

SETTLEMENT AGREEMENT AND GENERAL RELEASE OF CLAIMS

This Settlement Agreement and General Release of Claims ("Agreement") is made and entered into by and between Anita Belmontes ("Belmontes"), and the California State Senate, through the Senate Rules Committee (the "Senate") (collectively, "the Parties").

RECITALS

- A. Whereas, Belmontes has been and remains employed by the Senate.
- B. Whereas, Belmontes has asserted that she possesses certain rights and claims as a result of her employment with the Senate.
- C. Whereas, the Senate denies the existence of any and all of Belmontes' claims and denies that the Senate has in any way acted contrary to law or policy with respect to Belmontes.
- D. Whereas, the Parties, in order to avoid the costs, uncertainties, and operational burden of a further dispute, desire to settle, fully and finally, all of Belmontes' alleged or potential claims against the Senate and/or any of its Agents, as that term is defined in Paragraph 1(d) below, as of the Execution Date of this Agreement, as that term is defined in Paragraph 1(e) below.
- E. Now therefore, in consideration of the mutual promises and covenants contained herein, without admission of any liability or potential liability of the Senate, and in consideration of other good and valuable consideration, the adequacy of which is hereby acknowledged, the Parties, and each of them, covenant and agree as follows:

AGREEMENT

1. **Consideration.** In consideration for the promises contained in this Agreement, the Parties agree as follows:

- (a) The Senate agrees to place Belmontes in a Principal Consultant role in the Republican Caucus at her prior salary of \$7,848 per month, to begin effective February 2, 2015 with a medical release to return to work. Her office will be located at Room 539 in the Legislative Office Building.
- (b) The Senate agrees to credit Belmontes' leave bank with 1127.00 total hours, representing the number of sick leave hours (675.50) and vacation leave hours (451.50) used by Belmontes between March 28, 2014 and November 14, 2014.
- (c) The Senate agrees to pay Belmontes the total sum of money (the "Settlement Sum") represented below within thirty (30) business days of the Effective Date of this Agreement, as that term is defined in Paragraph (18), below. The Settlement Sum shall be made payable in four separate checks and mailed to Belmontes' attorney's office at: The Sammis Law Firm, 520 Capitol Mall, Suite 600, Sacramento, CA 95814. The Settlement Sum consists of the following:
- 1) \$7,128.00 minus applicable withholdings, representing the wage differential of \$594 per month between Belmontes' previous pay level of \$7,848 per month and her current pay level of \$7,254 per month for the time period of February 1, 2014 through January 31, 2015. The Senate shall report this sum on a 2015 IRS Form W-2 to Belmontes.

- 2) \$25,000 in monetary compensation made payable to Anita Belmontes. The Senate shall report this sum by way of an IRS Form 1099 to Belmontes.
- 3) \$12,500 in attorneys' fees made payable to The Sammis Law Firm. The Senate shall report this sum by way of an IRS Form 1099 to The Sammis Law Firm.
- 4) \$456 for reimbursement of a Dignity Health medical bill.

(d) The above consideration represents the settlement of all of Belmontes' alleged or potential claims against the Senate as well as any such alleged or potential claims against any current or former Senators or any of the Senate's current or former officers, agents, consultants, attorneys, and/or employees (collectively the Senate's "Agents"), and all other matters relating thereto and all other matters stated or unstated, known or unknown relating to the Senate and/or its Agents, and is being provided by the Senate as consideration for Belmontes entering into this Agreement, including the release of claims and waiver of rights provided for below.

(e) Belmontes agrees that the Settlement Sum and other consideration set forth above constitutes the entire consideration provided to her under this Agreement and due to her from the Senate, and that Belmontes shall not seek any further compensation or consideration from the Senate and/or its Agents in connection with Belmontes' claims against the Senate and/or its Agents, or employment by the Senate, for any act or omission by the Senate and/or its Agents up to and including the date this Agreement is executed by Belmontes (the "Execution Date").

(f) The Senate makes no representations or warranties with respect to the tax consequences of the Settlement Sum. Belmontes agrees and understands that she is responsible for payment, if any, of local, state and/or federal taxes on the consideration provided hereunder as a result of any payment reported on an IRS Form 1099 and any penalties or assessments thereon. A dispute regarding the tax status of this Agreement shall not affect the validity of this Agreement. Belmontes has had an opportunity to discuss the potential tax consequences of the Agreement with her own counsel and/or tax consultant and agrees that she will be solely responsible for any and all tax obligations arising from the manner in which she reports or characterizes the payment on her tax return or arising from any ruling of the United States Internal Revenue Service or the California Franchise Tax Board. Belmontes further agrees to indemnify and hold the Senate and its Agents harmless from any claims, demands, deficiencies, penalties, interest, assessments, executions, judgments, or recoveries by any government agency against the Senate or its Agents for any amounts claimed due on account of (a) Belmonte's failure to pay or delayed payment of federal or state taxes, or (b) damages sustained by the Senate and/or its Agents by reason of any such claims, including attorneys' fees and costs.

(g) Belmontes agrees that this Agreement does not in any way affect, modify, alter or change the at-will status of her employment with the Senate. Belmontes remains an at-will employee.

2. Release of All Claims. Belmontes, on her own behalf and that of her heirs, executors, attorneys, administrators, successors, and assigns, fully releases and discharges the Senate, and its Agents from any and all liability, claims and demands, arising up to the Execution Date of this Agreement, including, but not limited to, any claims, demands or actions relating thereto, arising out of the acts or omissions of the Senate and/or its Agents, whether formal or informal, respecting violations of the United States or State of California Constitutions, Title VII of the Civil Rights Act of 1964, as amended, the Civil Rights Act of 1991, the Age Discrimination in Employment Act, the Americans With Disabilities Act and the American Disabilities Act Amendments Act, the Family and Medical Leave Act, the California Fair Employment and Housing Act, the California Family Rights Act, the California Labor Code, any and all contract or tort claims, such as false

imprisonment, battery, assault, breach of contract, fraud, defamation, libel, invasion of privacy, intentional or negligent infliction of emotional distress, and any other federal, state or local statute, ordinance or regulation as the same may apply to the Senate and/or its Agents. This release is not intended to and does not extend to any workers' compensation claims Belmontes has or may have.

3. **Promise Not to Prosecute.** Belmontes further agrees that she shall not, at any time hereafter, commence, maintain or prosecute any action, suit, proceeding, investigation, complaint, claim, grievance or charge with any court, administrative agency, arbitrator or any other body or person, whether Federal, State, local, international, foreign, or otherwise, except in response to written governmental agency or court inquiries or as compelled by legal process, against the Senate and/or its Agents, based in whole or in part upon, or arising out of or in any way connected with, any of the claims released or any of the matters referred to in this Agreement. Belmontes further agrees to indemnify and hold the Senate and its Agents harmless from and against any and all claims, demands, causes of action, damages or liability of any kind, including the cost of defense and reasonable attorneys' fees arising out of or in connection with, any action, suit, proceeding, investigation, complaint, claim, grievance or charge commenced, aided, maintained, or prosecuted by her contrary to the terms of this Agreement.

4. **Unknown or Different Facts or Law.** Belmontes acknowledges that she may discover facts or law different from, or in addition to, the facts or law that she knows or believes to exist with respect to any matter referenced to herein. Belmontes agrees, nonetheless, that this Agreement and the release contained in it shall be and remain effective in all respects notwithstanding such different or additional facts or law.

5. **California Civil Code Section 1542 Waiver.** The release addressed in Paragraph 2, above, is intended to be complete and final and to cover not only claims, demands, liabilities, damages, actions and causes of action which are known, but also claims, demands, liabilities, damages, actions and causes of action which are unknown or which Belmontes does not suspect to exist in her favor which, if known at the time of executing this Agreement, might have affected her actions. Therefore, Belmontes expressly acknowledges and agrees that the release contained in this Agreement includes a waiver of all rights under Section 1542 of the California Civil Code, which provides:

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.

Belmontes acknowledges that she has read all of this Agreement, including the above Civil Code section, and that she fully understands both this Agreement and the Civil Code section. She hereby waives any benefits and rights granted pursuant to Civil Code section 1542.

6. **No Admissions.** This Agreement shall not be admissible in any proceeding as evidence of improper action, wrongdoing, fault or liability by the Senate or Belmontes.

7. **Attorneys' Fees and Costs.** Both Parties acknowledge that they have had the opportunity to be or have been represented by counsel in the negotiation and preparation of this Agreement. Except as provided in Paragraph 1.c.3 and Paragraph 3, the Parties agree that each party to this Agreement shall bear her/its own attorneys' fees and costs.

8. **Waiver.** No provision of this Agreement may be waived unless in writing and signed by all the Parties to this Agreement. Waiver of any one provision shall not constitute waiver of any other provision.

9. **Applicable Law.** This Agreement shall be construed and interpreted in accordance with the laws of the State of California.
10. **Jurisdiction and Venue.** Any dispute arising from this Agreement shall be governed by California law, and shall be decided solely and exclusively by the Superior Court in the County of Sacramento, California.
11. **Modification or Amendment.** This Agreement or any of its provisions may be modified or amended only by written agreement of all the Parties to this Agreement. Should any provision of this Agreement be determined by any court or other tribunal to be illegal or invalid, the invalidity of the remaining parts, terms or provisions shall not be affected thereby, and said illegal or invalid part, term or provision shall be deemed not to be part of this Agreement.
12. **Knowledge, Capacity and Authority.** Belmontes represents and warrants that she understands and voluntarily agrees to all terms contained herein. Belmontes represents that she understands the contents of this Agreement and that she executed it knowingly and voluntarily and understands that after executing it she cannot proceed against the Senate and/or its Agents on account of the matters referred to herein. Each Party to this Agreement represents and warrants that she/it has the authority and capacity to execute this Agreement.
13. **Execution and Delivery.** This Agreement may be executed and delivered in two or more counterparts, each of which when so executed and delivered shall be the original, but such counterparts together shall constitute but one and the same instrument. For purposes of this section, an executed facsimile copy of the Agreement may be "delivered" by one Party to the other, provided that the original executed copy of the same is provided to the receiving Party within ten (10) calendar days of said "delivery" of said executed facsimile copy.
14. **Cooperation.** The Parties agree to do all things necessary and appropriate to execute all further documents to carry out and effectuate the terms and purposes of this Agreement.
15. **Interpretation; Construction.** The headings set forth in this Agreement are for convenience only and shall not be used in interpreting this Agreement. This Agreement has been drafted by legal counsel representing the Senate, but Belmontes has participated in the negotiation of its terms. Belmontes acknowledges she has had an opportunity to review and discuss each term of this Agreement with legal counsel of her choosing and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.
16. **Non-Disparagement.** Belmontes agrees that as a condition for payment herein described, she shall not make any false, disparaging or derogatory statements to any person or entity, including any media outlet, regarding the Senate or any of its members, directors, officers, agents or representatives or about the Senate's business affairs, human resources matters, or financial condition.
17. **Older Workers' Benefit Protection Act and Age Discrimination in Employment Act of 1967.** Belmontes understands the rights afforded under the Age Discrimination in Employment Act of 1967, and agrees that she shall not file any claim or action against the Senate and/or its Agents based on any alleged violation(s) of the Age Discrimination in Employment Act with respect to any act or omission by the Senate and/or its Agents, up through the Execution Date of this Agreement. Belmontes hereby waives any right to assert any claim for relief available under the Age Discrimination in Employment Act, including, but not limited to, back pay, attorneys' fees, damages, lost benefits, reinstatement or injunctive relief for any act or omission by the Senate and/or its Agents up through the Execution Date of this Agreement. Belmontes further understands and acknowledges that she has been advised to consult with an attorney prior to executing this Agreement.

18. **Response Period.** Belmontes understands and agrees that she has a period of twenty-one (21) calendar days to consider this Agreement. Belmontes further acknowledges, understands and agrees that if she executes this Agreement prior to the expiration of her twenty-one (21) day period, the decision to do so is hers and hers alone, and that as a result, she has voluntarily, knowingly, and willingly waived the twenty-one (21) day period. Belmontes further acknowledges, understands and agrees that this Agreement shall not become effective or enforceable until seven (7) calendar days after it is executed by her (the "Effective Date") and that during that seven (7) calendar day period, Belmontes may revoke this Agreement. Belmontes agrees to deliver or cause to be delivered any such revocation in writing to the Secretary of the California Senate, Daniel Alvarez, within seven (7) calendar days of the Execution Date of this Agreement. Belmontes further understands and agrees that any such revocation of this Agreement by her shall render this Agreement wholly null and void.

19. **Entire Agreement.** This Agreement incorporates the entire understanding between the Parties and recites the whole consideration for the promises exchanged herein. It fully supersedes any and all prior agreements or understandings, written or oral, between the Parties hereto pertaining to the subject matter hereof. The terms of this Agreement are contractual and not mere recitals. This Agreement may not be amended or modified in any respect whatsoever except by a writing duly executed by the Parties, as described in Paragraph 11, and the Parties agree that they shall make no claim(s) at any time that this Agreement has been orally amended or modified.

IN WITNESS WHEREOF, the undersigned have set their hands the day and year set forth below their respective signatures.

PLEASE READ CAREFULLY.

THIS AGREEMENT INCLUDES A RELEASE OF ALL CLAIMS KNOWN AND UNKNOWN.

Dated: Jan. 31, 2015

[Redacted Signature]

Anita Belmontes

Dated: February 6, 2015

[Redacted Signature] DANIEL ALVAREZ

By: [Redacted]
For: Senate Rules Committee

[Redacted]