

SETTLEMENT AGREEMENT AND GENERAL RELEASE

This Settlement Agreement and General Release ("Agreement") is made between Plaintiff Loran Candelas ("Plaintiff"), and Defendants City of Cathedral City ("City") and Travis Walker ("Mr. Walker") (collectively referred to at times as "Defendants"). Plaintiff and Defendants shall hereinafter be collectively referred to as "the Parties."

RECITALS

WHEREAS, Loran Candelas is a dispatcher with the City's police department;

WHEREAS, on July 29, 2019, Plaintiff filed a lawsuit in the Superior Court for the State of California, County of Riverside, entitled *Loran Candelas v. City of Cathedral City, et al.*, Case No. PSC 1905210, alleging the following causes of action against Defendants, and each of them: 1) Sex-Based Harassment per Govt. Code § 12940 et seq.; 2) Sex-Based Discrimination per Govt. Code § 12940 et seq.; 3) Failure to Prevent Discrimination per Govt. Code § 12940 et seq.; 4) Violation of the Ralph Act per Civil Code § 51.7; 5) Intentional Infliction of Emotional Distress; and 6) Battery.

WHEREAS, on November 25, 2019, Plaintiff filed her First Amended Complaint alleging the same California state law claims against Defendants, and each of them;

WHEREAS, on March 5, 2020, the Parties engaged in a voluntary mediation before mediator Michelle Reinglass at Judicate West in Santa Ana, California;

WHEREAS, following the mediation, the Parties continued to engage in settlement discussions by and through Ms. Reinglass;

WHEREAS, the Parties wish to avoid potential uncertainty, expense and delay of litigation, the Parties agree to fully and finally settle all of Plaintiff's claims against Defendants, and each of them, related to or arising from Plaintiff's employment with the City and the contentions as set forth in her First Amended Complaint.

TERMS OF THE AGREEMENT

1. **Recitals.** The recitals set forth in this Agreement are true and correct and are hereby fully incorporated by reference into this Agreement.
2. **Non-Admission of Liability.** Plaintiff understands and agrees that by entering into this Agreement, the Defendants do NOT admit any liability on their part, and that this settlement is the compromise of doubtful and disputed claims and is made solely to avoid the cost and risk of continued litigation. Plaintiff further understands that this Agreement resolves all claims of all the Parties and that execution of this Agreement by any party is not in any way an admission of a violation of any provision of the laws of the United States, the State of California or any other laws, ordinances, rules or regulations of the

City of Cathedral City. The City and Mr. Walker deny the allegations in the First Amended Complaint, and further deny any wrongdoing related to same.

3. **Defendants' Promises and Consideration.** Upon this Agreement becoming fully executed by all Parties (or within 15 business days of Plaintiff executing this Agreement, whichever occurs sooner), and in consideration of Plaintiff fulfilling the promises set forth in this Agreement, the City shall pay a total of five hundred thousand dollars and no cents (\$500,000.00) to fully and finally settle any and all claims Plaintiff may have against any of the Defendants relating to Plaintiff's employment with the City and the allegations asserted in this lawsuit. The time period set forth above for the City's payment is contingent upon the Plaintiff and her counsel providing the City with their respective W-9 forms before or at the time of Plaintiff's execution of this Agreement. This sum shall be made payable to "Aitken Campbell Heikaus Weaver, LLP Client Trust Account FBO Lauren Candelas." It is expressly understood and agreed upon that any attorney's fees and costs owed by Plaintiff to her attorneys shall be paid out of this sum and neither the City nor any other Defendant shall owe Plaintiff any consideration other than the \$500,000.00 referred to above. It is further understood and agreed upon that no payments will be required and there shall be no binding Agreement unless and until all contingencies are satisfied.

Plaintiff understands and agrees that the payment shall be reported as other non-wage income, and that she shall take full and complete responsibility for any and all of the tax liabilities that may result from receipt of the payment set forth above. Plaintiff understands and acknowledges that Defendants have not and do not warrant or represent any tax consequences with regard to the payment, its allocation as wage and non-wage income, or this Agreement. Plaintiff agrees that she will hold Defendants harmless from all tax liability, if any, resulting from this Agreement, including but not limited to, withholding, federal, state or local taxes, interest and penalties incurred as a result of this Agreement.

4. **Mutual Promises and Consideration.** Upon execution of this Agreement by all Parties, and in consideration of each Party fulfilling the promises set forth herein, the Parties agree to do the following:
 - a. Plaintiff, on behalf of herself and her heirs, agents, representatives, successors, and assigns, hereby unconditionally, irrevocably and absolutely releases and discharges Defendants, and each of them, as well as any other present or former City employees, present or former City Council members, present or former agents, including attorneys and insurers, and successors and assigns of the City from any and all causes of action, judgments, liens, indebtedness, damages, losses, claims, attorneys' fees and costs, liabilities and demands of whatsoever kind and character that Plaintiff may have against Defendants or any of such

parties arising from Plaintiff's employment with the City and the allegations made in this lawsuit. These claims shall collectively be referred to hereafter as "Released Claims."

Released Claims include, without limitation, any and all claims and potential claims that Plaintiff may have had, whether known or unknown, relating to her employment with the City under any theory whatsoever, including but not limited to, the laws of contract or tort, the common law, the state or federal Constitutions, and any state or federal statutes, including, without limitation, the Ralph M. Brown Act (Gov. Code, §§ 54950, et seq.), the California Fair Employment and Housing Act (California Gov. Code § 12900 et seq.), the California Family Rights Act (California Gov. Code § 12945.2), the Unruh and George Civil Rights Acts (California Civil Code § 51 et seq.), all provisions of the California Labor Code and any wage orders or similar directives or authorities issued by any federal or state authority having enforcement powers, the Constitution of the United States, the Constitution of the State of California, Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000e et seq.), the Age Discrimination Act in Employment Act (29 U.S.C. § 621, et seq.), the Equal Pay Act (29 U.S.C. § 206(d)), the Fair Labor Standards Act (29 U.S.C. § 201 et seq.), the Family and Medical Leave Act (29 U.S.C. § 2601 et seq.), the Employment Retirement Income Security Act of 1974 (29 U.S.C. § 1001 et seq.), Sections 1981-88 of Title 42 of the United States Code (42 U.S.C. § 1981 et seq.), the American with Disabilities Act (42 U.S.C. § 12101 et seq.), claims of retaliation or whistle-blowing (including but not limited to California Labor Code § 1102.5 et seq. and Government Code § 12653), and claims of sexual harassment, battery and any related tort against the City and Chief Walker, up to the date of execution of this Agreement.

- b. Mr. Walker, on behalf of himself and his heirs, agents, representatives, successors, and assigns, hereby unconditionally, irrevocably and absolutely releases and discharges Plaintiff and her heirs, agents, representatives, attorneys, successors, and assigns from any and all causes of action, judgments, liens, indebtedness, damages, losses, claims, attorneys' fees and costs, liabilities and demands of whatsoever kind and character that Mr. Walker may have against Plaintiff or any of such parties arising from Plaintiff's employment with the City and the allegations made in this lawsuit.
- c. The City, on behalf of itself, hereby unconditionally, irrevocably and absolutely releases and discharges Plaintiff and her heirs, agents, representatives, attorneys, successors, and assigns from any and all causes of action, judgments, liens, indebtedness, damages, losses, claims, attorneys' fees and costs, liabilities and demands of whatsoever kind and character that the City may have against Plaintiff

or any of such parties arising from Plaintiff's employment with the City and the allegations made in this lawsuit.

- d. Plaintiff shall file a voluntary dismissal of the entire action, *Loran Candelas v. City of Cathedral City, et al.*, Case No. PSC 1905210, with prejudice, within ten (10) days of receipt of the settlement funds identified in paragraph 3 above.
- e.

- 5. **Release of Unknown Claims.** The Parties, on behalf of themselves and their heirs, agents, representatives, successors, attorneys, and assigns, hereby waive any and all rights that they may have against the other Parties pursuant to California Civil Code section 1542, which reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

The Parties waive any rights that they might have to invoke Section 1542 now or in the future with respect to the releases set out in this Agreement.

- 6. **Ownership of Claims.** The Parties represent that they have not transferred or assigned, or purported to transfer or assign, to any person or entity, any claim described in this Agreement. The Parties further agree to indemnify and hold each other harmless against any and all claims based upon, arising out of, or in any way connected with any such actual or purported transfer or assignment.
- 7. **Each Party to Bear Own Fees and Costs.** Each Party shall bear its/his/her own costs, expenses and attorneys' fees incurred in connection with the administrative and/or legal

proceedings resulting in this Agreement, or in connection with any other claims made or investigated by either party against the other in any forum (civil, criminal, administrative or quasi-administrative), and each of the parties hereto expressly waives any claim for recovery of any such costs, expenses or attorneys' fees from the other party. Attorneys for all parties to this Agreement do likewise expressly waive any claim for recovery of costs, expenses and/or attorney's fees from the party(ies) and/or from any source whatsoever.

8. **Covenant to Effectuate Agreement.** Each Party hereto agrees to execute and deliver all instruments and documents necessary to fulfill and effect the provisions of this Agreement.
9. **No Other Terms.** This Agreement contains all of the terms and conditions agreed upon by the Parties hereto regarding the subject matter of this Agreement. Any prior agreements, promises, negotiations, or representations, either oral or written, relating to the subject matter of this Agreement, not expressly set forth in this Agreement, are of no force or effect.
10. **Severability.** If any provision of this Agreement is held invalid or contrary to law by a court or other tribunal of competent jurisdiction, the invalidity shall not affect other provisions which can be given their intended effect without the invalid provision, and to this end the provisions of this Agreement are severable.
11. **No Representations.** The Parties acknowledge that, except as expressly set forth herein, no representations of any kind or character have been made to induce the execution of this Agreement.
12. **Waiver of Terms of Agreement.** No waiver by any Party of any breach of any term or provision of this Agreement shall be construed to be, nor be, a waiver of any preceding, concurrent or succeeding breach of the same, or any other term or provision hereof. No waiver shall be binding unless in writing and signed by the party to be charged or held bound.
13. **Interpretation.** This Agreement has been jointly negotiated and drafted by counsel for the Parties. The language in this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any of the Parties. The Parties also agree and understand that should any provision of this Agreement be declared or determined by any court to be illegal or invalid, the validity of the remaining parts, terms and provisions shall not be affected thereby and said illegal or invalid part, terms or provisions shall be deemed not to be part of this Agreement. The Parties further agree that this Agreement was negotiated and executed in the State of California and shall be interpreted under the procedural and substantive laws of California as existing as of the date of execution, without regard to principles of conflict of laws.

14. **Consultation with Counsel.** Each Party hereto represents and agrees that he, she, or it has carefully read and fully understands all of the provisions of this Agreement, and that he, she, or it is voluntarily, without any duress or undue influence on the part of or on behalf of any party, entering into this Agreement. The Parties affirm that, prior to execution of this Agreement, they have consulted with counsel of their choice concerning the terms and conditions set forth herein, and that they agree to the terms and conditions.

15. **Execution of Agreement.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A photocopy or facsimile transmission of the Agreement, including signatures, shall be deemed to constitute sufficient evidence of the Agreement having been executed. The date of the last signature placed hereon shall hereinafter be known as the "date of execution" of this Agreement.

16. **No Precedent.** This Agreement shall not establish or set a precedent for settlements with employees in the future. This settlement is unique to the circumstances and facts in this instance.

17. **Effective Date of Agreement.** The "effective date" of this Agreement shall be the "date of execution" of this Agreement.

18. **Enforcement.** The Parties agree that any and all disputes regarding this Agreement shall be brought in the Superior Court of the State of California, Riverside County. In any action brought to enforce any provision of this Agreement, each side shall bear their own costs and attorney's fees.

19. **Circulation of Agreement.** The Parties agree not to disseminate this Agreement to anyone other than their respective attorneys of record in this matter unless required to by law and/or court order. The Parties consider this a material term of the Agreement and any violation is a material breach of same that will subject the offender to all available legal remedies.

PLEASE READ CAREFULLY. THIS AGREEMENT AND GENERAL RELEASE INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

WHEREFORE, THE PARTIES HAVE VOLUNTARILY EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

Loran Candelas
Plaintiff Loran Candelas

Date: 4/3/20

Charles P. McStendon
Defendant City of Cathedral City
By: Charles McStendon, City Manager

Date: 4-6-2020

Travis Walker
Defendant Travis Walker

Date: 4-9-2020