

SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS

Parties

THIS SETTLEMENT AGREEMENT AND RELEASE ("Agreement") is made and entered into by and between City of Bell ("Bell"), Bell Public Financing Authority, City of Bell Successor Agency to Bell Community Redevelopment Agency, Bell Community Housing Authority, Bell Surplus Property Authority, and Bell Solid Waste Authority (collectively referred to herein as "Plaintiffs"), on the one hand; and Herb E. McCullah, Jr., McCullah Construction, Inc. and McCullah Fence Co. (collectively referred to herein as "McCullah" or "Defendants"), on the other hand. Plaintiffs and McCullah are also sometimes referred to herein as the "Parties," each a "Party." This Agreement is effective as of the last date signed by all Parties ("Effective Date").

Recitals

WHEREAS, Plaintiffs commenced an action in the Superior Court of the State of California, County of Los Angeles, Central District, on June 20, 2014, styled City of Bell, et. al. vs. Luis Artiga, et. al., Case No. BC549412 (the "Litigation"), and which is currently pending;

WHEREAS, the Complaint in this action contends that McCullah received unauthorized payments from Plaintiffs pursuant to contracts made in violation of Government Code Section 1090;

WHEREAS, Defendants demurred to the complaint as to the claims against them; and

WHEREAS, to avoid the time and expense of litigation, the Parties desire to settle all disputes, claims and defenses between or among them in accordance with the terms of this Agreement;

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated into and made part of this Agreement, the mutual covenants and obligations set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Waiver of costs. Plaintiffs and Defendants agree that all parties will bear their own costs and attorneys' fees in exchange for a dismissal of the Litigation with prejudice.

2. Mutual Release. Plaintiffs and Defendants fully and finally mutually release and discharge one another, including all of their affiliated, related, parent or subsidiary companies, administrative or governmental divisions, directors, officers, partners, shareholders, partners, agents, employees, attorneys, assigns, and all persons and entities acting by, through, or under any of them, of and from all actions, claims, causes of action, liability, damages, attorneys' fees and costs, and demands of any kind or nature that may now exist or that may hereafter accrue or exist arising out of, related to, or in any way connected with the subject matter of the Litigation.

Defendants' Initials HM

3. Waiver of Civil Code § 1542. Plaintiffs and Defendants understand and expressly agree that this Agreement extends to all claims of every nature and kind, known or unknown, suspected or unsuspected, past, present, or future, arising from or attributable to any conduct of the other party, and that any and all rights granted to the parties under Section 1542 of the California Civil Code or any analogous state law or federal law or regulation, are hereby expressly waived. Said Section 1542 of the California Civil Code reads as follows:

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.

4. Dismissal with prejudice. Upon execution of this Agreement by the Parties, and approval of the Agreement by Bell's City Council, Plaintiffs shall, within ten (10) calendar days following said approval, dismiss the Litigation against Defendants *with* prejudice. However, the Parties expressly agree that the Court will retain jurisdiction to enforce the terms of this settlement Agreement pursuant to California Code of Civil Procedure §664.6.

5. No Admission of Liability. No action taken by the Parties nor this Agreement shall be deemed or construed to be an admission of the truth or falsity of any matter pertaining to any claim, demand, cause of action or as to any fault or liability of any party herein, or of any other person, in connection with any matter or thing.

6. Enforceability. If any portion of this Agreement is construed by a court of law to be invalid or unenforceable, such portion shall be severable from the remainder of the Agreement, and the remainder of the Agreement will remain in full force and effect.

7. Modification. No supplement, modification, or amendment to the Agreement shall be binding unless executed in writing by all Parties.

8. Integration. The Agreement constitutes an integration of the entire understanding and agreement of the Parties with respect to the matters referred to in the Agreement. No prior oral or written understanding, representation, promise, condition, covenant, or agreement between the parties, with respect to the matters referred to in the Agreement shall survive the execution of the Agreement.

9. Counterparts. The Agreement may be executed in counterparts and, when each party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and all counterparts taken together shall constitute one and the same Agreement, which shall be binding and effective as to all parties.

10. Choice of 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 the State of California.

11. Signatures. Signatures by facsimile have the same force and effect as original signatures.

Dated: September 15 2016

CITY OF BELL; BELL PUBLIC FINANCING AGENCY; BELL SUCCESSOR AGENCY TO BELL COMMUNITY REDEVELOPMENT AGENCY; BELL COMMUNITY HOUSING AUTHORITY; BELL SURPLUS PROPERTY AUTHORITY; BELL SOLID WASTE AUTHORITY

By: [Signature]
Name: Howard Brown
Title: City of Bell City Manager

Dated: August 22, 2015

HERB E. MCCULLAH, JR., MCCULLAH CONSTRUCTION, INC., AND MCCULLAH FENCE CO

By: [Signature]
Printed Name: Herb McCullah
Title: Owner

Approved as to form:

Dated: September 14, 2016

ALESHIRE & WYNDER, LLP

[Signature]
David J. Aleshire
City of Bell City Attorney

Dated: August 22, 2016

LAW OFFICE OF KIRT J. HOPSON

[Signature]
Kirt J. Hopson
Counsel for Defendants Herb E. McCullah, Jr.; McCullah Construction, Inc. and McCullah Fence Co.

Defendants' Initials HM