

## SETTLEMENT & RELEASE AGREEMENT

This Settlement & Release Agreement ("Agreement") is made as of April 24, 2013, by and between Yuhl, Stoner Carr LLP and William Stoner (collectively and individually referred to herein as "YSC"), on the one hand, and the City of Bell ("City") on behalf of itself and the Bell Public Financing Authority, the Bell Community Redevelopment Agency, the Bell Community Housing Authority, the Bell Surplus Property Authority, the Bell Solid Waste Authority, and all other City authorities and agencies (collectively and individually referred to herein as, "Bell"), on the other hand. YSC and Bell shall be referred to collectively as the "Parties" and separately as the "Party".

### RECITALS

A. WHEREAS, YSC was retained by Bell as special litigation counsel in July 2011 for a blended hourly rate of \$240 per hour and a contingency fee of 25% of gross recoveries as provided in the Agreement With The City Of Bell For Special Counsel Services dated July 14, 2011 (the "Engagement").

B. WHEREAS, YSC filed the lawsuit entitled *City of Bell, et al. v. Best Best & Krieger, LLP, et al.*, Los Angeles Superior Court Case No. BC466436 for Bell on July 28, 2011 (the "Action").

C. WHEREAS, YSC has performed legal services for Bell in the Action and concerning other matters since July 2011 through April 2012. Payment for those services as well as the exact scope and handling of those services is subject to an ongoing dispute between the Parties.

D. WHEREAS, YSC filed a lien (the "Lien") against Bell in the Action on June 19, 2012 for additional payment of hourly and contingent fees for YSC's legal services concerning the Action.

E. WHEREAS, the Lien and any other potential claims that could be asserted by YSC against Bell as well as any and all claims the Parties could assert against each other are the subject of an ongoing dispute between the Parties (the "Claims").

F. WHEREAS, the Parties wish to avail themselves of the opportunity to avoid incurring additional legal fees and expenses litigating and/or arbitrating the Claims, and therefore enter into this Agreement to resolve any and all claims between them as set forth below.

### AGREEMENT

Accordingly, for good and valuable consideration the receipt of which is acknowledged, the Parties agree as follows:

1. **Settlement Payment.** Within ten (10) business days of the execution of this Agreement by all Parties, and execution by their respective counsel, Bell shall pay TWO HUNDRED THOUSAND DOLLARS AND ZERO CENTS (\$200,000.00) to YSC (the "Settlement Sum") in full consideration and settlement of any and all claims, legal fees, costs and expenses incurred by YSC for the Engagement. The Settlement Sum shall be made payable

to the William E. Stoner, PC client trust account. YSC agrees to file a notice of full satisfaction and release of the Lien in the Action within five (5) court days of receiving the Settlement Sum and each side shall bear their own attorneys' fees and costs except for the payment to YSC of the Settlement Sum, above.

2. **Mutual Release.** For valuable consideration, the receipt and adequacy of which are hereby acknowledged, Bell and YSC do hereby each mutually release and forever discharge the "Releasees" hereunder, consisting of each other and (where applicable) each of their respective elected and/or appointed public officials, officers, employees, boards, departments, firms, attorneys, partners and agents, including, but not limited to each and all of them and (as the case may be) each of the Parties' respective associates, predecessors, successors, heirs, assignees, agents, directors, officers, employees, representatives, lawyers, and all persons acting by, through, under or in concert with them, or any of them, of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, loss, cost or expenses, of any nature whatsoever, known or unknown, fixed or contingent (hereinafter called the "Released Claims"), which the Parties now have or may hereafter have against the Releasees, or any of them, by reason of any matter, cause, or thing whatsoever from the beginning of time to the date hereof for any and all claims constituting, arising out of, or based upon the Engagement, Lien, Claims and for all work performed by YSC for Bell.

3. **Non-Admission of Liability.** The Parties acknowledge and agree that this Agreement is a settlement of disputed claims. Neither the fact that the Parties have settled nor the terms of this Agreement shall be construed in any manner as an admission of any liability by any party hereto, or any of its employees, or an affiliated person(s) or entity/ies.

4. **Discovery Of Different Or Additional Facts.** The Parties acknowledge that they may hereafter discover facts different from or in addition to those that they now know or believe to be true with respect to the claims, demands, causes of action, obligations, damages, and liabilities of any nature whatsoever that are the subject of this Agreement, and expressly agree to assume the risk of the possible discovery of additional or different facts, and agree that this Agreement shall be and remain effective in all respects regardless of such additional or different facts.

5. **Release Of Unknown Claims.** The Release set forth above in Paragraph 2 of this Agreement is a release of ALL claims, demands, causes of action, obligations, damages, and liabilities of any nature whatsoever that are described in the Release and is intended to encompass all known and unknown, foreseen and unforeseen claims.

6. **Waiver Of Civil Code Section 1542.** Further, the Parties expressly agree to waive and relinquish all rights and benefits that they may have under Section 1542 of the Civil Code of the State of California for the Engagement, Lien, Claims and for all work performed by YSC for Bell. That section reads as follows:

**"§1542. [General release; extent] 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 settlement with the debtor."**

7. **Successors And Assigns.** This Agreement, and all the terms and provisions hereof, shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, legal representatives, successors and assigns.

8. **No Assignment of Claims.** Each Party warrants and represents that they have made no assignment, and will make no assignment, of any claim, chose in action, right of action or any right of any kind whatsoever, embodied in any of the Claims and allegations referred to herein, and that no other person or entity of any kind (including, without limitation, Yuhl Carr, LLP and its partners) had or has any interest in any of the demands, obligations, Lien, Claims, actions, causes of action, debts, liabilities, rights, contracts, damages, attorneys' fees, costs, expenses, losses or other claims referred to herein except YSC, and each Party will take all necessary action, at its sole costs and expense, to resolve any and all assertions by non-parties to this Agreement that assert a claim for payment based on an assignment of rights against the other Party based on the Engagement, Lien and/or Claims settled herein and that Party shall indemnify and defend the other Party against any such claim and pay all of that Party's reasonable legal fees and costs if such a claim is made by a third party for an assignment of rights, with the Party who a claim is brought for an assignment by the other Party having its choice of counsel and the rates not to exceed current Aleshire & Wynder rates charged for Bell work by counsel for said Party.

9. **Knowing And Voluntary.** This Agreement is an important legal document and in all respects has been voluntarily and knowingly executed by the Parties hereto. The Parties specifically represent that prior to signing this Agreement they have been provided a reasonable period of time within which to consider whether to accept this Agreement. The Parties further represent that they have each carefully read and fully understand all of the provisions of this Agreement, and that they are voluntarily, knowingly, and without coercion entering into this Agreement based upon their own judgment.

10. **Assistance Of Counsel.** The Parties each specifically represent that they have consulted to their satisfaction with and received independent advice from their respective counsel prior to executing this Agreement concerning the terms and conditions of this Agreement.

11. **Counterparts.** This Agreement may be executed in multiple counterparts, and by facsimile, each of which shall be considered an original but all of which shall constitute one agreement.

12. **Singular And Plural.** Whenever required by the context, as used in this Agreement the singular shall include the plural, and the masculine gender shall include the feminine and the neuter, and the feminine gender shall include the masculine and the neuter.

13. **Enforcement Costs.** Should any legal action be required to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs in addition to any other relief to which that party may be entitled.

14. **Severability.** Should any portion, word, clause, phrase, sentence or paragraph of this Agreement be declared void or unenforceable, such portion shall be considered independent and severable from the remainder, the validity of which shall remain unaffected.

15. **Headings.** Headings at the beginning of each numbered section of this Agreement are solely for the convenience of the Parties and are not a substantive part of this Agreement.

16. **Ambiguity.** The Parties acknowledge that this Agreement was jointly prepared by them and any uncertainty or ambiguity existing herein shall not be interpreted against any of the Parties, but otherwise shall be interpreted according to the application of the rules on interpretation of contracts.

17. **Waiver.** Failure to insist on compliance with any term, covenant or condition contained in this Agreement shall not be deemed a waiver of that term, covenant or condition, nor shall any waiver or relinquishment of any right or power contained in this Agreement at any one time or more times be deemed a waiver or relinquishment of any right or power at any other time or times.

18. **Governing Law.** This Agreement is made and entered into in the State of California, and shall in all respects be interpreted, enforced and governed under the laws of said State without giving effect to conflicts of laws principles.

19. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties who have executed it and supersedes any and all other agreements, understandings, negotiations, or discussions, either oral or in writing, express or implied between the Parties to this Agreement. The Parties to this Agreement each acknowledge that no representations, inducements, promises, agreements, or warranties, oral or otherwise, have been made by them, or anyone acting on their behalf, which are not embodied in this Agreement, that they have not executed this Agreement in reliance on any such representation, inducement, promise, agreement or warranty, and that no representation, inducement, promise, agreement or warranty not contained in this Agreement, including, but not limited to, any purported supplements, modifications, waivers, or terminations of this Agreement shall be valid or binding, unless executed in writing by all of the Parties to this Agreement.

20. **Modifications.** Any alteration, change, or modification of or to this Agreement shall be made by written instrument executed by each party hereto in order to become effective.

21. **No Third Party Beneficiaries.** The Parties expressly agree that nothing herein shall be deemed to benefit any person or entity that is not a Party to this Agreement.

22. **Authority To Sign.** The persons executing this Agreement on behalf of the Parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said Party and to bind

that Party, including its members, agents and assigns, (iii) by so executing this Agreement, such Party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other agreement to which said Party is bound.

IN WITNESS WHEREOF, the Parties sign this Agreement on the dates indicated below and agree to be bound by all of the terms and conditions herein.

Dated: May 6, 2013

CITY OF BELL, ET AL.

By:   
Doug Willmore, City Manager

Dated: April 25, 2013

By:   
William Stoner  
For Himself and YUHL  
STONER CARR, LLP

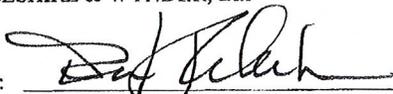
Attest:

By:   
City Clerk

APPROVED AS TO FORM BY:

Dated: May 1, 2013

ALESHIRE & WYNDER, LLP

By:   
David Aleshire, City Attorney