hydrocarbon substances and minerals.

Assessor's Parcel No: 075-0-262-215

EXHIBIT B

RENTAL AGREEMENT

This Rental Agreement (the "**Agreement**") is entered into as of _____, 2016, by and between the CITY OF SAN BUENAVENTURA, a municipal corporation ("**Landlord**"), and HARBOR MINISTRY CHURCH CORPORATION, a California corporation ("**Tenant**"), who agree as follows:

1. Recitals. This Agreement is made with reference to the following facts and circumstances:

(a) Landlord and Tenant are parties to a Settlement Agreement and Release (the "**Settlement Agreement**") entered into as of June 17, 2016.

(b) Pursuant to the terms of the Settlement Agreement, concurrently herewith, Tenant is selling to Landlord all of Tenant's interest in that certain real property, together with the improvements situated thereon (collectively, the "**Premises**"), which Premises are located in the City of San Buenaventura at 3100 Preble Avenue and are legally described on Exhibit A attached to this Agreement.

(c) Solely as an accommodation and courtesy to Tenant, and in order to facilitate the Settlement Agreement, Landlord has agreed to permit Tenant to remain in possession of the Premises following their sale to Landlord, and by this Agreement, Landlord and Tenant desire to set forth the terms and condition under which Tenant is entitled to remain in possession of the Premises.

2. Demise. On and subject to the terms and conditions set forth in this Agreement, Landlord rents to Tenant and Tenant rents from Landlord the Premises.

3. Term. The Term of this Agreement commences on the date hereof and continues thereafter for a period of one (1) year expiring on _____, 2017 (the "**Expiration Date**"). On 30 days written notice, Tenant may terminate the lease. Upon written notice from Tenant to Landlord, given not less than 45 days prior to the Expiration Date, Tenant may request that the term of this Agreement be extended on a month-to-month basis following the Expiration Date. Such notices shall be given in writing and delivered to the landlord in accordance with the notice provisions set forth in Paragraph 21 hereof. Upon receipt of such written notice, Landlord may, but is under no obligation to, agree to extend the term of this Agreement on a month-to-month basis. If Landlord agrees to extend the Term of this Agreement on a month-to-month basis, then Landlord will give Tenant written notice of such agreement prior to the Expiration Date. Landlord's failure to give such written notice of agreement prior to the Expiration Date will be deemed to be Landlord's disapproval of Tenant's request, and the term of this Agreement will expire on the Expiration Date. If the term of this Agreement is extended on a month-to-month basis, such extension will be on all of the same terms and provisions set forth in this Agreement (specifically including any agreed-upon rent as set forth in Paragraph 5 hereof), but either Landlord or Tenant may elect to terminate this Agreement upon the giving to the other of not less than 30 days prior written notice of termination.

4. Use; Compliance with Laws.

(a) Tenant may maintain the status quo of activity at the Property that has prevailed since July 9, 2014—including Worship Services on Wednesday evening and Sunday morning—until Tenant vacates the Premises. Without limiting the foregoing provisions of this Paragraph 4(a), Tenant shall not recommence at the Premises its Operation Embrace ministry or any other similar homeless services or homeless outreach services. Tenant acknowledges that Tenant's agreement to the foregoing use restriction is a material and fundamental consideration to Landlord for Landlord's entry into this Agreement and that absent such agreement on the part of Tenant, Landlord would not have entered into this Agreement.

(b) Tenant agrees that its use of the Premises will at all times be in strict compliance with all applicable laws, rules and regulations of all governmental authorities having jurisdiction, including, without limitation, the City of San Buenaventura, and Tenant, at its sole cost and expense, agrees to comply with all such laws, rules and regulations, including, without limitation, all laws, rules and regulations relating to the use, generation, storage or release of hazardous materials.

5. Rent. Commencing on the date of this Agreement, and continuing thereafter on the first day of each calendar month during the term of this Agreement (including any extension of the term of this Agreement), as rent for the Premises, Tenant agrees to pay the sum of \$3,000 per calendar month. Rent for any partial calendar month during the term of this Agreement is to be prorated based upon the number of days during such partial calendar month. Rent is payable in advance, without abatement, deduction or offset of any kind, and is payable to Landlord at its address set forth in Paragraph 21 of this Agreement. If, without the express written consent of Landlord, Tenant fails to surrender possession of the Premises to Landlord at the expiration of the term of this Agreement, then, in addition to any other rights and remedies available to Landlord, such continued occupancy will be a tenancy at will and Tenant shall be liable for rental in an amount equal to 150% of the rent then in effect per day for each day that Tenant remains in possession.

6. "As-Is" Rental. Tenant acknowledges that it is and has been occupying the Premises prior to the date of this Agreement and that Tenant is thoroughly familiar with the Premises and all aspects thereof, including, without limitation, the physical condition of the Premises, the zoning of the Premises and all other restrictions and limitations applicable to the Premises (whether or not of public record). Tenant acknowledges and agrees that the Premises are satisfactory to Tenant in all respects. Tenant agrees that Landlord has made no representation or warranty of any kind or nature respecting the condition of the Premises, their suitability for Tenant's use, or any other matter relating to the Premises, and Tenant agrees that it is renting the Premises in their "AS-IS CONDITION AND WITH ALL FAULTS".

7. Maintenance. To ensure the Premises are transferred to the City in "as-is" condition, Tenant agrees that during the term of this Agreement, Tenant shall not make any material changes to the Premises, but shall repair all portions of the Premises that stop functioning or are damaged or present a risk of further damage to the Premises (for example, but without limitation,

roof leaks), whether structural or non-structural, including, without limitation, all equipment and all plumbing, heating, air conditioning, ventilating, electrical and other facilities and utilities serving the Premises, and all walls, floors, ceilings, roofs, windows, doors, plate glass, driveways, sidewalks, parking lots, fences and landscaping. Under no circumstances does Tenant have an obligation to make any improvements to the Property or otherwise repair any portions of the Property that were not functioning or sustained material damage prior to the start of the term of this Agreement. Tenant agrees that Landlord has no obligation of any kind or nature to maintain, repair or replace the Premises or any portion of the Premises. Tenant agrees that Tenant is solely responsible for the security, protection and insuring of its equipment, materials and other property, and that of its employees, servants, contractors, guests and invitees located on or about the Premises. Tenant agrees that Landlord will have no liability of any kind or nature respecting any loss or theft of, or damage to, any such equipment, materials or other property.

8. Insurance. Tenant agrees to keep and maintain public liability and property damage insurance respecting the Premises, naming Landlord as an additional insured, in form and amounts (not less than \$1,000,000 per occurrence) and with insurers reasonably satisfactory to Landlord. Tenant also agrees to keep and maintain a policy or policies of fire and extended coverage insurance, with vandalism and malicious mischief endorsements, in the name of Landlord and with loss payable to Landlord, to the extent of the full replacement cost of the improvements located on the Premises and otherwise in form and with insurers reasonably satisfactory to Landlord. Tenant also agrees to keep and maintain worker's compensation insurance coverages for its employees in the minimum amounts required by California law. All such insurance will be primary and not contributing with any insurance which Landlord may maintain, and the insurer providing such insurance must agree that such insurance will not be changed or cancelled except upon at least thirty (30) days prior written notice to Landlord. Tenant waives any and all rights of recovery against Landlord and its officials, officers, agents and employees on account of loss or damage occasioned to Tenant or its property or the property of others under its control, to the extent that such loss or damage is insured against under any insurance policy required to be kept and maintained by Tenant under this Agreement; and Tenant shall cause each policy required to be kept and maintained by it under this Lease to provide that the insurer waives all right of recovery by way of subrogation against Landlord in connection with any damage covered by such policy. Tenant will provide Landlord with copies of the policies of such insurance or certificates evidencing such insurance upon execution of this Agreement and from time to time thereafter as reasonably requested by Landlord.

9. Indemnification. In addition to, and without limiting, Tenant's other obligations of indemnity under this Agreement, and as a separate, independent covenant irrespective of any insurance, Tenant agrees to indemnify, protect, defend (by counsel reasonably satisfactory to Landlord) and hold Landlord and its officials, officers, agents and employees, and each of them, harmless from and against all claims, losses, liabilities, actions, judgments, costs and expenses (including reasonable attorneys' fees and costs) which they, or any of them, may suffer or incur arising from or relating to Tenant's use of the Premises or any negligence, act or omission of Tenant, its agents, employees, contractors, guests or invitees in or about the Premises.

10. Utilities. Tenant agrees to pay, before delinquency, for all water, sewer, gas, heat, light, power, telephone service, refuse removal and all other utilities or services of any kind supplied to the Premises. It is agreed that Landlord is not liable for any failure or interruption of any utility or service, and the failure or interruption of any utility or service will not entitle Tenant to terminate this Agreement or stop making any payments due under this Agreement.

11. Taxes. It is acknowledged that both Landlord and Tenant are exempt from the payment of real property taxes and assessments. However, if at any time during the term of this Agreement, the Premises or any part thereof become subject to the levy or assessment of any real property taxes or assessments, then Tenant shall pay before delinquency all such real property taxes and assessments (both general and special) levied or assessed against the Premises during the term of this Agreement. Tenant shall promptly furnish Landlord with satisfactory evidence that such taxes and assessments have been paid. If any such taxes and assessments cover any period of time prior to the commencement or after the expiration of the term of this Agreement, Tenant's share of such taxes and assessments will be equitably prorated to cover only the period of time within the tax fiscal year this Agreement is in effect. Tenant shall also pay before delinquency all taxes, if any, levied or assessed against Tenant's trade fixtures, equipment and personal property located at the Premises or elsewhere. If Tenant fails to pay any taxes or assessments required to be paid by it under this Agreement, Landlord, at its option, may pay the same and Tenant agrees to reimburse Landlord therefor immediately upon demand.

12. Alterations. Tenant agrees that it will not make any alterations or improvements to the Premises, or any portion of the Premises, without Landlord's prior written consent, which consent Landlord is under no obligation to give. If Landlord consents to the making of any alterations or improvements, Tenant agrees that such alterations or improvements will be made in strict compliance with all applicable laws, rules and regulations of all governmental authorities having jurisdiction, will be performed in a good and workmanlike manner, and will be made in compliance with such other conditions as Landlord may require in connection with the granting of its consent. Tenant agrees that it will pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Tenant at or for use on the Premises, which claims are or may be secured by any mechanics' or materialmen's lien against the Premises or any interest therein. All alterations and improvements made by Tenant shall, at Landlord's option and at Tenant's sole cost and expense, be removed from the Premises at the end of the term of this Agreement and the Premises restored to their condition prior to the making of such alterations or improvements.

13. Tenant's Property. All personal property of Tenant located at the Premises will remain the property of Tenant during the term of this Agreement and may be removed by Tenant at any time and shall be removed by Tenant prior to the expiration or other termination of the term of this Agreement. Tenant, at Tenant's cost and expense, must promptly repair all damage to the Premises occasioned by the removal of its personal property.

14. Damage and Destruction. If the Premises or any portion thereof is damaged or destroyed by any casualty (whether or not insured) to such an extent that the cost of repairing or restoring the Premises would exceed \$1,500,000, then this Agreement will terminate as of the date of the damage or destruction and all proceeds of insurance shall be first allocated to compensate

Landlord for any losses and once the Landlord has recovered its share of any losses, then the balance of the proceeds shall be paid to the Tenant for any losses including loss of any personalty; provided, that if the damage or destruction was of a type as to which Tenant was required, but failed, to insure against under this Agreement, then Tenant shall be liable to Landlord for the full cost of repairing or restoring such damage or destruction as reasonably determined by Landlord, whether or not Landlord repairs or restores such damage or destruction. If the cost of restoring the damage or destruction would not exceed \$1,500,000, then Tenant, at its sole cost and expense, shall promptly repair and restore the Premises to their condition immediately prior to the damage or destruction and the proceeds of any insurance maintained by Tenant shall be paid to Tenant for such purpose..

15. Assignment. Tenant may not assign this Agreement nor may Tenant sublet or otherwise transfer possession of all or any part of the Premises.

16. Default. The occurrence of any one or more of the following shall constitute a default by Tenant:

(a) Failure by Tenant to make any payment required to be made by Tenant hereunder as and when due.

(b) Failure by Tenant to observe or perform any of the covenants or provisions of this Agreement, other than as provided in subsection (a) above, when such failure continues for a period of ten (10) days after written notice of such failure is given by Landlord to Tenant; provided, that if the nature of Tenant's failure is such that more than ten (10) days are reasonably required for its cure, then Tenant will not be deemed to be in default if Tenant commences such cure within said ten (10) day period and thereafter diligently prosecutes such cure to completion.

(c) The making by Tenant of any general arrangement or general assignment for the benefit of creditors; (ii) Tenant becoming a "debtor" as defined in the federal Bankruptcy Code or any successor statute thereto (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days; (iii) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Agreement, where possession is not restored to Tenant within thirty (30) days; or (iv) the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Agreement, where such seizure is not discharged within thirty (30) days.

17. Remedies. If Tenant is in default, then, in addition to all other rights and remedies which Landlord may have at law or in equity, Landlord has the following rights and remedies which are not exclusive but are cumulative:

(a) Landlord can, with or without terminating this Agreement, reenter the Premises and remove all property and persons therefrom, and any such property may be removed and stored in a public warehouse or elsewhere at the cost and for the account of Tenant. If Landlord elects to reenter or shall take possession of the Premises pursuant to legal proceedings or pursuant to any notice provided by law, and if Landlord has not elected to terminate this Agreement, Landlord may

either recover all rent as it becomes due under this Agreement or relet the Premises or any part or parts thereof for such term or terms and upon such provisions as Landlord may deem advisable and will have the right to make repairs to and alterations of the Premises. No reentry or taking possession of the Premises by Landlord is to be construed as an election to terminate this Agreement unless a written notice of such intention is given to Tenant by Landlord. Notwithstanding any reletting without termination by Landlord because of Tenant's default, Landlord may at any time after such reletting elect to terminate this Agreement because of such default. If Landlord elects to relet the Premises without terminating this Agreement, then rent received by Landlord therefrom will be applied as follows:

(i) First, to any indebtedness from Tenant to Landlord other than rent due from Tenant;

(ii) Second, to all costs and expenses, including, without limitation, for maintenance, repairs or alterations, incurred by Landlord in connection with reletting the Premises; and

(iii) Third, to the payment of rent due and unpaid under this Agreement and the residue, if any, will be held by Landlord and applied in payment of future rent as the same may become due and payable under this Agreement and to any damages and other amounts which Landlord is otherwise entitled to under this Agreement. Should that portion of such rent received from such reletting during any month, which is applied to the payment of rent hereunder, be less than the rent payable hereunder during that month by Tenant, then Tenant agrees to pay such deficiency to Landlord immediately upon demand. In no event will Tenant be entitled to any excess rent received by Landlord from such reletting.

(b) Landlord can terminate Tenant's right to possession of the Premises at any time. No act by Landlord other than giving written notice to Tenant will terminate this Agreement. Acts of maintenance, efforts to relet the Premises, or the appointment of a receiver on Landlord's initiative to protect Landlord's interest under this Agreement shall not constitute a termination of Tenant's right to possession. On termination, Landlord has the right to recover from Tenant:

(i) The worth, at the time of the award, of the unpaid rent that had been earned at the time of termination of this Agreement;

(ii) The worth, at the time of the award, of the amount by which the unpaid rent that would have been earned after the date of termination of this Agreement until the time of award exceeds the amount of the loss of rent that Tenant proves could have been reasonably avoided;

(iii) The worth, at the time of the award, of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of the loss of rent that Tenant proves could have been reasonably avoided; and

(iv) Any other amount, and court costs, necessary to compensate Landlord for all detriment proximately caused by Tenant's default.

"The worth, at the time of the award," as used in (i) and (ii) of this subsection (b), is to be computed by allowing interest at the maximum rate an individual is permitted by law to charge. "The worth, at the time of the award," as referred to in (iii) of this subsection (b), is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus 1%.

(c) Landlord can have a receiver appointed to collect rent and conduct Tenant's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by Landlord to terminate this Agreement.

(d) Without waiving the default, Landlord can, at its sole option, pay such sums and/or take such actions as are necessary in Landlord's reasonable judgment in order to cure the default, and all sums expended or incurred by Landlord in connection therewith, together with interest thereon at the maximum rate permitted by law, shall be paid by Tenant to Landlord immediately on demand.

18. Late Payment. Amounts not paid by Tenant when due under this Agreement shall bear interest at the rate of ten percent (10%) per annum from the date due until the date paid.

19. Landlord Entry. Landlord and its authorized representatives shall have the right upon prior notice, which notice shall be in writing and given pursuant to Paragraph 21 hereof, and such notice shall be given at least seven (7) days prior to the proposed entry by Landlord at the Property. Landlord may enter portions of the Premises for any of the following purposes: (a) to determine whether the Premises are in good condition and whether Tenant is complying with its obligations under this Agreement; (b) to inspect the Premises; (c) in connection with Landlord's design and construction planning respecting Landlord's future use of the Premises; and (d) to post notices of nonresponsibility. Notwithstanding the foregoing to the contrary, Landlord and its authorized representatives shall have the right, but not the obligation, to enter the Premises at any time, and without notice to Tenant, where an emergency situation necessitates such entry. No exercise by Landlord of its rights under this Section shall entitle Tenant to any damages for any injury or inconvenience occasioned thereby or to any abatement of any amounts payable under this Agreement.

20. Surrender of Premises. Except as otherwise provided herein, upon the expiration or other termination of the term of this Agreement, Tenant agrees to surrender possession of the Premises, and every part thereof, to Landlord in good order, condition and repair, ordinary wear and tear alone excepted. "Ordinary wear and tear" does not include any damage or deterioration that would have been prevented by good maintenance and repair practices or by Tenant performing all of its obligations under this Agreement.

21. Notices. Except as otherwise provided, all notices required or permitted to be given under this Agreement must be in writing and addressed to the parties at their respective notice addresses set forth below; provided, that notices to Tenant may also be effectively given in writing and addressed to Tenant at the Premises address. Notices must be given by personal delivery (including by commercial courier or delivery service) or by first-class mail, postage prepaid. Notices will be deemed effectively given, in the case of personal delivery, upon receipt (or if receipt is refused, upon attempted delivery), and in the case of mailing, three (3) business

days following deposit into the custody of the United States Postal Service. The notice addresses of the parties are as follows:

If to Landlord: City of San Buenaventura
 501 Poli Street, Room 213
 Ventura, California 93002
 Attn: City Attorney

If to Tenant: Harbor Missionary Church Corporation
 3100 Preble Avenue
 Ventura, California 93003
 Attn: Sam Gallucci

22. General.

(a) The acceptance by Landlord of any payments due hereunder with knowledge of the breach of any of the terms, covenants or provisions of this Agreement by Tenant shall not be construed as a waiver of any such breach. The acceptance at any time or times by Landlord of any sum less than that which is required to be paid by Tenant shall, unless Landlord specifically agrees otherwise in writing, be deemed to have been received only on account of the obligation for which it is paid, and shall not be deemed an accord and satisfaction notwithstanding any provisions to the contrary written on any check or contained in any writing transmitting the same.

(b) The titles to the sections of this Agreement are for convenience of reference only and are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part of this Agreement. Any exhibits attached to this Agreement are, however, a part of this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to any otherwise governing principles of conflicts of law. In construing this Agreement, none of the parties to it shall have any term or provision construed against it solely by reason of its having drafted the same.

(c) Any provision of this Agreement that is invalid, illegal or unenforceable shall be ineffective to the extent of such invalidity, illegality or unenforceability without invalidating, diminishing or rendering unenforceable the rights and obligations of the parties under the remaining provisions of this Agreement.

(d) No term or provision of this Agreement may be amended, altered, modified or waived orally or by a course of conduct, but only by an instrument in writing signed by a duly authorized officer or representative of the party against which enforcement of such amendment, alteration, modification or waiver is sought. Any amendment, alteration, modification or waiver shall be for such period and subject to such conditions as shall be specified in the written instrument effecting the same. Any waiver shall be effective only in the specific instance and for the specific purpose for which given.

(e) This Agreement and all exhibits attached to it constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous agreements (whether written or oral) with respect to that subject matter.

(f) This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(g) If either party hereto brings an action to enforce the terms hereof or declare rights hereunder, the prevailing party in such action, on trial or appeal, shall be entitled to reasonable attorneys' fees to be paid by the losing party as fixed by the court.

(h) The indemnities and releases set forth in this Agreement shall survive the termination of this Agreement.

The parties have caused this Agreement to be executed by their respective duly authorized officers or representatives as of the date first set forth above.

“Landlord”

CITY OF SAN BUENAVENTURA

By: _____

Mark Watkins, City Manager
(Print Name & Title)

Attest:

Antoinette Mann, City Clerk

“Tenant”

HARBOR MINISTRY CHURCH
CORPORATION

By: _____

David Reinders – Board Member
(Print Name & Title)

By: _____

Sam Gallucci – Sr Pastor & Board Member
(Print Name & Title)

EXHIBIT A

Legal Description of Premises

That portion of Lot 468 of Ventura Mutual Homes, in the City of Ventura, County of Ventura, State of California, as per map recorded in Book 22, Page 1 of Maps, in the office of the County Recorder of said County.

Beginning at the Northerly terminus of that certain course in the Westerly line of said Lot 468, shown on said map as having a length of "600 feet"; thence, along said Westerly line,

1st: South $13^{\circ} 32' 20''$ West 191.70 feet; thence, at right angles,

2nd: South $76^{\circ} 27' 40''$ East 158.29 feet; thence, in a direct line,

3rd: North $13^{\circ} 32' 20''$ East 206.70 feet to a point in the Northerly line of said Lot 468 and the Easterly terminus of that certain course shown on said map as "North $76^{\circ} 27' 40''$ West 143.29 feet"; thence, along the Northerly and Northwesterly line of said Lot 468 by the following two courses,

4th: North $76^{\circ} 27' 40''$ West 143.29 feet to the beginning of a tangent curve, concave Southeasterly, having a radius of 15 feet; thence,

5th: Southwesterly along said curve through an angle of 90° , an arc distance of 23.56 feet to the point of beginning.

EXCEPT THEREFROM all oil, gas, other hydrocarbon substances and minerals in and under said land, but without the right to enter upon the surface thereof or within 500 feet beneath the surface for the purpose of exploring for or extracting such oil, gas, or other hydrocarbon substances and minerals.

Assessor's Parcel No: 075-0-262-215

EXHIBIT C

1 James A. Sonne (SBN 250759)
jsonne@law.stanford.edu
2 STANFORD LAW SCHOOL RELIGIOUS
LIBERTY CLINIC
3 Crown Quadrangle
559 Nathan Abbott Way
4 Stanford, CA 94305
Tel: 650.723.1422
5 Fax: 650.723.4426

6 Attorneys for Plaintiff
HARBOR MISSIONARY CHURCH
7 CORPORATION

8 Charles E. Slyngstad (SBN 89103)
cslyngstad@bwsllaw.com
9 BURKE, WILLIAMS & SORESENSEN, LLP
10 444 South Flower Street, Suite 2400
Los Angeles, CA 90071-2953
11 Tel: 213.236.2709
Fax: 213.236.2700

12 Attorneys for Defendants
13 CITY OF SAN BUENAVENTURA, et al

14 UNITED STATES DISTRICT COURT
15 CENTRAL DISTRICT OF CALIFORNIA
16 WESTERN DIVISION

17 HARBOR MISSIONARY CHURCH
18 CORPORATION,

19 Plaintiff,

20 v.

21 CITY OF SAN BUENAVENTURA, et
22 al.,

23 Defendant.

Case No. 2:14-cv-03730-R (VBKx)

**STIPULATION OF DISMISSAL
WITH PREJUDICE PURSUANT TO
FED.R.CIV.PRO. 41(A)(1)(a)(ii)**

**Action filed: May 14, 2014
Trial Date: None**

24 TO THE COURT AND ALL PARTIES AND COUNSEL:

25 Plaintiff Harbor Community Church Corporation and Defendants City of San
26 Buenaventura et al. hereby stipulate to dismiss this action with prejudice pursuant
27 to Fed.R.Civ.Pro. 41(a)(1)(A)(ii). This dismissal is in the context of a negotiated,
28

1 voluntary resolution of this action by and between the parties. The parties agree to
2 bear their own costs and attorney's fees in this matter.

3 This stipulation shall be filed only after issuance of the mandate by the
4 United States Court of Appeals for the Ninth Circuit, No. 14-56137.

5
6 Dated: _____, 2016

STANFORD LAW SCHOOL RELIGIOUS
LIBERTY CLINIC

7
8 By: _____
9 James A. Sonne
Attorneys for Plaintiff

10 Dated: _____, 2016

BURKE, WILLIAMS & SORENSEN, LLP

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12 By: _____
13 Charles E. Slyngstad
14 Attorneys for Defendants
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