

SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement ("Agreement") is entered into by and between Henry Frates and Catherine Frates ("Claimants") and the City of Redlands ("Redlands") in connection with the settlement of that certain claim for property damage filed by Claimants with the City on July 21, 2003. Redlands and the Claimants are sometimes referred to herein as the "Parties."

RECITALS

A. Over the last year (2002-2003), disposal trucks operated by Redlands' employees have utilized the driveway located at 1737 Cambridge Court to pick up trash and to execute u-turns in the cul-de-sac. As a result, Claimants filed a claim for damages to their driveway.

B. It is the intention of the Parties to resolve and settle their dispute and to discharge all claims, demands, causes of action, obligations, damages and liabilities the parties may have against the other that arise from or are related to the incident which is the subject of the claim.

C. This Agreement is a compromise of the Claim asserted by the Claimants and shall not be treated as an admission of liability by any party.

AGREEMENT

1. The Parties acknowledge that the Recitals are true and correct and incorporate the Recitals into this Agreement.

2. Redlands shall pay to Claimants the sum of Two thousand one hundred ninety dollars (\$2,190) to settle all claims and to pay for repair of the driveway. Such sum shall be due and payable thirty (30) days after the Parties have executed this Agreement. The payment of such sum shall be complete upon presentation of a valid check in the amount of \$2,190 to Claimant and/or Claimant's attorney. The area to be repaired is described in the attached Exhibit "A." Claimants shall notify the City's

Building and Safety Department prior to any concrete pour so the City can inspect the steel size and placement; verify the presence of aggregate, and pre-pour condition for thickness.

3. The Parties shall bear their own attorneys' fees and costs incurred in connection with the Claim.

4. Claimants, on behalf of themselves, their respective agents, attorneys, employees, representatives, assigns and successors-in-interest hereby release and forever discharge Redlands and its elected officials, officers, employees, assigns and successors-in-interest from any and all claims, causes of action, damages, losses, liabilities of every kind and character, known or unknown, existing or contingent, latent or patent, regarding any matter arising from or related to the incident which was the subject of the Claim.

5. Claimants represent and warrant that they have the legal authority to settle any and all causes of action and claims it may have against Redlands with regard to any and all claims and/or causes of action which relate to the Claim. By executing this Agreement, Claimants hereby release and waive all claims or causes of action which in any way relate to the Action. To the extent any person or entity should file, subsequent to the execution of this Agreement, any claims and/or causes of action against Redlands arising out of or which are related to the facts and issues released herein, Claimants agree to indemnify, defend and hold Redlands harmless from any and all damages, including any attorneys' fees and costs, that result therefrom.

6. Claimants expressly waive the rights afforded them under Civil Code section 1542 which provides that:

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.

7. Claimants represent and warrant that they have received the advice of legal counsel with respect to the advisability of making the release provided for herein, and the meaning of California Civil Code section 1542. Claimants are aware that they

may hereafter discover claims or facts in addition to or different from those they now know or believe to be true with respect to the matters related herein. Nevertheless, it is the intention of Claimants to fully, finally, and forever settle and release all such matters, and all claims related to those matters.

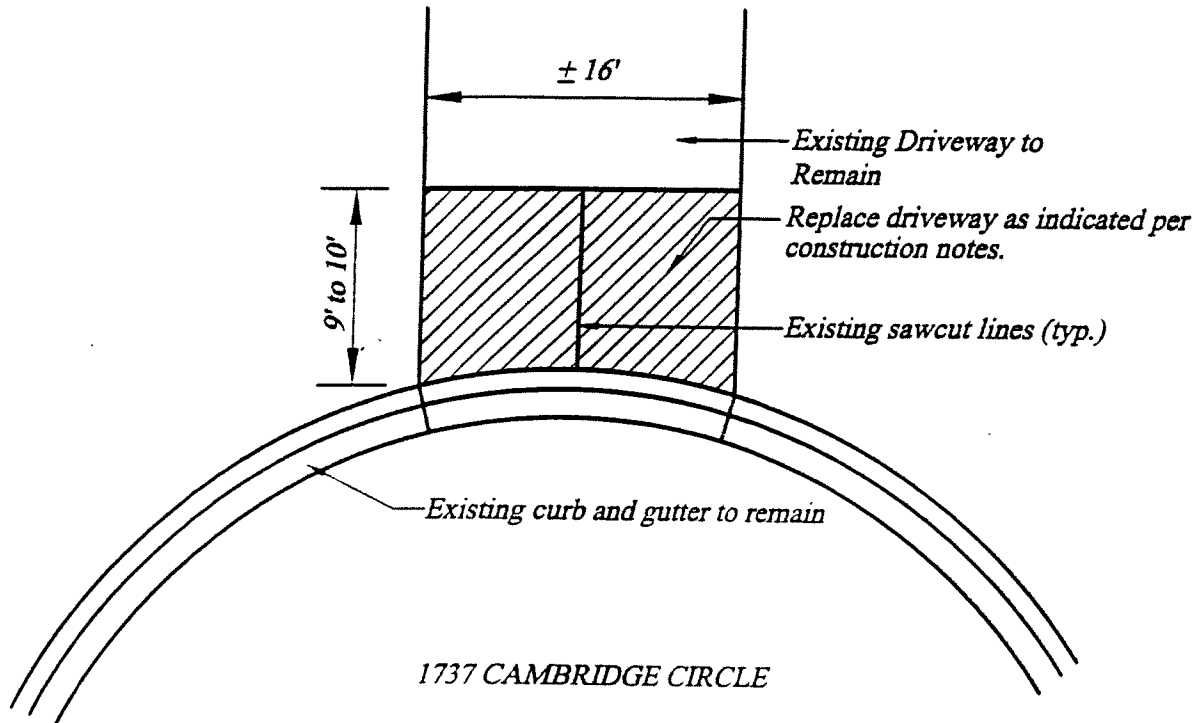
8. Claimants represent and warrant that they have not assigned or transferred or purported to assign or transfer, and shall not hereafter assign or transfer, any obligations, liabilities, demand, claims, costs, expenses, debts, controversies, damages, actions and causes of action released pursuant to this Agreement. Claimants shall indemnify, defend and hold Redlands harmless against any obligation, liability, demand, claim, cost, expense (including, but not limited to attorneys' fees incurred), debt, controversy, damage, action or cause of action based on, arising out of or in connection with any such transfer or assignment or purported transfer or assignment.

9. The Parties, and each of them, acknowledge that they have read this Agreement; that they have had the Agreement explained to them by counsel of their choice; that they are aware of the content and legal effect of the Agreement; that they are acting on the advice of counsel of their choice; and that they are not relying on any representations made by any other party or any of the employees, agents, representatives, or attorneys of any other party, or any of them.

10. The Parties agree to execute and deliver any other instrument or document convenient or necessary to carry out the terms of this Agreement.

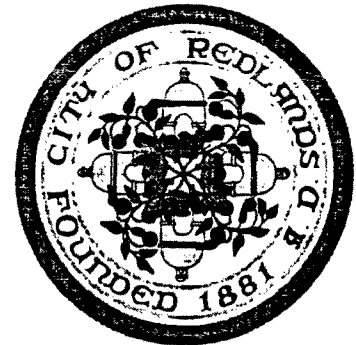
11. This Agreement constitutes the entire agreement between the Parties as to the matters contained herein. No modification of this Agreement shall be valid unless in writing signed by the Parties. The Parties shall not be bound by any representation, warranty, promise, statement or information unless it is specifically set forth in this Agreement.

12. Failure of any party to insist upon strict observance of, or compliance with all of the terms of this Agreement in one or more instances, shall not be deemed to be a waiver of a party's right to insist upon such observance or compliance with the other terms of this Agreement.



CONSTRUCTION NOTES:

1. DRIVEWAYS SHALL BE 6" THICK PORTLAND CEMENT CONCRETE (PCC).
2. REINFORCEMENT SHALL BE #3 @ 18" ON CENTER EACH WAY CENTERED IN SLAB.
3. A DEPTH OF 12 INCHES OF CRUSHED AGGREGATE BASE SHALL BE PLACED UNDER 6 INCH (PCC) DRIVE APPROACH.
4. WEAKENED PLANE JOINTS SHALL BE INSTALLED AT BOTH SIDES OF A DRIVEWAY AND AT APPROXIMATELY 10 FOOT INTERVALS.
5. MUNICIPAL UTILITIES STAFF TO INSPECT SITE PRIOR TO CONCRETE POUR.



CITY OF REDLANDS
MUNICIPAL UTILITIES DEPARTMENT
35 CAJON STREET, SUITE 15A
REDLANDS, CA 92373

DRIVE APPROACH REPAIR
FOR
1737 CAMBRIDGE CIRCLE, REDLANDS

USE WITH STANDARD SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION

13. This Agreement shall bind and inure to the benefit of the heirs, executors, administrators, successors and assigns of the Parties.

14. This Agreement has been jointly negotiated and drafted. The language of this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any of the Parties.

15. This Agreement shall in all respects be interpreted, enforced and governed by and under the laws of the State of California.

16. Should an action be brought to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs incurred in prosecuting the action.

Dated: 2/5/04

CLAIMANTS



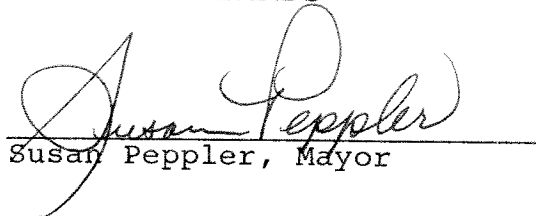
Henry Frates



Catherine Frates

Dated: 2/5/04

CITY OF REDLANDS


Susan Peppler, Mayor

Attest:


City Clerk Lorrie Poyzer

Date: Feb. 17, 2004