

SETTLEMENT AGREEMENT & GENERAL RELEASE OF ALL CLAIMS

This Settlement Agreement and General Release of All Claims (“Agreement”) is entered into by and between Leslie Rule (“Plaintiff”), on the one hand, and City of Ojai (“Defendant”), a municipal corporation, on the other hand, to settle and terminate fully and finally all disputes arising out of the matters described hereinafter as between them. Plaintiff Leslie Rule and Defendant City of Ojai are collectively referred to in this Agreement as the “Parties” or singularly as a “Party.” The Parties enter into this Agreement based on the understandings set forth in the following recitals, each of them which they affirm to be true and correct and are incorporated herein by reference.

RECITALS

WHEREAS, on or about December 1, 2025, Plaintiff filed a lawsuit against the City of Ojai entitled *Leslie Rule v. City of Ojai*, Case No. 2025CUPT055697 (“Action”) alleging that the City of Ojai was, among other things, required to indemnify Leslie Rule and reimburse her for costs and expenses incurred in defending herself in the case of *Byrne, et al. v. Rule, et al.*, Case No. 2023CUMC008352 (“Byrne Case”);

WHEREAS, by entering into this Agreement, and to avoid the uncertainty and costs of trial, as well as any potential appeals therefrom, the Parties intend to fully and finally resolve all disputes that may exist by and between the Parties concerning the allegations Plaintiff raised and the defenses Defendant asserted in the Action;

WHEREAS, by entering into this Agreement, the Defendant makes no admission of liability for the claims Plaintiff raised in the Action. The Defendant’s agreement to settle Plaintiff’s disputed claims shall not be construed in any manner as an admission of any liability; and

NOW, THEREFORE, based upon the foregoing recitals and the terms, conditions, covenants, and agreements contained herein, the Parties agree as follows:

AGREEMENT

In consideration of the facts, acknowledgements, agreements, general release, and promises contained in this Agreement, and for other good and valuable consideration, the receipt of which is acknowledged by each Party hereto, the Parties promise and agree as follows:

1. **Recitals.** The preceding recitals are hereby incorporated and made part of this Settlement Agreement.

2. **Settlement Payment.** Within thirty (30) days of the execution of this Agreement by the Plaintiff, Plaintiff’s execution of the Request for Dismissal (as referenced in Paragraph 4 of this Agreement) and the agreement (by virtue of signing this Agreement) to the Joint Statement of the Parties attached to this Agreement, Defendant shall pay to Plaintiff the total sum of One Hundred and Twenty Thousand Dollars (\$120,000.00) (\$25,000.00 of the total One Hundred and Twenty Thousand Dollars (\$120,000.00), shall be paid by the insurer for the Defendant) (the “Settlement Sum”). The Settlement Sum shall be in full consideration, compromise, and settlement of any and all claims Plaintiff has or may have against the Defendants relating to the claims and allegations raised in the Action. Said Settlement Sum will be wired using the following wire

instructions:

Beneficiary Bank Name: BMO Bank N.A.
Beneficiary Bank Address: 320 South Canal Street, Chicago, IL 60606
ABA/Routing #: 071025661
Beneficiary Name: Michelman & Robinson, LLP (LA TRUST)
Beneficiary Address: 10880 Wilshire Blvd, 19th Floor, Los Angeles, CA 90024
Beneficiary Account #: 4856534777

Additionally, within thirty (30) days of receipt by the City of a signed stipulated judgment, which shall include an injunctive relief component, between Rule and the Plaintiffs in the Byrne Case, Defendant shall deposit into an escrow account (established with a licensed, bonded escrow company agreeable to the Parties), the total sum of Three Hundred and Eighty Thousand Dollars (\$380,000.00) (the "Escrow Settlement Sum"). The Escrow Settlement Sum shall be in full consideration, compromise, and settlement of any and all monetary claims and demands that the plaintiffs in the Byrne Case have or may have against Plaintiff relating to the allegations set forth in that matter. The escrow shall be jointly controlled by Plaintiff and Defendant. Upon the satisfaction of conditions elucidated in Paragraph 4 below, the escrow shall release the Escrow Settlement Sums as jointly directed by Plaintiff and Defendant.

3. **Indemnity Claims.** The Parties acknowledge and agree that the payment of the Settlement Sum and Escrow Settlement Sum shall and does hereby fully and totally compensate Plaintiff, for any and all indemnity or other claims arising from the incident described in the Action and fully releases and discharges the Defendant from any and all indemnity and other claims asserted by Plaintiff in the Action.

4. **Dismissal of the Action with Prejudice.** Concurrently with the execution and delivery of this Agreement, Plaintiff shall cause her attorney of record in the Action to execute and deliver to the attorneys of record for the Defendant, the original copy of a Request for Dismissal with prejudice, with respect to the Action. Upon Plaintiff's receipt of the Settlement Sum and the deposit of the monies called for in the Escrow Settlement Sum, the attorneys of Defendant are authorized to proceed forthwith to cause such "Request for Dismissal" to be filed with the clerk of court in and for the Ventura County Superior Court, and may do all other things necessary to cause the Action, including all claims and causes of action asserted therein to be dismissed with prejudice and in their entirety as to the Defendant. Plaintiff further agrees, after the payment of the above Settlement Sum, to take all necessary and further steps to ensure that the Action is dismissed with prejudice.

5. **Release of Claims..** For good and valuable consideration, including, but not limited to, the payment of the Settlement Sum and Escrow Settlement Sum, the receipt and adequacy of which are hereby acknowledged, Plaintiff does hereby fully and irrevocably release and forever discharge Defendant City of Ojai, and each of its current and former employees, officials, agents, attorneys and representatives ("Releasees"), of and from any and all claims, causes of action, suits, debts, liens, contracts, agreements, promises, liability, demands, damages, loss, costs, or expenses arising from or related to indemnity claims that were or could have been asserted in the Action (Ventura County Superior Court Case No. 2025CUPT055697) up to and including the effective date of this Agreement regardless of whether such claims are stated, alleged, or even suspected by the Parties hereto prior to such effective date.

6. **Effective Date.** The release as set forth above shall be effective as of the last date of the execution of this Agreement by the Parties.

7. **Discovery of Different or Additional Facts.** Plaintiff acknowledges that she may hereafter discover facts different from or in addition to those that she now knows or believes to be true with respect to the claims that are the subject of the Release set forth in Paragraph 5 of this Agreement, and expressly agrees to assume the risk of the possible discovery of additional or different facts related to the claims. Plaintiff agrees that this Agreement shall be and remain effective in all respects regarding claims regardless of such additional or different facts.

8. **Release of Unknown Claims.** The Release set forth above in Paragraph 5 of this Agreement is a release of all claims that are described in the Release and is intended to encompass all known and unknown, foreseen and unforeseen indemnity claims that Plaintiff may have as a result of this action.

9. **Waiver of Civil Code Section 1542 as to Indemnity Claims** Plaintiff acknowledges that she has been informed of the provisions of Section 1542 of the Civil Code of the State of California, which provides:

“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.”

Plaintiff expressly agrees to waive and relinquish all rights and benefits she has or may have under California Civil Code Section 1542 with respect to unknown claims arising from the incident described in the Complaint.

10. **No Other Pending Actions by Plaintiff.** Plaintiff represents that she has not filed any complaint(s) and/or charge(s) (other than the Action referenced above, specifically Ventura County Superior Court Case No. 2025CUPT055697) against the Defendant and/or Releasees asserting claims arising from the incidents described in the Action, with any local, state, or federal agency or court; and that if such agency or court assumes jurisdiction of any complaint or charge against Defendant and/or the Releasees asserting such claims by Plaintiff whenever filed, Plaintiff will take all necessary and further steps to withdraw and dismiss the matter forthwith.

11. **Non-Admission of Liability.** The Parties acknowledge and agree that this Agreement is a settlement of disputed claims. 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 Defendant and/or the Releasees, all of whom have consistently taken the position that there is no liability whatsoever, or as an admission by Plaintiff of the validity of any of the defenses asserted by Defendant.

12. **No Assignment of Claims.** Plaintiff warrants that she has made no assignment, and will make no assignment, of any claim, cause of 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.

13. **Attorneys' Fees.** Except as otherwise provided for in the terms of this Agreement, each Party hereto agrees to bear their own attorneys' fees and costs in connection with the resolution of the Action and this Agreement. Should any Party hereto reasonably retain counsel for the purpose of enforcing or preventing the breach of any provision hereof, including, but not limited to, instituting any action or proceeding either to enforce any provision hereof for damages by reason of any alleged breach of any provision hereof, for a declaration of such Party's rights or obligations hereunder, or for any other judicial remedy, the prevailing party shall be entitled, in addition to such other relief as may be granted, to be reimbursed by the losing party for all costs and expenses incurred thereby, including, but not limited to, actual attorneys' fees and costs, for the services rendered to such prevailing party. Such fees and costs shall not be limited by any statutory guidelines.

14. **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.

15. **Knowing and Voluntary.** This Agreement is an important legal document and, in all respects, has been voluntarily and knowingly executed by the Parties. The Parties specifically represent that prior to signing this Agreement they have been provided a reasonable period within which to consider whether to accept this Agreement. The Parties further represent that they have each carefully read and fully understand all the provisions of this Agreement, and that they are voluntarily, knowingly, and without coercion entering into this Agreement based upon their own judgment.

16. **Assistance of Counsel.** The Parties each represent to all other Parties 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.

17. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be considered an original but all of which shall constitute one agreement.

18. **Electronic Execution.** This Agreement may be executed and/or transmitted electronically (e.g., facsimile, .PDF or electronic signature, including DocuSign). No original signatures shall be required to establish the validity or authenticity of this Agreement; true copies, electronic, scanned and/or facsimile copies of signatures shall be deemed effective as original signatures.

19. **Severability.** Should any portion, word, clause, phrase, sentence or paragraph of this Agreement be declared void or unenforceable, such portion shall be considered independent and severable from the remainder, the validity of which shall remain unaffected.

20. **Ambiguity.** The Parties acknowledge that this Agreement was jointly prepared by them, by and through their respective legal counsel. This Agreement shall be construed according to its fair meaning as prepared by both parties, and any uncertainty or ambiguity existing herein shall not be interpreted against any of the Parties.

21. **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.

22. **Governing Law and Venue.** 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. Any action to enforce, invalidate, or interpret any provision of this agreement shall be brought in the Superior Court of California, County of Ventura.

23. **Retention of Jurisdiction by the Court.** The Parties agree to allow the Court presiding over the Action to retain jurisdiction pursuant to California Code of Civil Procedure section 664.6 in order to enforce the terms of this Agreement.

24. **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 and that they have not executed this Agreement in reliance on any such representation, inducement, promise, agreement or warranty. 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 FOLLOWS]

IN WITNESS WHEREOF, the undersigned fully agree to be bound by the above terms and conditions, and have executed this Settlement Agreement and Release of All Claims, consisting of a total of five (5) pages, on the dates set forth below.

Dated: September 17, 2026

Signed by:

Leslie Rule

1E05076A5E1E4EA

LESLIE RULE

Dated: September 17, 2026

By:

Ben Harvey

BEN HARVEY, CITY MANAGER
CITY OF OJAI

JOINT STATEMENT OF CITY OF OJAI AND COUNCILMEMBER RULE

This joint statement is authorized by the City of Ojai and Councilmember Leslie Rule.

In December of 2022 and January of 2023, a series of incidents occurred which led to a lawsuit filed by certain community members against Councilmember Rule (Byrne v. Rule, 2023CUMC008352, "Byrne lawsuit") seeking declaratory relief and alleging that Councilmember Rule had violated the Brown Act when she publicly disclosed information discussed in three closed sessions during that timeframe.

In May of 2024, Councilmember Rule filed a request that the City provide her with a defense in the Byrne lawsuit. That request was denied. Councilmember Rule again requested a defense and indemnification from the City in February of 2025. At that time the makeup of the Council had changed as a result of the elections of November 2024. The Council again denied Councilmember Rule's request for indemnification and payment of defense fees. In December of 2025, Councilmember Rule filed an action against the City seeking payment of defense and other fees and costs she had incurred and will incur as a result of the Byrne lawsuit.

The City and Councilmember Rule believe that it is in the best interests of the City of Ojai, to resolve both the lawsuit filed by Councilmember Rule against the City and the Byrne lawsuit. The parties desire to put these matters behind them and move forward, collectively, to serve the best interests of the citizens of Ojai. In the Byrne lawsuit, Councilmember Rule has acknowledged mistakes in her disclosure of closed session information, promised that things will be handled differently in the future, recognized the confidentiality of closed session matters, and acknowledged that there are other methods to challenge any alleged improprieties, including communication with the District Attorney's office of Ventura County and the Ventura County Grand Jury.

The City and Councilmember Rule acknowledge the confidential nature of closed session discussions and the fact that there are specific procedures to address any alleged closed session violations. Additionally, the City and Councilmember Rule recognize that compliance with the Brown Act is fundamental to a productive and functional local government, including the need for the City Attorney to properly agendaize closed session items and discussions that are within parameters of the noticed closed session agenda item.

Each side to this litigation recognizes that the truth of the events underlying the litigation is disputed and is likely to remain disputed. Litigating all of the pending issues to the extent required to secure judicial determinations concerning claims and defenses will include considerable time, resources, and expense that can be better utilized for the benefit of Ojai residents.

Accordingly, the City and Councilmember Rule have agreed to a resolution of both the Byrne lawsuit and Councilmember Rule's lawsuit against the City. The City and Councilmember Rule acknowledge that certain information obtained in closed session has entered the public domain. What transpired in closed session is in dispute as to content, context and legal significance. To the extent the substance of closed session discussions is raised by anyone in the future, the City

and Councilmember Rule agree they are bound by the Brown Act and that no individual City Council Member or any other participant in a closed session can unilaterally disclose the substance of closed session information without following authorized procedures such as the agreement of a majority of the City Council, or the approval of the District Attorney or Grand Jury.

Today, marks the beginning of a new day where old grievances have been put to rest and a renewed, more collaborative focus will move forward without the hinderance of the past, and with the benefit of a clear acknowledgement of the importance of transparency, the sanctity of closed session discussions, and proper procedures to address any alleged violations relating to the same.

All members of the City Council look forward to continuing their representation of and advancing the future of the citizens of Ojai.

Certificate Of Completion

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Status: Completed

Subject: Complete with Docusign: (Rule v. Ojai) Settlement Agreement.pdf

Source Envelope:

Document Pages: 8

Signatures: 1

Envelope Originator:

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Susan Bailey

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Envelopeld Stamping: Enabled

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Los Angeles, CA 90024

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Leslie Rule

lcr952@mail.harvard.edu

Ms.

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Signed by:


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Signature Adoption: Pre-selected Style

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Electronic Record and Signature Disclosure:

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Jon-Jamison Hill

jhill@mrlp.com

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Witness Events

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Notary Events

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Envelope Summary Events

Status

Timestamps

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To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..

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Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	•Allow per session cookies •Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

Acknowledging your access and consent to receive materials electronically

To confirm to us that you can access this information electronically, which will be similar to

other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.

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- Until or unless I notify Michelman & Robinson, LLP as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by Michelman & Robinson, LLP during the course of my relationship with you.