

**RELEASE OF ALL CLAIMS**

1. **THE PARTIES.** This Release of All Claims ("Agreement") is made and entered into on this 10th day of June, 2005, by and among the following parties:

a. MICHAEL and KAREN HUDSPETH (hereinafter referred to as "PLAINTIFFS"),

b. UNLIMITED ENVIRONMENTAL, INC., (hereinafter referred to as "DEFENDANT");

2. **RECITALS.**

a. This matter involves claims by PLAINTIFFS for damages in connection with property located at 2414 So. Barrington, Unit 312, Los Angeles, CA (hereinafter "Subject Property").

b. On or about November, 2003, through January 9, 2004, and possibly to the present, PLAINTIFFS suffered damages at the Subject Property, (hereinafter "Incident"). PLAINTIFFS allege that the damage to their personal property and persons arose out of allegedly improper abatement of asbestos from the Subject Property, and related activities at the Subject Property.

c. PLAINTIFFS filed a Complaint on or about January, 2004, Los Angeles County Superior Court, Case No. BC 306534 (the "Action"), against Samira Albdelmak, Alvaro Prada, Unlimited Environmental, Inc., other defendants, and DOES 1 through 25, inclusive, alleging various causes of action including breach of contract; negligence, violation of Prop. 65, and other claims.

d. DEFENDANTS deny the truth of PLAINTIFFS' claims and allegations arising from the Incident, including, but not limited to the allegations within the Action.

e. Notwithstanding, the disputed claims, the parties hereby seek to fully and finally resolve and settle all disputes and claims arising from the Incident or the Action on the terms and conditions set forth below.

3. **RELEASE by PLAINTIFFS.** In consideration for the performance of the acts called for herein, the full and timely performance of all terms and conditions of this Agreement in the manner prescribed herein including, but not limited to, all releases, dismissals, waivers, covenants, warranties and representations, except as otherwise provided herein, PLAINTIFFS and their heirs, executors, administrators, trustees,

trustees, beneficiaries, predecessors, successors, assigns, agents, employees, servants, representatives, and all persons, firms, associations, and/or corporations connected with them, including, without limitation, their insurers, consultants, experts, sureties and attorneys, (collectively, "Releasers") hereby release and forever discharge DEFENDANTS and their heirs, executors, administrators, trustors, trustees, beneficiaries, predecessors, successors, assigns, partners, partnerships, parent, subsidiary, affiliated and related entities, officers, directors, principals, agents, employees, servants, representatives, and all persons, firms, associations and/or corporations connected with them, who are or may ever become liable to PLAINTIFFS, including, without limitation, PLAINTIFFS' insurers, consultants, experts, sureties and attorneys (collectively "Releasees"), of and from any and all claims, demands, causes of action, obligations, damages, incidental, consequential, ensuing or resulting damages, losses, costs, attorneys' fees and expenses of every kind and nature whatsoever, known or unknown, fixed or contingent, including any and all rights to subrogation therefor, which any Releaser may now have or may hereafter have against any Releasee to this Agreement by reason of any matter, cause or thing arising out of and/or connected with the Incident or Action (as defined herein).

4. RELEASE by DEFENDANT. In exchange for the release by PLAINTIFFS, the performance of the acts called for herein, and the full and timely performance of all terms and conditions of this Agreement in the manner prescribed herein including, but not limited to, all releases, dismissals, waivers, covenants, warranties and representations, except as otherwise provided herein, DEFENDANTS, and each of them, for themselves, and their respective heirs, executors, administrators, trustors, trustees, beneficiaries, predecessors, successors, assigns, agents, employees, servants, representatives, and all persons, firms, associations, and/or corporations connected with them, including, without limitation, their insurers, sureties and attorneys, (collectively, "Defendant Releasers") hereby releases and forever discharge DEFENDANTS, and each of them, and each of its/his heirs, executors, administrators, trustors, trustees, beneficiaries, predecessors, successors, assigns, partners, partnerships, parent, subsidiary, affiliated and related entities, officers, directors, principals, agents, employees, servants, representatives, and all persons, firms, associations and/or corporations connected with them, who are or may ever become liable to them, including, without limitation, their insurers, sureties and attorneys (collectively "Claimant Releasee"), of and from any and all claims, demands, causes of action, obligations, damages, incidental, consequential, ensuing or resulting damages, losses, costs, attorneys' fees and expenses of every kind and nature whatsoever, known or unknown, fixed or contingent, including any and all rights to subrogation therefor, which any Defendant Releaser may now have or may hereafter have against any Claimant Releasee to this Agreement by reason of any matter, cause or thing arising out of and/or connected with the Incident or the Action, whether asserted in a legal proceeding or otherwise.

5. WAIVER. It is understood and agreed by PLAINTIFFS that all rights under Section 1542 of the California Civil Code, which provides as follows, are hereby expressly waived:

"CERTAIN CLAIMS NOT AFFECTED BY GENERAL RELEASE 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."

6. CONSIDERATION. In consideration of the Release set forth above, DEFENDANTS agree to make a total payment of FORTY THOUSAND (\$40,000.00.).

a. PLAINTIFFS expressly acknowledge and agree that the payment of the consideration identified in this paragraph may be paid by any insurance liability carrier, if any, for DEFENDANTS.

7. COVENANT NOT TO SUE. PLAINTIFFS covenant and agree never to commence and/or prosecute against DEFENDANTS or their agents, employees, insurers, or counsel, any legal action and/or other proceeding based in whole or in part upon the claims, demands, causes of action, obligations, damages and/or liabilities released in this Agreement, and/or any legal action or other proceeding based in whole or in part upon any claim, demand, cause of action, obligation, damage and/or liability arising out of, or relating to the Incident or the Action. This Settlement Agreement may be pled as a full and complete defense to any action or other proceeding, as a basis for abatement of, or injunction against, such action.

8. CONFIDENTIALITY. The parties agree that neither they nor their attorneys nor their representatives shall reveal to anyone, other than as may be mutually agreed to in writing, or may be required in a legal proceeding, any of the terms of this Settlement Agreement or any of the amounts, numbers or terms and conditions of any sums payable hereunder.

9. WARRANTY OF AUTHORIZED SIGNATORIES AND NON-ASSIGNMENT OF CLAIMS. Each signatory to this agreement warrants and represents that he or she is competent and authorized to enter into this Agreement on behalf of the party for whom he or she purports to sign and that no assessment of any claim or right has been made by him or her to any third parties.

10. COMPROMISE. This Agreement is the result of a compromise among the parties to this Agreement and never shall be considered at any time or for any purpose as an admission of liability and/or responsibility on the part of any party herein released. The payment of any sum of money in consideration for the execution of this Agreement shall not constitute nor be construed as an admission of any liability

whatsoever by any party herein released. Each party continues to deny liability and disclaim responsibility.

11. **ADDITIONAL DOCUMENTS/ACTIONS.** Each party to this agreement hereby agrees to cooperate fully and to execute any and all supplementary documents and to take all additional actions which may be necessary or appropriate to give full force and effect to the basic terms and intend of this Settlement Agreement.

12. **ATTORNEYS' FEES.** The parties acknowledge and agree that each will bear its own costs, expenses and attorneys' fees arising out of and/or connected with the Litigation, the negotiation, drafting and execution of this Agreement, and all matters arising out of or connected therewith. However, in the event any action is brought by any party to enforce this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs in addition to all other relief to which the party may be entitled.

13. **MEDICAL BILLS AND LIENS.** Each party to this agreement acknowledges and agrees that they will pay all of their own current, past due or future medical bills arising out of the incident, if any. Each party to this agreement further acknowledges and agrees that they will satisfy any liens, medical or otherwise, arising out of the incident, whether those liens have been asserted or not as of the date of this Agreement.

14. **CONSTRUCTION OF AGREEMENT.** This Agreement is the product of negotiation and preparation by and among the parties and their respective attorneys. The parties, therefore, expressly acknowledge and agree that this Agreement shall not be deemed prepared or drafted by one party or another, or its attorneys, and this Agreement will be construed accordingly.

15. **GOVERNING LAW.** This Agreement shall be interpreted in accordance with and governed in all respects by the laws of the State of California.

16. **BINDING EFFECT.** This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, executors, administrators, trustees, beneficiaries, predecessors, successors, assigns, partners, partnerships, parent, subsidiary, affiliated and related entities, officers, directors, principals, agents, servants, employees, representatives, and all persons, firms, associations and/or corporations connected with them, including, without limitation, their insurers, sureties and/or attorneys.

17. **SEVERABILITY.** If any provision or any part of any provision of this Agreement is for any reason held to be invalid, unenforceable, or contrary to any public

policy, law, statute and/or ordinance, the remainder of this Agreement shall not be affected and shall remain valid and fully enforceable.

18. COUNTERPARTS. This Agreement may be executed in counterparts. All executed counterparts shall constitute an agreement which shall be binding upon all parties, notwithstanding that the signatures of all parties' designated representatives do not appear on the same page.

19. BENEFIT OF COUNSEL. In entering into this Settlement Agreement and release, the PLAINTIFFS expressly acknowledge and represent that it has obtained legal counsel from an attorney of its own choice, concerning the legal and tax consequences of this Settlement Agreement; that the terms of this Settlement Agreement have been completely read and explained to PLAINTIFFS by their attorney and that the terms of this Settlement Agreement are fully understood and voluntarily accepted.

20. ENTIRE AGREEMENT. This Agreement constitutes the entire understanding between and among the parties with regard to the matters set forth in this Agreement, except as otherwise provided herein. There are no representations, warranties, agreements, arrangements, undertaking, oral or written, between or among the parties relating to the subject matter of this Agreement which are not fully expressed.

For your protection, California law requires the following to appear on this form:

Any person who knowingly presents false information to an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

This Agreement is executed on the dates set forth below.

THE UNDERSIGNED SETTLING PARTIES HAVE READ THE FOREGOING SETTLEMENT AGREEMENT AND MUTUAL RELEASE AND FULLY UNDERSTAND THE CONTENTS AND ALL OF THE TERMS CONTAINED THEREIN;

DATED: June \_\_, 2005.

\_\_\_\_\_  
Michael Hudspeth  
Plaintiff

\_\_\_\_\_  
Karen Hudspeth  
Plaintiff

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DATED: June \_\_, 2005

\_\_\_\_\_  
Rob Samson  
Unlimited Environmental, Inc.

THIS RELEASE OF ALL CLAIMS HAS BEEN READ  
AND APPROVED AS TO FORM AND CONTENT.

DATED: June \_\_, 2005.

LAW OFFICES OF SCOTT D. PINSKY

By: \_\_\_\_\_  
Scott D. Pinsky, Esq.  
Attorney for Plaintiffs

DATED: June \_\_, 2005.

WOOD, SMITH, HENNING & BERMAN

By: \_\_\_\_\_  
Joshua A. Quinones, Esq.  
Attorney for Defendant, Unlimited  
Environmental, Inc.