

RELEASE OF ALL CLAIMS

Plaintiff-in-Intervention, CITY OF REDLANDS (hereinafter Releasor), and Defendants HTKG DEVELOPMENT ASSOCIATES LIMITED PARTNERSHIP and HYATT CORPORATION and St. Paul Fire & Marine Insurance Company (hereinafter collectively Releasees), desiring to compromise and settle all of the Releasor's claims against Releasees, either now accrued or which shall accrue in the future, arising from, or reasonably related to the facts and circumstances set forth in San Mateo County Superior Court Action Nos. 410972 and 411069 (hereinafter Action Cos. 410972/411069), hereby agree as follows:

1. Releasees shall pay to Releasor the sum of \$20,000.00 within 30 days of Releasees' receipt of the fully executed Settlement Agreement and Release.
2. Releasor does hereby forever release, acquit and discharge Releasees and their insurance companies from any and all rights of action, claims and demands whatsoever arising out of any act or thing done or omitted to be done by Releasees, including, but not limited to, rights of action, claims and demands for any and all loss and/or damage of any type or nature, whether known or not, which may hereinafter develop by reason of any act or thing done or omitted to be done by Releasees. This Release is expressly intended to discharge not only Releasees, but also each and all of their employees, agents, officers or directors, predecessors, successors, partners, subsidiaries, affiliates and related entities, assigns, representatives and heirs and all other entities, whether known or unknown in any and all capacities. All other references in this release to Releasees shall be read as referring to all such persons and entities.
3. It is expressly understood and agreed that this Release extends to all Releasor's claims, whether known or unknown, which arise out of, result from, or are connected with the facts and circumstances as set forth in Action Nos. 410972/411069, and this Release shall terminate and foreclose forever any difference which may exist between Releasor and Releasees on account of any losses and/or insurance policies under which Releasor may receive payments or insurance coverage from Releasees, or any of them. This is a full and final release of any and all claims described as aforesaid, and Releasor agrees that this Release shall apply to all unknown, unanticipated, unsuspected and undisclosed claims, demands, liabilities, actions or causes of action, as well as those which are now known, anticipated, suspected or disclosed.

4. Releasor expressly warrants that no compensation carrier, medical carrier, retirement board, and/or employer, past or present, is interested in, or has any claim arising out of, resulting from, or connected with the incident referred to in Action Nos. Nos. 410972/411069, that Releasor is the only one entitled to prosecute its separate actions, that Releasor has not assigned in whole or in part, any potential cause which could be asserted in any action brought based upon said incident to any other person or entity, and Releasor expressly agrees to defend, indemnify and hold Releasees harmless for any damages, loss or claims resulting from the breach of any term of this paragraph.

5. IN MAKING THIS SETTLEMENT, RELEASOR EXPRESSLY WARRANTS THAT IT DOES NOT RELY ON ANY REPRESENTATION OR STATEMENT REGARDING ANY RIGHT OF ACTION, CLAIM OR DEMAND WHATSOEVER MADE BY RELEASEES AND/OR ANY INSURER.

6. This Release is not an admission of liability by Releasees. The terms are contractual, not a mere recital. This Release constitutes the entire agreement between Releasor and Releasees and integrates and supersedes all prior understandings, agreements, stipulations and orders. This Release may not be altered, amended, modified, or otherwise changed except by a writing duly executed by the parties hereto, or their respective legal representative or successor in interest.

7. Releasor expressly waives any and all rights under Section 1542 of the Civil Code of California, which provides:

A general release does not extend to claims which the creditors does not know or suspect to exist in his favor at the time of executing the Release which, if known to him, must have materially affected his settlement with the debtor.

8. For your protections, California law requires the following to appear in this Agreement:

ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR THE PAYMENT OF A LOSS IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN STATE PRISON.

9. Releasor expressly warrants that no pleading based upon said accident has been filed by them, on their behalf, or in the alternative, that they have authorized or directed their attorneys of record to file a dismissal with prejudice of any and all such pleadings.

10. Releasor expressly warrants that no other person or entity has any lien upon, or any interest in, any cause of action that could be asserted in any action brought by Releasor based on said

accident. Releasor expressly agrees to defend, indemnify and hold harmless Releasees for any damages, loss, or claims resulting from the breach of any term of this paragraph.

11. Releasor expressly warrants and agrees that it has read this Release in its entirety, that it is entering into this settlement of its own will and intends to release and discharge, and does not intend to reserve, any right of action, claim or demand whatsoever against each other.

12. Releasor executes this Release with full knowledge of its significance and with all of the express intention of effecting its legal consequences.

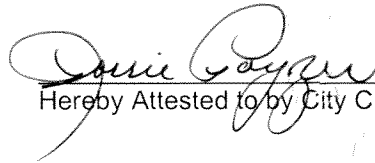
THE CITY OF REDLANDS HAS CAREFULLY READ AND UNDERSTAND THIS RELEASE AND SIGN IT FREELY AND WITHOUT RESERVATION.

DATED: Oct. 2, 2001



CITY OF REDLANDS,
By its authorized representative, the
Mayor of the City of Redlands

DATED: Oct. 2, 2001



Hereby Attested to by City Clerk

ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) SS
CITY OF REDLANDS)

By the authority granted under Chapter 4, Article 3, Section 1181, of the California Civil Code, and Chapter 2, Division 3, Section 40814, of the California Government Code, on October 2, 2001, before me, Beatrice Sanchez, Deputy City Clerk, on behalf of Lorrie Poyzer, City Clerk of the City of Redlands, California, personally appeared Pat Gilbreath and Lorrie Poyzer { X } personally known to me - or - { } proved to me on the basis of satisfactory evidence to be the persons whose names) are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

LORRIE POYZER, CITY CLERK



By: Beatrice Sanchez
Beatrice Sanchez, Deputy City Clerk
(909)798-7531

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CAPACITY CLAIMED BY SIGNER(S)

- { } **Individual(s) signing for oneself/themselves**  
{ } **Corporate Officer(s)**  
Title(s) \_\_\_\_\_  
Company \_\_\_\_\_  
{ } **Partner(s)**  
Partnership \_\_\_\_\_  
{ } **Attorney-In-Fact**  
Principal(s) \_\_\_\_\_  
{ } **Trustee(s)**  
Trust \_\_\_\_\_  
{ x } **Other**  
Title(s): Mayor and City Clerk  
Entity Represented: City of Redlands, California

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THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED BELOW:
Title or Type of Document: Release of All Claims - HTKG Development Associates Ltd. et al
Date of Document: October 2, 2001

ATTORNEY VERIFICATION

The undersigned hereby states that we are the attorneys for Releasor hereinabove. We have reviewed the foregoing Release and each and every one of its provisions, and have advised our client to execute it. We also represent and warrant to Releasor, to the best of our knowledge and belief, the representations and warranties made in this Release of All Claims are, and will continue to be, true and correct.

DATED: _____

SEREMBE, BAKKE & SEAMAN

By:

RICHARD M. STOLL, Attorneys for
Plaintiff/Releasor, CITY OF REDLANDS