NOEL EDLIN (SBN 107796) nedim@bkbblaw.com         FARHEENA A. HABIB (SBN 243405) fbabb@cbbbbaw.com         BASSI, EDLIN, HUIE & BLUM LLP 500 Washington Street, Suite 700         San Francisco, CA 94111 Telephone: (415) 397-9066         Facsimile: (415) 397-9066         Facsimile: (415) 397-9066         Facsimile: (415) 397-1339         Monomys for MICHAEL R, NEELY, PERRY J. NEELY & GARY NEELY, INDIVIDUALLY & dba MIKE'S ONE HOUR CLEANERS         NORTHERN DISTRICT OF CALIFORNIA         O         PALMTREE ACQUISITION CORPORATION, a Delaware Corporation, Individual; MICHAEL R, NEELY, PERRY J.         CORPORATION, a Delaware Corporation, Individual; MICHAEL R, NEELY, PERRY J.         VS.         JOINT STIPULATION OF GOOD FAI SPARKIM, MICHAEL R, NEELY, PERRY J.         NICHAEL R, NEELY, an individual; PERRY J.         J. NEELY and GARY NEELY dba MIKE'S ONE HOUR CLEANERS; CHARLES FREDERICK HARTZ dba PAU'S SPARKIE CLEANERS; CHARLES F. HARTZ, an individual; MULTIMATIC CORPORATION, a California Corporation; MCCORDUCK NOPERTIES LIVERMORE, LLC, a Delaware Imited Liability company individualy and as the successor to JOIN MCCORDUCK, AMELA MCCORDUCK, SANDRA MCCORDUCK, MARONA, and IMA FINANCIAL CORPORATION, a California trust; HARDY INVESTIENT COMPANY, a California general partnership; GRUBB & LELLS REALTY INCOME TRUST, LUQUIDATING TRUST, a California trust; and DOES 1-20, inclusive, and DOES 1-20, inclusive,		
INDIVIDUALLY & dba MIKE'S ONE HOUR CLEANERS         INDIVIDUALY	<ul> <li>nedlin@behblaw.com</li> <li>FARHEENA A. HABIB (SBN 243405)</li> <li>fhabib@behblaw.com</li> <li>BASSI, EDLIN, HUIE &amp; BLUM LLP</li> <li>500 Washington Street, Suite 700</li> <li>San Francisco, CA 94111</li> <li>Telephone: (415) 397-9006</li> </ul>	
9       NORTHERN DISTRICT OF CALIFORNIA         0       PALMTREE ACQUISITION CORPORATION, a Delaware Corporation,       Case No.: CV 08 3168 EMC [Hon. Edward M. Chen]         1       Plaintiffs,       JOINT STIPULATION OF GOOD FAI SETTLEMENT AND [PROPOSED]         3       Plaintiffs,       JOINT STIPULATION OF GOOD FAI SETTLEMENT AND [PROPOSED]         4       vs.       VS.         5       MICHAEL R. NEELY, an individual; PERRY J. J. NEELY and individual; GARY NEELY, PERRY J. NEELY and GARY NEELY dba MIKE'S ONE HOUR CLEANERS; CHARLES FREDERICK HARTZ dba PAUL'S SPARKLE CLEANERS; CHARLES F. HARTZ, an individual; MULTIMATIC       ACTION FILED: July 1, 2008         9       CORPORATION, a New Jersey corporation; WESTERN STATE DESIGN, a California Corporation; MCCORDUCK, PROPERTIES LIVERMORE, LLC, a Delaware limited I iability company individually and as the successor to JOHN MCCORDUCK, PAMELA MCCORDUCK, SANDRA MCCORDUCK 3       MARONA, and IMA FINANCIAL CORPORATION, a California corporation; STARK INVESTMENT COMPANY, a California general partnership; GRUBB & SELLIS REALTY INCOME TRUST, LUQUIDATING TRUST, a California trust; and DOES 1-20, inclusive,       J         7       Defendants.       J	INDIVIDUALLY & dba MIKE'S ONE HOUR	. NEELY & GARY NEELY, CLEANERS
0       PALMTREE ACQUISITION CORPORATION, a Delaware Corporation,       Case No.: CV 08 3168 EMC [Hon. Edward M. Chen]         3       Plaintiffs,       JOINT STIPULATION OF GOOD FAI SETTLEMENT AND [PROPOSED]         4       vs.       VS.         5       MICHAEL R, NEELY, an individual; PERRY J. J. NEELY, an individual; GARY NEELY, an Individual; MICHAEL R. NEELY, PERRY J. NEELY and GARY NEELY dba MIKE'S ONE HOUR CLEARERS; CHARLES FREDERICK HARTZ dba PAUL'S SPARKLE CLEANERS; CHARLES F. HARTZ, an individual; MULTIMATIC       ACTION FILED: July 1, 2008         9       CORPORATION, a New Jersey corporation; WESTERN STATE DESIGN, a California ULVERMORE, LLC, a Delaware limited 1       TRIAL DATE: None Set         1       LiverMORE, LLC, a Delaware limited 1       LiverMORE, LLC, a Delaware limited 1         1       LiverMORE, LLC, a California corporation; STARK INVESTMENT COMPANY, a Califormia general partnership: GRUBB & ELLIS REALTY INCOME TRUST, LUQUDATING TRUST, a California trust; and DOES 1-20, inclusive,         7       Defendants.	UNITED STATES	DISTRICT COURT
1       PALMTREE ACQUISITION CORPORATION, a Delaware Corporation, 3       Case No.: CV 08 3168 EMC [Hon. Edward M. Chen]         2       1         3       Plaintiffs, 4       vs.         4       vs.       JOINT STIPULATION OF GOOD FAI SETTLEMENT AND [PROPOSED]         5       MICHAEL R. NEELY, an individual; GARY NEELY, an individual; MICHAEL R. NEELY, PERRY J. J. NEELY and GARY NEELY (ba MIKE'S 0 ONE HOUR CLEANERS; CHARLES FREDERICK HARTZ dba PAUL'S 8       ACTION FILED: July 1, 2008         6       Individual; MICHAEL R. NEELY, PERRY J. NEELY and GARY NEELY (ba MIKE'S 0 ONE HOUR CLEANERS; CHARLES FREDERICK HARTZ dba PAUL'S 8       TRIAL DATE: None Set         7       ORDERTHERS       Individual; MULTIMATIC 9       OCORPORATION, a New Jersey corporation; WESTERN STATE DESIGN, a California 9       CORPORATION, a New Jersey corporation; WESTERN STATE DESIGN, a California 9         0       Corporation; MCCORDUCK, PROPERTIES 11/VERMORE, LLC, a Delaware limited 11       1         1       Iability company individually and as the 9       1         2       KATHLEEN MCCORDUCK, PAMELA MCCORDUCK, SANDRA MCCORDUCK, 3       ARAONA, and IMA FINANCIAL CORPORATION, a California corporation; 4         6       Defendants.       Defendants.	NORTHERN DISTRI	ICT OF CALIFORNIA
2       CORPORATION, a Delaware Corporation,       [Hon. Edward M. Chen]         3       Plaintiffs,       JOINT STIPULATION OF GOOD FAI         4       vs.       SETTLEMENT AND [PROPOSED]         5       MICHAEL R. NEELY, an individual; PERRY       ORDER THEREON         6       individual; MICHAEL R. NEELY, PERRY J.       ACTION FILED: July 1, 2008         7       NEELY and GARY NEELY dba MIKE'S       TRIAL DATE: None Set         8       SPARKLE CLEANERS; CHARLES       FREDERICK HARTZ dba PAUL'S         8       SPARKLE CLEANERS, CHARLES F.       HARTZ, an individual; MULTIMATIC         9       CORPORATION, a New Jersey corporation;       WESTERN STATE DESIGN, a California         0       Corporation; MCCORDUCK PROPERTIES       Itability company individually and as the         1       successor to JOHN MCCORDUCK, PAMELA       MCCORDUCK, SANDRA MCCORDUCK)         3       MARONA, and IMA FINANCIAL       ORDER TRUST, a California corporation;         4       STARK INVESTMENT COMPANY, a       California general partnership; GRUBB &         5       ELLIS REALTY INCOME TRUST, LIQUIDATING TRUST, a California trust;       Defendants.         8		
2       Plaintiffs,         3       Plaintiffs,         4       vs.         5       MICHAEL R. NEELY, an individual; PERRY J. NEELY, an individual; GARY NEELY, and individual; MICHAEL R. NEELY, PERRY J. NEELY and GARY NEELY dba MIKE'S       ACTION FILED: July 1, 2008         7       NEELY and GARY NEELY dba MIKE'S       TRIAL DATE: None Set         8       PREDERICK HARTZ dba PAUL'S       TRIAL DATE: None Set         8       SPARKLE CLEANERS; CHARLES F.       TRIAL DATE: None Set         9       CORPORATION, a New Jersey corporation; MCCORDUCK, PAMELA       TRIAL DATE: None Set         9       CORPORATION, a New Jersey corporation; MCCORDUCK, PAMELA       TRIAL DATE: None Set         1       liability company individually and as the successor to JOHN MCCORDUCK, PAMELA       TOROPRATION, a California corporation; STARK INVESTMENT COMPANY, a         2       California general partnership; GRUBB & 5       ELLIS REALTY INCOME TRUST, LIQUIDATING TRUST, a California trust; and DOES 1-20, inclusive,       Tofendants.         7       Defendants.       Tofendants.       Tofendants.		
4       vs.         5       MICHAEL R. NEELY, an individual; PERRY         J. NEELY, an individual; GARY NEELY, an       individual; MICHAEL R. NEELY, PERRY J.         6       individual; MICHAEL R. NEELY, PERRY J.         7       NEELY and GARY NEELY dba MIKE'S         7       ONE HOUR CLEANERS; CHARLES F.         9       SPARKLE CLEANERS, CHARLES F.         9       CORPORATION, a New Jersey corporation;         9       CORPORATION, a CoRDUCK, PROPERTIES         1       LiveRMORE, LLC, a Delaware limited         1       liability company individually and as the         successor to JOHN MCCORDUCK,         2       KATHLEEN MCCORDUCK, PAMELA         MCCORDUCK, SANDRA MCCORDUCK         3       MARONA, and IMA FINANCIAL         CORPORATION, a California corporation;         4       STARK INVESTMENT COMPANY, a         1       California general partnership: GRUBB &         5       ELLIS REALTY INCOME TRUST,         1       Defendants.         8		
J. NEELY, an individual; GARY NEELY, an )       ACTION FILED: July 1, 2008         individual; MICHAEL R. NEELY, PERRY J. )       TRIAL DATE: None Set         NEELY and GARY NEELY dba MIKE'S )       ONE HOUR CLEANERS; CHARLES )         FREDERICK HARTZ dba PAUL'S )       HARTZ, an individual; MULTIMATIC )         9       CORPORATION, a New Jersey corporation; )         WESTERN STATE DESIGN, a California )       Corporation; MCCORDUCK PROPERTIES )         1       LIVERMORE, LLC, a Delaware limited )         1       liability company individually and as the )         successor to JOHN MCCORDUCK, PAMELA )         MCCORDUCK, SANDRA MCCORDUCK )         3       MARONA, and IMA FINANCIAL )         0       CORPORATION, a California corporation; )         4       STARK INVESTMENT COMPANY, a )         1       California general partnership; GRUBB & )         5       ELLIS REALTY INCOME TRUST, a California trust; )         1       Iduition TRUST, a California trust; )         6       mod DOES 1-20, inclusive, )		
1 JOINT STIPULATION OF GOOD FAITH SETTLEMENT [CCP § 877.6] AND [PROPOSED] ORDER THEREON	J. NEELY, an individual; GARY NEELY, an ) individual; MICHAEL R. NEELY, PERRY J. ) NEELY and GARY NEELY dba MIKE'S ) ONE HOUR CLEANERS; CHARLES ) FREDERICK HARTZ dba PAUL'S ) SPARKLE CLEANERS, CHARLES F. ) HARTZ, an individual; MULTIMATIC ) CORPORATION, a New Jersey corporation; ) WESTERN STATE DESIGN, a California ) Corporation; MCCORDUCK PROPERTIES ) LIVERMORE, LLC, a Delaware limited ) liability company individually and as the successor to JOHN MCCORDUCK, ATHLEEN MCCORDUCK, PAMELA MCCORDUCK, SANDRA MCCORDUCK ) MARONA, and IMA FINANCIAL ( CORPORATION, a California corporation; ) STARK INVESTMENT COMPANY, a ) California general partnership; GRUBB & ) ELLIS REALTY INCOME TRUST, LIQUIDATING TRUST, a California trust; and DOES 1-20, inclusive, Defendants.	•
JOINT STIPULATION OF GOOD FAITH SETTLEMENT [CCP § 877.6] AND [PROPOSED] ORDER THEREON		1
	JOINT STIPULATION OF GOOD FAITH SETTLEMEN	T [CCP § 877.6] AND [PROPOSED] ORDER THEREON

1	<u>INTRODUCTION</u>			
2	This Stipulation for Order Determining Good Faith of Settlement (the "Stipulation") is			
3	entered into by the following parties (collectively, the "Parties"):			
4	(i.) Michael R. Neely, an individual; Perry J. Neely, an individual; and Gary Neely,			
5	an individual; and Michael R. Neely, Perry J. Neely and Gary Neely, dba Mike's One Hour			
6	Cleaners (collectively, "Neelys") by and through their counsel of record Bassi Edlin Huie &			
7	Blum LLP;			
8	(ii.) The Kirrberg Corporation f/k/a Multimatic Corporation ("Multimatic") by and			
9	through its counsel of record Dongell Lawrence Finney, LLP;			
10	(iii.) Western States Design, a California corporation ("Western") by and through its			
11	counsel of record Foley McIntosh Frey & Claytor;			
12	(iv.) Charles F. Hartz, an individual and Charles F. Hartz, dba Paul's Sparkle Cleaners			
13	("Hartz") by and through his counsel of record Rogers Joseph O'Donnell;			
14	(v.) Stark Investment Company, a California limited partnership, and Fortney H. Stark			
15	an individual (collectively, "Stark") by and through their counsel of record Gonsalves &			
16	Kozachenko;			
17	(vi.) McCorduck Properties Livermore, LLC, a Delaware limited liability company			
18	("McCorduck Properties") by and through its counsel of record Gordon Watrous Ryan Langley			
19	Bruno & Paltenghi Inc. and Castellon and Funderburk, LLP;			
20	(vii.) John McCorduck, an individual; Kathleen McCorduck, an individual; Pamela			
21	McCorduck, an individual; and Sandra McCorduck Marona an individual (collectively,			
22	"McCorducks") by and through their counsel of record Gordon Watrous Ryan Langley Bruno &			
23	Paltenghi Inc. and Castellon and Funderburk, LLP;			
24	(viii.) IMA Financial Corporation, a California corporation ("IMA") by and through its			
25	counsel of record Stanzler Law Group LLC;			
26	(ix.) Palmtree Acquisition Corporation, a Delaware corporation, f/k/a Catellus			
27	Development Corporation ("Palmtree") by and through its counsel of record Cox Castle &			
28	Nicholson LLP;			
	589042			

(x.) Dorothy Anderson, as an individual and as Trustee of The Anderson Marital Trust and The Anderson Tax Deferral Trust, both dated February 28, 1979, as amended and restated August 31, 1994 and the Estate of Walter Anderson, Deceased (collectively, "Anderson") by and through her counsel of record Paladin Law Group LLP.

## RECITALS

### **THE 1993 ACTION**

A. In 1993, the San Francisco Regional Water Quality Control Board ("RWQCB") issued Site Cleanup Order No. 93-139 ("SCO 93-139") directing certain parties (including some of the Parties to this Agreement) to design and implement a remedial action to abate perchloroethene and its breakdown products ("PCE") contamination in the soil and groundwater at and in the vicinity of the Livermore Arcade Shopping Center ("LASC") and Miller's Outpost Shopping Center ("MOSC") in Livermore, California (the "LASC/MOSC Site") to levels acceptable to the RWQCB. The LASC is identified as parcels with assessor parcel numbers ("APN") 98-403-19 with street address of 1436-1554 1<sup>st</sup> Street (property tax address of 1410 1<sup>st</sup> Street), Livermore, California and 98-403-20 with street address of 1412-1424 1<sup>st</sup> Street (property tax address of 1334 1<sup>st</sup> Street), Livermore, California which has also be referenced at various times as the Livermore Arcade Shopping Center and now known as Vintner Square Shopping Center. The MOSC is identified as parcels with A.P.N. numbers 98-290-2-1, 98-290-2-15, 98-290-2-17 and with a street addresses of 1316-1318 Railroad Avenue and 1332 through 1588 Railroad Avenue in Livermore, California.

B. The parties named in SCO 93-139 sought to allocate certain liabilities associated with the PCE contamination in an action entitled <u>Grubb & Ellis Realty Income Trust v. Catellus</u> <u>Development Corp.</u>, et al., Case No. C93-0383 SBA (N.D. Cal., 1993) (the "1993 Action"). The parties to the 1993 Action reached a settlement agreement dated February 7, 1994 (the "1994 Settlement"). The District Court approved the settlement and dismissed the 1993 Action on February 17, 1994.

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C. Remediation Contractor H+GCL performed remediation activities at the LASC/MOSC Site. In 1995, at the request of H+GCL, Order No. SCO 93-139 was converted to a "containment zone" order, Order No. 96-052, which required eventual site closure. H+GCL failed to obtain site closure.

D. In March 2008, the RWQCB directed parties named in Order No. 96-052 to perform
 additional work related to the PCE contamination in the deeper groundwater at the LASC/MOSC
 Site.

### THE 2008 ACTION

E. Several of the parties to the 1994 Settlement consisting of Palmtree, Neelys, Multimatic, Western, Hartz, McCorduck Properties, McCorducks, IMA and Stark formed a group known as the 2008 Group to respond to the 2008 RWQCB directives related to the to the PCE contamination in the deeper groundwater at the LASC/MOSC Site.

F. In July 2008, Palmtree filed an action entitled <u>Palmtree Acquisition Corporation</u> <u>v. Neely, et al.</u>, Case No. 08-CV-3168-EMC (N.D. Cal., 2008) (with all related third party claims, counterclaims and cross-claims, the "2008 Action"), in which the Parties have actual and potential claims against one another relating to the allocation of the Parties' potential liabilities associated with the PCE contamination of the deeper groundwater.

### THE NORTHROP GRUMMAN SETTLEMENT

G. On July 3, 2010, the Neelys, Multimatic, Western, Stark, Hartz, McCorduck Properties, McCorducks, IMA and Palmtree entered into a settlement agreement with Northrop Grumman Systems Corporation ("Northrop"), as the successor in interest to H+GCL. The settlement was determined to be in good faith by the United States District Court, Northern District, on October 4, 2010. Under the agreement, Northrop agreed to pay 35% of all Past and Future Response Costs, as defined thereunder.

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## THE CAL WATER ACTION AND SETTLEMENT

H. In May 2008, California Water Service Company ("Cal Water") filed an action
entitled <u>California Water Service Company v. The Dow Chemical Company, et al.</u>, Case No.
CIV 473093 (San Mateo Super. 2008) ("Cal Water Action"). Multimatic was named as one of

the defendants in that action, which sought recovery of costs to protect Cal Water drinking water supply wells contaminated with PCE, including Cal Water well 14, which the RWQCB claims is in the LASC/MOSC plume.

I. The Parties to this Agreement have separately reached a settlement with Cal Water whereby in exchange for payment, Cal Water will release all claims against the Parties arising from or related to: (i) claims asserted or that could have been asserted in the Cal Water Action; and (ii) claims related to alleged contamination of the Livermore Wells with PCE sourced directly or indirectly from the LASC/MOSC shopping Centers.

## THE MEDIATION SESSIONS AND AGREEMENT

J. The Parties have participated in a series of mediation sessions from 2009 through 2012 ("Mediation Sessions") to resolve their claims and liabilities and implement a remedial action plan at the LASC and MOSC. The Parties have reached a settlement and are in the process of drafting a global settlement agreement (the "Agreement"). The Agreement represents a compromise resolution of the Parties' differing initial settlement positions and contradictory interpretations of pertinent facts and legal claims and defenses, recognizing the risks, expense, and uncertainties of litigation.

K. Pursuant to the terms of the Agreement, the Parties will enter into a Guaranteed Fixed Price Remediation Agreement ("Cleanup Contract") with The Source Group, Inc. (the "Cleanup Contractor") for the remediation of environmental contamination at and emanating from the LASC and MOSC.

L. The estimated total cost for the implementation of the remedial action plan is \$8,109,110, which consist of the following: (1) \$5,681,110 for the Cleanup Contractor; (2) \$500,000 for California Water Service Company; (3) \$325,000 for the Regional Water Quality Control Board for regulatory oversight for 15 years; (4) \$375,000 for project management for 15 years; and (5) \$1,228,000 for contingency costs. The Parties will pay 65% of the total costs (\$5,270,921.50) and Northrop will pay 35% (\$2,838,188.50).

M. A true and correct DRAFT copy of the Agreement is attached hereto as Exhibit
 A. By virtue of entering into the Agreement, none of the Parties admit liability. The Agreement provides, in part, as follows:

(i.) At section 1., the Agreement provides that the Parties agree to pay the amounts allocated to them, as set forth in Exhibit B ("Settlement Fund"). Payment shall be made to the Trustee, identified in paragraph 3 of the Agreement, below, for the funding of a Qualified Settlement Fund Trust and Environmental Remediation Trust, within 60 days following the later of: (a) the Court's order determining that this Agreement is in good faith, or (b) the Court's order determining that the Parties' settlement agreement in the Cal Water Action is in good faith. A payment schedule applicable to some of the parties is incorporated within sections 1. a., 1. b., 1. c. and 1. d. of the Agreement.

(ii.) At section 2. a., the Agreement provides that the settlement is expressly contingent upon the Court's determination, pursuant to California Code of Civil Procedure section 877.6, that the Agreement is entered into in good faith and therefore bars any and all existing or potential claims against each of the Parties for total equitable indemnity, equitable comparative contribution, partial and/or comparative indemnity, and/or implied contractual indemnity.

(iii.) At section 2. b., the Agreement provides that the settlement is expressly contingent upon the Court's determination, pursuant to California Code of Civil Procedure section 877.6, that the Parties' settlement agreement in the Cal Water Action is entered into in good faith and therefore bars any and all existing or potential claims against each of the Parties for total equitable indemnity, equitable comparative contribution, partial and/or comparative indemnity, and/or implied contractual indemnity.

(iv.) At section 3. the Agreement provides that De Maximis, Inc. will serve as the Trustee for the Settlement Fund. The Settlement Fund shall be deposited into two separate trust accounts, the Qualified Settlement Fund pursuant to Treasury Regulation Section 1.468B (28 C.F.R. 1.468B-1) and a Environmental Remediation Trust pursuant to Internal Revenue

Code Section 301.7701-4(e) which shall be used to meet the payment obligations for 2 implementation of the remedial action plan at the LASC/MOSC site. (v.) 3

At section 5. a., in consideration of the Parties' payments as provided in section 1., the Parties agree to mutually release each other from any and all claims arising from or related to arising from or related to PCE contamination at and emanating from the LASC and MOSC.

At section 12., the Parties expressly waive any rights or benefits that they (vi). may have or might obtain pursuant to section 1542 of the California Civil Code.

## **NEELY'S SETTLEMENT CONTRIBUTION**

N. The Neelvs' insurers are Lumbermens Mutual Casualty Company, In Rehabilitation ("Lumbermens") and Firemens Fund Insurance Company ("FFIC").

Lumbermens and FFIC will pay 16% of the Parties \$8,109,110 share to the О. Settlement Fund, or a total of \$1,297,457.60 ("Settlement Payment") on behalf of the Neelys.

Ρ. The Neelys will be signatories to the Agreement.

The Settlement Payment by Lumbermens and FFIC will be held in the Bassi Edlin О. Huie & Blum LLP Client Trust Account until the Agreement is fully executed by the Parties and the Parties tender their Settlement Payments under the Agreement.

This Stipulation is a stipulation for the Good Faith Order regarding Lumbermens R. and FFIC's Settlement Payment on behalf of the Neelys.

S. By entering into this Stipulation, the Parties agree that the Settlement Payment by Lumbermens and FFIC on behalf of the Neelys constitutes a good faith settlement of the claims against the Neelys in the 2008 Action.

# AGREEMENT

1. The foregoing Recitals are true and correct and are incorporated herein by reference.

2. The Parties stipulate to the following points of law:

i. The Settlement Payment by Lumbermens and FFIC on behalf of the Neelys satisfies the requirements for a good faith determination under California Code of Civil 589042

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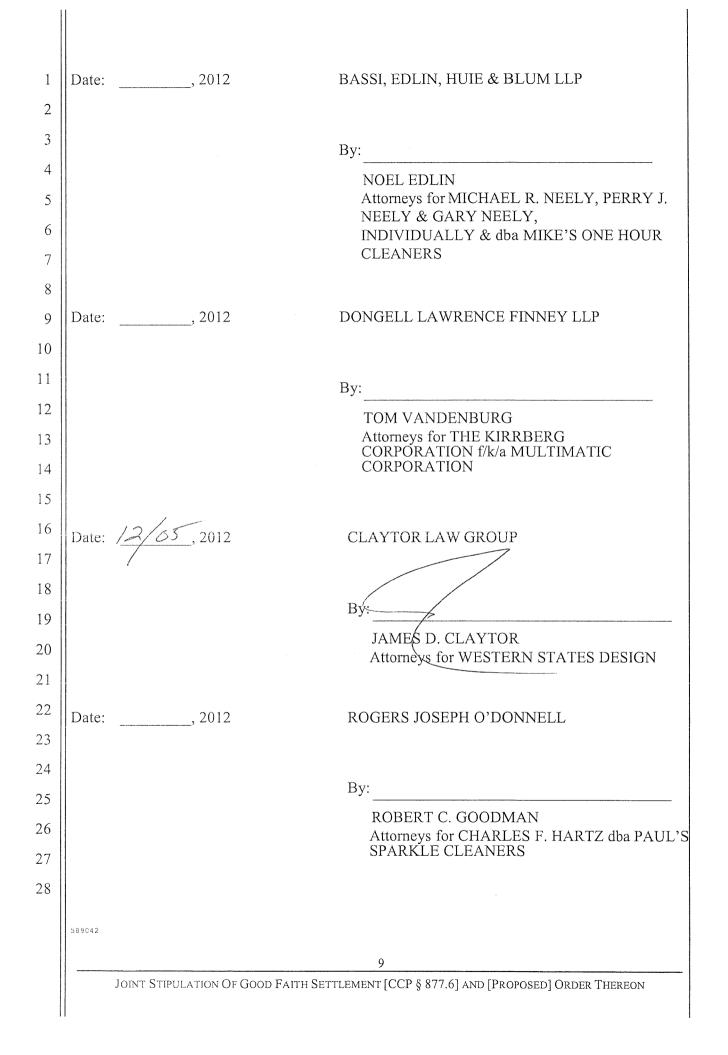
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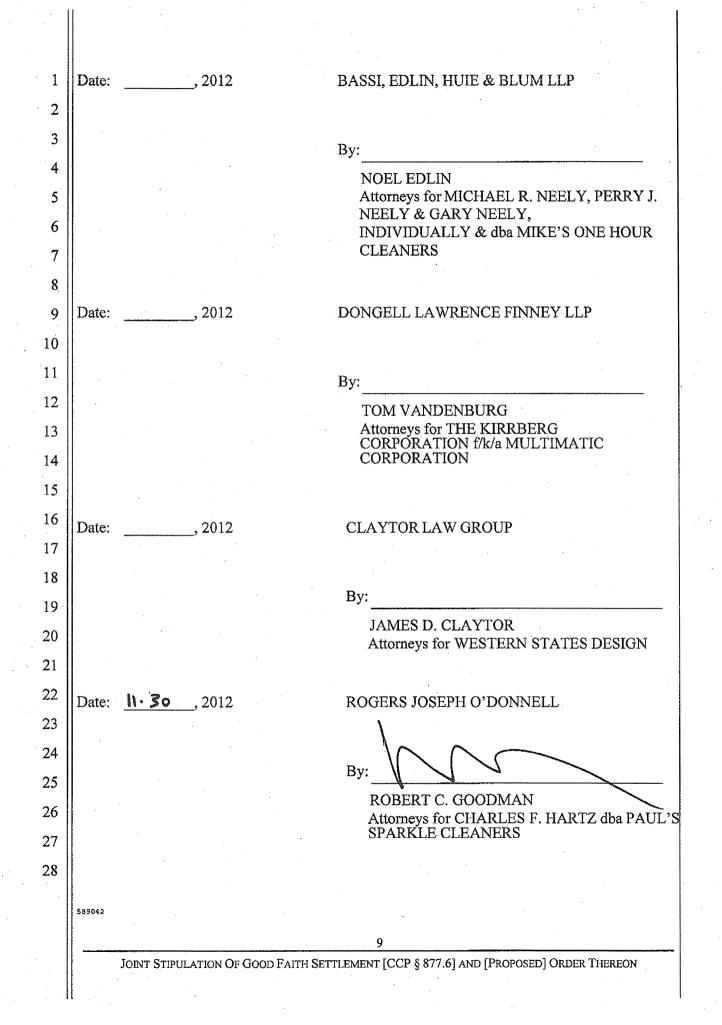
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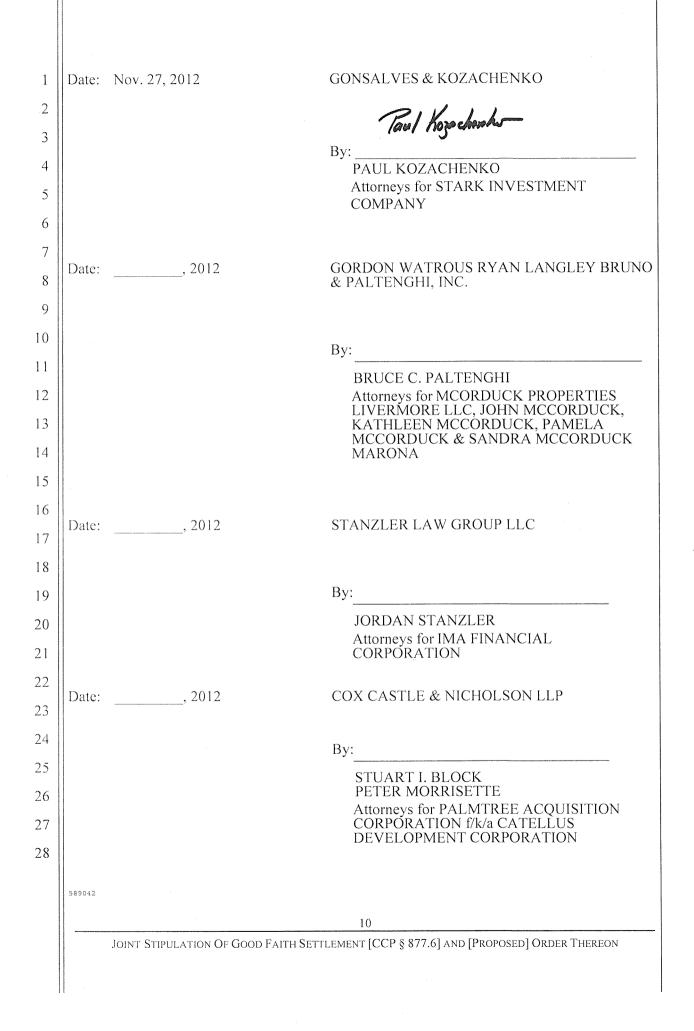
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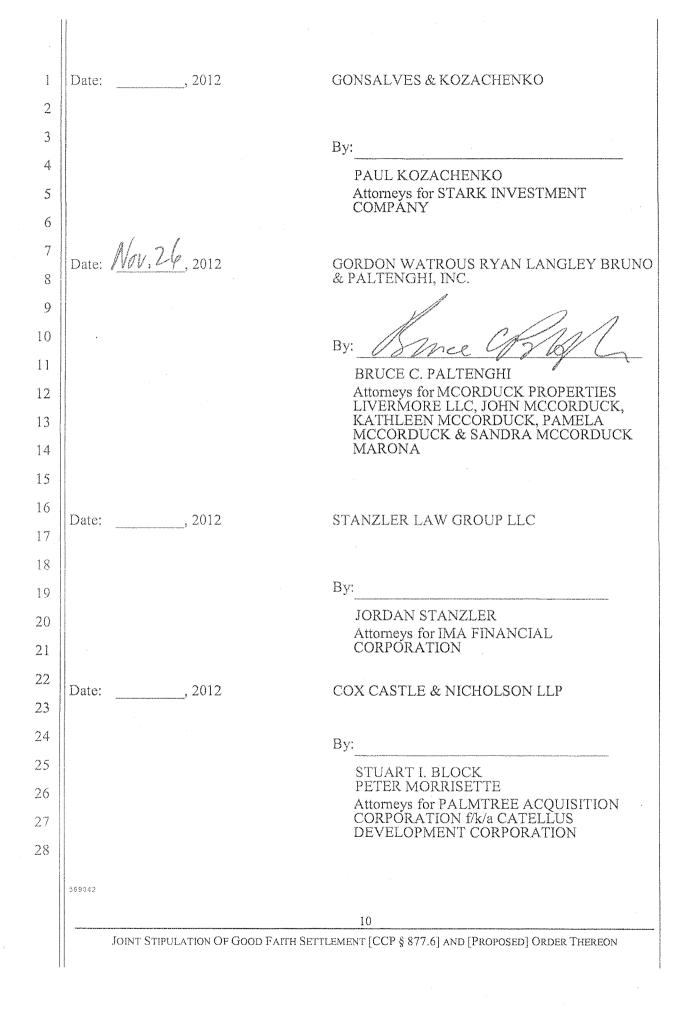
1	Procedure section 877.6 and Tech Bilt Inc. v. Woodward Clyde & Associates, 38 Cal. 3d. 488
2	(1985) for the following reasons:
3	a. the Settlement Payment due under the Agreement is reasonably
4	proportionate to the Neelys share of liability for remediation of the PCE contamination in the
5	deeper groundwater at the LASC/MOSC Site;
6	b. the amount of the Settlement Payment due by the Neelys under the
7	Agreement is substantial; and
8	c. the Settlement Payment due by the Neelys under the Agreement is
9	likely less than the amounts the Neelys would be found liable for after trial.
10	3. A good faith settlement operates to discharge a settling party from liability to any
11	other alleged tortfeasors for partial or comparative indemnity or contribution in the 2008 Action,
12	regardless of whether the other alleged tortfeasors are presently parties to the action or have ever
13	been parties to the action. Cal. Code of Civ. Proc. § 877.6 (LexisNexis 2012), Mill Valley
14	<u>Refuge Co. v. Super. Ct.</u> , 108 Cal.App.3d. 707 (1981).
15	4. The Neelys are entitled to, as of the effective date of the Agreement, contribution
16	protection pursuant to section 113(f) of CERCLA, 42 U.S.C. § 9613 (f) and any other applicable
17	provision of federal or state law.
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19	IT IS SO STIPULATED
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	JOINT STIPULATION OF GOOD FAITH SETTLEMENT [CCP § 877.6] AND [PROPOSED] ORDER THEREON

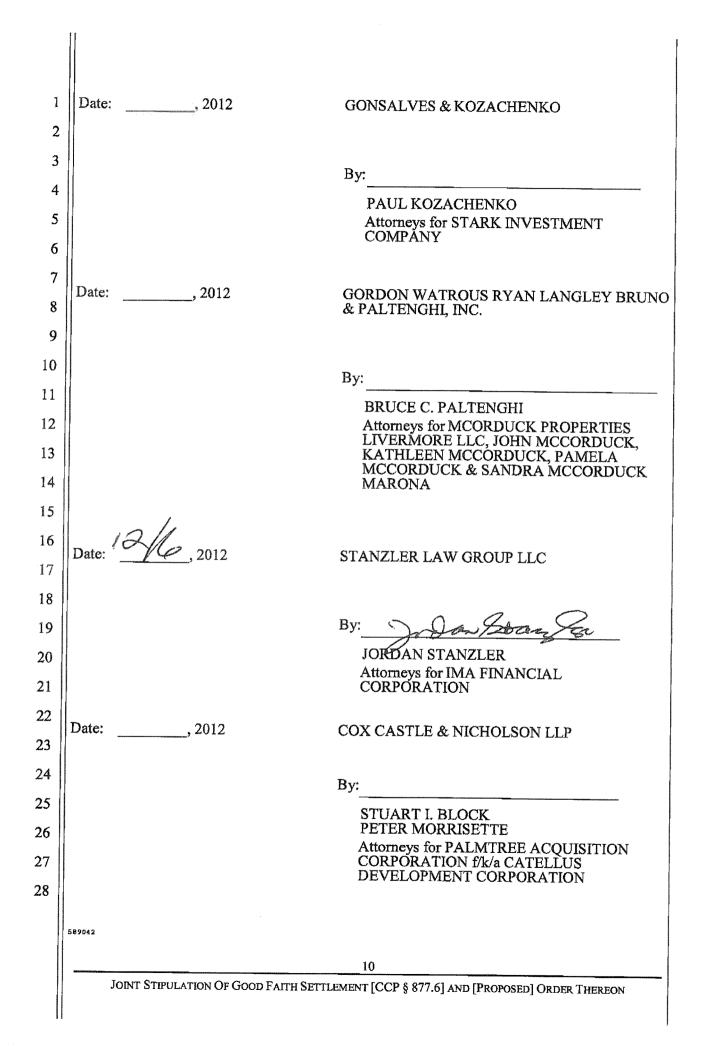
Date: 12/14 .2012 BASSLEDLIN, HUIE & BLUM LLP farheera Habib Bv: 4 NOEL EDLIN Attorneys for MICHAEL R. NEELY, PERRY J. Š NEELY & GARY NEELY. INDIVIDUALLY & dba MIKE'S ONE HOUR **CLEANERS** 8 Date: ////. 2012 DONGELL LAWRENCE FINNEY LLP By: TOM VANDENBURG Attorneys for THE/KIRRBERG 100 CORPORATION 17k/a MULTIMATIC CORPORATION 14 . 2012 CLAYTOR LAW GROUP Dage 1S By: JAMES D. CLAYTOR Attorneys for WESTERN STATES DESIGN 21 33 Date: . 2012 ROGERS JOSEPH O'DONNELL 23 24 By:ROBERT C. GOODMAN Attorneys for CHARLES F, HARTZ dba PAUL'S SPARKLE CLEANERS 9 JOBAE STIPLE VHON OF GOOD FAITH SETTLEMENT [CCP § 877.6] AND [PROPOSED] ORDER THEREON

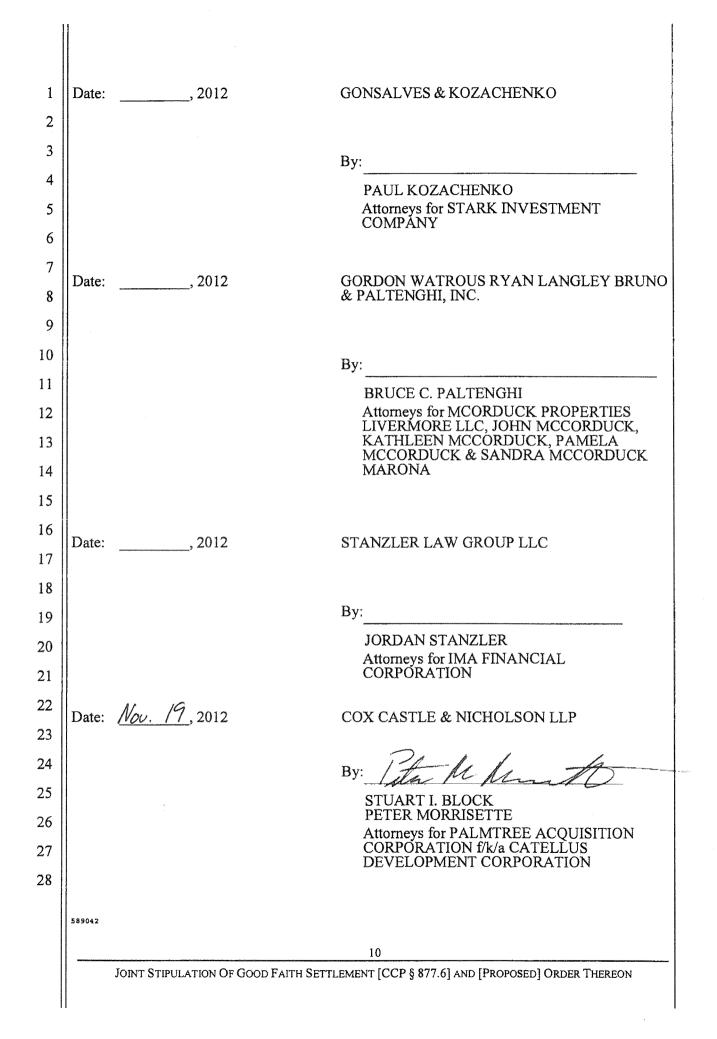


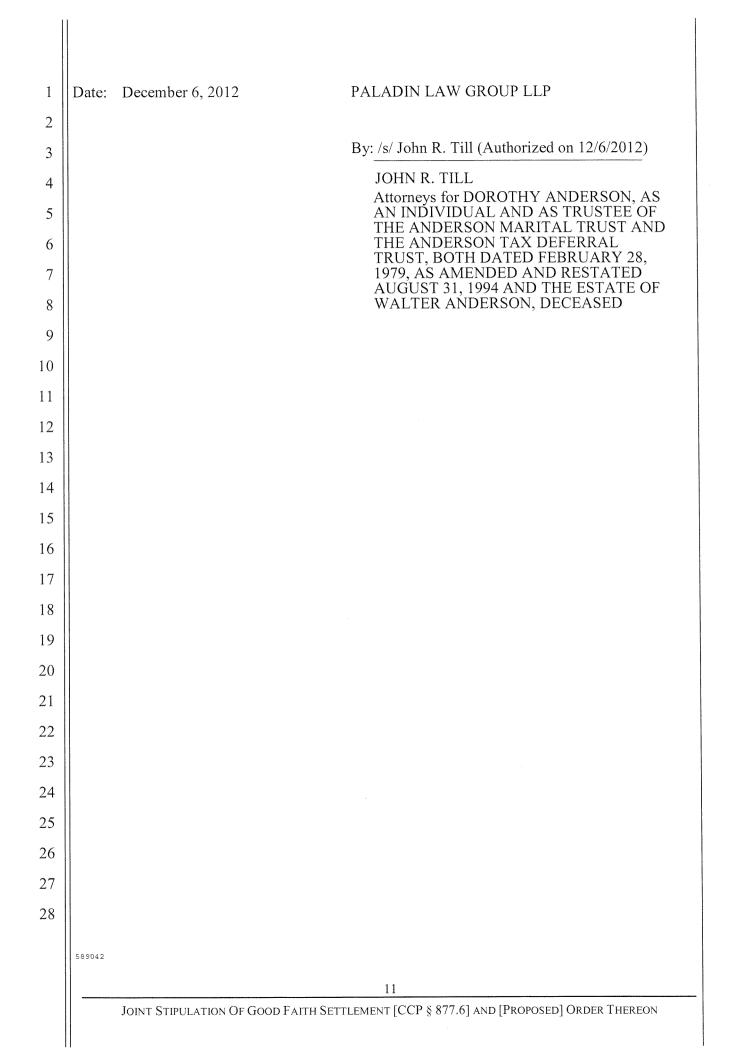












	ORDER					
	UPON CONSIDERATION OF THE FOREGOING, the Court hereby finds the					
A	Agreement is fair and reasonable, both procedurally and substantively, consistent with applicable					
1a	aw, in good faith, and in the public interest. THE FOREGOING Agreement is hereby					
A	APPROVED.					
	IT IS HEREBY ORDERED that:					
	The Neelys are entitled to, as of the effective date of the Agreement, contribution					
pı	rotection pursuant to section 113(f) of CERCLA, 42 U.S.C. § 9613 (f) and any other applicable					
pı	provision of federal or state law, including but not limited to the provisions and protections					
af	fforded by the California Code of Civil Procedure sections 877 and 877.6, whether by statute or					
c	ommon law for claims of any type concerning, arising from or related to PCE contamination at					
ar	nd emanating from the LASC and MOSC					
D	Dated:By:By:By:					
	Z Judge Edward M. Chen					
	THE ST					
	DISTRICT OF CR					
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	<u>ORDER</u>	
UPON CONSIDERATION (	OF THE FOREG	OING, the Court hereby finds the
Agreement is fair and reasonable, bo	oth procedurally a	and substantively, consistent with applicab
law, in good faith, and in the public	interest. THE FO	DREGOING Agreement is hereby
APPROVED.		
IT IS HEREBY ORDERED	that:	
The Neelys are entitled to, as	s of the effective	date of the Agreement, contribution
		U.S.C. § 9613 (f) and any other applicabl
		nited to the provisions and protections
		ections 877 and 877.6, whether by statute of
	•	ng from or related to PCE contamination a
and emanating from the LASC and N	MOSC	
Dated:, 2012	By:	
		HON. EDWARD M. CHEN UNITED STATES DISTRICT JUDG
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589042		

Re:       Palmtree Acquisition Corp. v. Michael R. Neely         United States District Court, Northern District Case No. CV 08 3168 EM					
	PROOF OF SERVICE – ELECTRONIC TRANSMISSION				
	I am a citizen of the United States and an employee in the County of San Francisco. I ver the age of eighteen (18) years and not a party to the within action. My business address ASSI, EDLIN, HUIE & BLUM LLP, 500 Washington Street, Suite 700, San Francisco,				
	California 94111.				
	On the date executed below, I electronically served the document(s) via USDC NDC.				
	CF website, described below, on the recipients designated on the Transaction Receipt locate n the USDC NDCA ECF website.				
J	JOINT STIPULATION OF GOOD FAITH SETTLEMENT AND [PROPOSED] ORD THEREON				
0	In the following parties:				
	PLEASE SEE SERVICE LIST PROVIDED BY USDC NDCA WEBSITE				
I declare under penalty of perjury that the foregoing is true and correct and that document is executed on December 21, 2012, at San Francisco, California.					
do	ocument is executed on December 21, 2012, at San Francisco, California.				
	/s/ HEATHER ENDERS				
	HEATHER ENDERS				
58	39042				