

COMPROMISE SETTLEMENT AND INDEMNITY AGREEMENT AND RELEASE

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF ROCKWALL §

THIS COMPROMISE SETTLEMENT AND INDEMNITY AGREEMENT AND RELEASE is made and entered into on this day by and between Plaintiff, LYLE LOMBARD, (hereinafter referred to as "Plaintiff"), and Defendants, the CITY OF FATE, TEXAS, MICHAEL KOVACS, CODY CHINN, MARK HARPER, SCOTT KELLY, STEVEN DOWNS and LEIGH CORSON (hereinafter referred to as "Defendants"), for the purpose of settling the claims, controversies and disputes among the aforesaid parties arising out of events/actions which occurred during Lyle Lomabrd's employment with the City of Fate, Texas. Plaintiff and Defendants are collectively referred to herein as "the parties" or "the settling parties."

**I.
RECITALS**

A. Plaintiff alleges that, while he was employed by the City of Fate as its Director of Public Safety, he was terminated in violation of the First and Fourteenth Amendments.

B. Defendants have denied, and continue to deny, the claims and allegations made by Plaintiff. Further, Defendants assert that Defendants have committed no wrongdoing in connection with this matter, and that Defendants are not liable for Plaintiff's claims, or for any other claims which could have been asserted by Plaintiff, or others, arising from his employment with the City of Fate. Defendants believe that the evidence would show, and that a jury of reasonable citizens would find, that Plaintiff's termination was solely the result of Plaintiff's own actions.

D. Plaintiff and Defendants now desire to compromise and settle their dispute without admission of fault by any party, and for the sole purposes of ending time-consuming,

costly, and uncertain litigation. The parties desire to enter into this Compromise Settlement and Indemnity Agreement and Release in order to provide for certain payments in full and complete discharge and satisfaction of all of the alleged claims, complaints, losses, expenses and damages, past, present, and future, which are, or could be, the subject of this action, and/or which could result from Plaintiff's employment with the City of Fate, upon the terms and conditions set forth herein. The parties recognize that the payments made hereunder are intended as full satisfaction of any and all damages which may have been sustained in the past, as well as those which may accrue in the future, and shall also be deemed to discharge the payment of any and all sums which would have been offered by the City of Fate to retiring or separating employees as retention bonuses, honorariums for distinguished service, or other benefits which might have been directed to Plaintiff in the absence of this settlement.

II. **AGREEMENT**

The parties hereby agree as follows:

A. RELEASE AND DISCHARGE

1. The party who is releasing and discharging their claims, actions, and causes of action is Plaintiff, and any person or entity in privity with Plaintiff.
2. The "Released Party" includes Defendants, and its assigns, and attorneys or other agents or representatives (including D. Randall Montgomery and the law firm of D. Randall Montgomery & Associates, P.L.L.C.), the City of Fate, Texas, its employees, officers, directors, administrators, shareholders, elected officials, partners, successors, and assigns, Michael Kovacs, Cody Chinn, Mark Harper, Steven Downs, Leigh Corson and Scott Kelly, as well as all other persons, firms, or corporations in privity with them, including but not limited to Texas Municipal League Intergovernmental Risk Pool, and all other Insurers (whether named

individually herein or not). The Released Party, as described above, is hereinafter referred to as "Defendants and related persons."

3. In consideration of the payments and other agreements set forth herein, Plaintiff hereby releases, acquits, and forever discharges Defendants and related persons of and from any and all claims, demands, and causes of action owned or held by Plaintiff and/or his heirs, successors, assigns, and attorneys or other agents or representatives of Plaintiff which arise from, result from, or in any way relate to the circumstances and damages Plaintiff is claiming regarding his employment with the City of Fate. This Release includes, but is not limited to, a release and discharge of any liability whatsoever from any and all claims, complaints, liabilities, damages, losses, causes of action, suits, proceedings, rights, costs, fees, and expenses (including attorneys' fees) of any nature or kind whatsoever, known or unknown, including but not limited to any claim relating to Plaintiff's employment with the City of Fate, arising under federal, state or local law prohibiting employment discrimination and/or retaliation.

4. The claims waived and discharged include, but are not limited to, those arising under the following:

- Title VII of the Civil Rights Act of 1964
- Employee Retirement Income Security Act of 1974
- Equal Pay Act
- Uniformed Services Employment and Reemployment Rights Act
- 42 U.S.C. §§ 1981, 1983, 1985, and 1988 (the 1866, 1871, and 1991 Civil Rights Acts)
- Americans with Disabilities Act Amendments Act
- Health Insurance Portability and Accountability Act of 1996 (HIPAA)
- Family and Medical Leave Act
- Fair Labor Standards Act
- Fair Credit Reporting Act
- Whistleblower claims
- Texas Workers' Compensation Act
- Worker Adjustment and Retraining Notification Act
- Disputed wages, including claims for any back wages or commissions
- Wrongful discharge and/or breach of contract claims

- Claims under the U.S. and Texas Constitutions
- Tort claims, including invasion of privacy, defamation, fraud and infliction of emotional distress
- All laws, including the common laws, of the State of Texas regarding employment-related claims such as Government Code Chapter 614
- Any other federal, state or local law, regulation or ordinance related to Plaintiff's employment with the City of Fate

B. PAYMENT

In consideration for the release and discharge and other promises and agreements set forth herein, Defendants, with the execution of this Agreement and Release and on behalf of themselves and all other persons and entities released hereby, hereby agrees to pay to Plaintiff the total sum of **TWO HUNDRED AND FIFTY THOUSAND DOLLARS AND NO/100 (\$250,000.00)** no later than 21 days after Plaintiff has executed this Agreement. The attorneys for the parties shall confer and agree to the mechanism of delivery of the payment.

C. INDEMNITY AGREEMENT

1. The indemnifying party granting and agreeing to indemnify others by this Settlement Agreement and Release is **LYLE LOMBARD** (hereinafter referred to as "Indemnitor").

2. The parties being granted indemnity (hereinafter collectively referred to as "Indemnitees") are the Defendant and related persons as defined in Paragraph II.A.2. above.

3. **AS PART OF THE CONSIDERATION FOR PAYMENT OF THE AFOREMENTIONED SUMS, INDEMNITOR HEREBY AGREES TO INDEMNIFY AND HOLD HARMLESS INDEMNITEES FROM ANY AND ALL CLAIMS, DEMANDS ATTORNEY'S FEES, EXPENSES, AND CAUSES OF ACTION OF ANY KIND WHATSOEVER, KNOWN OR UNKNOWN, WHETHER ARISING UNDER STATUTE, IN CONTRACT OR IN TORT, FOR ANY AND ALL DAMAGES OF ANY KIND**

INCLUDING BUT NOT LIMITED TO BODILY INJURY, ECONOMIC LOSS, CONSEQUENTIAL OR INCIDENTAL DAMAGES, ATTORNEY'S FEES, EXPENSES OR ANY OTHER TYPE OF DAMAGE OR LOSS WHATSOEVER WHICH IS CLAIMED BY ANY PERSON, FIRM, OR ENTITY WHOMSOEVER CLAIMING BY, THROUGH OR UNDER INDEMNITOR FOR DAMAGES ARISING FROM OR RELATED TO CLAIMS RELEASED HEREIN.

4. THE ABOVE AGREEMENT TO INDEMNIFY AND HOLD HARMLESS IS EXPRESSLY INTENDED BY INDEMNITOR TO INCLUDE, BUT IS NOT LIMITED TO, INDEMNITY FOR CLAIMS OF ACTUAL OR ALLEGED NEGLIGENCE, ACTUAL OR ALLEGED CONSTITUTIONAL VIOLATIONS, ACTUAL OR ALLEGED INTENTIONAL, KNOWING, WRONGFUL, WANTON, OR MALICIOUS CONDUCT, ACTUAL OR ALLEGED VIOLATION OF ANY FEDERAL STATUTES BY THE INDEMNITEES, AND/OR ACTUAL OR ALLEGED BREACHES OF AGREEMENT OR CONTRACT BY DEFENDANTS AND RELATED PERSONS WHICH ARE IN ANY WAY RELATED TO THE INCIDENT MADE THE BASIS OF THIS SUIT.

5. INDEMNITOR HEREBY AGREES TO INDEMNIFY AND HOLD HARMLESS DEFENDANTS AND RELATED PERSONS FROM ANY AND ALL LIENS, CLAIMS, SUITS, DEMANDS, ACTIONS, AND/OR CAUSES OF ACTION (INCLUDING, BUT NOT LIMITED TO, CLAIMS OR ACTIONS FOR LOSS OF CONSORTIUM, CONTRIBUTION, INDEMNITY, CROSS-ACTIONS AND/OR SUBROGATION), OF ANY NATURE OR CHARACTER, WHICH HAVE BEEN OR WHICH HAVE OR MAY HEREAFTER BE ASSERTED BY ANY PERSON, FIRM, OR

CORPORATION, CLAIMING BY OR THROUGH PLAINTIFF HEREIN, FOR ANY ALLEGED INJURIES, DAMAGES, AND/OR LOSSES SUSTAINED (DIRECTLY OR INDIRECTLY) AS A RESULT OF ONE OR MORE OF THE FOLLOWING:

- (a) Any injuries (mental and/or physical), losses, damages, or expenses incurred, directly or indirectly, incurred by any other person or entity, directly or indirectly, as a result of the incident, injury, and/or other circumstances alleged in the pleadings on file in the above-styled and numbered action; and
- (b) Non-payment, failure to pay, and/or partial payment of hospital bills, hospital liens under the hospital lien laws of the State of Texas or of any other state, medical expenses (as previously defined) or any other health care or life care expenses resulting from the above-described circumstances, including but not limited to chiropractor bills, or child-support obligations as may have been ordered by a court of competent jurisdiction.

6. The agreement to indemnify and hold harmless is expressly intended by Indemnitor to include, but is not limited to, indemnity for claims of actual or alleged negligence or gross negligence, actual or alleged intentional, knowing, wrongful, wanton, or malicious conduct, actual or alleged violation of statutes by the CITY OF FATE, TEXAS, MICHAEL KOVACS, CODY CHINN, MARK HARPER, SCOTT KELLY, STEVEN DOWNS and LEIGH CORSON and/or actual or alleged breaches of agreement or contract by Defendants and related persons which is any way related to Plaintiff's employment with the City of Fate, including without limitation the Plaintiff's children or current/former spouses.

7. The agreement to indemnify, hold harmless, and defend is expressly intended by Plaintiff to include all claims made by, through, or under Plaintiff, his relatives, descendants, and assigns.

D. REPRESENTATIONS AND WARRANTIES

1. Plaintiff represents and warrants that he is the only person or entity who is

entitled to any recovery for any cause whatsoever for damages, expenses, or losses incurred as a result of the injuries to Plaintiff made the basis of this suit.

2. Plaintiff represents and warrants that he has not assigned nor transferred all or part of the claims, demands, actions, or causes of action arising from or in any way related to the circumstances and conditions made the basis of this action, to any person, firm, or corporation.

3. Plaintiff represents and warrants that he has no notice or knowledge of any unsatisfied liens having been filed against Plaintiff and any monies owed to any provider which Plaintiff and his attorneys specifically agree to satisfy with these settlement funds, or against any recovery which they may make in connection with the claims, demands, or controversies which form the basis of this action. In the event such liens do presently exist or arise in the future, Plaintiff agrees to satisfy same in total.

4. Plaintiff represents and warrants that he is the full and sole owner of the claims, demands, actions, or causes of action arising from or in any way related to the circumstances and conditions made the basis of the above-styled and numbered lawsuit at the time of the execution of this Compromise Settlement and Indemnity Agreement and Release.

E. NO RE-EMPLOYMENT

Plaintiff agrees and understands that he is not eligible for rehire with the City of Fate and that he will not make application to or seek employment or appointment with the City of Fate in any position.

F. NEUTRAL JOB REFERENCE

Defendant, the City of Fate, agrees that, should the City of Fate be contacted regarding Plaintiff's past employment with the City of Fate, the City of Fate will provide a neutral job reference, limited to confirming dates of employment and job title.

G. WARRANTY OF CAPACITY TO EXECUTE AGREEMENT

Plaintiff represents and warrants that no other person or entity has or has had any interest in the claims, demands, obligations, or causes of action described in this Compromise Settlement and Indemnity Agreement and Release; that he has the sole right and exclusive authority to execute this Compromise Settlement and Indemnity Agreement and Release, and to receive the sums specified in it; and that he has not sold, assigned, transferred, conveyed, or otherwise disposed of any claims, demands, obligations, or causes of action referred to in this Compromise Settlement and Indemnity Agreement and Release at the time of the execution of this Agreement.

H. DISCLAIMER OF LIABILITY

Plaintiff acknowledges that he accepts payment of the sum or other concessions specified in this Agreement as a full and complete compromise and satisfaction of matters involving disputed issues of questionable merit; that the payments and other consideration furnished by Defendants shall not be considered an admission of liability by said Defendants and related persons; and that no past or present wrongdoing on the part of Defendants and related persons shall be implied by such payment. It is understood that the existence of any liability or wrongdoing has been, and continues to be, expressly denied by Defendants and related persons.

I. ENTIRE AGREEMENT

This Compromise Settlement and Indemnity Agreement and Release contains the entire agreement between Plaintiff and Defendants, Defendants' insurer(s) and related persons with

regard to the matters set forth herein and shall be binding upon and inure to the benefit of the executors, administrators, personal representatives, heirs, successors, and assigns of the parties.

J. CONSTRUCTION

This Compromise Settlement and Indemnity Agreement and Release is entered into in the State of Texas, County of Rockwall, and it shall be construed and interpreted in accordance with the laws of the State of Texas.

K. CONTRACTUAL AGREEMENT

It is understood and agreed by all parties to this Compromise Settlement and Indemnity Agreement and Release that the terms of this Compromise Settlement and Indemnity Agreement and Release are contractual and not a mere recital.

L. REPRESENTATION OF COMPREHENSION OF AGREEMENT

1. Plaintiff hereby agrees that this Compromise Settlement and Indemnity Agreement and Release shall not be construed more strictly against any party to this Agreement and that the terms and conditions of this Agreement shall be interpreted in accordance with the plain meaning of the language used therein.

2. Plaintiff states that he has carefully read the foregoing Compromise Settlement and Indemnity Agreement and Release, that he knows the contents thereof, and that he has signed said Agreement as his own free act and deed.

3. In executing and giving the Compromise Settlement and Indemnity Agreement and Release, Plaintiff hereby states that he has not relied upon any statement or representation pertaining to this matter made by the person, persons, firms, organizations, or corporations who are hereby released, or by any other person or persons representing them.

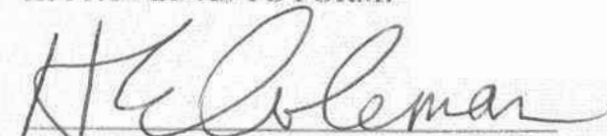
M. EFFECTIVENESS

EXECUTED on this the 12 day of August, 2026.



LYLE LOMBARD

APPROVED AS TO FORM:



Hugh Coleman
Attorney for Plaintiff

VERIFICATION

STATE OF TEXAS §

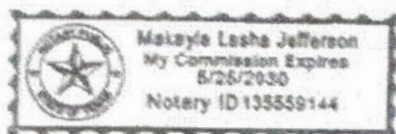
COUNTY OF Rockwall §

BEFORE ME, the undersigned authority, on this day personally appeared LYLE LOMBARD, who is:

- _____ (1) personally known to me; or
- _____ (2) his identity was proved to me on the Oath of _____; or
- ✓ _____ (3) his identity was verified through Driver's License No. [REDACTED].

and being duly sworn upon oath states that he executed the above Compromise Settlement and Indemnity Agreement and Release for the purposes and consideration therein expressed, and in the capacity therein stated.

Subscribed and sworn to before me, this 12th day of August, 2026.



Makyla Leshe Jefferson
Notary Public in and for
The State of Texas

My Commission Expires:

05/25/2030