

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Agreement”) is made by and between California River Watch, a nonprofit corporation, on behalf of itself and its members (hereafter “CRW”), and Warner Bros. Entertainment Inc. (“Warner Bros.”), an American producer of film, television, and music entertainment, and a subsidiary of Time Warner Inc. CRW and Warner Bros. may hereinafter each be referred to as a “Party” or collectively as the “Parties.”

RECITALS

A. California River Watch is a 501(c)(3) nonprofit, public benefit Corporation organized under the laws of the State of California, dedicated to protect, enhance, and help restore the surface waters and groundwaters of California including its rivers, creeks, streams, wetlands, vernal pools, aquifers and associated environs, biota, flora and fauna, and to educate the public concerning environmental issues associated with these environs.

B. Warner Bros., a subsidiary of Time Warner, is an American producer of film, television, and music entertainment, headquartered at the 110 acre Warner Bros. Studios main lot at 4000 Warner Blvd., Burbank, California (hereafter the “Site”).

C. CRW served Warner Bros. with a 60-Day Notice of Violations and Intent to File Suit (“Notice Letter”) on November 4, 2014, alleging violations of the CWA for discharging pollutants from point sources at the Site to the Los Angeles River, an impaired United States waterbody.

D. Warner Bros. denies all of CRW’s allegations and claims which were, or could have been asserted against Warner Bros. based upon the Notice Letter.

E. The Parties have expended effort and resources in investigating and evaluating the allegations and claims of CRW set forth in the Notice Letter. CRW has tested outfalls from the Site to the Los Angeles River and found that certain of the outfalls contained metals in excess of the California Toxics Rule, including copper and zinc, for which the Los Angeles River is CWA § 303(d) listed as impaired. The Parties met on December 18, 2014 and engaged in a negotiation and technical dialogue regarding the allegations set forth in the Notice Letter with respect to the Site.

F. The Parties now wish to resolve and settle all disputes, obligations, and purported or actual claims or causes of action, which may exist by and between CRW and Warner Bros., including without limitation any disputes, obligations, claims and/or causes of action that

were or could have been asserted in or pursuant to the Notice Letter.

NOW, THEREFORE, in consideration of the execution of this Agreement and the releases, satisfactions and promises made herein, it is hereby agreed upon by the Parties as follows:

TERMS AND CONDITIONS

1. Parties Bound By This Agreement and Length of Agreement. This Agreement, and each of its provisions, including all representations, warranties, and promises contained herein, binds, and inures to the benefit of CRW and Warner Bros., and each of their respective assigns, present and future affiliates, parents, subsidiaries, predecessors and successors in interest whether by merger, consolidation, or otherwise, as well as their respective representatives, agents, and administrators, past, present, and future. The “Effective Date” is the last date on which the signature of a Party to this Agreement is executed, and the “Termination Date” is the date upon which all of the requirements under Sections 2 and 3 of this Agreement are completed by Warner Bros., or two (2) years after the “Effective Date,” whichever occurs first.

2. Actions By Warner Bros. In exchange for the delivery, execution, and performance of this Agreement and of the Release by CRW as provided herein, Warner Bros. shall perform the below specified projects at the Site. Warner Bros. reserves the right, in its sole discretion, to determine (i) which persons shall perform any work described herein, including contractors; and (ii) the scope and technical details of, and manner to implement, any such work, subject to review and approval by the Regional Water Quality Control Board (or such other regulatory agency as may, from time to time, exercise jurisdiction with respect to environmental matters at the Site), if and as applicable:

2.1. Filter Installation. Within one hundred and twenty (120) days of the Effective Date of this Agreement, Warner Bros. will install drop-inlet filters in certain of its storm water catch basins to filter the non-storm water runoff from various sources within the Site such as parking lots, roadways, materials storage, and refuse disposal. The drop-inlet filters shall be selected to reduce the volume and concentration of pollutants in Warner Bros.’ storm sewer discharges to the Burbank MS4 and the Los Angeles River. Warner Bros. will document the installation of the drop-inlet filters by taking and maintaining photographs of such installations. Upon request, Warner Bros. will provide CRW with the specifications for any drop-inlet filters installed, including the manufacturer, type, efficiency and maintenance information provided by the manufacturer, for a period of three (3) years from the

Effective Date of this Agreement.

2.2 Filter Efficacy. Warner Bros. will assess the condition of the drop-inlet filters as per the manufacturer's instructions, or at least twice yearly, by sampling the after filter discharge once after the first rain of 0.5 inches or more occurring after October 1, and once again during the summer months (June 21 through September 21) and replace or repair the filters as needed.

2.3. Sweeping. Warner Bros. will utilize a dry-vacuum to sweep uncovered parking areas at the Site a minimum of one (1) day per week, and will quarterly wet vacuum sweep covered parking areas.

3. Sampling by CRW. Warner Bros. agrees that CRW may sample the outfalls from the Site to the Los Angeles River on an annual basis, for two years after execution of this Agreement with five (5) days notice to Warner Bros. and Warner Bros. will be entitled to have a representative present during the sampling process. In addition, Warner will have the right to approve the sampling firm, which approval shall be exercised reasonably. CRW agrees to share with Warner Bros. any results from these sampling events. In the event that the samples show that Warner Bros. is not in compliance with the Clean Water Act, Warner Bros. will have an opportunity to cure within 60 days and CRW may retest. In the event that consecutive samples show that Warner Bros. is not in compliance with the Clean Water Act after the second year of testing, CRW may sample the outfalls from the Site for a third year after execution of this Agreement. In the event that Warner Bros. fails to be in compliance with the Clean Water Act after the third year of testing, Warner Bros. will meet in good faith with CRW within thirty (30) days of notification from CRW to discuss steps Warner Bros. could take for Clean Water Act compliance and/or whether Warner Bros. should initiate a Reasonable Potential Analysis ("RPA").

4. Fees and Costs. Within thirty (30) days of the Effective Date of this Agreement, Warner Bros. shall pay CRW the sum of Thirty-five Thousand Dollars (\$35,000.00) as full reimbursement for CRW's investigative, expert and attorney fees and costs. This payment includes all anticipated future costs and fees that CRW will incur or might incur in monitoring the Agreement including site specific sampling, laboratory work and analyses. Payment shall be made by way of a single check payable to "California River Watch" and shall constitute full and complete satisfaction of any and all claims by CRW for the aforementioned fees and costs in connection with this matter up to and including the Effective Date, with the exception of any fees and costs incurred to enforce this Agreement in court, for which the Court would have discretion to award any prevailing party attorneys' fees.

5. Mutual Release. It is the intent of the Parties that the execution and delivery of this Agreement constitutes a full and complete satisfaction of all rights, claims and demands by CRW against Warner Bros. with respect to any and all allegations and claims made in the Notice Letter under the Clean Water Act. CRW and Warner Bros., on behalf of themselves and any and all of their agents, representatives, successors, members, and assigns, do hereby absolutely, fully, and forever release, relieve, remise, and discharge Warner Bros. and CRW, respectively, and their past and present employees, officers, directors, attorneys, and the predecessors, successors, and assigns of any of them, from any and all causes of action, claims, damages (including punitive damages), demands, debts, actions, attorneys' fees, costs of suit, and liabilities of every kind or nature whatsoever, arising out of claims asserted in the Notice Letter under the Clean Water Act concerning the Site. The release provided for herein shall be valid and effective whether the claims, causes of action, or liability hereby released (i) are known or unknown, suspected or unsuspected, (ii) are based in contract, tort, statute, or otherwise, or (iii) arise at law or in equity. This release shall survive the termination of this Agreement, whether by satisfaction of the terms and conditions hereof or operation of law.

Further, the Parties acknowledge that they are familiar with Section 1542 of the California Civil Code. For any other claims against each other, known or unknown, suspected or unsuspected, each Party expressly waives and relinquishes any rights and benefits which it has or may have under Section 1542 of the Civil Code of the State of California, which provides:

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.

The Parties acknowledge that each has specifically reviewed with its attorney the meaning and effect of the release set forth herein, the language of California Civil Code Section 1542, and the waiver contained herein. The Parties acknowledge that their attorneys have fully explained the impact of these provisions, and the Parties knowingly accept the risks associated with these provisions.

6. No Admission. This Agreement is the direct result of a compromise of disputed allegations and claims. As such, this Agreement shall not, for any purpose, be considered as an admission of liability by Warner Bros., nor shall the payment of any sum of money in consideration for the execution of this Agreement constitute or be construed as an admission of any liability by Warner Bros., which expressly denies any such liability or wrongdoing.

7. Delays in Schedule Implementation. In the event implementation by Warner Bros. of the remedial measures set forth in Section 2 of this Agreement does not occur by the agreed to dates, despite the timely good faith efforts of Warner Bros. to acquire any necessary approvals and/or permits, or due to factors unforeseen at the time this Agreement was entered into, Warner Bros. agrees to notify CRW in writing as soon as practicable after the anticipated delay becomes apparent, and in any case, except in a case of force majeure described below, not less than twenty (20) days prior to any deadline set forth in Section 2, and shall describe the reasons for the anticipated delay.

8. Force Majeure. Warner Bros. shall not be deemed in default or breach of this Agreement by reason of any event which constitutes a force majeure. For purposes of this Agreement, a force majeure is defined as any event arising from causes beyond the reasonable control of Warner Bros. or its contractors that delays or prevents performance. This includes, without limitation, acts of God, acts of war, acts of terrorism, fire, explosion, extraordinary weather events, restraint by court order or public authority, or other causes beyond Warner Bros.' reasonable control. Neither increased costs nor economic hardship shall constitute a force majeure.

9. Breach of Agreement and Dispute Resolution. Any disputes between CRW and Warner Bros. concerning any alleged breach of this Agreement, except for Section 4, shall be subject to the following dispute resolution procedures. Failure to satisfy the payment condition in Section 4 is a substantial breach of this Agreement and relieves CRW of its obligations under this section of the Agreement.

9.1 Good Faith Negotiations. CRW and Warner Bros. shall make good faith efforts to resolve informally any alleged breach of the Agreement. If informal efforts to resolve the alleged breach are unsuccessful, that Party shall provide written notice of the alleged breach and that Party's intent to initiate the dispute resolution procedure of this Section 9. The notice shall include a recitation of all facts and circumstances giving rise to the dispute, including the particular provisions of the Agreement alleged to have been breached.

9.2. Mediation. If the dispute is not resolved by the Parties within thirty (30) days after such notice is given, such dispute shall be submitted to mediation before a mutually agreeable neutral mediator. The Parties shall each bear its own costs and attorney's fees incurred in connection with such mediation.

9.3. Arbitration. If, and only if, the dispute cannot be resolved by the Parties pursuant to the above mechanisms, such dispute shall be submitted for

binding arbitration before a mutually agreeable neutral arbitrator. In the event that binding arbitration occurs, the Parties agree that no discovery shall be permitted. Briefing will be limited to one brief of no longer than ten (10) pages for each Party, submitted no later than fourteen (14) days before the scheduled arbitration hearing. The arbitration hearing is limited to a maximum of one (1) day. The determination of the arbitrator shall be binding upon the Parties. Within thirty (30) days after the conclusion of the arbitration hearing, the arbitrator shall issue a written statement of decision describing the basis for the decision. The non-prevailing Party shall bear the cost of the arbitrator's fees. Otherwise, the Parties shall each bear their own costs and attorney's fees incurred in connection with such binding arbitration.

9.4. Waiver. By agreeing to these dispute resolution provisions, including the binding arbitration provision, the Parties understand they are waiving certain important rights and protections that otherwise may have been available to each of them if a dispute between them were determined by a judicial action including, without limitation, the right to a jury trial, and certain rights of appeal. Other than the remedies contained within this Agreement including dispute resolution and specific performance of the terms of this Agreement, there are no other remedies. The Parties specifically agree that there is no basis within this Agreement or within the contemplation of the Parties to support a claim for consequential damages due to any form of breach.

10. Notices. All notices, consents, approvals, requests, demands and other communications (collectively, "Notice") which the Parties are required or desire to serve upon the other Party shall be in writing and shall be given by either overnight courier, United States mail, postage prepaid, facsimile or electronic mail, addressed as set forth below:

If to CRW:

Jack Silver, Esq.
Law Office of Jack Silver
P.O. Box 5469
Santa Rosa, CA 95402-5469
Tel: (707) 528-8175
Fax: (707) 526-8675
Email: lhm28843@sbcglobal.net

If to Warner Bros.:

Katherine Chilton
Warner Bros. Entertainment Inc.

4000 Warner Boulevard
Burbank, CA 91522
Tel. (818) 954-6845
Fax: (818) 954-6387
kate.chilton@warnerbros.com

AND,

Mark Pincus
Warner Bros. Studio Facilities
4000 Warner Boulevard
Burbank, CA 91522
Tel. (818) 954-5361
Fax: (818) 954-5361
mark.pincus@warnerbros.com

The foregoing addresses may be changed by Notice given in accordance with this Section 10. Any Notice sent by United States mail shall be deemed received three (3) days after the date of mailing. Any Notice sent by facsimile shall be deemed received upon electronic confirmation of the successful transmission thereof, and any Notice sent by electronic mail shall be deemed received upon electronic transmission thereof provided the sender does not receive an electronic notice of non-delivery. Any Notice sent by overnight courier service shall be deemed received on the day of actual delivery as shown by the confirmation of delivery by the messenger or courier service. If the date of receipt of any Notice to be given hereunder falls on a weekend or legal holiday, then such date of receipt shall automatically be deemed extended to the next business day immediately following such weekend or holiday for purposes of calculating time periods commencing upon the date of service.

11. Attorneys' Fees. Other than the payment to CRW under Section 4 of this Agreement, each Party shall bear its own past and future attorneys' fees and costs relating to the subject matter of this Agreement.

12. Parties' Acknowledgment of Terms. This Agreement has been carefully and fully read and reviewed by CRW and Warner Bros. and their respective counsel, who hereby represent that the contents of this Agreement are understood, and agree that this Agreement is binding on each Party or its respective predecessors, successors, and assigns and as described above.

13. Interpretation and Applicable Law. This Agreement shall be construed and

interpreted in accordance with the laws of the United States and the State of California without regard to principles of conflicts of law. This Agreement shall be interpreted and construed as a whole, according to its fair meaning and not strictly for or against any Party, and without regard to which Party drafted the Agreement. All of the promises, representations, and warranties contained in this Agreement survive the execution of this Agreement.

14. No Assignments. Each Party to this Agreement represents and warrants that it has not assigned, transferred, hypothecated, or sold to any third person or entity, any of the rights or obligations released by or entered into under this Agreement.

15. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall evidence one and the same agreement.

16. Headings. The headings used in this Agreement are for convenience of reference and shall not be used to define any provision.

17. Entire Agreement In Writing. This Agreement constitutes the entire agreement between the Parties hereto with respect to the subject matter set forth herein and supersedes all previous or contemporaneous negotiations, commitments (oral or written), and writings with respect to the subject matter set forth herein.

18. Modification or Amendment. This Agreement or any of its provisions may be modified or amended only by written agreement executed by all Parties to this Agreement.

19. Severability. The invalidity or unenforceability of any provision of this Agreement shall in no way affect the validity or enforceability of any other provision. If, in any action before any court or other tribunal of competent jurisdiction, any term, restriction, covenant, or promise under this Agreement is held to be unenforceable for any reason, then such term, restriction, covenant, or promise shall be deemed modified to the extent necessary to make it enforceable by such court or other tribunal; and, if it cannot be so modified, then this Agreement shall be deemed amended to delete herefrom such provision or portion adjudicated to be invalid or unenforceable, and the remainder of this Agreement shall be deemed to be in full force and effect as so modified. Any such modification or amendment in any event shall apply only with respect to the operation of this Agreement in the particular jurisdiction in which such adjudication is made.

20. Representations and Warranties. This Agreement is given voluntarily, free of undue influence, coercion, duress, menace, or fraud of any kind. No Party, nor any officer, agent, employee, representative, or attorney of or for any Party, has made any statement or

representation to any other Party regarding any fact relied upon in entering this Agreement, and no Party is relying upon any statement, representation, or promise of any other Party, nor of any officer, agent, employee, representative, or attorney of or for any Party, in executing this Agreement or in making the settlement provided herein, except as expressly stated in this Agreement.


21. No Third Party Beneficiaries. This Agreement is not intended to confer any rights or obligations on any third party or parties, and no third party or parties shall have any right of action under this Agreement for any cause whatsoever. 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 Parties, and their successors and assigns.

22. Authority. Each of the persons signing this Agreement on behalf of an entity represents and warrants that he or she has actual authority and capacity to execute this Agreement on behalf of the entity and to bind it to all of the terms of this Agreement.

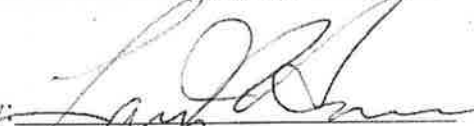
23. Covenant Not to Sue. For a period of five (5) years following the Effective Date of this Agreement, CRW agrees that neither CRW, nor its officers, executive staff, members of its governing board, nor any organization under the control of CRW, its officers, executive staff, and/or members of its governing board, will serve any Notice of Violations and Intent to Sue or file any lawsuit against Warner Bros. seeking relief for alleged violations of the federal Clean Water Act, or any similar state statutes and/or regulations, including the Porter-Cologne Water Quality Control Act, nor will CRW act affirmatively to initiate, encourage, or support such lawsuits specifically against Warner Bros. brought by other groups or individuals by providing financial assistance, personnel time, or any other affirmative actions. Further, the Parties recognize that this Agreement does not preclude further enforcement action under the CWA by other third parties or regulatory agencies such as the Regional Water Quality Control Board or United States Environmental Protection Agency relating to the same time period covered herein.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed by their duly authorized representatives.

**WARNER BROS.
ENTERTAINMENT INC.**

By: 
(Name and Title)
VP & Sr. Litigation Counsel

CALIFORNIA RIVER WATCH

By: 
Larry J. Hanson, Bd. President

Dated: 3/12/15

Dated: 3/09/2015