

SETTLEMENT AGREEMENT AND GENERAL RELEASE OF ALL CLAIMS

This Settlement Agreement and General Release of All Claims ("Agreement") is entered into by and between JOHNNY ANDERSON ("Anderson") and the CITY OF TORRANCE (the "City"), and is intended by the parties hereto to settle fully and finally all differences between them, including but not limited to those differences embodied in the Action referred to hereinafter.

RECITALS

A. WHEREAS, on or about April 15, 2004, Anderson filed a Complaint for Declaratory Relief, Preliminary Injunction and Permanent Injunction (the "Complaint"). The Complaint named the City as the sole defendant and sought to invalidate a City ordinance prohibiting the practice of tattooing within City limits. The Complaint was filed in the United States District Court for the Central District of California, Western Division, entitled Anderson v. City of Torrance, bearing case number CV04-2626 (the "Action"). Defendant City filed an Answer denying all of the material allegations of Anderson's Complaint and asserting several affirmative defenses; and

B. WHEREAS, during the course of the Action, each party made motions for summary judgment or for partial summary judgment. Ultimately, the District Court Judge denied both Anderson's and the City's motions for summary judgment. Thus, to date neither party has prevailed, nor indicated a greater likelihood of prevailing, in the Action; and

C. WHEREAS, the parties now consider it in their best interests to resolve and settle all remaining issues in the Action in order to avoid the cost, inconvenience, uncertainty, and distraction of burdensome and protracted litigation.

AGREEMENT AND GENERAL RELEASE

NOW, THEREFORE, for full and valuable consideration and based upon the foregoing recitals and the terms, conditions, covenants and agreements contained herein, the parties hereto agree as follows:

1. **Settlement Payment.** Within 10 business days following the execution of this Agreement by Anderson and his counsel, and the receipt by the City's counsel of an executed original Voluntary Dismissal With Prejudice of the Action, the City will pay Anderson the total sum of \$50,000.00 (the "Total Payment") in full consideration and settlement of all claims by Anderson, including without limitation personal injury, emotional distress, attorneys' fees, costs, expert witness fees, and litigation expenses. The parties specifically agree that \$37,500.00 of said Total Payment fairly and accurately represents payment for Anderson's attorneys' fees and costs, thus fully satisfying any award of attorneys' fees or costs to which Anderson may otherwise be entitled. The Total Payment constitutes a full and complete settlement and compromise of the Action, and of all remaining disputed claims arising out of or related to the events which underlie and are the subject of the Action. The Total Payment will be made in the

form of a check made payable jointly to Anderson and his counsel of record, and will be transmitted to such counsel.

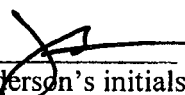
2. **Release.** In consideration for this Agreement and the Total Payment, Anderson hereby releases and forever discharges the City and each of its predecessors, successors, assigns, employees, officers, agents or attorneys (collectively, the "Released Parties") from any and all claims, demands, causes of action, obligations, damages, attorneys' fees, costs and liabilities of any nature whatsoever, whether or not now known, suspected or claimed, which Anderson ever had, now has, or may claim to have against the Released Parties (whether directly or indirectly), or any of them, by reason of any act or omission concerning any matter, cause or thing, including, without limiting the generality of the foregoing, any claims related to or arising out of the events which underlie and are the subject of the Action, and any claims asserted or which could be or could have been asserted in the Action.

3. **Discovery of Different or Additional Facts.** Anderson acknowledges that he may hereafter discover facts different from or in addition to those he now knows or believes 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 the release set forth in Paragraph 2 of this Agreement, and he expressly agrees to assume the risk of the possible discovery of additional or different facts, and agrees that this Agreement shall be and remain effective in all respects regardless of such additional or different facts.

4. **Release of Unknown Claims.** The release set forth above in Paragraph 2 of this Agreement is a general 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 which Anderson may have against the Released Parties.

5. **Waiver of Civil Code Section 1542.** Anderson expressly waives and relinquishes all rights and benefits he may have under section 1542 of the Civil Code of the State of California. Section 1542 reads as follows:

[General Release -- Claims Extinguished.] A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.


Mr. Anderson's initials

6. **No Other Pending Actions.** Anderson represents that he has not filed any complaints or claims (other than the Action referenced above) against the Released Parties with any local, state or federal agency or court, and that he will not do so at any time hereafter with respect to the events which underlie and are the subject of the Actions, and the claims which were asserted or which could be or could have been asserted in the Actions.

7. **Non-Admission of Liability; No Prevailing Party.** The parties acknowledge and agree that this Agreement is a settlement of remaining disputed claims in the Action. 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 the City or any of its employees, or any affiliated person or entities. The parties agree and acknowledge that neither party shall be deemed a "prevailing party" for any purpose relating to the Action.

8. **No Assignment of Claims.** Anderson warrants that he has 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 had or has any interest in any of the demands, obligations, actions, causes of action, debts, liabilities, rights, contracts, damages, attorneys' fees, costs, expenses, losses or claims referred to herein.

9. **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.

10. **Knowing and Voluntary.** 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 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.

11. **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.

12. **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.

13. **Confidentiality.** In exchange for the consideration provided for in this Agreement, Anderson and the City agree that the terms of this Agreement are confidential. Anderson and the City shall keep private, confidential and secret the terms of this entire Agreement, except as required to enforce this Agreement or except as permitted under this section. Notwithstanding the foregoing, nothing herein shall prevent any of the following communications: (a) upon inquiry, a statement that the matter has been "satisfactorily settled", "settled" or similar words to that effect; (b) disclosures required by law, including, but not limited to, disclosures to federal or state taxing authorities; (c) to the extent any confidential information in this Agreement is made public through no fault of a party, a responsive statement by a non-disclosing party no greater in scope and breadth in its substantive nature and means of communication than such public disclosure; (d) in connection with confidential settlement negotiations in other litigation, disclosure of a copy of this Agreement; (e) defense counsel's disclosure to the City's insurance carrier or carriers in connection with claims for and receipt of insurance coverage payments relating to the Action and settlement thereof; and (f) communications in the course of utilizing this Agreement, formally or informally, as an arguable

basis for barring a subsequent lawsuit of a related nature. In this regard, the parties acknowledge that: (i) City is a governmental entity; (ii) subject to certain exemptions, City is required under the California Public Records Act, Government Code Section 6250, *et seq.*, ("CPRA") to disclose all public records to any member of the public requesting such public records; and (iii) this Agreement may be construed as a public record under the CPRA. Otherwise, neither Anderson nor the City (including each party's respective employees, agents, attorneys and representatives) shall disclose the terms and conditions hereof to any third party, except its accountants or its attorneys or to the extent necessary to comply with any applicable law or court order, subject to the prior obtaining of an appropriate protective order. In addition to the foregoing, the City and Anderson each agree that they shall not disparage the other party verbally or in writing, or otherwise provide a negative reference regarding the other party to any third party. Violation of the confidentiality and nondisclosure obligations contained in this Agreement shall entitle the injured party to obtain injunctive relief and seek damages, and the prevailing party in any such proceeding shall be entitled to all reasonable expenses incurred in such proceeding.

14. **Ambiguity.** The parties acknowledge that this Agreement was jointly prepared by them, by and through their respective legal counsel, 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.

15. **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.

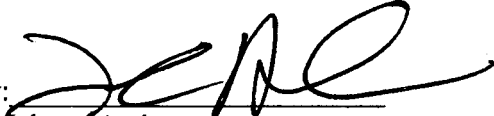
16. **Governing Law.** This Agreement is made and entered into in the State of California, and shall in all respects be interpreted, enforced and governed under the laws of said State without giving effect to conflicts of laws principles.

17. **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.

SIGNATURE PAGE TO FOLLOW


IN WITNESS WHEREOF, the undersigned have executed this Settlement Agreement and General Release of All Claims, and have initialed each page hereof, on the dates set forth below.

ANDERSON

By: 
Johnny Anderson

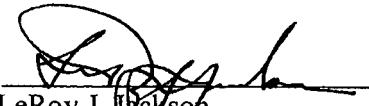
Dated: ~~October~~, 2005
November 1, 2005

APPROVED AS TO FORM:


By: 
Robert C. Moest
Attorney for Johnny Anderson

Dated: ~~October~~, 2005
November 1, 2005

CITY OF TORRANCE

By: 
LeRoy J. Jackson
City Manager

Dated: ~~October~~ 8, 2005
November

By: 
Jeffrey T. Melching
Attorney for City of Torrance

Dated: October 31, 2005

CITY OF TORRANCE

3031 Torrance Boulevard
Torrance, California 90503
OFFICE OF THE CITY CLERK

Qty.	Description	Unit Price	Amount
	MUNICIPAL CODE		
	division		
	chapter		
	page		
	ORDINANCE		
	RESOLUTION		
	CHARTER		
	CERTIFICATION		
✓	PHOTOCOPIES	1 @ 1.00	
	OTHER	4 @ 0.10 = .40	
<input checked="" type="checkbox"/> Cash	<input type="checkbox"/> Check No. _____	Sub Total	
Fees levied pursuant to resolution for furnishing copies of public record.		Sales Tax	
		TOTAL	1.40

By *Alan* DATE 10/18/07

RECEIPT NO. 09424

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