

EXECUTION COPY

SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS

WE, THE CITY OF CLAREMONT ("City"), CALIFORNIA JOINT POWERS INSURANCE AUTHORITY ("CJPIA"), and JANICE BASSETT, JAMES BASSETT, JAMES BUTLER, DAVID CARR, JESSICA BARKLOW, SARAH BARKLOW, CHRISTINE IDE, JAMES IDE, RICHARD SURBECK, CAROL SURBECK, CHARLES BARKLOW, JILL BARKLOW, RICHARD P. MCCARTHY, STEPHEN CHASE, BONNIE CHASE, DAVID KHOURY, THOMAS EDHOLM, JUDITH AVERY, NATALIE AVERY, MARY BRIGHT, MICHAEL BRIGHT, SCOTT THOMPSON, JAMES ANTONICH, PATRICIA ANTONICH, JANIS PAPINEAU, PAIGE PAPINEAU, MARTIN FRANCIS, LORRAINE FRANCIS, DEBORAH DEY, JEAN THOMPSON, DONALD WILBORN, SERENE WILBORN, LINDA AMATO, CHRISTINE OBUCH, JOHN BERRY, AMY BERRY, GRETCHEN MCGARIGLE (AKA GRETCHEN BUTLER) JERRY MARCOTTE, LINDA MARCOTTE, JIM GIANAKOS, ALEXANDER TURNBULL, HAROLD TURNBULL, MARK OPDAHL, TRICIA OPDAHL, GIRIJA KARAMCHETI, HELEN PARK, STEVEN PARK, MERLIN DUVALL, LENARD TRONCALE, DENISE TRONCALE, DENNIS MILLER, JOHN CALIRI, ELVIRA CALIRI, STEPHEN GRIFFITH, DENEL BARAK, ROBERT FRANTZ, GREGORY KITTELSON, DONNA KITTELSON, CATHLEEN FORD, RACHEL WINETSKY, VERN JAHNKE and DEB JAHNKE ("Plaintiffs") (Plaintiffs, CJPIA, and City together "Settling Parties") as parties to this Settlement Agreement and Release of All Claims ("Agreement") do declare that:

FOR AND IN CONSIDERATION of the following:

1. Payment of the sum of \$17,500,000.00 by the CJPIA on behalf of the City to the Plaintiffs; and

2. for such nonmonetary consideration as is contained in the attached Exhibit "A", PLAINTIFFS, ON BEHALF of themselves, their heirs, administrators, executors, representatives and/or assigns, and each of them, being of lawful age, sound mind and body, do hereby release, acquit and forever discharge City and CJPIA, and their officers, agents, employees, successors, attorneys, assigns and insurers (hereinafter referred to collectively as "Defendants") of and from any and all actions, causes of action, claims, demands, costs and expenses on account of, or in any way growing out of, any and all known and unknown damages including but not limited to, property damage, and any other damages alleged by way of the complaint or otherwise, resulting or to result from a fire known as the Grand Prix Fire or the Padua Fire (the "Fire") that took place, among other days, on or about October 25, 2003, as alleged in the Complaint entitled "*Janice Bassett, et al. v. City of Claremont, et al.*" Los Angeles County Superior Court Case No. KC045147, filed in the Superior Court of California, County of Los Angeles, East District (the "Complaint").

DEFENDANTS HEREBY agree that the sum of \$17,500,000.00 to be paid to the undersigned Plaintiffs shall be paid to Plaintiffs' counsel upon Defendants' counsel's receipt of all Plaintiffs' signatures to this Agreement and a fully executed Request for Dismissal with prejudice are obtained by Defendants on or after April 9, 2007.

FOR AND IN CONSIDERATION of the execution and delivery to counsel for City of a signed original of this agreement, thereby fully and forever releasing Defendants on the terms described in this Agreement, Defendants do hereby release, acquit, and forever discharge each and every undersigned Plaintiff and Plaintiffs collectively of and from any and all actions, causes of action, claims, demands, costs and expenses on account of, or in any way growing out of, any and all known and unknown damages including but not limited to, equitable

contribution, comparative indemnity, declaratory relief, and any damages alleged by way of the City's Cross-Complaint filed in the Action, resulting from the Fire.

THE SETTling PARTIES hereby declare and represent that in making this release and agreement it is understood and agreed that we rely wholly upon our own judgment, belief and knowledge of the nature, extent and duration of said damages, and that we have not been influenced to any extent whatsoever in making this release by any representations or statements regarding said damages, or regarding any other matters, made by the persons, firms or corporations who are hereby released, or by any person or persons representing them, or by any representative employed by them.

THIS AGREEMENT shall be construed without regard to the drafter of said agreement and shall be construed as though all parties hereto participated equally in the drafting of the Agreement.

THE SETTling PARTIES acknowledge that they have been advised by legal counsel and understand that this is a release of all of the claims for relief asserted in the Complaint filed by Plaintiffs on November 10, 2004 in the Los Angeles County Superior Court, Case Number KC045147 and the corresponding Cross-Complaint filed by the City on May 25, 2006.

THE SETTling PARTIES acknowledge that they have been advised by legal counsel and are familiar with the provisions of the 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 favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

THE SETTling PARTIES are expressly aware of said code section and hereby expressly waive any and all rights that we may have thereunder. The Settling Parties understand and acknowledge the significance and consequence of the specific waiver of California Civil Code, Section 1542 and hereby assume full responsibility for any injuries, damages, losses or liabilities that they may hereafter discover as possibly resulting from the above mentioned incident.

IT IS FURTHER understood and agreed that this settlement is the compromise of a disputed claim, and that payment is not to be construed as an admission of liability on the part of said persons and parties by whom liability is expressly denied.

THE SETTling PARTIES hereby acknowledge their own responsibility for any and all fees and expenses related to any litigation expenses or any other expenses incurred in the preparation of this matter for trial.

EACH OF THE SETTling PARTIES hereto warrants and represents that it is the only person or entity which has any interest in any of the matters herein released, and that none of such claims, causes of action, costs or demands, or any part thereof, have been assigned, granted or transferred in any way to any other person or entity.

THIS AGREEMENT constitutes the entire agreement between the Settling Parties and supersedes any and all other agreements, understandings, negotiations or discussions, either oral or in writing, express or implied, between the Settling Parties concerning in any manner, the claims, demands and/or causes of action described herein. The Settling Parties acknowledge that no representations, inducements, promises, agreements or warranties, oral or otherwise, have been made that have not been embodied in this Agreement, and further

EXHIBIT "A"

The City of Claremont agrees as follows:

WHEREAS, the City of Claremont recognizes that, prior to October 25, 2003 a residential community of homes existed in the unincorporated portion of Los Angeles County known as Palmer Canyon.

WHEREAS, prior to October 25, 2003 the City of Claremont became the owner of certain properties located within Palmer Canyon and outside of the Claremont Hills Wilderness Park known as Palmer Canyon Road, which includes the portion referred to as the West Fork Road (hereinafter "City's Palmer Canyon property").

WHEREAS, a land survey performed by Los Angeles County in the early 1920s erroneously plotted locations of certain lots situated in Palmer Canyon, and erroneously plotted the location of portions of Palmer Canyon Road. As a result, the legal description of the City's Palmer Canyon property and the legal descriptions of the properties owned by the residents of Palmer Canyon conflict. A revised land survey (hereinafter "Palmer Canyon Survey") is presently underway to identify the errors in the former land survey and to provide the basis for a new tract map that will correctly identify the property lines within Palmer Canyon.

WHEREAS, on or about October 25, 2003 all but four of the residences in Palmer Canyon were destroyed in the Padua/Grand Prix Fire (hereinafter "Fire"). Remediation of Palmer Canyon's infrastructure will require compliance with presently existing Los Angeles County building codes or will require code variances acceptable to Los Angeles County.

WHEREAS, in November of 2004 a lawsuit was commenced on behalf of certain owners of land in Palmer Canyon, certain tenants of owners of land in Palmer Canyon, as well as others situated in nearby portions of unincorporated Los Angeles County, California, seeking recovery from the City of Claremont for real and personal property damage, as well as for remediation of Palmer Canyon's infrastructure; that lawsuit having been filed in the Superior Court of the State of California for the County of Los Angeles, bearing case docket number KC045147 (hereinafter "the Lawsuit").

WHEREAS, in furtherance of their mutual desire to resolve the Lawsuit, on July 21, 2006 the City of Claremont and the Plaintiffs in the above-described lawsuit gave notice to one another of their acceptance of the mediator's settlement proposal concerning only the *monetary* element of a proposed global settlement, the City of Claremont and the Plaintiffs having still to complete the settlement terms and conditions related to the remediation of the infrastructure for Palmer Canyon before achieving final resolution of the lawsuit.

WHEREAS, the City of Claremont acknowledges Los Angeles County's authority to permit the remediation of Palmer Canyon's infrastructure, and supports the Palmer Canyon property owners' efforts to take all steps necessary to rebuild no more than the like number of residences that existed in Palmer Canyon at the time of the Fire.

NOW, THEREFORE, the City of Claremont does hereby agree:

Section 1 – The City of Claremont affirms its desire to achieve a final resolution of the Lawsuit.

Section 2 – The City of Claremont affirms that it will cooperate fully with the effort of Plaintiffs and the Palmer Canyon Association to obtain the approval of the County of Los Angeles for a new revised tract map for Palmer Canyon that allows for the reconfiguration of lots so as to permit the rebuilding of the infrastructure and the reconstruction of the like number of Palmer Canyon homes destroyed in the Fire. While the City intends to cooperate and not oppose the future entitlements needed from the County of Los Angeles for the rebuilding of the homes, the City does not waive its right to comment on issues regarding the health, safety, or welfare impacts of the project or the environmental impacts in connection with proper review under the California Environmental Quality Act.

Section 3 – The City of Claremont affirms that as part of the settlement of the Litigation with Plaintiffs, it shall enter into an agreement with the Palmer Canyon Association to quitclaim its interest in all the City's Palmer Canyon Property, (hereinafter "Quitclaimed Property"). Such Quitclaimed Property will be quitclaimed in "as is" condition. The City of Claremont makes no representations, guarantees, or warranties whatsoever with regard to the Quitclaimed Property, including, but not limited to, any representations, guarantees, or warranties regarding the boundaries, nature, or condition of the Quitclaimed Property. The agreement shall specify that the Palmer Canyon Association shall have the responsibility to undertake the redesign, reconfiguration and reconstruction of Palmer Canyon Road and to obtain all necessary permits and approvals therefore from the County of Los Angeles. The Palmer Canyon Association will agree to maintain the Quitclaimed Property thereafter and pay for all such costs of maintenance. Plaintiffs agree that the upon quitclaiming the Quitclaimed Property, the City of Claremont will have no further responsibility or liability relating to such property. The City of Claremont agrees that it shall fully cooperate in Palmer Canyon Association's efforts to construct and use Palmer Canyon Road. The City of Claremont affirms that it will promptly execute all documents necessary to quitclaim its interest in the Quitclaimed Property to Palmer Canyon Association upon written request. Plaintiffs agree that the Palmer Canyon Association will accept any documents necessary to effectuate the City of Claremont's quitclaiming of its interest in the Quitclaimed Property promptly upon receipt of same without regard to whether the Palmer Canyon Survey is completed.

acknowledge that they have not executed this Agreement in reliance upon any such representations, inducements, promises, agreements or warranties.

THE SETTLING PARTIES agree that should there be any dispute regarding the terms or enforcement of this agreement, the laws of the State of California shall apply. Further, the Settling Parties agree that proper venue for any dispute related to the enforcement of the terms and/or obligations of this agreement shall be the County of Los Angeles, State of California. The Settling Parties further agree that any such dispute arising out of the terms of this Agreement shall be resolved before the Honorable R. Bruce Minto of the Superior Court of California in and for the County of Los Angeles-East District and that he shall retain jurisdiction over this matter as it pertains to the enforcement of the terms of this Agreement until such time as all the terms of this Agreement have been performed and/or completed.

THIS AGREEMENT shall not be modified by any party by oral representation made before or after the execution of this Agreement. All modifications must be in writing and signed by the Settling Parties.

WE FURTHER STATE that we have carefully read the foregoing release and know the contents thereof, and sign the same as our own free act and it is our intention to be legally bound hereby. This Agreement may be executed in counterparts.

DATED: 1/1/02

By: [Signature]

CITY OF CLAREMONT'S CITY MANAGER

DATED: _____

By: _____

CJPIA'S _____

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WE FURTHER STATE that we have carefully read the foregoing release and know the contents thereof, and sign the same as our own free act and it is our intention to be legally bound hereby. This Agreement may be executed in counterparts.

DATED: _____

By: _____

CITY OF CLAREMONT'S _____

DATED: _____

By:  _____


CJPIA'S  _____

APPROVED AS TO FORM AND CONTENT

DATED: _____

Mark Grotefeld, Esq.
GROTEFELD & DENENBERG, LLP
Attorney for Plaintiffs

DATED: 4/16/07


Edwin J. Richards, Esq.
KUTAK ROCK, LLP
Attorney for Defendants

DATED: 3-30-07

Christine Ide

CHRISTINE IDE
Plaintiff

DATED: 7-1-07

Cathleen Ford
CATHLEEN FORD
Plaintiff

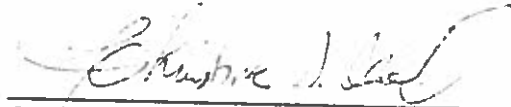
DATE: 4-4-07

Linda Amato

LINDA AMATO
Plaintiff

DATED:

3/30/07

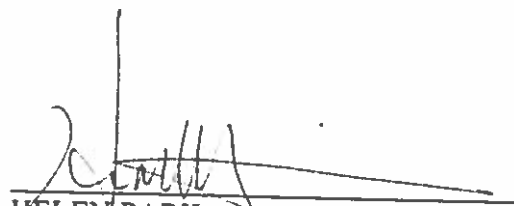


CHRISTINE OBUCH
Plaintiff

DATED: 3/30/07

STEVEN PARK
Plaintiff

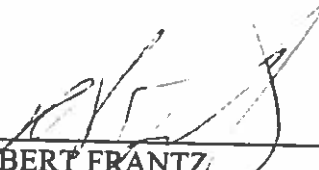
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HELEN PARK
Plaintiff

DATED: 4-2-2007

Denel Barak
DENEL BARAK
Plaintiff

DATED: 1-2-97

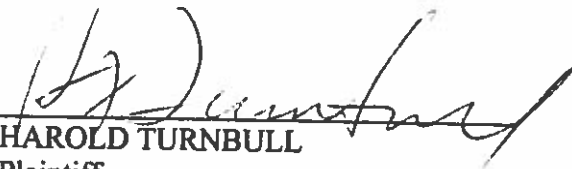


ROBERT FRANTZ
Plaintiff

DATED: 4-4-07

Dennis J. Miller
DENNIS MILLER
Plaintiff

DATED: 4/1/07


HAROLD TURNBULL
Plaintiff

DATED: 4/1/07

Alex Turnbull
ALEXANDER TURNBULL
Plaintiff

DATED: 11/07

Girija Karancheti
GIRIJA KARANCHETI
Plaintiff A

DATED: 3-31-07

Janice Bassett
JANICE BASSETT
Plaintiff

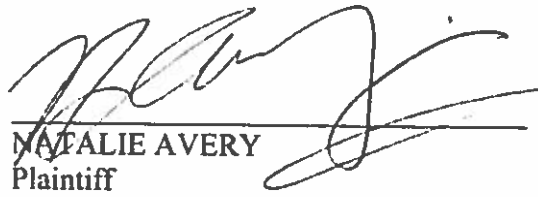
DATED: 4-1-07

James Bassett
JAMES BASSETT
Plaintiff

DATED: May 31, 2007


Judith Avery
JUDITH AVERY
Plaintiff

DATED: 3/31/07



NATALIE AVERY
Plaintiff

DATED: 03-29-2007



DAVID KHOURY
Plaintiff

DATED: 3-30-07



JOHN CALIRI
Plaintiff

DATED: 3/30/07

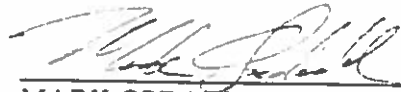


ELVIRA CALIRI
Plaintiff

DATED: March 30, 2007

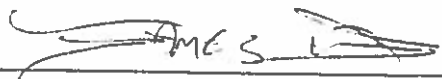
Tricia Opdahl
TRICIA OPDAHL
Plaintiff

DATED: Mar 30th 2008



MARK OPDAHL
Plaintiff

DATED: 5/30/07



JAMES IDE
Plaintiff

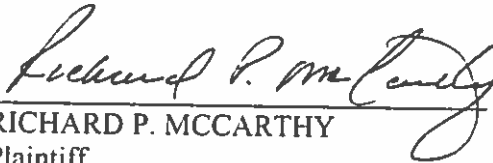
DATED: 7-1-07

Jerry Marcotte
JERRY MARCOTTE
Plaintiff /

DATED: 4-1-07

Linda Marcotte
LINDA MARCOTTE
Plaintiff

DATED: 4-2-07


RICHARD P. MCCARTHY
Plaintiff

DATED: March 31, 2007

Leonard R. Troncale

LEONARD TRONCALE
Plaintiff

DATED: 3/31/07

Denise Troncale
DENISE TRONCALE
Plaintiff

DATED: 3 30 - 07

Mary Bright
MARY BRIGHT
Plaintiff


DATED: 3-30-07

Michael Bright
MICHAEL BRIGHT
Plaintiff

DATED: 4/2/07

Gretchen Butler aka Gretchen McGarigle
GRETCHEN BUTLER aka GRETCHEN MCGARIGLE
Plaintiff

DATED: 2 Apr 2007


JAMES BUTLER
Plaintiff

DATED:

3/30/07

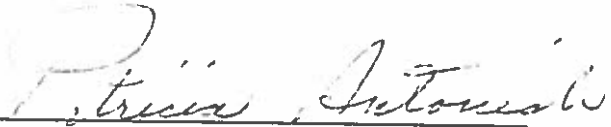

STEPHEN GRIFFITH
Plaintiff

DATED: 3/30/07



JAMES ANTONICH
Plaintiff

DATED: 3/30/07


PATRICIA ANTONICH
Plaintiff

DATED: 3/3/07

Amy Berry
AMY BERRY
Plaintiff

DATED: 3/30/2007



JOHN BERRY
Plaintiff

DATED: 3-30-07

G. Kittelson
GREGORY KITTELSON
Plaintiff

DATED: 3/20/07

Donna Kittelson

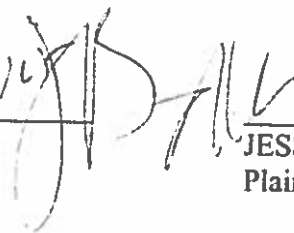
DONNA KITTELSON
Plaintiff

DATED: 3-29-07



CHARLES BARKLOW
Plaintiff

DATED: 2/28/08



JESSICA BARKLOW
Plaintiff

DATED: 3-29-07


JILL BARKLOW
Plaintiff


DATED:

3/29/07

Sarah Barklow

SARAH BARKLOW
Plaintiff

DATED: 3-27-07


RICHARD SURBECK
Plaintiff

DATED: 3 29-07

Carol Surbeck
CAROL SURBECK
Plaintiff

DATED: 3/30/07

Serene Wilborn
SERENE WILBORN
Plaintiff

DATED: 3-30-07

Donald Wilborn
DONALD WILBORN
Plaintiff

DATED: 3-30-07

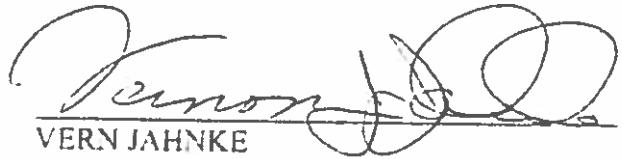
Deb Jahnke
DEB JAHNKE
Plaintiff

DATED: 3/25/07



JANIS PAPINEAU
Plaintiff

DATED: 3.30.07



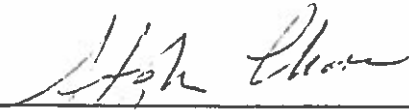
VERN JAHNKE
Plaintiff

DATED: 3 30/07

Paige Papineau

PAIGE PAPINEAU
Plaintiff

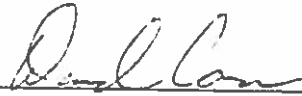
DATED: 7/29/07



STEPHEN CHASE
Plaintiff

DATED: March 29, 2007 Bonnie Chase
BONNIE CHASE
Plaintiff

DATED: Mar. 30, 2007



DAVID CARR
Plaintiff

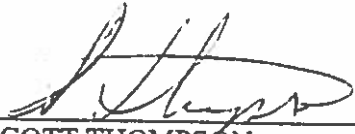
DATED: 3-30-17


MERLIN DUVALL
Plaintiff

DATED: 7 Aug 07

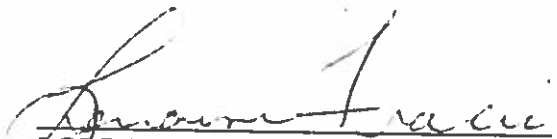
Deborah DeY
DEBORAH DEY
Plaintiff

DATED: 3/30/07



SCOTT THOMPSON
Plaintiff

DATED: 3/30/07

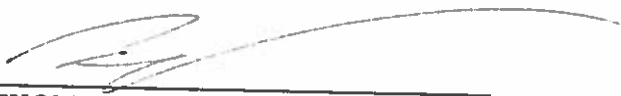

LORRINE FRANCIS
Plaintiff

DATED: 3/30/07

Martin Francis
MARTIN FRANCIS
Plaintiff

DATED: March 30, 2007 Jim Gianakos
JIM GIANAKOS
Plaintiff

DATED: 3/31/17



THOMAS EDHOLM
Plaintiff

DATED: 3/30/07


RACHEL WINETSKY
Plaintiff

DATED: 4-1-2007

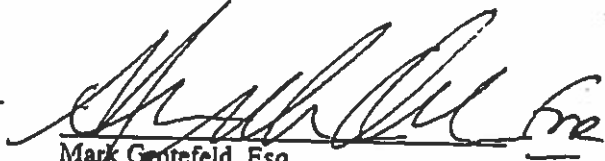
Jean Thompson
JEAN THOMPSON
Plaintiff

DATED: 7-26-7

John Thompson
JOHN THOMPSON
Plaintiff

APPROVED AS TO FORM AND CONTENT

DATED: 4/6/07



Mark Grotefeld, Esq.
GROTEFELD & DENENBERG, LLP
Attorney for Plaintiffs

DATED: _____

Edwin J. Richards, Esq.
KUTAK ROCK, LLP
Attorney for Defendants