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Exempt from filing fees pursuant to
Government Code section 6103.

5 Attorneys for Petitioners
6 City of City of Eureka & People of the State of
California

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 COUNTY OF HUMBOLDT

11 CITY OF EUREKA et al.,
12 Petitioners,
13 v.
14 FLOYD SQUIRES et al.,
15 Respondents.

Case Number: DR110040
Action Filed: January 18, 2011

**SETTLEMENT AGREEMENT;
PROPOSED ORDER**

Judge: Hon. Kelly L. Neel
Dept.: 4

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) and Proposed Order is made and entered into between Petitioners City of Eureka and People of the State of California (collectively “City”) and Respondents Floyd Squires, Floyd E. Squires, Floyd E. Squires III, Betty J. Squires, FB Squires Family Trust, and Betty J’s Building, Inc. (collectively “Respondents”), and is effective as of the date of the City signing this Agreement (“Effective Date”).

I. RECITALS

A. On January 18, 2011, the City filed the instant action known as *City of Eureka. v. Floyd Squires*, case number DR110040 (“Receivership Action”), in the Superior Court of the State of California for the County of Humboldt (“Court”), seeking an order appointing a court receiver over the following parcels of real property within the City that are the subject matter of this Receivership Action and which were owned or controlled by Respondents (collectively “Nuisance Properties”):

1. 609 Summer Street (APN 001-042-012-000).
2. 119 West 6th Street; 607 Summer Street (APN 001-042-013-000).
3. 202 3rd Street; 315 C Street (APN 001-066-001-000).
4. 216 3rd Street (APN 001-066-002-000).
5. 218–220 3rd Street (APN 001-066-003-000).
6. 205 4th Street 317 C Street; 325 C Street (APN 001-066-007-000).
7. 117 to 119 5th Street (APN 001-071-004-000).
8. 211 to 219 5th Street (APN 001-103-004-000).
9. 1637 3rd Street (APN 002-063-005-000).
10. 2325 2nd Street (APN 002-123-004-000).
11. 1410 Union Street (APN 004-033-003-000).
12. 1233 A Street (APN 004-112-008-000).
13. 241 Wabash Avenue (APN 004-196-007-000).
14. 1803 C Street (APN 004-203-001-000).

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- 15. 833 H Street (APN 005-012-005-000).
- 16. 705 15th Street (APN 005-042-008-000).
- 17. 1623 G Street, 1625 G Street (APN 005-053-006).
- 18. 1635 G Street (APN 005-053-007-000).
- 19. 1925 H Street (APN 005-075-009-000).
- 20. 1429 and 1429 1/2 Sunny Avenue (APN 006-191-015-000).
- 21. 2245 Broadway (APN 008-011-007-000).
- 22. 2235 Broadway (APN 008-011-010-000).
- 23. 204 West Hawthorne Street (APN 009-122-005-000).
- 24. 2941 California Street, 2969 California Street (APN 010-061-010-000).
- 25. 2927 California Street (APN 010-061-011-000).
- 26. 2535 L Street (APN 011-153-005-000).
- 27. 2445 Russ Street (APN 013-171-010-000).

B. The City was successful in this Receivership Action since the Court appointed a court receiver over the Nuisance Properties. Court Receiver Jeffrey Smith (“Receiver Smith”) was appointed pursuant to Business and Professions Code section 17200 et sequentes and is the current receiver over the Nuisance Properties. Receiver Smith has now expressed a desire to be discharged from his receivership duties.

C. On November 8, 2017, Respondents filed a petition for Chapter 11 Bankruptcy in the United States Bankruptcy Court, Northern District of California, known as *In re Floyd E. Squires III and Betty J. Squires*, case number 17-10828 (“Bankruptcy Action”), which encompasses the Nuisance Properties.

D. Title for some of the Nuisance Properties has been transferred to new owners in the Bankruptcy Action, while other Nuisance Properties are still part of the ongoing Bankruptcy Action.

E. This Agreement is intended to avoid additional litigation and hardship for the parties and the community.

1 **II. AGREEMENT**

2 Therefore, the City and Respondents agree as follows:

3 1. **Recitals.** The parties acknowledge and agree that all the statements in the Recitals are true
4 and correct to the best of their knowledge. The Recitals are hereby incorporated into and made part of
5 this Agreement to the same extent and the same effect as if fully set forth herein.

6 2. **Dismissal of Receivership Action.** Upon the Court’s approval and signing of the Order
7 approving this Agreement, the City agrees to file a Request for Dismissal of this Receivership Action
8 with this Court.

9 3. **Discharge Receiver Smith.** The Court shall discharge Receiver Smith. Receiver Smith shall
10 have no further powers, duties, or responsibilities regarding the Nuisance Properties. Any fees owed to
11 Receiver Smith and/or former court receiver Mark Adams that have been approved by the Court shall be
12 paid from the receivership estate.

13 4. **Vacate Future Hearings.** The City agrees to withdraw its Receiver Disqualification
14 Motion. The hearing on the City’s Receiver Disqualification Motion scheduled for November 30, 2020
15 at 10:30 a.m. shall be vacated and there will be no further hearings in this Receivership Action.

16 5. **City’s and Respondents’ Fees and Costs.** The City and Respondents shall bear their own
17 fees and costs, including attorneys’ fees and costs, incurred in this Receivership Action.

18 6. **Appeal Waiver.** Except as otherwise expressly provided in Section 7 of this Agreement,
19 the City and Respondents waive their rights to further challenge or appeal any of the issues related to
20 this Receivership Action, the Bankruptcy Action, the nuisance abatement and code enforcement efforts
21 relating to the Nuisance Properties, and anything covered by the release of liability in this Agreement.
22 The City cannot waive its law enforcement powers or responsibilities as a matter of law.

23 7. **Reservation of Rights.** The City hereby reserves its right to enforce violations of law on the
24 Nuisance Properties present on the Effective Date of this Agreement and/or in the future or those violations
25 currently unknown, as provided by law. The City reserves its right to seek the appointment of a new court
26 receiver over the Nuisance Properties in the future.

27 8. **Release of Liability.** The City and Respondents hereby release each other, their agents,
28 employees, attorneys, elected officials, appointed officials and representatives, from any and all existing

1 and future actions, causes of action, losses, claims, demands, damages, costs, loss of use, loss of revenue,
2 expenses, compensation, and all other forms of damages arising from, or relating to, this Receivership
3 Action, the Bankruptcy Action, and the nuisance abatement and code enforcement efforts relating to the
4 Nuisance Properties, including those which Respondents do not know at the time of executing this
5 Agreement which, if known by Respondents, might have materially affected this Agreement. However,
6 this release provision does not extinguish, release, or discharge any of the obligations and rights set forth
7 and encompassed in this Agreement. The City expressly reserves its rights to take enforcement action
8 relating to violations on the Nuisance Properties present on the Effective Date of this Agreement and/or in
9 the future, relating to cost recovery, and other rights of the City. The parties reserve all rights, defenses,
10 privileges, immunities, and claims they may have against each other arising under this Agreement until
11 there is full performance by each.

12 **8.1. Civil Code Section 1542 Waiver.** The City and Respondents further waive any rights
13 arising under Civil Code section 1542, which reads as follows: A GENERAL RELEASE DOES NOT
14 EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN
15 HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY
16 HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE
17 DEBTOR. The City and Respondents represent and warrant that they understand and acknowledge the
18 significance and consequence of this waiver of Civil Code section 1542. The City and Respondents further
19 waive any provisions that may exist under federal law, or the laws of any other state that may have
20 jurisdiction over the claims released herein, that are similar in language, purpose, or effect to Civil Code
21 section 1542. Except as otherwise expressly provided in this Agreement, the City and Respondents agree
22 that: (a) this Agreement shall be effective as a bar, waiver, and release of each and every known or
23 unknown claim, demand, cause of action, obligation, damage, and liability mentioned in this Agreement;
24 and (b) it is Respondents' intent to provide a full and final release of all claims against and obligations of
25 any and all releases referred to above, including claims and obligations that are not presently known or
26 anticipated.

27 **9. Legal Notices.** Notices relating to this Agreement must be in writing and sent to the physical
28 addresses set forth below. A party may change its address for notices by giving notice as required by

1 this provision. Written notice will be considered effective: (a) the day it is personally delivered or
2 actually received; (b) five business days after deposit with the United States Post Office as certified first-
3 class mail with return receipt requested and postage prepaid; or (c) two business days after deposit with
4 a reputable overnight delivery service for next day delivery.

5 9.1. City

6 Curtis R. Wright, Esq.

7 3 Corporate Park, Suite 100

8 Irvine, California 92606; and

9 City Attorney

10 531 K Street

11 Eureka, California 95501

12 9.2. Respondents

13 Bradford C. Floyd, Esq.

14 819 7th Street

15 Eureka, California 95501

16 10. **Successors.** This Agreement and all terms, conditions, and obligations contained herein are
17 binding upon and inure to the benefit and burden of any successors-in-interest of the parties, and may
18 be recorded on title to the Nuisance Properties.

19 11. **Transfers.** Neither this Agreement, nor any interest, right, duty, or obligation herein, may
20 be transferred, assigned, delegated, conveyed, hypothecated, or encumbered without the prior written
21 approval of the other parties.

22 12. **Governing Law.** This Agreement shall be governed and interpreted in accordance with the
23 laws of the State of California.

24 13. **Venue.** Should the need to file any separate action to enforce this Agreement arise at any
25 point, the venue for any such action shall be in the County of Humboldt.

26 14. **Modification.** This Agreement can only be changed, modified, amended, supplemented, or
27 rescinded in a separate writing signed by all parties..

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1 15. **Waivers.** A waiver of any provision of this Agreement must be in writing. Failure to insist
2 upon strict performance of any provision, right, duty, or obligation in this Agreement is not a waiver of
3 the right to future enforcement of that provision, right, duty, or obligation, nor any other provision, right,
4 duty, or obligation.

5 16. **Severability.** If any of the provisions of this Agreement are found to be unenforceable,
6 those provisions shall be reformed to prevent the unenforceable result in a manner that best preserves
7 the original intent of the provision to the fullest extent possible, and all other provisions of this
8 Agreement shall remain in full force and effect.

9 17. **Integration.** This Agreement constitutes the final, complete, and exclusive expression of
10 all the terms and provisions of the agreement between the parties. This Agreement supersedes any
11 previous agreements or negotiations between the parties, whether oral or written.

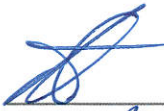
12 18. **Legal Counsel.** The parties represent that they have discussed this Agreement with legal
13 counsel, and this Agreement shall not be interpreted in favor of, or against, any party.

14 19. **Counterparts.** This Agreement may be signed in counterparts, each of which shall
15 constitute an original.

16 20. **Authority.** The signatories represent and warrant that they were duly authorized to execute
17 this Agreement, and the parties hereby agree to all the terms and conditions set forth in this Agreement.

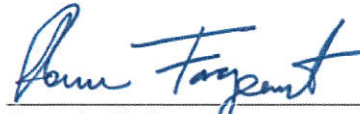
18 Dated: 11/12/2020

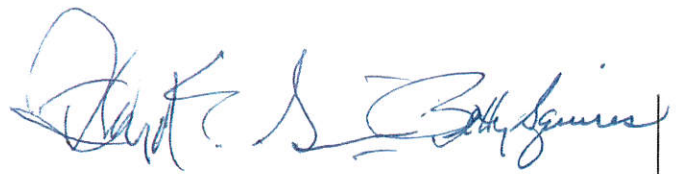
PETITIONERS

19
20 By: 
21 Name: Alice S. Sawyer
22 Title: CITY MANAGER
CITY OF EUREKA

23
24 Dated: 11/10/2020

APPROVED AS TO FORM

25
26 By: 
27 Rene L. Farjeat, Esq.
Attorneys for Petitioners City of Eureka and
28 People of the State of California
SILVER & WRIGHT LLP



1 Dated: Nov. 10, 2020


RESPONDENTS

2
3 By: 

4 Bradford C. Floyd, Esq.
5 Carlton D. Floyd, Esq.
6 *Attorneys for Respondents*
7 FLOYD LAW FIRM

6 Dated: 11/11/2020

APPROVED AS TO FORM

8 DocuSigned by:
9 
10 By: _____

11 Robert Black, Esq.
12 *City Attorney*
13 CITY OF EUREKA

11 **III. ORDER**

12 For good cause as set forth herein, the Court ACCEPTS, RATIFIES, and ORDERS this
13 Agreement into effect. This Agreement shall have full force and effect as an order of this Court.

15 IT IS SO ORDERED.

17 Dated: _____

18 _____
19 JUDGE OF THE SUPERIOR COURT

SILVER & WRIGHT LLP
REVENUE AND EMPLOYMENT LAW GROUP

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