

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE (the "Agreement") is made and entered into as of ~~November~~, 2011, by and between Mecklenburg County, a political subdivision of the State of North Carolina (the "County") and HDR Architecture, Inc. ("HDR").

January 15, 2012

WHEREAS, the County entered into agreements with Schenkel & Shultz, Inc. and Schenkel & Shultz Architects, P.A. (collectively, "SS"), HDR, and Kallmann McKinnell and Wood Architects, Inc. ("KMW"), including, but not limited to, a contract dated July 7, 2000 titled "FORM OF AGREEMENT BETWEEN MECKLENBURG COUNTY AND THE JOINT VENTURE OF SCHENKEL SHULTZ/HDR/KMW FOR ARCHITECTURAL/ENGINEERING DESIGN SERVICES FOR THE NEW MECKLENBURG COUNTY COURTHOUSE," related to planning, design, construction, and other services of the new Mecklenburg County Courthouse located at 832 East Fourth Street in Charlotte, North Carolina (the "Courthouse Project");

WHEREAS, the County contends that HDR, SS, and KMW formed a joint venture called "Schenkel Shultz/HDR/Kallman McKinnell and Wood Architects Inc." to serve as the Architect on the Courthouse Project. SS, HDR, and KMW deny that they formed said joint venture. Throughout this Agreement, and without admitting the existence of such entity, the alleged joint venture shall be referred to as the "alleged Joint Venture";

WHEREAS, disputes arose among the County, SS, HDR, KMW, and the alleged Joint Venture regarding the services provided and performed by SS, HDR, KMW, and/or the alleged Joint Venture that allegedly led to increased costs in completing the Courthouse Project (the "Dispute");

WHEREAS, the Courthouse Project earned multiple awards and accolades, and SS, KMW, and HDR contend that the Courthouse Project was completed on-time and under-budget;

WHEREAS, the County commenced a civil action on or about December 16, 2009 entitled *Mecklenburg County, a political subdivision of the State of North Carolina v. Schenkel & Shultz, Inc., HDR Architecture, Inc., Kallman McKinnell and Wood Architects, Inc., and Schenkel Shultz/HDR/Kallman McKinnell and Wood Architects Inc., a Joint Venture*, in the General Court of Justice, Superior Court Division, Mecklenburg County, Case Number: 09-CVS-29975 which civil action abated (the "Abated Lawsuit");

WHEREAS, the County filed a legal action entitled *Mecklenburg County, a political subdivision of the State of North Carolina v. Schenkel & Shultz, Inc., HDR Architecture, Inc., Kallmann McKinnell and Wood Architects, Inc., and Schenkel Shultz/HDR/Kallmann McKinnell and Wood Architects Inc., a Joint Venture*, in the General Court of Justice, Superior Court Division, Mecklenburg County, Case Number: 10-CVS-16383 (the "Lawsuit");

WHEREAS, the County has previously entered into separate written settlement agreements with each of SS and KMW;

WHEREAS, contemporaneously with the execution of this Agreement, the County will enter into a written "Global Release" of all claims by and among the County, HDR, KMW, SS and the alleged Joint Venture; and

WHEREAS, in the interests of avoiding further litigation expense, the County, and HDR (collectively the "Parties" or individually, a "Party"), without any Party or entity acknowledging liability to any other Party or person, wish to fully and finally release all claims or potential claims between and among the Parties in any way arising out of or in connection with the Dispute or the Courthouse Project, including but not limited to the allegations and claims relating to the Dispute and/or the Courthouse Project which were or could have been raised in the Abated Lawsuit or the Lawsuit.

NOW, THEREFORE, for and in consideration of good and sufficient consideration, the receipt of which is acknowledged, the Parties hereto agree as follows:

1. HDR shall pay the County the sum of Five Hundred Sixty-Two Thousand Five Hundred Dollars (\$562,500.00), of which Fifty Thousand Dollars (\$50,000.00) has previously been paid to and received by the County in connection with settling the lawsuit entitled *Cleveland Construction, Inc. v. Mecklenburg County, FN Thompson/Turner/WBD, BE&K Building Group, Inc., and the Walter B. Davis Company*, Case Number 07-CVS-15408 and *Cleveland Construction, Inc. v. Schenkel & Shultz Architects, P.A., Schenkel & Schultz, Inc., HDR Architecture, Inc., Kallman McKinnell and Wood Architects, Inc. and Schenkel & Schultz Architects, P.A.-HDR Architectures, Inc.-Kallman McKinnell and Wood Architects, Inc., a joint venture*, in the United States District Court for the Western District of North Carolina, Case Number 3:08-cv-407. The additional Five Hundred Twelve Thousand Five Hundred (\$512,500.00) shall be paid within thirty (30) days after the execution of this Agreement.

2. Within seven (7) days the County's receipt of the \$512,500.00 amount set forth in Paragraph 1, the County shall file a dismissal with prejudice of all claims raised in the Lawsuit against HDR, and a voluntary dismissal with prejudice of all claims raised in the Lawsuit against the alleged Joint Venture.

3. The Parties agree and acknowledge that one of the purposes of this Agreement is to forever resolve and extinguish claims between them and related to the Courthouse Project, the Dispute, the Abated Lawsuit, and the Lawsuit. The Parties, for themselves and their counsel, agree to cooperate in the preparation and execution of any additional documentation reasonably necessary to consummate the terms and purposes of this Agreement.

4. The Parties acknowledge and agree that this Agreement is not intended to be and shall not be deemed or construed to be evidence or any admission of negligence, liability, or wrongdoing on the part of any Party or any other person, but rather constitutes a compromise and settlement of claims which are highly disputed and denied.

5. The County, for itself, its predecessors, successors, assigns and all other persons or entities acting by, through, under, or in concert with it, and each of their respective current and former agents, officers, directors, members, managers, commissioners, employees, representatives, and attorneys, does irrevocably and unconditionally RELEASE, ACQUIT, AND

FOREVER DISCHARGE HDR, the alleged Joint Venture, and each of their respective predecessors, successors, assigns, parents, subsidiaries, and affiliates and all other persons or entities acting by, through, under or in concert with any of them and all of their respective current and former officers, directors, members, managers, employees, representatives, agents, insurers, indemnitors and attorneys, from any and all charges, claims, liabilities, obligations, agreements, controversies, damages, actions, causes of action, suits, judgments, rights, demands, costs, losses, debts and expenses (including attorneys' fees and costs), whether legal, equitable, known or unknown, in contract or tort, in any way arising out of or in connection with the Dispute and/or the Courthouse Project, including but not limited to the allegations and claims relating to the Dispute and/or the Courthouse Project which were or could have been raised in Abated Lawsuit or the Lawsuit.

6. HDR, for itself, its predecessors, successors, assigns, and its parents, subsidiaries and other corporate affiliates, and each of their respective current and former agents, officers, directors, members, managers, employees, representatives, and attorneys, does irrevocably and unconditionally RELEASE, ACQUIT, AND FOREVER DISCHARGE the County and its predecessors, successors, assigns, parents, subsidiaries, and affiliates and all other persons or entities acting by, through, under, or in concert with any of them, and all of the County's respective current and former officers, directors, members, managers, employees, representatives, agents, insurers, indemnitors and attorneys, from any and all charges, claims, liabilities, obligations, agreements, controversies, damages, actions, causes of action, suits, judgments, rights, demands, costs, losses, debts and expenses (including attorneys' fees and costs), whether legal, equitable, known or unknown, in contract or tort, in any way arising out of or in connection with the Dispute and/or the Courthouse Project, including but not limited to the allegations and claims relating to the Dispute and/or the Courthouse Project which were or could have been raised in Abated Lawsuit or the Lawsuit.

7. The Parties, for themselves and their respective members, managers, shareholders, officers, directors, employees and agents, acknowledge and agree that they may hereafter discover facts different from, or in addition to, those they now know, or believe to be true, in respect to the claims, losses, liabilities, obligations, suits, debts, liens, contracts, agreements, promises, demands, and damages released by this Agreement, and hereby agree that the releases contained herein shall be and remain in effect in all respects as a complete, general release as to the matters released, notwithstanding any such different or additional facts.

8. This Agreement shall be governed by, construed, interpreted, and enforced in accordance with the internal laws of the state of North Carolina without reference to any choice or conflict of law provisions which would operate to make applicable the internal laws of any other jurisdiction. The Parties consent and agree to the exclusive jurisdiction and venue of the state and federal courts in Mecklenburg County, North Carolina for any action relating to this Agreement.

9. Neither this Agreement, nor any provision hereof, may be waived, modified, amended, discharged, or terminated, except by written instruments signed by a duly authorized representative of the Party against whom the enforcement of such waiver, modification,

amendment, discharge, or termination is sought, and then only to the extent set forth in such instrument.

10. The Parties acknowledge and agree that any and all of their respective tolling agreements related to the Courthouse Project, and all tolling periods thereunder, have previously expired or have been terminated.

11. The Parties acknowledge and agree that any document litigation holds regarding the Dispute and the Courthouse Project are no longer in effect and the Parties may treat their Courthouse Project files as they would other files in their ordinary course of business.

12. The recitals of this Agreement are not mere recitals but rather are substantive provisions of this Agreement incorporated herein by reference. This Agreement and the Global Release are the only agreements between the Parties with respect to the subject matter hereof, and they contain all of the terms agreed upon; there are no other agreements, oral or written, between the Parties with respect to the subject matter hereof; no promises or representations have been made by or to any Party except as expressly set forth herein. The releases contained in this Agreement are in addition to, and not intended in any way to replace to limit, the releases in the Global Release among the County, HDR, KMW, SS and the alleged Joint Venture.

13. The Parties have had the full benefit of counsel and of representation in the negotiation, preparation, drafting, and execution of this Agreement; the Parties have read and fully understood the provisions of this Agreement prior to its execution and delivery; and each Party adopts this Agreement and enters into, executes, and delivers this Agreement as its own and voluntary act with full authority. This Agreement is the result of arms' length negotiations and mutual drafting and no provisions hereof shall be construed in favor or against any Party or person.

14. The Parties acknowledge and agree that each Party to this Agreement shall have the burden and responsibility of paying for and satisfying any claims for its own attorneys' fees, disbursements, costs and other expenses incurred by each Party with respect to their legal representation and the Dispute, the Courthouse Project, the Abated Lawsuit, and the Lawsuit. The Parties further acknowledge and agree that no Party shall be considered to have been the "prevailing" or "successful" party in the Lawsuit, within the meaning of any statute, rule, or other law for any purpose, including the award of attorneys' fees and costs.

15. In the event that any Party initiates legal action to assert claims arising from alleged breaches breach of this Agreement, the non-prevailing party must pay all costs and expenses, including reasonable attorney's fees, associated with the enforcement of this Agreement.

16. This Agreement may be executed in separate counterparts, original or PDF, each of which shall constitute an original, but all of which, when taken together, shall constitute but one Agreement.

17. Without any Party conceding its position regarding the existence or non-existence of the alleged Joint Venture, all Parties acknowledge and agree that the alleged Joint Venture is an intended third-party beneficiary of this Agreement with standing and entitlement to enforce the provisions of this Agreement.

18. Each of the Parties represents and warrants to the other Party that it is duly authorized to enter into, perform under, and be bound by this Agreement.

IN WITNESS WHEREOF, the Parties, through their duly authorized representatives, and intending to be legally bound by a sealed instrument, have executed this Agreement, under seal.

MECKLENBURG COUNTY

By:  _____ (SEAL)

HDR ARCHITECTURE, INC.

By: _____ (SEAL)

17. Without any Party conceding its position regarding the existence or non-existence of the alleged Joint Venture, all Parties acknowledge and agree that the alleged Joint Venture is an intended third-party beneficiary of this Agreement with standing and entitlement to enforce the provisions of this Agreement.

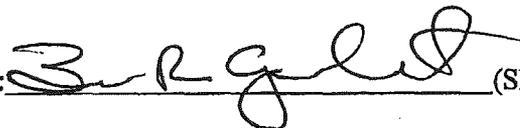
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MECKLENBURG COUNTY

By: _____ (SEAL)

HDR ARCHITECTURE, INC.

By:  _____ (SEAL)