

SETTLEMENT AGREEMENT AND GENERAL RELEASE

This Settlement and Release Agreement (this "Agreement") is made this 7th day of July, 1997 (the "Effective Date") by and between the City of Redlands, a municipal corporation, ("Redlands") and Steve Starr, an individual and employee of the Redlands Police Department, ("Starr").

RECITALS

Whereas, Starr has filed a claim with the Chief of Police of the City of Redlands alleging that Starr is owed certain monies by the City in connection with activities undertaken by Starr relating to canine care performed as part of his employment duties with the City's Police Department; and

Whereas, this Agreement is a compromise of the claim and liability of the City alleged by Starr and shall never be treated as an admission of liability by either of the parties hereto for any purpose;

Now, therefore, in consideration of the mutual promises contained herein, and for such other good and valuable consideration, the receipt of which is hereby acknowledged, the City of Redlands and Steve Starr agree as follows:

AGREEMENT

Section 1. Recitals. The foregoing recitals are true and correct.

Section 2. Payment. Redlands shall pay to Starr the gross amount of four thousand six hundred three dollars (\$4,603.00) in connection with the resolution of Starr's claim. Such amount shall be reduced by the City's withholding of Medicare, federal and state taxes in accordance with law. The net amount of payment due Starr under this Agreement shall be made by check upon Starr's execution of this Agreement.

Section 3. Starr's Waiver and Release. In consideration of the actions to be taken by Redlands pursuant to this Agreement, Starr hereby waives all rights Starr may have with regard to the subject matter of this Agreement Starr further releases, holds harmless and forever discharges the City of Redlands and its respective City Council members, employees, attorneys, agents and assigns of and from any and all claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action, of every nature, character and description, known or unknown, which Starr owns or holds or has at any time heretofore owned or held, or may at any time own or hold, by reason of any manner, cause or thing whatsoever that occurred or was done, omitted or suffered to be done prior to the Effective Date of this Agreement with respect to any rights Starr may have for monies or other compensation that might be owed to him by the City in connection with activities performed by Starr relating to canine care as part of his employment duties with the City's Police Department.

Section 4. Civil Code Section 1542 Waiver. Except as otherwise provided for in this Agreement, it is the intention of Redlands and Starr that the release entered into by Starr shall be effective as a bar to all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities and demands of whatsoever character, nature and kind, known or unknown, and suspected or unsuspected with respect to Starr's rights to back wages or any other monies or compensation in connection with activities performed by Starr relating to canine care as part of his employment duties with the City's Police Department. Starr hereby expressly waives any and all rights and benefits conferred upon him by the provisions of Section 1542 of the California Civil Code, which reads 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 execution of the release, which if known by him must have materially affected his settlement with the debtor."

Starr hereby acknowledges that the foregoing waiver of the provisions of Section 1542 of the California Civil Code was bargained for separately. Starr acknowledges that he has carefully read this Agreement, that he has had the opportunity to have its provisions fully explained to him by his attorney, that he fully understands this Agreement's final and binding effect and that he is entering into and executing this Agreement voluntarily. Starr expressly agrees that the release provisions herein contained shall be given full force and effect in accordance with each and all of their express terms and provisions, including but not limited to those terms and provisions relating to unknown or unsuspected claims, demands and causes of action hereinabove specified. Starr further assumes the risk of the subsequent discovery or understanding of any matter, fact or law which if now known or understood would in any respect have affected this Agreement.

Section 5. No Admission of Liability. The parties to this Agreement acknowledge that they have relied wholly upon their own individual judgment, belief and knowledge of the existence, nature and extent of each claim, demand or cause of action that they may have against the other party hereto which is hereby released and that they have not been influenced to any extent in entering into this Agreement by any representations or statements regarding any such claim, demand or cause of action made by any other party hereto. The parties acknowledge that this Agreement is intended to settle certain disputes between the parties and to avoid the expense and time of litigation. Neither the execution of the Agreement nor the performance of the terms hereof shall be deemed or construed to be an admission by any party or establish any fault or liability in connection with any matter or thing by any part. Further, this Agreement shall not be cited as evidence of practice in any forum whatsoever.

Section 6. Costs and Fees. Except as otherwise expressly provided for herein, all parties hereto shall bear their own attorneys' fees, expenses and costs incurred in connection with the disputes arising out of, relating to or connected with the matters which are the subject of this Agreement and/or the preparation of this Agreement. In the event any party to this Agreement files an action to enforce or interpret the terms hereof, the prevailing party in such action shall be entitled to recover its reasonable attorneys' fees, including expert witness fees and costs.

Section 7. Entire Agreement. This Agreement comprises the entire understanding between the parties concerning the subject matter hereof, and supersedes and replaces all prior negotiations and agreements, written and oral. There are no other contracts, understandings, representations or warranties made by any party to this Agreement except as expressly contained in this Agreement.

Section 8. Interpretation. This Agreement is to be construed fairly and not in favor of, or against, any party regardless of which party drafted or participated in the drafting of its terms. It is acknowledged that the parties have had an opportunity to consult with their lawyers concerning the terms and conditions of this Agreement. As a result, this Agreement shall be deemed to have been drafted by the parties hereto and no party shall urge otherwise.

Section 9. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, agents, representatives, successors and assigns.

Section 10. Indemnity. Starr shall defend, indemnify and hold harmless the City, its elected officials, officers, employees and agents from and against any and all claims, losses, damages, causes of action and liability arising out of or in connection with the City's execution of and carrying out of its obligations under this Agreement.

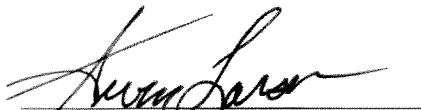
Section 11. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same document.

Section 12. Governing Law. This Agreement shall in all respects be enforced and governed by, and construed in accordance with, the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto execute this Agreement as of the date first above written.

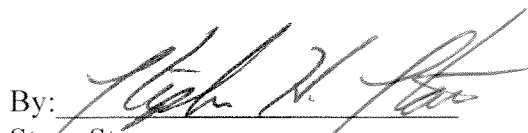
CITY OF REDLANDS

Attest:


Swen Larson, Mayor


Lorrie Poyzer, City Clerk

STARR

By: 
Steve Starr