

**SETTLEMENT AGREEMENT AND  
GENERAL RELEASE OF EXISTING CLAIMS**

The parties hereto agree as follows:

1. NORTHERN CALIFORNIA RIVER WATCH, a California nonprofit corporation (hereinafter "RIVER WATCH") on behalf of itself, its successors, administrators, and assigns, hereby fully releases CATHY STUDEBAKER, individually, and doing business as RANDALL SAND & GRAVEL (hereinafter "STUDEBAKER") and her heirs, successors, administrators, and assigns, of any claim, damage, penalty, attorney's fees, costs, expert fees, injunction, or other remedy sought or which could be sought in that litigation filed in the United States District Court, Northern District of California (San Francisco Division), Case No. C05-00805 CRB.

2. This settlement and release of existing claims is conditioned upon:

A. STUDEBAKER paying fees and costs incurred by RIVER WATCH in the amount of Ten Thousand Dollars (\$10,000.00) within thirty (30) days of the date RIVER WATCH signs this Agreement; and

**B. The terms of this Settlement Agreement obligate STUDEBAKER to perform environmental audits of the Randall Sand & Gravel facility, and also obligates STUDEBAKER to reduce noise and dust, define hours of operation at said facility, all as more specifically set forth herein. Said obligations shall remain in full force and effect and continue for eighteen months from the date RIVER WATCH signs this Settlement Agreement. STUDEBAKER understands and agrees that these are new obligations which may be enforced hereafter by RIVER WATCH.**

( i ) RANDALL has performed an environmental audit of the concrete, sand and gravel operations of Randall Sand & Gravel, a business located at and on Humboldt County Assessor's Parcel Nos. 222-091-02, 222-019-06, 222-191-11, 222-241-08, 223-061-08 and 223-061-09 ("facilities and/or operations") concerning the California Water Quality Act and the Clean Water Act. That audit was prepared on February 24, 2005, by Dean Prat of the California Regional Water Quality Control Board, North Coast Region, dated March 1, 2005, a copy of which is attached hereto as Exhibit 1. Within one year of the execution of this Settlement Agreement, STUDEBAKER will update said environmental audit through a duly authorized agent of the California Regional Water Quality Control Board, North Coast Region, or through a registered environmental assessor (Title 14 CCR, Division 8, Chapter 3, Section 19030, et seq.) or an unregistered licensed civil engineer

with special knowledge of the Clean Water Act and the California Water Quality Act. STUDEBAKER will provide a copy of that updated compliance audit to the California Regional Water Quality Control Board, and to RIVER WATCH. As used in this Agreement, the words "environmental audit" shall mean a new audit covering only the environmental issues which are specifically inspected, evaluated, and reported in the particular "audits" attached as exhibits to this Agreement.

- (ii) STUDEBAKER has performed an environmental audit of its facilities and operations regarding compliance with the Clean Air Act. That audit was conducted through Leonard Herr, Air Quality Specialist, North Coast Unified Air Management District, on January 9, 2002. A copy of that audit is attached hereto, marked as Exhibit 2. Within one year of the execution of this Settlement Agreement, STUDEBAKER will update said environmental audit through a duly authorized representative of the North Coast Unified Air Quality Management District, or through a licensed environmental assessor or an unregistered licensed civil engineer with special knowledge of the Clean Air Act.
- (iii) STUDEBAKER has performed an environmental audit of its facilities and operations through the California Department of Fish & Game concerning Fish & Game Code §§ 1602 and 1603. A copy of the audit of the California Department of Fish & Game in that regard is attached hereto as Exhibit 3. Within one year of the execution of this Settlement Agreement, STUDEBAKER will update said environmental audit through a duly authorized representative of the California Department of Fish & Game or through a licensed environmental assessor or an unregistered licensed civil engineer with special knowledge of the Fish and Game Code Sections 1602 and 1603, and California's Surface Mining and Reclamation Act.
- (iv) STUDEBAKER has performed an environmental audit of its facilities through the Humboldt County Department of Health and Human Services, Division of Environmental Health, concerning Proposition 65. A copy of the audit of the Division of Environmental Health dated October 29, 2001, is attached hereto as Exhibit 4. Within one year of the execution of this Settlement Agreement, STUDEBAKER will update said environmental audit through a duly authorized representative of the Division of Environmental Health or through a licensed environmental

assessor, or an unregistered licensed civil engineer with special knowledge of Proposition 65 requirements.

- (v) STUDEBAKER has designed and implemented a noise and dust reduction program as part of the Conditional Use Permit approved by the Humboldt County Planning Commission on July 15, 2004 (CUP-02-41; SMP-02-04; RP-02-04). STUDEBAKER agrees to improve that noise and dust program during the term of this Agreement.
- (vi) During the term of this Agreement, the hours of operation at the facilities are Monday through Friday, 7:00 a.m. to 5:30 p.m. and Saturday, 8:00 a.m. to 4:30 p.m., except under emergency repair requirements after notification to the County of Humboldt, Department of Community Development Services. Provided, however, occasionally an offsite job may be delayed beyond normal working hours of the facility due to occurrences beyond the control of STUDEBAKER, and in such an event, processing at the facility may be similarly delayed so as to salvage a concrete pour or other operation offsite, or to avoid exposure to claims of damages for failure to fulfill orders.

3. Except as otherwise specifically provided herein, both parties acknowledge and agree that this Release applies to all claims that RIVER WATCH may have against STUDEBAKER arising from the litigation referred to in Paragraph 1 above, whether those claims are known or unknown, or seen or unforeseen, or latent or patent.

4. RIVER WATCH certifies that it has read Section 1542 of the California Civil Code, set out below, and indicate that fact by placing the initials of its duly authorized officer.

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A general release does not extend to claims which the creditor does not know or expect to exist in its favor at the time of executing the release which if known by him must have materially affected his settlement with the debtor.

RIVER WATCH hereby waives application of Section 1542 of the Civil Code.

5. RIVER WATCH understands and acknowledges that the significance and consequence of this waiver of Section 1542 of the Civil Code is that even if RIVER WATCH should eventually discover other facts which have occurred prior to the date RIVER WATCH signs this Agreement, RIVER WATCH will not be permitted to make any claim or file any

litigation in connection with said facts. Furthermore, RIVER WATCH acknowledges that it intends these consequences as to all claims that may exist as of the date of this Release but which RIVER WATCH does not know exist, and which, if known, would materially affect RIVER WATCH's decision to execute this Release, regardless of whether that lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause. PROVIDED, HOWEVER, nothing herein shall limit or circumscribe RIVER WATCH's right or legal remedies to enforce any breach by STUDEBAKER or her heirs, successors, administrators, and assigns of the obligations as set forth in paragraph 2. B. ( i ) to (vi).

6. Each party warrants and represents that in executing this Release, each party has relied on legal advice from the attorney of his or her choice, that the terms of this Release and Settlement Agreement and its consequences have been completely read and explained to each party by their attorney, and that each party fully understands the terms of this Release.

7. Each party acknowledges and represents that in executing this Release and Settlement Agreement, neither party has relied on any inducements, promises, or representations made by the other party or any party representing or serving that party.

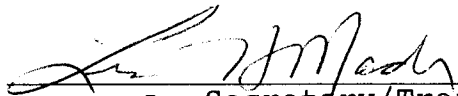
8. This Settlement Agreement also will have the effect of settling and releasing all claims made or potential claims made on March 9, 2005, by RIVER WATCH through the Notice of Violation and Intent to File Suit Under the Clean Water Act served on SOUTHERN HUMBOLDT WORKING TOGETHER, INCORPORATED, a California non-profit corporation, or its assignee, SOUTHERN HUMBOLDT COMMUNITY PARK, a California non-profit corporation.

9. Each party acknowledges and warrants that execution of this Release is free and voluntary.


10. This Agreement is binding upon and shall inure to the benefit of the parties hereto and their heirs, successors, administrators, and assigns.

Dated: 4-13-05

NORTHERN CALIFORNIA RIVER WATCH  
A California Non-Profit Corporation

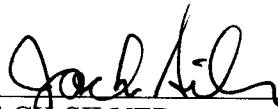
By:   
Its Secretary/Treas.

Dated: 4-27-05

  
CATHY STUDEBAKER  
Individually and doing business as  
RANDALL SAND & GRAVEL


**DECLARATION OF ATTORNEY  
FOR NORTHERN CALIFORNIA RIVER WATCH**

I, Jack Silver, a member of the State Bar of California and attorney for NORTHERN CALIFORNIA RIVER WATCH, a California non-profit corporation, certify that I am satisfied that NORTHERN CALIFORNIA RIVER WATCH fully understands the effect, significance, and consequences of the Release set forth above.

  
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JACK SILVER

**DECLARATION OF ATTORNEY  
FOR CATHY STUDEBAKER**

I, Thomas Becker, a member of the State Bar of California and attorney for CATHY STUDEBAKER, individually and doing business as RANDALL SAND & GRAVEL, certify that I am satisfied that CATHY STUDEBAKER fully understands the effect, significance, and consequences of the Release set forth above.

  
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THOMAS BECKER