

SETTLEMENT AND MUTUAL RELEASE AGREEMENT

This Settlement and Mutual Release Agreement ("Settlement Agreement") is made and entered into on July 10, 2015, by and between the COUNTY OF LOS ANGELES ("COLA") and the HACIENDA LA-PUENTE UNIFIED SCHOOL DISTRICT ("DISTRICT"), collectively referred to herein as the "Settling Parties."

RECITALS

A. The underlying action that gives rise to this Settlement Agreement, entitled County of Los Angeles v. Hacienda La Puente Unified School District, Los Angeles Superior Court Case No. BC493249 (the "Action"), including all cross-complaints and other claims by the Settling Parties made therein, arose out of a dispute between and among the Settling Parties involving an agreement, and subsequent modifications, for the provision of adult education in the Los Angeles County Sheriff's Facilities, identified as Agreement Number 64794.

B. On October 4, 2012, COLA filed a civil complaint for damages against the DISTRICT for breach of contract.

C. COLA maintains the DISTRICT owed COLA \$9,803,125.72 for the 2008-2009 and 2009-2010 fiscal years, pursuant to Agreement Number 64794. Of the \$9,803,125.72 owed, the DISTRICT has delivered to COLA a check in the total sum of \$5,803,125.72, made payable to the "County of Los Angeles," which COLA deposited. The DISTRICT has placed the remaining \$4,000,000 in a separate account with the Los Angeles County Office of Education.

D. On December 20, 2012, the DISTRICT filed a cross-complaint for damages against COLA for (1) Breach of Contract; (2) Conversion; (3) Unjust Enrichment; (4) Breach of Implied Covenant of Good Faith and Fair Dealing; (5) Declaratory Relief; and (6) Fraud or Deceit and Misrepresentation.

E. On September 27, 2013, the DISTRICT amended its Cross-Complaint to include numerous "Roe" defendants to the Cross-Complaint.

F. The DISTRICT maintains COLA remains in possession of DISTRICT-owned property without reimbursing the DISTRICT for said items.

G. On May 26, 2015, the SETTLING PARTIES attended a voluntary mediation before mediator Michael J. Roberts, Esq. and agreed to an Interim Settlement Agreement, a true and correct copy is attached hereto as Exhibit "A." The purpose of this Settlement Agreement is to more fully memorialize the Interim Settlement Agreement between the Settling Parties. To the extent there is any inconsistency between the Interim Settlement Agreement and this Settlement Agreement, this Settlement Agreement shall control.

H. The Settling Parties acknowledge that they enter into this Settlement Agreement to avoid the uncertainty of litigation. Thus, the Settling Parties agree that this is a compromise of disputed claims and that nothing herein shall be in any way be intended or construed as an admission of liability on the part of any of the Settling Parties.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Settling Parties agree as follows:

1. GOOD FAITH.

The Settling Parties stipulate and agree that this settlement was reached following arms-length negotiations between them and that this Settlement Agreement is in good faith.

2. SETTLEMENT CONTINGENCIES.

This Settlement Agreement and the respective obligations thereunder are contingent upon the occurrence of each of the following events:

- a. Approval by the Los Angeles County Claims Board and the Los Angeles County Board of Supervisors. COLA's obligations under this settlement are subject to and will accrue only after approval by the Los Angeles County Claims Board and the Los Angeles County Board of Supervisors;
- b. Approval by the Hacienda La Puente Unified School District Board of Education. The DISTRICT's obligations under this settlement are subject to and will accrue only after approval by the Hacienda La Puente Unified School District Board of Education;
- c. Agreement by Cross-Complainant Human Potential Consultants, LLC to release any claims against COLA arising out of or related to the Action and agreeing to the dismissal of Human Potential Consultants, LLC's Cross-Complaint filed in the Action against COLA with prejudice; and
- d. DISTRICT's dismissal with prejudice of its cross-complaint against the numerous ROE defendants included in this action by amendment, provided same can be secured for a waiver of costs and malicious prosecution.

3. PAYMENT.

- a. From the \$4,000,000 the DISTRICT is currently holding, the total of \$650,000 shall be disbursed to the DISTRICT and \$3,350,000 shall be disbursed to COLA (the "Settlement Amounts") by the DISTRICT.
- b. The DISTRICT shall pay the Settlement Amounts within 30 days after satisfaction of all Settlement Contingencies set forth in paragraph 2 of this Settlement Agreement and full execution of this Settlement Agreement. The amount shall be made payable to the "County of Los Angeles."
- c. Within 30 days after satisfaction of all Settlement Contingencies set forth in paragraph 2 of this Settlement Agreement and full execution of this Settlement Agreement, the right, title and interest in any DISTRICT property then in possession of COLA shall be deemed transferred to COLA.
- d. Subject to the satisfaction of the Settlement Contingencies set forth in paragraph 2 of this Settlement Agreement, the Action shall be dismissed with

prejudice in its entirety.

- e. The Settling Parties agree to the mutual releases set forth in paragraph 4 and 5 of this Settlement Agreement.

4. RELEASES.

- a. In consideration of the payments set forth in paragraph 3, COLA, on its own behalf and that of its predecessors, successors, and assigns, and its respective past, present, and future affiliates, related companies or entities, divisions, subsidiaries, parent(s), joint ventures, partners, partnerships, shareholders, attorneys, insurers, divisions, officers, directors, employees, agents, representatives, and consultants, hereby forever releases and discharges the DISTRICT, its predecessors, successors, assigns, consultants, contractors, and their past, present, and future affiliates, divisions, parents(s), subsidiaries, and related companies, joint ventures, partnerships, shareholders, attorneys, insurers (including all re-insurers and co-insurers), Board members, officers, directors, employees, agents, representatives, and sureties, from and against any and all claims, demands, obligations, actions, causes of action, rights, remedies, penalties, liens, obligations, costs, expenses, damages, attorneys' fees, experts' and consultants' fees, losses, indemnity rights, and liabilities, of any kind or nature whatsoever, whether based in tort, contract or other theory of recovery, or however derived, foreseen and unforeseen, suspected or unsuspected, past, present, or future, in any way arising out of, relating to, or in connection with the Action or complaints that were made or that reasonably could have been made therein.
- b. In consideration of the payments set forth in paragraph 3, the DISTRICT, on its own behalf and that of its predecessors, successors, and assigns, and its respective past, present, and future affiliates, related companies or entities, divisions, subsidiaries, parent(s), joint ventures, partners, partnerships, shareholders, attorneys, insurers, divisions, officers, directors, employees, agents, representatives, and consultants, hereby forever releases and discharges COLA, its predecessors, successors, assigns, consultants, contractors, and their past, present, and future affiliates, divisions, parents(s), subsidiaries, and related companies, joint ventures, partnerships, shareholders, attorneys, insurers (including all re-insurers and co-insurers), Board members, officers, directors, employees, agents, representatives, and sureties, from and against any and all claims, demands, obligations, actions, causes of action, rights, remedies, penalties, liens, obligations, costs, expenses, damages, attorneys' fees, experts' and consultants' fees, losses, indemnity rights, and liabilities, of any kind or nature whatsoever, whether based in tort, contract or other theory of recovery, or however derived, foreseen and unforeseen, suspected or unsuspected, past, present, or future, in any way arising out of, relating to, or in connection with the

Action or complaints that were made or that reasonably could have been made therein.

5. WAIVER.

The Settling Parties acknowledge and intend that the releases set forth herein shall be binding notwithstanding the discovery of facts not presently known by the Settling Parties or claims of which the Settling Parties are not presently aware. The Settling Parties further acknowledge that there is a risk that subsequent to the execution of this Settlement Agreement, they may incur, suffer, or sustain injury, loss, damage, costs, attorneys' fees, expenses, or any of these, which are in some way caused by and/or connected with the persons, entities, and/or matters referred to in the Action, or which are unknown and unanticipated at the time the Settlement Agreement is executed, or which are not presently capable of being ascertained, and that there is a risk that such damages may become more serious than any of them now expect or anticipate. Nevertheless, the Settling Parties acknowledge that the terms as set forth in the Settlement Agreement has been negotiated and agreed upon in light of those realizations, and hereby expressly waive all rights they may have in such claims. In doing so, the Settling Parties have had the benefit of counsel, been advised of, understand, and knowingly and specifically waive their rights under California Civil Code section 1542, which Civil Code section provides 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."

The Settling Parties expressly consent that this release shall be given full force and effect in accordance with each and all of its express terms and provisions, relating to unknown and unsuspected claims, demands, and causes of action, if any, to the same effect as to those terms and provisions relating to any other claims, demands, and causes of action herein specified. The Settling Parties acknowledge and understand that they bargained for the foregoing waiver of the provisions of California Civil Code section 1542.

6. WARRANTY OF AUTHORIZED SIGNATORIES, OWNERSHIP OF CLAIMS, AND NON-ASSIGNMENT.

The Settling Parties represent and warrant that they are competent and authorized to enter into this Settlement Agreement on their own behalf, that each party owns the claims released herein, that none of the claims have been assigned, and that each Settling Parties has the power and authority to release the claims released herein by such Settling Parties.

7. COSTS OF SUIT/ATTORNEYS' FEES.

The Settling Parties hereby acknowledge and agree that they will each bear their own costs, expenses, and attorneys' fees arising out of the Action; the negotiation, drafting, and execution of this Settlement Agreement; and, all matters arising out of or connected

therewith, except that in the event any action is brought to enforce this Settlement Agreement or arising out of or relating to this Settlement Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, expert witness fees, and costs in addition to all other relief to which that party or those parties may be entitled.

8. ENFORCEABILITY.

It is hereby stipulated and agreed that this Settlement Agreement may be enforced by the Superior Court for the County of Los Angeles under Code of Civil Procedure section 664.6 and the Superior Court of California for the County of Los Angeles shall retain jurisdiction over the Settling Parties to enforce the settlement memorialized herein until performance in full of the terms thereof. Any dispute as to the terms, conditions, or enforceability of this Settlement Agreement shall be resolved pursuant to Code of Civil Procedure section 664.6.

9. BINDING EFFECT.

This Settlement Agreement shall be binding upon and inure to the benefit of the Settling Parties and their prospective heirs, executors, administrators, trustors, trustees, beneficiaries, predecessors, successors, subsidiaries, officers, directors, principals, agents, attorneys, or assigns.

10. GOVERNING LAW.

This Settlement Agreement has been negotiated and entered into in the State of California, and shall be governed by, construed and enforced in accordance with, the laws of the State of California.

11. WAIVER AND AMENDMENT.

No breach of any provision hereof can be waived unless in writing. Waiver of any one breach of any provision hereof shall not be deemed to be a waiver of any other breach of the same or other provision hereof. This Settlement Agreement may be amended only by written agreement.

12. CAPTIONS AND INTERPRETATIONS.

Paragraph, titles, or captions contained herein are inserted only as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provisions hereof. No provision in this Settlement Agreement is to be interpreted for or against any Settling Party because that Settling Party or its attorneys drafted such provision.

13. ENTIRE AGREEMENT.

This Settlement Agreement constitutes the entire understanding between and among the Settling Parties with regard to the matters herein set forth. There are no representations, warranties,

agreements, arrangements, undertakings, oral or written, between or among the Settling Parties hereto relating to the subject matter of this Agreement that are not fully expressed.

14. SEVERABILITY.

If any provision of this Settlement Agreement, as applied to either Settling Party or to any circumstance, shall be later adjudged by a court to be void and unenforceable, the same shall in no way affect:

- a. Any other provision in this Settlement Agreement;
- b. The application of such provision in any other circumstances; and
- c. The validity or enforceability of the Settlement Agreement as a whole.

15. EXECUTION OF AGREEMENT.

To facilitate consummation of this Settlement Agreement, this Settlement Agreement may be executed in counterparts and copies of signatures shall suffice in lieu of original signatures, and all so executed shall constitute an agreement which shall be binding upon all Settling Parties hereto, notwithstanding that the signature of all Settling Parties do not appear on the same page.



Millicent Rolon, authorized to sign and accept this agreement on behalf of the COUNTY OF LOS ANGELES


Date: 7/10/15

Cynthia Parulan-Colfer, authorized to sign and accept this agreement on behalf of the HACIENDA-LA PUENTE UNIFIED SCHOOL DISTRICT

Date: _____

APPROVED AS TO FORM AND CONTENT:

Date: _____
By: PETER K. FAGEN, ESQ.
KIMBERLY A. SMITH, ESQ.
Attorneys for HACIENDA-LA
PUENTE UNIFIED SCHOOL
DISTRICT



Date: 6/15/15
BY: THOMAS C. HURRELL, ESQ.
MARIA TUASON, ESQ.
ERIN A. HUANG, ESQ.
Attorneys for COUNTY OF LOS
ANGELES

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Millicent Rolon, authorized to sign and accept this agreement on behalf of the COUNTY OF LOS ANGELES

Date: _____



Cynthia Parulan Colfer, authorized to sign and accept this agreement on behalf of the HACIENDA-LA PUENTE UNIFIED SCHOOL DISTRICT

Date: _____

APPROVED AS TO FORM AND CONTENT:

Date: _____
By: PETER K. FAGEN, ESQ.
KIMBERLY A. SMITH, ESQ.
Attorneys for HACIENDA-LA
PUENTE UNIFIED SCHOOL
DISTRICT

Date: _____
BY: THOMAS C. HURRELL, ESQ.
MARIA TUASON, ESQ.
ERIN A. HUANG, ESQ.
Attorneys for COUNTY OF LOS
ANGELES

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- a. Any other provision in this Settlement Agreement;
- b. The application of such provision in any other circumstances; and
- c. The validity or enforceability of the Settlement Agreement as a whole.

15. EXECUTION OF AGREEMENT.

To facilitate consummation of this Settlement Agreement, this Settlement Agreement may be executed in counterparts and facsimile or electronic (*i.e.*, PDF) signatures shall suffice in lieu of original signatures, and all so executed shall constitute an agreement which shall be binding upon all Settling Parties hereto, notwithstanding that the signature of all Settling Parties do not appear on the same page.


Millicent Rolon, authorized to sign and accept this agreement on behalf of the COUNTY OF LOS ANGELES

Date: _____

Cynthia Parulan-Colfer, authorized to sign and accept this agreement on behalf of the HACIENDA-LA PUENTE UNIFIED SCHOOL DISTRICT

Date: _____

APPROVED AS TO FORM AND CONTENT:

 Date: 7/9/15
By: PETER K. FAGEN, ESQ.
KIMBERLY A. SMITH, ESQ.
Attorneys for HACIENDA-LA
PUENTE UNIFIED SCHOOL
DISTRICT

Date: _____
BY: THOMAS C. HURRELL, ESQ.
MARIA TUASON, ESQ.
ERIN A. HUANG
Attorneys for COUNTY OF LOS
ANGELES

EXHIBIT "A"

INTERIM SETTLEMENT AGREEMENT

May 26, 2015

The undersigned who are parties to Los Angeles Superior Court Case No. BC493249 ("the Action"), having participated in mediation before Michael J. Roberts, agree to settle their disputes on the following terms:

1. Parties. The parties to this Interim Settlement Agreement ("Interim Agreement") are County of Los Angeles ("County") and Hacienda La Puente Unified School District ("District").

2. Settled Claims. This Interim Agreement is a settlement of all claims arising out of or related to the acts, events, circumstances and occurrences described in the pleadings and papers on file in the Action ("the Settled Claims").

3. Settlement Agreement Binding On the Parties. This Interim Agreement is a binding contract between the undersigned parties and is fully enforceable in court pursuant to California Code of Civil Procedure Section 664.6. For the purpose of enforcing this Interim Agreement, the parties waive the provisions of Section 1119 and 1152 of the California Evidence Code and other similar provisions of law, which provide that communications during mediation or for purposes of settlement are inadmissible. The terms of this Interim Agreement shall be incorporated into a formal written settlement agreement ("Formal Agreement") to be prepared by counsel. The parties acknowledge that the Formal Agreement may contain other normal and customary settlement terms and/or language necessary to effectuate the purpose and intent of the settlement described herein. The Formal Agreement is subject to approval by counsel for the parties which approval will not be unreasonably withheld. Any disputes concerning the terms, provisions or language to be included in the Formal Agreement shall be resolved by further mediation before Michael J. Roberts.

4. Settlement Contingencies. The settlement set forth herein is contingent on the approval by the governing Boards of the County and the District. It is also contingent on Cross-Complainant Human Potential

Consultants, LLC agreeing to release any claims against the County arising out of or related to the Settled Claims and agreeing to the dismissal of its cross-complaint filed in the Action against County with prejudice.

5. Consideration For Settlement. The District is currently holding the sum of \$4 million. Of that amount, the District shall cause \$3,350,000 to be disbursed to the County and \$650,000 to be disbursed to the District in full settlement of the Settled Claims ("Settlement Amounts"). The District shall pay the Settlement Amounts within 30 days after satisfaction of all Settlement Contingencies and full execution of the Formal Agreement. In exchange for said consideration, the District shall transfer to the County all its right, title and interest in property in possession of the County.

6. Dismissal of the Action With Prejudice. Subject to satisfaction of Settlement Contingencies set forth in paragraph 4, the Action shall be dismissed with prejudice in its entirety.

7. General Release And Dismissal Of Claims. Except as otherwise provided herein, County and District release one another from any and all claims arising out of or related to the Settled Claims and waive the provisions of Section 1542 of the California Civil Code so as to release any unknown or unsuspected claims.

8. No Admission of Liability. This Interim Agreement shall not be construed as an admission of any liability or wrongdoing.

9. Parties Responsible For Their Own Fees and Costs. The Parties shall each bear their own attorney's fees and costs.

10. Cooperation To Effect Settlement Terms. The parties shall cooperate with one another, execute such further documents and take such other actions as are reasonably necessary to effectuate the settlement described in this Interim Agreement.

11. Reliance On Advice Of Counsel. The parties acknowledge that they have entered into this Interim Agreement after having consulted with

COUNTY COUNSEL
MAIL ROOM

and been advised by their own legal counsel and that the mediator has not given them any legal advice.

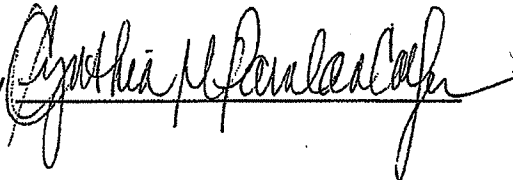
12. Binding on Successors and Assigns. Except as otherwise provided herein, the terms of this Interim Agreement shall bind and inure to the benefit of the Parties and their respective successors, assigns, principals, agents, employees, former employees, affiliates or others who may be claimed to have rights and/or liabilities arising from or related to the Settled Claims.

This Interim Agreement consisting of 3 pages has been entered into at Irvine, California on the date and year first above written.


COUNTY OF LOS ANGELES

HACIENDA LA PUENTE UNIFIED SCHOOL DISTRICT


by 

by 

Approved:



Attorney For County



Attorney For District