

SETTLEMENT AGREEMENT

This Settlement Agreement is made between THE TRADITIONAL CAT ASSOCIATION, INC. (“TCA”) and DIANA FINERAN, on one hand, and LAURA GILBREATH, LEE ZIMMERMAN, RANDI BRIGGS, JOHN HEROLD, DIANE DUNAWAY and TRADITIONAL CAT ASSOCIATION, a California nonprofit Mutual Benefit corporation, now known as TRADITIONAL AND CLASSIC CAT INTERNATIONAL (“TCCI”), on the other hand, who agree as follows.

FACT RECITALS

1. This agreement is made with reference with the following facts:

A. The parties to this agreement are parties to litigation known as THE TRADITIONAL CAT ASSOCIATION, INC. (“TCA”) and DIANA FINERAN v. LAURA GILBREATH, LEE ZIMMERMAN, RANDI BRIGGS, JOHN HEROLD, DIANE DUNAWAY and TRADITIONAL CAT ASSOCIATION, a California nonprofit Mutual Benefit corporation filed in the San Diego Superior Court as Case No. GIC789066 (the “Action”).

B. The Action came to trial on May 2, 3, and 4, 2005, and judgment was rendered by the Honorable John S. Meyer.

C. All parties have some dispute with the judgment rendered by Judge Meyer. However, the parties desire to put an end to the dispute which was the subject of the Action and therefore enter into this Settlement Agreement to accomplish closure of these issues.

MONEY ISSUES

2. Under the terms of the Judgment, GILBREATH, ZIMMERMAN, BRIGGS, HEROLD, and TCCI are to recover the sum of \$20,247.28 in attorney’s fees and costs from TCA and FINERAN. In full settlement of this amount, GILBREATH, ZIMMERMAN, BRIGGS, HEROLD, and TCCI agree to accept the payment of \$18,000.00 on the condition that the payment is made on or before 30 days from the entry of the judgment in the Action. The payment shall be made payable to the “Darren J. Quinn Attorney/Client Trust Account.” Upon receipt of the settlement payment, these defendants shall cause to be filed an Acknowledgment of Full Satisfaction of Judgment. If payment is not timely made, these defendants may enforce the judgment as provided by California law.

3. Under the terms of the Judgment, DIANE DUNAWAY is to recover her costs incurred in the Action which she estimates at about \$4,400. In full settlement of her costs in

the Action, DUNAWAY agrees to accept the payment of \$2,200.00 on the condition that the payment is made on or before 30 days from the entry of the judgment in the Action. The payment shall be made payable to the “Martin & Passante Attorney/Client Trust Account.” Upon receipt of the settlement payment, DUNAWAY shall cause to be filed an Acknowledgment of Full Satisfaction of Judgment. If payment is not timely made, DUNAWAY may file a Memorandum of Costs and the judgment as provided by California law.

NON MONETARY ISSUES

4. The parties waive all rights to bring post-judgment motions or to appeal the judgment in the Action. The principles of *res judicata* and collateral estoppel shall control any issue which was raised or could have been raised in the Action.

5. TCA and TCCI presently use essentially the same registration numbering system for registration of cats and kittens with their respective organizations. TCA and TCCI each use a different registration number system with respect to litters. To achieve this change, TCCI shall change their registration identification number for cats and kittens such that it is not similar to the TCA registration identification number. The parties agree that if TCCI’s changed registration identification number does not have as the first category of the sequence the registration classification (Foundation (FS) /Championship (Blank)) and the breed type (Traditional Siamese (TS), Traditional Balinese (TB), etc) which comes after the assigned numerical sequence identification of the cat or kitten, the identification number is sufficiently dissimilar to comply with this section. Further, the parties agree that TCCI can start its registration numbering sequence with a registration classification if it is a dissimilar version of a registration classification. At the time of this agreement, TCCI intends to change a cat previously registered as FS1-TS-1001-01-S/M to the number sequence M01-1001-TS01S. TCA agrees that this change is sufficiently dissimilar to comply with this section. This change in TCCI=s cat and kitten registration numbers shall only apply to cat and kitten registrations after the final execution of this agreement.

6. Except as specifically expressed in this agreement, the judgment shall remain in full force and effect.

7. This Agreement is also governed by the following: (a) headings shall not be

used to interpret the provisions; (b) the interpretation and enforcement of the provisions shall be governed by the laws of California; (c) this document may be executed in counterparts and fax and/or electronic signatures shall be an effective execution of this agreement; (d) the signatories below are authorized to execute this document; (e) the provisions shall be binding upon and inure to the benefit of the successors, assigns, heirs and executors of the respective parties; (f) any party's failure to enforce any provision shall not constitute a waiver of the right to enforce such provision; (g) the provisions may be waived only in writing by the party intended to be benefited by the provisions, and a waiver by a party of a breach hereunder by another party shall not be construed as a waiver of any succeeding breach of the same or other provision; (h) the provisions may be modified only in a writing signed by all of the parties; (i) if any portion of a provision is held to be unenforceable, any enforceable portion thereof and the remaining provisions shall continue in full force and effect; (j) no rule of strict construction shall be applied against any party; (k) the prevailing party in any suit or action to enforce the provisions of this agreement shall be entitled to recover reasonable attorney=s fees and the costs incurred; (l) time is of the essence in the performance of all provisions under this Agreement; (m) the parties shall take such additional actions as are reasonably necessary to accomplish the objectives set forth herein; (n) the parties certify that the recitals set forth herein are true and correct to the best of their knowledge; and (o) this Agreement is the only and entire agreement between the parties respecting the matters set forth herein.

Dated: January ____, 2006

Diana Fineran
The Traditional Cat Association, Inc.

Dated: January ____, 2005

Diana Fineran, Secretary

Dated: January ____, 2005

Laura Gilbreath

Dated: January ____, 2005

Lee Zimmerman

Dated: January ____, 2005

Randi Briggs

Dated: January ____, 2005

John Herold

Dated: January ____, 2005

Diane Dunaway

Dated: January ____, 2005

By:
Traditional and Classic Cat International

APPROVED AS TO FORM:

GOODE, HEMME, PETERSON & SAYLER

Dated: January ____, 2005

Jerry D. Hemme
Attorneys for Plaintiffs
DIANA L. FINERAN and THE
TRADITIONAL CAT ASSOCIATION, INC.

LAW OFFICES OF DARREN J. QUINN

Dated: January ____, 2005

Darren J. Quinn
Attorneys for Defendants
LAURA GILBREATH, LEE ZIMMERMAN,
RANDI BRIGGS, JOHN HEROLD, AND
TRADITIONAL CAT ASSOCIATION

MARTIN & PASSANTE

Dated: January ____, 2005

Anthony J. Passante, Jr.
Attorneys for Defendant
DIANE DUNAWAY