

SETTLEMENT AGREEMENT AND MUTUAL RELEASE OF CLAIMS

This Settlement Agreement and Mutual Release of Claims (“AGREEMENT”) is entered into between the California Sportfishing Protection Alliance (“CSPA”) and Gladding McBean (collectively, the “SETTLING PARTIES”) with respect to the following facts and objectives:

RECITALS

WHEREAS, CSPA is a 501(c)(3) non-profit, public benefit corporation organized under the laws of the State of California, dedicated to the protection, enhancement, and restoration of the rivers, creeks, and tributaries of the Sacramento River and Sacramento-San Joaquin Delta. Bill Jennings is the Chairperson of CSPA and a member of CSPA;

WHEREAS, Gladding McBean is a corporation organized under the laws of the State of California that owns and operates a clay products manufacturing facility at 601 7th Street, Lincoln, California (the “Facility”) pursuant to State Water Resources Control Board Water Quality Order No. 97-03-DWQ, National Pollutant Discharge Elimination System General Permit No. CAS000001, Waste Discharge Requirements for Discharges of Storm Water Associated with Industrial Activities Excluding Construction Activities (hereinafter, the “General Permit”). Gladding McBean’s operations also include a quarry known as Lincoln Pit, located northeast of the Facility off Highway 65. A map of the Facility is attached hereto as Exhibit A and incorporated by reference;

WHEREAS, on August 29, 2007, CSPA provided Gladding McBean with a Notice of Violation and Intent to File Suit (“60-Day Notice Letter”) under Section 505 of the Federal Water Pollution Control Act (the “Act” or “Clean Water Act”), 33 U.S.C. § 1365;

WHEREAS, on February 8, 2007, CSPA filed its Complaint in the United States District Court for the Eastern District of California against Gladding McBean (*California Sportfishing Protection Alliance v. Gladding McBean*, Case No. 2:08-cv-00305-GEB-EFB). A true and correct copy of the Complaint, including the 60-Day Notice Letter, is attached hereto as Exhibit B and incorporated by reference;

WHEREAS, Gladding McBean denies any and all of CSPA's claims in its 60-Day Notice Letter and Complaint;

WHEREAS, CSPA and Gladding McBean, through their authorized representatives and without either adjudication of CSPA's claims or admission by Gladding McBean of any alleged violation or other wrongdoing, have chosen to resolve in full CSPA's allegations in the 60-Day Notice Letter and Complaint through settlement and avoid the cost and uncertainties of further litigation; and

WHEREAS, CSPA and Gladding McBean have agreed that it is in their mutual interest to enter into this AGREEMENT setting forth the terms and conditions appropriate to resolving CSPA's allegations set forth in the 60-Day Notice Letter and Complaint.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, CSPA and Gladding McBean hereby agree as follows:

EFFECTIVE DATE

1. The term "Effective Date," as used in this AGREEMENT, shall mean the last date on which the signature of a party to this AGREEMENT is executed.

COMMITMENTS OF CSPA

2. **Stipulation to Dismiss and [Proposed] Order.** Within ten (10) calendar days of the expiration of the Agencies' review period specified in Paragraph 18 below, CSPA shall file a Stipulation to Dismiss and [Proposed] Order thereon pursuant to Federal Rule of Civil Procedure 41(a)(2) with the United States District Court for the Eastern District of California ("District Court"), with this AGREEMENT attached and incorporated by reference, specifying that CSPA is dismissing all claims in CSPA's Complaint. Consistent with Paragraphs 25 and 26 herein, the Stipulation to Dismiss and [Proposed] Order shall state that the District Court will maintain jurisdiction through December 15, 2012 for purposes of resolving any disputes between the SETTLING PARTIES with respect to any provision of this AGREEMENT. If the District Court chooses not to enter the Order, this AGREEMENT shall be null and void.

COMMITMENTS OF GLADDING MCBEAN

3. **Compliance with General Permit.** Gladding McBean agrees to operate the Facility in compliance with the applicable requirements of the General Permit and Clean Water Act.

4. **MITIGATION PAYMENT.** In recognition of the good-faith efforts by Gladding McBean to comply with all aspects of the General Permit and the Clean Water Act, and in lieu of payment by Gladding McBean of any penalties, which may have been assessed in this action if it had proceeded to trial, Gladding McBean agrees to pay the sum of seventy thousand dollars (\$70,000.00) to the Rose Foundation for Communities and the Environment (“Rose Foundation”) for the sole purpose of providing grants to environmentally beneficial projects within the lower Sacramento River watershed and the Sacramento-San Joaquin River Delta relating to water quality improvements in those areas. Payment shall be made by Gladding McBean in two, equal installments of thirty-five thousand dollars (\$35,000). The first payment shall be made by Gladding McBean on or before December 31, 2008, and the second payment shall be made by Gladding McBean on or before April 1, 2009. Payment by Gladding McBean shall be made in the form of a check payable to the “Rose Foundation.”

5. **Implemented Storm Water Controls.** Gladding McBean shall maintain in good working order all storm water collection and treatment systems currently installed or to be installed pursuant to this AGREEMENT, including but not limited to, existing housekeeping measures.

6. **Additional Best Management Practices.** Gladding McBean shall implement the following best management practices (“BMPs”) to improve the storm water pollution prevention measures at the drop inlets and outfalls at the Facility as soon after the Effective Date of this AGREEMENT as is practicable, and no later than thirty (30) calendar days of the District Court’s entry of the Dismissal described in Paragraph 2 of this AGREEMENT:

- a. Gladding McBean shall eliminate the ditch along the eastern side of the Facility in the area near 8th Street and D Street.

- b. Gladding McBean shall expand the berm and ditch BMP alongside the western edge of the Facility adjacent to Highway 65 so as to prevent any storm water from exiting the western side of the Facility.
- c. Gladding McBean shall regrade the parking lot in the southwest corner of the facility such that storm water drainage from the parking lot flows back into the Facility into a drain where it eventually flows to outfall SP-2.
- d. By November 1, 2008, Gladding McBean shall resize the storm water retention ponds at the Facility, including the settling pond, the fire pond, and the emergency settling ponds, such that the aggregate capacity of the system is sized to handle all of the storm water flows into the pond system that currently exist or that are called for by the terms of this Agreement up to a 10-year, 6-hour storm event plus 50%.
- e. By November 1, 2008, all discharges from the southwest part of the Facility, currently SP-1 and SP-2, will be combined into a single SP-2 discharge point, where storm water will exit this portion of the Facility if impoundment capacity is exceeded.
- f. To increase storm water management efforts at the SP-2 outfall, Gladding McBean, by October 1, 2009, shall construct and install a sand filtration or other comparable treatment system that will treat accumulated storm water prior to discharge in order to maintain containment capacity availability.
- g. By October 1, 2009, Gladding McBean shall alter the drainage flow from the northeast corner and the eastern side of the Facility such that this drainage is contained within the SP-2 outfall as described above in Paragraph 6(e).
- h. Gladding McBean shall remove all scrap metal from both the boneyards and the northeast portion of the Facility. Gladding McBean shall not store scrap metal in these areas.

- i. Gladding McBean shall install appropriate BMPs to address storm water discharges from the front of the Facility. Upon receipt of monitoring results for storm water samples taken from the front of the Facility as described in Paragraph 8(a) below, Gladding McBean shall review and revise, as appropriate, the BMPs installed at the front of the Facility.
- j. Gladding McBean shall repair significant cracks in pavement over which storm water flows to any discharge points.

7. **Increased Housekeeping Measures.** Gladding McBean shall implement Best Management Practices by inspecting and/or periodically cleaning all paved surfaces where storm water that is discharged is exposed to industrial operations, including but not limited to the front portion of the Facility, a minimum of once per week during the wet season (October 1 through May 30). All sweeping activities performed at the Facility shall be recorded in a sweeping log. A sample blank log form will be included in the Facility's Annual Report and the Storm Water Pollution Prevention Plan.

8. **Monitoring.** Gladding McBean agrees to perform the monitoring described herein during the 2008-2009, 2009-2010, 2010-2011, and 2011-2012 rainy seasons (except as otherwise noted) in addition to the minimum monitoring requirements of the General Permit.

- a. Gladding McBean shall monitor and sample storm water discharge at the front of the Facility upgradient of where storm water leaves the Facility and flows to the drain on 7th Street.
 - i. This outfall shall be added to the list of outfalls the Facility regularly monitors and samples during rain events.
 - ii. The Facility shall sample four storm events per year from this front outfall during the first two rainy seasons of this Agreement.

- b. During the 2008-2009 rainy season, Gladding McBean shall monitor and sample storm water discharge from the northeast corner of the Facility. This point shall be listed as a sampling point in the revised SWPPP.
- c. Gladding McBean shall relocate the storm water discharge monitoring point SP-5 to a point that accurately represents the water quality of water being discharged from Lincoln Pit to the channel that flows to Coon Creek.
- d. During the 2008-2009 and 2009-2010, Gladding McBean shall analyze each storm water sample taken in accordance with the General Permit and this Agreement for total suspended solids, pH, oil and grease or total organic carbon, electrical conductivity, nickel, manganese, iron, zinc, copper, aluminum (both colloidal and dissolved), and lead. Upon request of Gladding McBean and pursuant to the meet and confer process described below in Paragraph 12, the parties shall evaluate the results of the two methods of aluminum testing to appropriately assess benchmark compliance. Should Gladding McBean and CSPA mutually agree, Gladding McBean may proceed with aluminum testing in a manner that complies with the General Permit, or otherwise approved by the U.S. EPA and/or the Regional Board
- e. For each significant rain event occurring during the 2008-2009, 2009-2010, 2010-2011, and 2011-2012 rainy seasons during regularly scheduled operating hours, Gladding McBean shall conduct visual observations of the perimeter fence and maintain a log describing all observations of conditions relating to the management of storm water at the Facility, including any discharges of storm water from the Facility.
- f. During each of its monthly wet weather storm inspections required by the General Permit, Gladding McBean shall photograph the entrances/exits of the Facility, the Facility's outfalls (showing the water as it enters the channels or storm drain), a representative grab sample of the discharge in

a clear glass jar showing the clarity of the storm water, any other location at the Facility where storm water is being released, and any other storm water management measure installed at the Facility.

- g. All photographs required by this Settlement Agreement shall be in color and electronically formatted. Each photograph shall be identified by date, the person taking the photograph and the location of the Facility being photographed. The title of each electronic photograph shall include, at a minimum, the date it was taken, the initials of the person taking the photograph and the location of the photographed area (for example, "6.13.2008 MRL SP-2"). Any photograph required by this Settlement Agreement shall be provided to CSPA upon request via compact disc(s).
- h. All maintenance, repair, and replacement activities relating to the Facility's storm water management program shall be recorded and described on appropriate log books or sheets. Such logs shall include, but not be limited to, information showing the date, time, place, person responsible and a brief description of all surface inspections and cleaning; filter repairs or replacements; vegetation replacement; and photographs. Sample logsheets shall be included in the Facility's SWPPP. Completed logs for each rainy season shall be included as part of the Facility's Annual Report submitted to the Regional Water Quality Control Board ("Regional Board").

9. **Monitoring Results.** Results from Gladding McBean's sampling and analysis during the term of this AGREEMENT shall be provided to CSPA within 30 days of receipt of the sampling results by Gladding McBean or its counsel.

10. **Meet and Confer Regarding Exceedence of Levels of Potential Concern.** If analytical results of storm water samples taken by Gladding McBean during the 2008-2009, 2009-2010, 2010-2011, or the 2011-2012 rainy seasons indicate that storm water discharges from the Facility exceed the following levels of concern – Total Suspended Solids: 100 mg/L;

Specific Conductance: 200 µmhos/cm; Oil & Grease: 15 mg/L or Total Organic Carbon: 120 mg/L; pH: 6.0-9.0 s.u.; Aluminum: 0.75 mg/L; Zinc: 0.117 mg/L; Iron: 1.0 mg/L; Nickel: 1.417 mg/L; Manganese: 1.0 mg/L; Copper: 0.0636 mg/L; or Lead: 0.0816 mg/L – Gladding McBean agrees to take additional feasible measures aimed at reducing pollutants in the Facility’s storm water to levels at or below these levels.

In furtherance of that objective, Gladding McBean shall prepare a written statement (“Memorandum”) discussing:

- (1) any exceedence or exceedences;
- (2) an explanation of the possible cause(s) and/or source(s) of any exceedence; and
- (3) additional feasible best management practices that will be taken to further reduce the possibility of future exceedance(s).

In considering any exceedances of the above level for Specific Conductance, the Settling Parties shall take into consideration the past variability of Gladding McBean’s sampling results for Specific Conductance as well as the communication that Gladding McBean received from the Regional Board on March 30, 2007, indicating a benchmark value for Specific Conductance of 300 - 500 µmhos/cm.

Such Memorandum shall be e-mailed and sent via first class mail to CSPA not later than July 15th following the conclusion of each rainy season.

11. Any additional measures set forth in the Memorandum shall be implemented as soon as practicable, but not later than 21 days from the due date of the Memorandum, except where 1) structural changes require longer than 21 days to complete 2) weather-related conditions render immediate implementation infeasible; or 3) the SETTLING PARTIES agree in writing to defer implementation of specific measures in order to effectively meet and confer in accordance with paragraph 12. Within thirty (30) days of implementation, Gladding McBean’s SWPPP shall be amended to include all additional BMP measures designated in the Memorandum.

12. Upon receipt of the Memorandum, CSPA may review and comment on any additional measures. If requested by CSPA within 21-days of receipt of such Memorandum,

CSPA and Gladding McBean shall meet and confer and conduct a site inspection within 75-days after the due date of the Memorandum to discuss the contents of the Memorandum and the adequacy of proposed measures to improve the quality of the Facility's storm water to levels at or below the Levels of Potential Concern. If within 21-days of the parties meeting and conferring, the parties do not agree on the adequacy of the additional measures set forth in the Memorandum, the SETTLING PARTIES may agree to seek a settlement conference with the Magistrate Judge assigned to this action pursuant to Paragraphs 25 and 26 below. If the SETTLING PARTIES fail to reach agreement on additional measures, CSPA may bring a motion before the Magistrate Judge consistent with Paragraphs 25 and 26 below. If CSPA does not request a meet and confer regarding the Memorandum within the 21 day comment period provided for in this paragraph, CSPA shall waive any right to object to such Memorandum pursuant to this AGREEMENT.

13. Any concurrence or failure to object by CSPA with regard to the reasonableness of any additional measures implemented by Gladding McBean shall not be deemed to be an admission of the adequacy of such measures should they fail to bring the Facility's storm water into compliance with applicable water quality criteria.

14. In addition to any site inspections conducted as part of meeting and conferring on additional measures set forth above, Gladding McBean shall permit representatives of CSPA to perform one (1) additional site visit to the Facility per year during normal daylight business hours during the term of this AGREEMENT; provided that CSPA provides Gladding McBean via e-mail with at least one week prior written notice. Any visitors to the Facility shall execute the release form attached hereto as Exhibit C.

15. **Provision of Documents and Reports.** During the life of this AGREEMENT, Gladding McBean shall provide CSPA with a copy of all documents submitted to the Regional Board or the State Water Resources Control Board ("State Board") concerning the Facility's storm water discharges, including but not limited to all documents and reports submitted to the Regional Board and/or State Board as required by the General Permit. Such documents and reports shall be mailed to CSPA contemporaneously with submission to such agency. Gladding McBean also shall provide CSPA a copy of all documents referenced in this agreement,

including but not limited to logs, photographs, or analyses, within 7 days of a written request (via e-mail or regular mail) by CSPA.

16. **Amendment of SWPPP.** Within sixty (60) days of the Effective Date of this AGREEMENT, Gladding McBean shall amend the Facility's Storm Water Pollution Prevention Plan ("SWPPP") to incorporate all changes, improvements, sample log forms, and best management practices set forth in or resulting from this AGREEMENT. In addition, the Facility shall amend the maps in the SWPPP to indicate the direction of storm water flow and runoff, to describe the drainage areas, to indicate orientation, to include legends describing significant features, to include scales with relative distances, to identify all storm water discharge points, and to identify areas of soil erosion. The Facility shall ensure that all maps, tables, and text comply with the requirements of the General Permit. A copy of the amended SWPPP shall be provided to CSPA within thirty (30) days of completion.

17. **Fees, Costs, and Expenses.** As reimbursement for CSPA's investigative, expert and attorneys' fees and costs, Gladding McBean shall pay CSPA the sum of fifty thousand dollars (\$50,000.00). Payment shall be made by Gladding McBean within thirty (30) calendar days of the District Court's entry of the Order dismissing the action described in Paragraph 2 of this AGREEMENT. Payment by Gladding McBean to CSPA shall be made in the form of a single check payable to "Lozeau-Drury Attorney Client Trust Account," and shall constitute full payment for all costs of litigation, including investigative, expert and attorneys' fees and costs incurred by CSPA that have or could have been claimed in connection with CSPA's claims, up to and including the Effective Date of this AGREEMENT.

18. **Compliance Oversight Costs:** As reimbursement for CSPA's future costs that will be incurred in order for CSPA to monitor Gladding McBean's compliance with this AGREEMENT and to effectively meet and confer and evaluate monitoring results for the Facility, Gladding McBean agrees to reimburse CSPA for costs incurred in overseeing the implementation of this AGREEMENT based on the payment schedule below. Costs reimbursable pursuant to this paragraph may include, but are not limited to, costs by CSPA or its counsel to conduct site inspections, review of water quality sampling reports, review of annual reports, discussion with representatives of Gladding McBean, concerning potential changes to

compliance requirements, preparation and participation in meet and confer sessions and mediation, and water quality sampling. Up to four annual payments (one addressing any monitoring associated with the 2008-2009 rainy season, one addressing monitoring associated with the 2009-2010 rainy season, one addressing monitoring associated with the 2010-2011 rainy season, and one addressing monitoring associated with the 2011-2012 rainy season) shall be made payable to Lozeau-Drury Attorney-Client Trust Account within thirty (30) days of receipt of an invoice from CSPA which contains a description of fees and costs incurred by CSPA to monitor implementation of the SETTLEMENT AGREEMENT during the previous twelve (12) months.

The payment schedule shall be as follows:

2008-2009:	\$5,000 maximum (\$2,000 if no site visit)
2009-2010:	\$6,000 maximum (\$3,000 if no site visit)
2010-2011:	\$7,000 maximum (\$4,000 if no site visit)
2011-2012:	No oversight costs unless 2011-2012 results indicate exceedances of levels of concern described in Paragraph 10 above, in which case \$5,000 maximum (\$2,000 if no site visit)

19. **Review by Federal Agencies.** CSPA shall submit this AGREEMENT to the U.S. EPA and the U.S. Department of Justice (hereinafter, the “Agencies”) via certified mail, return receipt requested, within five (5) days after the Effective Date of this AGREEMENT for review consistent with 40 C.F.R. § 135.5. The Agencies’ review period expires forty-five (45) days after receipt of the AGREEMENT by both Agencies, as evidenced by the return receipts, copies of which shall be provided to Gladding McBean upon receipt by CSPA. In the event that the Agencies comment negatively on the provisions of this AGREEMENT, CSPA and Gladding McBean agree to meet and confer to attempt to resolve the issue(s) raised by the Agencies. If CSPA and Gladding McBean are unable to resolve any issue(s) raised by the Agencies in their comments, CSPA and Gladding McBean agree to expeditiously seek a settlement conference with the Magistrate Judge assigned to the Complaint in this matter to resolve the issue(s).

NO ADMISSION OR FINDING

20. Neither this AGREEMENT nor any payment pursuant to the AGREEMENT shall constitute evidence or be construed as a finding, adjudication, or acknowledgment of any fact,

law or liability, nor shall it be construed as an admission of violation of any law, rule or regulation. However, this AGREEMENT and/or any payment pursuant to the AGREEMENT may constitute evidence in actions seeking compliance with this AGREEMENT.

MUTUAL RELEASE OF LIABILITY AND COVENANT NOT TO SUE

21. In consideration of the above, and except as otherwise provided by this AGREEMENT, the SETTLING PARTIES hereby forever and fully release each other and their respective successors, assigns, officers, agents, employees, and all persons, firms and corporations having an interest in them, from any and all claims and demands of any kind, nature, or description whatsoever, and from any and all liabilities, damages, injuries, actions or causes of action, either at law or in equity, which the SETTLING PARTIES have against each other arising from CSPA's allegations and claims as set forth in the 60-Day Notice Letter and Complaint up to and including the Termination Date of this AGREEMENT.

22. The SETTLING PARTIES acknowledge that they are familiar with section 1542 of the California Civil Code, which provides:

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 hereby waive and relinquish any rights or benefits they may have under California Civil Code section 1542 with respect to any other claims against each other arising from, or related to, the allegations and claims as set forth in the 60-Day Notice Letter and Complaint up to and including the Termination Date of this AGREEMENT.

23. For the period beginning on the Effective Date and ending on December 15, 2012, CSPA agrees that neither CSPA, its officers, executive staff, members of its governing board nor any organization under the control of CSPA, its officers, executive staff, or members of its governing board, will file any lawsuit against Gladding McBean seeking relief for alleged violations of the Clean Water Act or violations of the General Permit. CSPA further agrees that, beginning on the Effective Date and ending on December 15, 2012, CSPA will not support other

lawsuits, by providing financial assistance, personnel time or other affirmative actions, against Gladding McBean that may be proposed by other groups or individuals who would rely upon the citizen suit provision of the Clean Water Act to challenge Gladding McBean's compliance with the Clean Water Act or the General Permit.

TERMINATION DATE OF AGREEMENT

24. This AGREEMENT shall terminate on December 15, 2012.

DISPUTE RESOLUTION PROCEDURES

25. Except as specifically noted herein, any disputes with respect to any of the provisions of this AGREEMENT shall be resolved through the following procedure. The SETTLING PARTIES agree to first meet and confer to resolve any dispute arising under this AGREEMENT. In the event that such disputes cannot be resolved through this meet and confer process, the SETTLING PARTIES agree to request a settlement meeting before the Magistrate Judge assigned to this action. In the event that the SETTLING PARTIES cannot resolve the dispute by the conclusion of the settlement meeting with the Magistrate Judge, the SETTLING PARTIES agree to submit the dispute via motion to the Magistrate Judge.

26. In resolving any dispute arising from this AGREEMENT, the Magistrate Judge shall have discretion to award attorneys' fees and costs to either party. The relevant provisions of the then-applicable Clean Water Act and Rule 11 of the Federal Rules of Civil Procedure shall govern the allocation of fees and costs in connection with the resolution of any disputes before the Magistrate Judge. The Magistrate Judge shall award relief limited to compliance orders and awards of attorneys' fees and costs, subject to proof. The SETTLING PARTIES agree to file any waivers necessary for the Magistrate Judge to preside over any settlement conference and motion practice.

BREACH OF SETTLEMENT AGREEMENT

27. **Impossibility of Performance.** Where implementation of the actions set forth in this AGREEMENT, within the deadlines set forth in those paragraphs, becomes impossible, despite the timely good faith efforts of the SETTLING PARTIES, the party who is unable to

comply shall notify the other in writing within seven (7) days of the date that the failure becomes apparent, and shall describe the reason for the non-performance. The SETTLING PARTIES agree to meet and confer in good faith concerning the non-performance and, where the SETTLING PARTIES concur that the non-performance was or is impossible, despite the timely good faith efforts of one of the SETTLING PARTIES, new performance deadlines shall be established. In the event that the SETTLING PARTIES cannot timely agree upon the terms of such a stipulation, either of the SETTLING PARTIES shall have the right to invoke the dispute resolution procedure described herein.

GENERAL PROVISIONS

28. **Construction.** The language in all parts of this AGREEMENT shall be construed according to its plain and ordinary meaning, except as to those terms defined by law, in the General Permit, Clean Water Act or specifically herein.

29. **Choice of Law.** This AGREEMENT shall be governed by the laws of the United States, and where applicable, the laws of the State of California.

30. **Severability.** In the event that any provision, section, or sentence of this AGREEMENT is held by a court to be unenforceable, the validity of the enforceable provisions shall not be adversely affected.

31. **Correspondence.** All notices required herein or any other correspondence pertaining to this AGREEMENT shall be sent by regular, certified, or overnight mail as follows:

If to CSPA:

Bill Jennings, Chairman
California Sportfishing Protection Alliance
3536 Rainier Road
Stockton, CA 95204
Tel: (209) 464-5067
deltakeep@aol.com

And to:

Michael R. Lozeau
Lozeau Drury LLP

1516 Oak Street, Suite 216
Alameda, CA 94501
Tel: (510) 749-9102
michael@lozeaudrury.com

If to Gladding McBean:

Bill Padavona, Vice President and General Manager
Gladding McBean
601 7th Street
Lincoln, CA 95648
Tel: (916) 645-3341, x 9301
bill.padavona@paccoast.com

And to:

Daniel S. Yanagihara, Jr.
Pacific Coast Companies, Inc.
10600 White Rock Road
Suite 11, Building B
Rancho Cordova, CA 95670
Tel: 916) 631-6526
daniel.yanagihara@paccoast.com

Notifications of communications shall be deemed submitted on the date that they are e-mailed, postmarked and sent by first-class mail or deposited with an overnight mail/delivery service. Any change of address or addresses shall be communicated in the manner described above for giving notices.

32. **Counterparts.** This AGREEMENT may be executed in any number of counterparts, all of which together shall constitute one original document. Telecopied, scanned (.pdf), and/or facsimiled copies of original signature shall be deemed to be originally executed counterparts of this AGREEMENT.

33. **Assignment.** Subject only to the express restrictions contained in this AGREEMENT, all of the rights, duties and obligations contained in this AGREEMENT shall inure to the benefit of and be binding upon the SETTLING PARTIES, and their successors and assigns.

34. **Modification of the Agreement:** This AGREEMENT, and any provisions herein, may not be changed, waived, discharged or terminated unless by a written instrument, signed by the SETTLING PARTIES.

35. **Full Settlement.** This AGREEMENT constitutes a full and final settlement of this matter. It is expressly understood and agreed that the AGREEMENT has been freely and voluntarily entered into by the SETTLING PARTIES with and upon advice of counsel.

36. **Integration Clause.** This is an integrated AGREEMENT. This AGREEMENT is intended to be a full and complete statement of the terms of the agreement between the SETTLING PARTIES and expressly supersedes any and all prior oral or written agreements covenants, representations and warranties (express or implied) concerning the subject matter of this AGREEMENT.

37. **Authority.** The undersigned representatives for CSPA and Gladding McBean each certify that he/she is fully authorized by the party whom he/she represents to enter into the terms and conditions of this AGREEMENT.

The SETTLING PARTIES hereby enter into this AGREEMENT.

Date: _____, 2008

GLADDING MCBEAN

By: Bill Padavona
Title: Vice President and General Manager

Date: Aug 28, 2008

CALIFORNIA SPORTFISHING PROTECTION
ALLIANCE

Bill Jennings
By: Bill Jennings
Title: Executive Director

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37. **Authority.** The undersigned representatives for CSPA and Gladding McBean each certify that he/she is fully authorized by the party whom he/she represents to enter into the terms and conditions of this AGREEMENT.

The SETTLING PARTIES hereby enter into this AGREEMENT.

Date: Aug. 28, 2008

GLADDING MCBEAN

Bill Padavona

By: Bill Padavona
Title: Vice President and General Manager

Date: _____, 2008

CALIFORNIA SPORTFISHING PROTECTION ALLIANCE

By: Bill Jennings
Title: Executive Director

APPROVED AS TO FORM:

Date: _____, 2008

For DEFENDANT

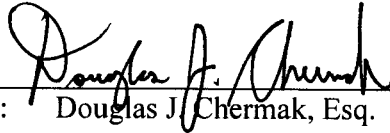
Pacific Coast Companies, Inc.

By: Daniel S. Yanagihara, Esq.

Date: August 29, 2008

For PLAINTIFF

LOZEAU DRURY LLP



By: Douglas J. Chermak, Esq.

APPROVED AS TO FORM:

Date: August 29, 2008

For DEFENDANT

Pacific Coast Companies, Inc.


By: Daniel S. Yanagihara, Esq.

Date: _____, 2008

For PLAINTIFF

LOZEAU DRURY LLP

By: Douglas J. Chermak, Esq.