

TO: Jim App, City Manager  
FROM: Bob Lata, Community Development Director  
DATE: July 1, 2003  
SUBJECT: Acceptance of Settlement Agreement and Mutual Release of Claims  
For Cannon Associates v. City of Paso Robles (Case No. CV030362)  
Chandler Ranch Area Specific Plan and Environmental Impact Report

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Needs: To receive and file the subject Agreement.

- Facts:
1. In response to the filing of Case No. CV030362, the City Council directed the City Attorney's Office to negotiate a Settlement Agreement and Mutual Release of Claims with Cannon Associates.
  2. In accordance with the Council's direction, the City Attorney and Cannon's Attorney, Martin Moroski, have reached agreement on the terms of the settlement.
  3. Signatures have been obtained on the Settlement Agreement and Mutual Release of Claims and the executed agreement is attached for the Council's acceptance and receipt/filing (see attached).
  4. The terms are that:
    - The City shall pay the sum of \$62,000 to Cannon;
    - Cannon shall file a dismissal of the entire action (Cannon v. City of Paso Robles);
    - Both parties agree that there is no admission of fault; and,
    - Both parties agree to a mutual release of claims.

Analysis  
And

Conclusion: The terms are consistent with prior Council direction to settle this matter and limit City exposure to subsequent claims which the Consultant had or may have against the City, thus avoiding a protracted lawsuit and minimizing expenses related to same.

At the time the Consultant's Contract was terminated in November, 2001, Cannon initially sought an additional payment of \$73,438.51 for invoices submitted. Recently, the Council authorized the City Attorney to settle this matter for \$62,000.

In accordance with the Council's direction, a Settlement Agreement and Mutual Release of Claims was prepared and signatures were obtained. Cannon has accepted the terms of the settlement, and the Council is being asked to receive and file the executed Settlement Agreement and Mutual Release of Claims.

- Options:
- A. Receive and file the Settlement Agreement and Mutual Release of Claims
  - B. Amend, modify, or reject Option "A."

Attachment: Settlement Agreement