

SETTLEMENT AGREEMENT

This Settlement Agreement (the "Agreement") is entered into by and between Citizens for Adequate Review, a California non-profit public benefit corporation, and Antonio Andrade (collectively "Petitioners"), DDR DB Mendocino LP ("DDR") and the County of Mendocino ("County"). Petitioners, DDR and the County are collectively referred to herein as the "Parties" and individually as "Party."

RECITALS

A. WHEREAS, on January 14, 2008, Petitioners filed a Petition for a Writ of Mandamus in the case entitled *Citizens for Adequate Review v. County of Mendocino, et al.*, Mendocino County Superior Court Case No. SCUk CVPT 08-50739 (the "Litigation"). In the Litigation, Petitioners made certain allegations regarding the California Environmental Quality Act with respect to demolition at the former Masonite site in Ukiah.

B. WHEREAS, several of the claims at issue in the Litigation related to the scope of work authorized by the County pursuant to a large format plan attached the County's demolition permit for the site, which large format plan is entitled "Demolition Plan", sheet number CD-101, and dated June 11, 2007 ("the Large Format Plan"). This Large Format Plan bears the name of Developers Diversified Realty, and refers to the site address as 300 Ford Road, at former Masonite site, Ukiah, Mendocino County, California.

C. WHEREAS, the Parties now desire to resolve and settle the claims, complaints, and disputes in the Litigation, by confirming the scope of the demolition permit and providing for the dismissal of the Litigation with prejudice.

AGREEMENT

1. Effective Date This Agreement will become effective on the last date on which it has been signed by Petitioners, DDR, and the County.

2. Operative Terms:

a. The County and DDR confirm, acknowledge and agree that the only demolition work that has been approved by the County is that work shown on the Large Format Plan attached to the demolition permit.

b. The County and DDR confirm, acknowledge and agree that the statement about future contracts in the contract document attached to the solid waste clearance does not constitute any sort of authorization for demolition, or removal of slab, foundation, and underground utilities.

c. The County and DDR confirm, acknowledge and agree that any environmental impact report for DDR's proposed Mendocino Crossings project on the old Masonite site in Ukiah will include in the scope of its review any remaining slab, foundation or underground utility removal on the project site. The parties acknowledge that this provision is to set

the scope of any such environmental impact report and is not a limit upon DDR's exercise of any lawful activity on its property, or Petitioners' ability to assert claims regarding that activity.

d. The parties will bear their own costs and fees. There will be no charge to Petitioners for work expended in assembling or preparing administrative record documents in the Litigation.

e. Petitioners will dismiss the Litigation with prejudice.

3. Advice of Counsel. The Parties represent and warrant that they have sought and received the advice of their attorneys with respect to the advisability of making this Agreement.

4. Notices. Any notices required under this Agreement shall be sent via national overnight courier to the following:

If to Petitioners:

Citizens for Adequate Review
C/o Rachel Howlett
Provencher & Flatt LLP
823 Sonoma Ave.
Santa Rosa CA 95404
Fax: 707.284.2387

If to DDR:

Developers Diversified Realty
ATTN: Jeff Adams
1401 Willow Pass Road, Suite 850
Concord CA 94520
Fax: 925.676.4774

Copy to:

Michael H. Zischke, Esq.
Cox, Castle & Nicholson LLP
555 California St., 10th Floor
San Francisco, California 94104
Fax: 415.392.4250

And

Developers Diversified Realty Corporation
3300 Enterprise Parkway
Beachwood, OH 44122
Attn: General Counsel

If to the County:

County of Mendocino
ATTN: Jeanine Nadel, County Counsel
501 Low Gap Rd., Rm. 1030
Ukiah, CA 95482

The addresses to notices set forth in this Section may be changed upon written notice of such change to Respondent or Petitioners, as appropriate.

5. Authority of Signatories. Each person executing this Agreement represents and warrants to the other signatories that he or she has the authority necessary to execute this Agreement; and that no other consents or approvals of anyone are required or necessary for this Agreement to be binding. mages, judgments, costs, loss of services, expenses and/or compensation referred to in this Agreement.

6. Dispute Resolution/Choice of Law/Venue. The Parties agree that should a dispute arise as to the terms of this Agreement, the Parties will make a good faith effort to resolve the dispute through negotiation prior to seeking judicial relief unless relief is needed urgently, such as injunctive relief. This Agreement shall in all respects be interpreted, enforced and governed by and under the laws of the State of California.

7. No Oral Modifications. Each Party further acknowledges that neither any other Party, nor any representative of any other Party, has made any promise, representation, or warranty, written or oral, express or implied, not contained in this Agreement concerning the subject matter hereof, to induce it to authorize the execution hereof, and acknowledges that it has not authorized the execution of this Agreement in reliance upon any such promise, representation, or warranty not contained herein.

8. No Admission. Nothing in this Agreement shall be deemed as an admission by County or DDR as to the validity of any claims set forth in the Petition for Writ of Mandamus filed in this Litigation.

9. No Third Party Beneficiary. The Agreement is made solely among and for the benefit of the Parties hereto and shall not create any rights, remedies or claims in favor of or enforceable by any third party as a third party beneficiary or otherwise.

10. Entire Agreement. This Agreement is the final and complete expression of the agreement of the Parties with respect to the matters contained herein, and all prior or contemporaneous agreements or understandings, oral or written, pertaining to any such matters are merged herein and shall not be effective for any purpose. No provision of this Agreement may be amended or added to except by an agreement in writing signed by the Parties or their respective successors in interest and expressly stating that it is an amendment of this Agreement. The Parties have been represented by counsel of their choice in the negotiation and preparation of this Agreement. This Agreement has been fully negotiated by the Parties and there shall be no presumption in connection with the interpretation or construction of this Agreement against any Party by virtue of such Party having drafted or been responsible for drafting this Agreement or any provision hereof.

11. Duplicate Originals. The Parties may execute duplicate originals of this Agreement or any other documents they are required to sign or furnish pursuant to this Agreement.

IN WITNESS THEREOF, each Party has executed this Agreement as of the date set forth beside their signatures below.

Dated: _____, 2008 Petitioner Citizens for Adequate Review, a California non-profit public benefit corporation

By: _____
Name: _____
Its: _____

Dated: _____, 2008 Petitioner Antonio Andrade

Antonio Andrade

Dated: _____, 2008 DDR DB Mendocino LP
a Delaware limited partnership

By: DDR Mendocino Holdings LLC
a Delaware limited liability company
Its: General Partner

By: Developers Diversified Realty Corporation
an Ohio corporation
Its: Sole Member

By: _____
Name: _____
Its: _____

Dated: _____, 2008 County of Mendocino

By: _____
Name: _____
Its: _____