

## **SETTLEMENT AGREEMENT AND MUTUAL RELEASE**

This Settlement Agreement and Mutual Release of Claims (“Agreement”) is entered into by and between plaintiff El Dorado County (“Plaintiff”), on one hand, and defendants Davey Tree Surgery Company (“Davey”) and Pacific Gas and Electric Company (“PG&E”) (collectively, “Defendants”), on the other hand. Plaintiff, Davey, and PG&E are referred to collectively as the “Parties,” and each of them individually is referred to as a “Party.”

### **RECITALS**

**WHEREAS**, Plaintiff filed a complaint against Defendants in an action entitled *El Dorado County v. Davey Tree Surgery Company, et al.*, El Dorado Superior Court Case No. PC 20070628 (the “Pending Action”); and

**WHEREAS**, Plaintiff seeks to recover damages in the Pending Action arising from its claimed damages incurred; and

**WHEREAS**, the Parties desire to settle all claims related to the damages and the subject matter of the Pending Action;

**THEREFORE**, in consideration of the mutual promises and agreements set forth herein and for other good and valuable consideration, the undersigned hereby agree that:

### **AGREEMENT**

1. **Settlement Payments.**
  - a. Defendants shall pay to Plaintiff the sum of \$50,000, by check made payable to “El Dorado County,” in settlement of the claim made by Plaintiff.
  - b. The settlement payment referred to above shall be made within thirty (30) days of the complete execution of this Agreement by all Parties.
2. **Dismissal of Pending Action.** Promptly upon receipt of the payments specified in the preceding paragraph, Plaintiff will file a dismissal with prejudice of the Pending Action.

3. Releases.

- a. Release by Plaintiff. Plaintiff, for and on behalf of itself and its subsidiary, parent, and affiliated corporations, companies, divisions, partnerships, and associations, and their respective officers, directors, shareholders, agents, employees, partners, members, and representatives, and their respective predecessors, successors, and assigns, hereby releases and forever discharges Defendants and Defendants' respective parents, subsidiaries, and affiliated entities, and their respective officers, directors, employees, agents, insurers, and attorneys, and their respective predecessors, successors, and assigns, of and from any and all claims, demands, causes of action, obligations, costs, expenses, damages, losses, and liabilities of whatever kind or nature, in law, equity, or otherwise, whether known or unknown, matured or unmatured, past, present, or future, that arise out of or relate to the Damages or the subject matter of the Pending Action.
- b. Release by Defendants. Defendants, for and on behalf of themselves respectively and their respective subsidiary, parent, and affiliated corporations, companies, divisions, partnerships, and associations, and their respective officers, directors, shareholders, agents, employees, partners, members, and representatives, and their respective predecessors, successors, and assigns, hereby release and forever discharge Plaintiff and Plaintiff's parents, subsidiaries, and affiliated entities, and their respective officers, directors, employees, agents, insurers, and attorneys, and their respective predecessors, successors, and assigns, of and from any and all claims, demands, causes of action, obligations, costs, expenses, damages, losses, and liabilities of whatever kind or nature, in law, equity, or otherwise, whether known or unknown, matured or unmatured, past, present, or future, that arise out of or relate to the Damages or the subject matter of the Pending Action.
- c. Waiver of Civil Code § 1542. Each Party has been advised of the provisions of California Civil Code § 1542 which reads as follows:

A general release does not extend to claims which the creditor does not know

or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Each Party waives the provisions of California Civil Code § 1542, and the provisions of any comparable law of any applicable jurisdiction, with the purpose and intent that the releases contained herein shall be construed as general, unqualified releases to the extent provided herein.

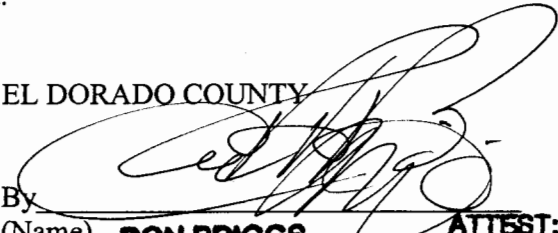
4. Integrated agreement. This Agreement contains all of the agreements, conditions, promises, and covenants between or among the Parties with respect to the subject matter hereof and supersedes all prior or contemporaneous agreements or understandings with respect to the subject matter hereof.
5. No Assignment, Transfer or Conflicting Claims or Liens. Each Party represents and warrants that it is the sole and lawful owner of all right, title, and interest in and to every claim or matter released herein, that it has not assigned or transferred to any person or entity any claim or other matter released herein, and that there are no claims or liens with respect any claim or other matter released herein. Each Party shall defend, indemnify, and hold harmless each other Party from any and all claims alleging facts contrary to representations and warranties in this paragraph.
6. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.
7. Confidentiality. The nature, terms, and substance of this Agreement, and the facts and circumstances surrounding the settlement among the Parties, shall be held in confidence by the Parties. The Parties agree not to disclose the nature, terms, or substance of this Agreement to any person, provided however that the Agreement may be disclosed to the Parties' financial advisers, tax advisers, attorneys, or as required by law.
8. Counterparts. This Agreement may be executed in any number of counterparts, and with facsimile or electronically-transmitted signatures, with the same effect as if each Party had

signed the same document. All counterparts shall be construed together and shall constitute one agreement.

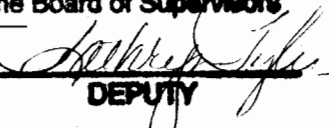
9. Severability. If any portion of this Agreement is held to be invalid, void, or unenforceable, the balance of the provisions will, nonetheless, remain in full force and effect and will in no way be affected, impaired, or invalidated.

Dated: 7/29/08

EL DORADO COUNTY

By   
(Name) **RON BRIGGS**  
(Title) VICE CHAIRMAN

ATTEST: **CINDY KECK**, Clerk  
of the Board of Supervisors

By   
**DEPUTY**

Dated: \_\_\_\_\_

PACIFIC GAS AND ELECTRIC COMPANY

By \_\_\_\_\_  
(Name) \_\_\_\_\_  
(Title) \_\_\_\_\_

Dated: \_\_\_\_\_

DAVEY TREE SURGERY COMPANY

By \_\_\_\_\_  
(Name) \_\_\_\_\_  
(Title) \_\_\_\_\_

APPROVED AS TO FORM

Dated: 9/9/08

EL DORADO COUNTY

By   
Attorneys for Plaintiff El Dorado County

signed the same document. All counterparts shall be construed together and shall constitute one agreement.

9. Severability. If any portion of this Agreement is held to be invalid, void, or unenforceable, the balance of the provisions will, nonetheless, remain in full force and effect and will in no way be affected, impaired, or invalidated.

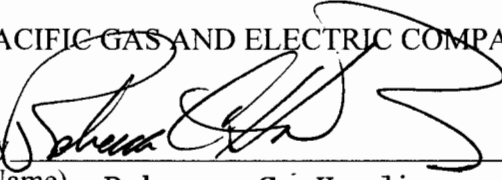
Dated: \_\_\_\_\_

EL DORADO COUNTY

By \_\_\_\_\_  
(Name) \_\_\_\_\_  
(Title) \_\_\_\_\_

Dated: 8/15/08

PACIFIC GAS AND ELECTRIC COMPANY

By   
(Name) Rebecca C. Hardie  
(Title) Director and Counsel

Dated: \_\_\_\_\_

DAVEY TREE SURGERY COMPANY

By \_\_\_\_\_  
(Name) \_\_\_\_\_  
(Title) \_\_\_\_\_

APPROVED AS TO FORM

Dated: \_\_\_\_\_

EL DORADO COUNTY

By \_\_\_\_\_  
Attorneys for Plaintiff El Dorado County

signed the same document. All counterparts shall be construed together and shall constitute one agreement.

9. Severability. If any portion of this Agreement is held to be invalid, void, or unenforceable, the balance of the provisions will, nonetheless, remain in full force and effect and will in no way be affected, impaired, or invalidated.

Dated: \_\_\_\_\_

EL DORADO COUNTY

By \_\_\_\_\_  
(Name) \_\_\_\_\_  
(Title) \_\_\_\_\_

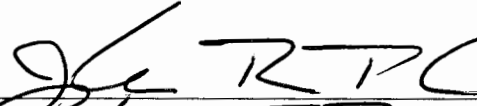
Dated: \_\_\_\_\_

PACIFIC GAS AND ELECTRIC COMPANY

By \_\_\_\_\_  
(Name) \_\_\_\_\_  
(Title) \_\_\_\_\_

Dated: \_\_\_\_\_

DAVEY TREE SURGERY COMPANY

By   
(Name) JOSEPH R. PAUL  
(Title) TREASURER

APPROVED AS TO FORM

Dated: \_\_\_\_\_

EL DORADO COUNTY

By \_\_\_\_\_  
Attorneys for Plaintiff El Dorado County

APPROVED AS TO FORM

Dated: 8/21/08

THELEN REID BROWN RAYSMAN  
& STEINER LLP

By 

Attorneys for Defendants Davey Tree  
Surgery Company and Pacific Gas and  
Electric Company

APPROVED AS TO FORM

Dated: \_\_\_\_\_

CARLSON, CALLADINE & PETERSON LLP

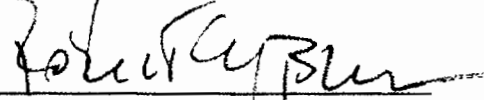
By \_\_\_\_\_

Attorneys for Defendant Davey Tree  
Surgery Company

APPROVED AS TO FORM

Dated: 8/21/08

THELEN REID BROWN RAYSMAN  
& STEINER LLP


By 

Attorneys for Defendants Davey Tree  
Surgery Company and Pacific Gas and  
Electric Company

APPROVED AS TO FORM

Dated: 7/22/08

CARLSON, CALLADINE & PETERSON LLP

By 

Attorneys for Defendant Davey Tree  
Surgery Company