

## SETTLEMENT AGREEMENT AND MUTUAL RELEASE

### I. PARTIES

The parties to this Settlement Agreement and mutual release (the "Agreement") are Shea Homes Limited Partnership ("Shea"); Brian A. Petrelli ("Petrelli"); and E and B Consulting Inc. d/b/a The Brian Petrelli Team ("EB").

### II. EFFECTIVE DATE

The effective date of this Agreement shall be the first date on which it has been executed by all parties.

### III. RECITALS

A. Petrelli is the Petitioner in Cancellation No. 92045982 pending in the United States Patent and Trademark Office Trademark Trial and Appeal Board (the "Proceeding").

B. Shea is the Registrant in the Proceeding.

C. Petrelli has petitioned to cancel Registration No. 2303147 in the Proceeding. Shea denies all of Petrelli's allegations.

D. Petrelli and Shea have agreed that, to avoid additional expense and the uncertainty of litigation, it is in their respective best interests to enter into this Agreement to settle and resolve all outstanding claims in the Proceeding by way of compromise and without any admission by any party.

### IV. TERMS OF SETTLEMENT

In consideration of the mutual agreements set forth below and in full compromise, settlement and satisfaction of the claims between the parties, the parties agree as follows:

A. Use of Domain Names. Shea agrees that it shall not object to or contest Petrelli and/or EB's use of the domain names *myhighlandsranch.com*, *highlandsranchcondos.net*, *highlandsranchtownhomes.net*, and *highlandsranchtownhouses.net* (the "Domain Names") in connection with the sale of real estate in the Denver, Colorado area. Shea reserves the right to object to Petrelli and/or EB's use of the Domain Names if that use is not in compliance with any of the terms of this Agreement. Shea further reserves the right to object to Petrelli and/or EB's use of the Domain Names if they are used in connection with other marks, terms, designs, logos or other identifiers which Shea believes violate its intellectual property rights.

B. Non-Disparagement. Beginning with the effective date of this Agreement, each party to this agreement, along with its agents and attorneys, agrees to refrain from making disparaging or defamatory statements, oral or written, regarding the other party to this Agreement (including, but not limited to, its officers, directors, employees, representatives and agents) in connection with the issues involved in the Proceeding or any related matters.

C. Dismissal of the Proceeding without Prejudice. Concurrent with execution of this Agreement, the parties shall stipulate to the dismissal without prejudice of the Proceeding. The stipulation for dismissal to be executed by the parties shall be in the form attached as Exhibit A to this agreement. While this dismissal shall be without prejudice, as long as Shea remains in compliance with this agreement, Petrelli and/or EB shall not challenge or contest Registration No. 2303147 in any manner, including, but not limited to, the filing of a cancellation petition with the United States Patent and Trademark Office.

D. Fees, Costs, and Expenses. Each party is to bear its own attorneys' fees, costs, and expenses in the Proceeding and its settlement.

E. Mutual Release. Except for compliance with the obligations set forth in this Agreement, the parties release and forever discharge each other, their successors, heirs, personal representatives, servants, insurers, attorneys, and agents from any claims, demands or damages, known or unknown, whether at law or equity, which they now have as a result of or arising out of any claim which was raised or which could have been raised by the parties to this Agreement in the Proceeding.

## V. REPRESENTATIONS AND WARRANTIES

Each of the parties represents, warrants and agrees as follows:

A. Independent Legal Advice. Each party has received independent legal advice from its attorneys with respect to the advisability of entering into and executing this Agreement.

B. Authorized to Execute. Each party has full power and authority to execute, deliver and perform this Agreement, and each of them has taken all necessary steps for the execution and deliver of this Agreement.

C. No Previous Assignment. No party has previously assigned, transferred, granted, or purported to assign, transfer, or grant any of the claims, demands, causes of action, suits, controversies, liabilities or obligations released by this Agreement.

## VI. MISCELLANEOUS

A. Entire Agreement. This Agreement constitutes the full and complete understanding and agreement of the parties with respect to the subjected matter covered in it. No addition, deletion or amendment shall have any force or effect, except as mutually agreed to in a writing signed by all of the parties.

B. Successors and Transferees. This Agreement shall be binding upon and inure to the benefit of each of the parties' successors, assigns, heirs, and transferees.

C. Counterparts. This Agreement may be executed in counterparts and shall be fully executed by all parties.

D. Headings. The headings and subheadings contained in this Agreement are for convenience only and shall not control or effect the meaning, construction, or interpretation of any provision of the Agreement.

E. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Colorado.

REMAINDER OF PAGE LEFT BLANK INTENTIONALLY. SIGNATURES FOLLOW ON SUBSEQUENT PAGES.

SHEA HOMES LIMITED PARTNERSHIP,  
a California limited partnership

By: *Teresa G. Kershnik*  
Authorized Agent

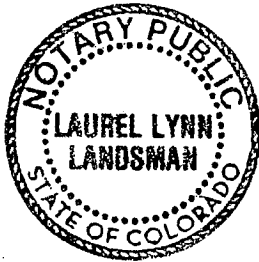
By: *Jeffrey H. Daniels*  
Authorized Agent

STATE OF COLORADO     )  
  ) ss.  
COUNTY OF DOUGLAS    )

The foregoing instrument was acknowledged before me this 2<sup>nd</sup> day of March,  
2007, by Teresa G. Kershnik as Authorized Agent, and Jeffrey H. Daniels as  
Authorized Agent, of Shea Homes Limited Partnership, a California limited partnership.

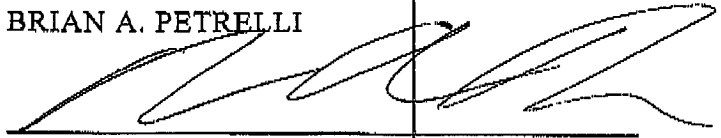
Witness my hand and official seal.

My commission expires: 9-30-2010



*Laurel Lynn Landsman*  
Notary Public

BRIAN A. PETRELLI



STATE OF COLORADO )  
COUNTY OF Douglas ) ss.


The foregoing instrument was acknowledged before me this 5 day of March, 2007 by Brian Petrelli

Witness my hand and official seal.

My commission expires: 1/23/2011

KATIE L. NEAL  
NOTARY PUBLIC  
STATE OF COLORADO

My Commission Expires 01/23/2011

  
Notary Public

E AND B CONSULTING INC. D/B/A/ THE  
BRIAN PETRELLI TEAM

By: [Signature]  
Its: PETRELLI

STATE OF COLORADO )  
COUNTY OF Douglas ) ss.

The foregoing instrument was acknowledged before me this 5 day of March,  
2007, by Brian Petrelli, as President of The Brian Petrelli  
Team.

Witness my hand and official seal.

My commission expires: 1/23/2011

KATIE L. NEAL  
NOTARY PUBLIC  
STATE OF COLORADO

My Commission Expires 01/23/2011

[Signature]  
Notary Public

**EXHIBIT A**

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the matter of Trademark Registration No. 230147

For the mark: HIGHLANDS RANCH

Date registered: December 28, 1999

BRIAN A. PETRELLI,	)	
	)	Cancellation No. 92045982
Petitioner,	)	<b>JOINT STIPULATION OF</b>
	)	<b>DISMISSAL WITHOUT PREJUDICE</b>
v.	)	
	)	
SHEA HOMES LIMITED PARTNERSHIP	)	
	)	
Registrant.	)	
	)	

TO: Commissioner for Trademarks  
BOX TTAB- NO FEE  
P.O. Box 1451  
Alexandria, VA 22313-1451

The parties, by and through counsel, hereby stipulate pursuant to FRCP 41 to the dismissal without prejudice of this proceeding and all claims asserted herein.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2007.

LEYENDECKER & LEMIRE LLC  
Attorneys for Petitioner

GALLAGHER & KENNEDY  
Attorneys for Respondent

By: \_\_\_\_\_  
Peter C. Lemire

By: \_\_\_\_\_  
Robert J. Itri