

SETTLEMENT AGREEMENT

This Settlement Agreement (hereinafter, "Agreement") is made and entered into this day of ~~November~~ ^{December} 2, 2016, by and between UBS AG and UBS Financial Services, Inc. (collectively "UBS") and Plaintiff Fresno County Financing Authority ("Plaintiff"). This Agreement is intended by the Settling Parties to fully, finally, and forever resolve, discharge, and settle the Released Claims, upon and subject to the terms and conditions hereof.

RECITALS

WHEREAS, Plaintiff has alleged, among other things, that: (1) Defendant violated Section 1 of the Sherman Antitrust Act, 15 U.S.C. § 1, the California Cartwright Act, Cal. Bus. & Prof. Code Section 16720, *et seq.*, the California False Claims Act, Cal. Gov. Code Section 12650, *et seq.*, and the California Unfair Competition Law, Cal. Bus. & Prof. Code Section 17200, *et seq.*, by allegedly rigging bids, limiting competition, and fixing prices in the alleged market for Municipal Derivative Transactions in the United States and its territories; and (2) these alleged acts caused Plaintiff to incur damages;

WHEREAS, Defendant has denied and continues to deny: (1) each and all of the claims and allegations of wrongdoing made by Plaintiff, including those asserted in the Actions (as defined herein), and maintains furthermore that it has meritorious defenses; (2) all charges of wrongdoing or liability against it arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Actions, and Defendant vigorously contends that the factual allegations in Plaintiff's pleadings relating to it are materially inaccurate; and (3) the allegations that Plaintiff was harmed by any conduct by Defendant alleged in the Actions or otherwise;

WHEREAS, Plaintiff and Defendant agree that neither this Agreement nor any statement made in the negotiation thereof shall be deemed or construed to be an admission or evidence of any violation of any statute or law or of any liability or wrongdoing by Defendant or of the truth of any of the claims or allegations alleged in the Actions;

WHEREAS, arm's length settlement negotiations have taken place between Defendant and Plaintiff's Counsel, and this Agreement embodies all of the terms and conditions of the Settlement;

WHEREAS, Plaintiff has concluded, after due investigation and after carefully considering the relevant circumstances, including, without limitation, the claims asserted in the Joint Second Amended Class Action Complaint filed in *City of Oakland v. AIG Finan. Prods. Corp., et al.*, MDL Docket No. 1950 (dated December 15, 2009), and the claims asserted therein ("Operative Complaint"), the legal and factual defenses thereto, and the applicable law, that it would be in Plaintiff's best interests to enter into this Agreement in order to avoid the uncertainties of litigation; and

WHEREAS, Defendant, despite the belief that it is not liable for the claims Plaintiff asserts against it and that it has good and meritorious defenses thereto, has nevertheless agreed to enter into this Agreement to avoid further expense, inconvenience, and the distraction of burdensome and protracted litigation, and thereby to put to rest this controversy and avoid the risks inherent in complex litigation.

AGREEMENT

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED for good and valuable consideration, the sufficiency of which is acknowledged herein, by and among the Settling Parties, by and through their counsel and attorneys of record, that the Actions and the Released Claims as against Defendant shall be finally and fully settled,

compromised, and dismissed on the merits and with prejudice upon and subject to the terms and conditions of this Agreement, as follows:

A. **Definitions**

1. As used in this Agreement the following terms have the meanings specified below.

- (a) "Action" or "Actions," used interchangeably, means *In re Municipal Derivatives Antitrust Litigation*, MDL Docket No. 1950, Master Docket No. 08-2516 (VM) (GWG), and all of the actions filed in or transferred to the U.S. District Court for the Southern District of New York for coordination or consolidation with MDL NO. 1950, and the individual case filed by Plaintiff and consolidated and/or included as part of that MDL, including but not limited to in the Operative Complaint.
- (b) "Court" means the United States District Court for the Southern District of New York.
- (c) "Defendant" means (a) UBS AG and UBS Financial Services, Inc., and their direct and indirect parents, subsidiaries and affiliates, and their respective present and former officers, directors, employees, managers, members, partners, agents, shareholders (in their capacity as shareholders), attorneys and legal representatives of each of the foregoing; and the respective predecessors, successors, heirs, executors, administrators and assigns of each of the foregoing. For clarity, "Defendant" includes UBS Securities, LLC. As used in this

paragraph, "affiliates" means entities that control, are controlled by, or are under common control with a Defendant.

- (d) "Effective Date" or "Execution Date" means the date this Agreement is executed by the last party to do so.
- (e) "Municipal Derivatives" or "Municipal Derivative Transactions" means any transactions that government and other entities eligible to issue tax-exempt debt now use or have used at any time since January 1, 1992, to (i) invest the proceeds of tax-exempt debt offerings or (ii) hedge or manage the interest rate risk associated with such debt offerings. These investment vehicles include the following types of transactions: (a) guaranteed investment contracts, or "GICs," both collateralized and uncollateralized; (b) forward purchase, forward supply, and forward delivery agreements; (c) repurchase agreements; (d) certificates of deposit, or "CDs," on escrow agreements; (e) swaps; (f) options; (g) "swaptions;" (h) floors; (i) caps; (j) collars; and (k) any financial product encompassed by the description in the Actions including but not limited to all of the types of transactions described in Paragraphs 61 to 79 of the Joint Second Amended Class Action Complaint filed in *City of Oakland v. AIG Finan. Prods. Corp., et al.*, MDL Docket No. 1950 (dated December 15, 2009), and in Paragraphs 58 to 71 of the Corrected Third Consolidated Amended Class Action Complaint filed in MDL No. 1950 (dated October 9, 2013).

- (f) "Person(s)" means an individual, corporation, limited liability corporation, professional corporation, limited liability partnership, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, municipality, state, any entity that is a creature of any state, any government, or any political subdivision, authority, office, bureau or agency of any government, and any business or legal entity and any spouses, heirs, predecessors, successors, representatives or assignees of any of the foregoing.
- (g) "Plaintiff" means Fresno County Financing Authority.
- (h) "Plaintiff's Counsel" means Lief Cabraser Heimann & Bernstein, LLP and Scott + Scott, Attorneys at Law, LLP.
- (i) "Released Claims" means any and all manner of claims, demands, debts, obligations, rights, actions, suits, counterclaims, cross claims, set-offs, causes of action, whether class, individual, or otherwise in nature, fees, costs, penalties, fines, debts, expenses, attorney fees, damages whenever incurred, and liabilities of any nature whatsoever (including joint and several), known or unknown (including "Unknown Claims"), suspected or unsuspected, asserted or unasserted, in law or in equity, which Releasers or any of them, whether directly, representatively, derivatively, or in any other capacity, ever had, now have or hereafter can, shall or may have against Defendant, relating in any way to any conduct prior to the

Execution Date and arising out of or related in any way to (i) the purchase or delivery of Municipal Derivative Transactions in the United States or its Territories, or (ii) any conduct alleged in the Actions or that could have been alleged by Plaintiff in the Actions against Defendant. Released Claims include, but are not limited to, all claims based on any purported conspiracy between Defendant and/or any co-defendant or alleged co-conspirator arising out of or related in any way to allegations in the Actions (including, but not limited to, all claims under the Sherman Antitrust Act, 15 U.S.C. §§ 15 and 26, California's Cartwright Act, Cal. Bus. & Prof. Code § 16720, *et seq.*, the California Unfair Competition Law, Cal. Bus. & Prof. Code § 17200, *et seq.*, and the California False Claims Act, Cal. Gov. Code § 12650, *et seq.*, and any other federal or state statute or common law, or the law of any foreign jurisdiction), and all claims based on any allegedly fraudulent or other tortious conduct by Defendant arising out of allegations in the Actions. The Released Claims include but are not limited to any conduct alleged in the Actions or that could have been alleged in the Actions, including but not limited to any conduct or legal claims based on facts similar to those alleged in *United States v. Rubin/Chambers, et al*, No. 09 Cr. 1058 (VM) (S.D.N.Y.), *United States v. Ghavami, et al.*, No. 10 Cr. 1217 (KMW) (S.D.N.Y.), and/or *United States v. Carollo, et al.*, 10 Cr. 0654 (HB) (S.D.N.Y.), against Defendants by Plaintiff

(including, but not limited to, all claims under the Sherman Antitrust Act or California's Cartwright Act, and any other federal or state statute or common law, or the law of any foreign jurisdiction). Released Claims shall only be released by Releasors against Defendant only as provided in this Agreement, and all of Releasor's claims against any Person other than Defendant shall remain in the Actions, as more fully set forth in Paragraph 21, below.

- (j) "Releasors" means Plaintiff on its own behalf and on behalf of its respective direct and indirect parents, subsidiaries, divisions, groups, and affiliates; the present and former officers, directors, employees, agents, and legal representatives, and the predecessors, successors, heirs, executors, administrators, and assigns of each of the foregoing. As used in this paragraph, "affiliates" means entities that control, are controlled by, or are under common control with a Releasor. Notwithstanding anything to the contrary herein, Releasors do not include The California County Tobacco Securitization Agency.
- (k) "Settlement" means the settlement of the Released Claims set forth herein.
- (l) "Settlement Amount" means the amount of fifteen thousand (\$15,000.00) to be paid by Defendant for the settlement of the Released Claims. Under no circumstances shall Defendant pay any

amount for any reason in excess of the Settlement amount of fifteen thousand dollars (\$15,000.00).

- (m) "Settling Parties" means, collectively, Defendant and Plaintiff.
- (n) "Unknown Claims" means any Released Claim that any Releasor does not know or suspect to exist in his, her or its favor at the time of the release of Defendant that if known by him, her or it, might have affected his, her or its settlement with and release of Defendant, or might have affected his, her or its decision to enter into this Settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Releasors shall expressly waive the provisions, rights and benefits equivalent to California Civil Code § 1542 (to the extent it applies to the Actions), which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Releasors shall expressly waive rights and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, that is similar, comparable or equivalent in effect to California Civil Code § 1542. Releasors may hereafter discover facts in addition to or different from those that any of them now know or believe to be true with respect to the subject matter of the Released Claims, but each Releasor shall

expressly have, upon the Effective Date, fully, finally and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or noncontingent, whether or not concealed or hidden, that now exist or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, reckless, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Releasers acknowledge that the foregoing waiver was separately bargained for and a key element of the Settlement of which this release is a part.

B. Settlement Amount

2. **Payment by Defendant.** Defendant shall send a check within ten (10) business days of the Execution Date in the amount of fifteen thousand (\$15,000.00) to Lieff Cabraser Heimann & Bernstein, LLP, for Plaintiff's account. Within three (3) business days of receipt of the check, Plaintiff shall file with the Court a stipulation of dismissal as against Defendant with prejudice.

3. **No Additional Payments by Defendant.** Under no circumstances will Defendant be required to pay more or less than the Settlement Amount pursuant to this Agreement and the Settlement set forth herein. The Settlement Amount constitutes the total payment that Defendant is required to make in connection with this Agreement. Each Settling Party shall bear its own fees and costs incurred in connection with the Actions and the Agreement.

4. **Releases.** Upon the Effective Date of this Agreement, the Releasers and any other Person claiming (now or in the future) to be acting through or on behalf of them, shall be deemed to have fully, finally, and forever released, relinquished, and discharged all Released Claims against Defendant and shall have covenanted not to sue the Defendant with respect to all such Released Claims, and shall be permanently barred and enjoined from instituting, commencing, or prosecuting any such Released Claim against Defendant.

5. **Occurrence of Effective Date.** Upon Plaintiff's filing of the dismissal as against Defendant with prejudice, any and all remaining interest or right of Defendant in the Settlement Amount shall be absolutely and forever extinguished.

C. **Final Resolution**

6. **Final and Complete Resolution.** The Settling Parties intend the Settlement as described herein to be a final and complete resolution of all disputes between them with respect to the Actions and/or the subject matter thereof and to compromise claims that are contested, and it shall not be deemed an admission by any Settling Party as to the merits of any claim or defense or any allegation made in the Actions.

D. **No Admission of Liability**

7. **Use of Agreement as Evidence.** Neither this Agreement nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of this Agreement or the Settlement: (a) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim, of any allegation made in the Actions, or of any wrongdoing or liability of Defendant; or (b) is or may be deemed to be or may be used as an admission of, or evidence of, any liability, fault, or omission of the Defendant in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal. Neither this Agreement nor the Settlement, nor

any act performed or document executed pursuant to or in furtherance of this Agreement or the Settlement shall be admissible in any proceeding for any purpose, except to enforce the terms of the Settlement, and except that the Defendant may file this Agreement or the stipulation of dismissal as against Defendant, provided for in Paragraph B.2. of this Agreement in any action for any purpose, including, but not limited to, in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar, reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

E. Miscellaneous Provisions

8. **Confidentiality.** The Settling Parties realize that this Agreement shall be subject to public disclosure pursuant to, among others, the Ralph M. Brown Act, the California Public Records Act, and all other applicable laws pertaining to disclosure by public entities. The Settling Parties also agree, unless required by law or court order, that all agreements and orders entered into during the course of the Actions relating to the confidentiality of information shall survive this Agreement for the term of such agreements or orders including, but not limited to, the Protective Order Governing Confidential Information in the Actions, dated November 5, 2008.

9. **Voluntary Settlement.** The Settling Parties agree that the Settlement Amount and the other terms of the Settlement as described herein were negotiated in good faith by the Settling Parties, and reflect a settlement that was reached voluntarily after consultation with competent legal counsel.

10. **Consent to Jurisdiction.** The Settling Parties hereby irrevocably submit to the exclusive jurisdiction of the Court only for the specific purpose of any suit, action,

proceeding, or dispute arising out of or relating to this Agreement or the applicability of this Agreement.

11. **Resolution of Disputes; Retention of Exclusive Jurisdiction.** Any disputes between or among the Settling Parties concerning matters contained in this Agreement shall, if they cannot be resolved by negotiation and agreement, be submitted to the Court. The Court shall retain exclusive jurisdiction over the implementation and enforcement of this Agreement.

12. **Binding Effect.** This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the parties hereto.

13. **Authorization to Enter Settlement Agreement.** Plaintiff, through its undersigned counsel, represents that it is fully authorized to enter into this Agreement and to provide the releases herein on behalf of Plaintiff and all other Releasers. Defendant, through its undersigned counsel, represent that it is fully authorized to enter into this Agreement

14. **Cooperation.** All parties agree to cooperate fully and to take all actions which may be necessary or appropriate to give full force and effect to the basic terms and intent of this Agreement.

15. **Notices.** All notices under this Agreement shall be in writing. Each such notice shall be given either by (a) e-mail and (b)(1) hand delivery, (2) registered or certified mail, return receipt requested, postage pre-paid, or (3) Federal Express or similar overnight courier, and, if directed to Plaintiff, shall be addressed to Plaintiff's Counsel at the address set forth on the signature page hereof, and if directed to Defendant, shall be addressed to its attorneys at the addresses set forth on the signature pages hereof or such other addresses

as Plaintiff or Defendant may designate, from time to time, by giving notice to all Parties hereto as required under this Agreement.

16. **No Conflict Intended.** The headings used in this Agreement are intended for the convenience of the reader only and shall not affect the meaning or interpretation of this Agreement.

17. **No Party Deemed to Be the Drafter.** Neither of the Parties hereto shall be deemed to be the drafter of this Agreement or any provision hereof for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter hereof.

18. **Choice of Law.** This Agreement shall be considered to have been negotiated, executed and delivered, and to be wholly performed, in New York, and the rights and obligations of the parties to this Agreement shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of New York without giving effect to that State's choice of law principles.

19. **Amendment; Waiver.** This Agreement shall not be modified in any respect except by a writing executed by all the Parties hereto, and the waiver of any rights conferred hereunder shall be effective only if made by written instrument of the waiving Party. The waiver by any Party of any breach of this Agreement shall not be deemed or construed as a waiver of any other breach, whether prior, subsequent or contemporaneous, of this Agreement.

20. **Execution in Counterparts.** This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one

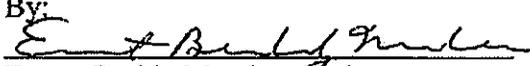
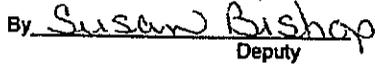
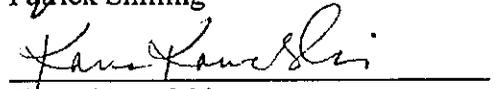
and the same instrument. Counsel for the Parties to this Agreement shall exchange among themselves signed counterparts.

21. **Integrated Agreement.** This Agreement constitutes the entire agreement between the Settling Parties and no representations, warranties, or inducements have been made to any party concerning this Agreement other than the representations, warranties and covenants contained and memorialized herein.

22. **Reservation of Rights as to Persons Other Than Releasor.** This Agreement, or any part hereof, does not settle or compromise, or extend to or affect any claims, including any claims for damages or restitution, by Plaintiff, including any Releasors, asserted, or that may be asserted, in any of the Actions against any defendant or potential defendant other than Defendant, including any such claims that may be based on sales and conduct of Defendant. All rights and claims of Plaintiff, including any Releasors, against any Persons other than Defendant are specifically reserved by Plaintiff, including any Releasors.

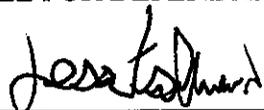
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IN WITNESS WHEREOF, the parties hereto, through their fully authorized representatives, have executed this Agreement as of the date set forth below.

<p>PLAINTIFF FRESNO COUNTY FINANCING AUTHORITY</p> <p>By: <u></u> Ernest Buddy Mendes, Chairperson</p> <p>Dated: <u>October 18, 2016</u></p> <p>ATTEST: BERNICE E. SEIDEL, Clerk Board of Supervisors</p> <p>By: <u></u> Deputy</p>	<p>APPROVED AS TO FORM BY COUNSEL FOR PLAINTIFF</p> <p>By: _____</p> <p>Eric B. Fastiff Lieff Cabraser Heimann & Bernstein, LLP 275 Battery Street, 29th Floor San Francisco, California 94111 Tel.: (415) 956-1000</p> <p>Dated: _____</p> <p>By: <u></u></p> <p>Sylvia Sokol Scott+Scott, Attorneys at Law, LLP The Helmsley Building 230 Park Avenue 17th Floor New York, New York 10169 Tel.: (212) 223-6444</p> <p>Dated: <u>10/15/16</u></p>
<p>DEFENDANT UBS AG</p> <p>By: <u></u> Patrick Shilling</p> <p><u></u> Karen Kowalski</p> <p>Dated: <u>11/30/2016</u></p>	<p>APPROVED AS TO FORM BY COUNSEL FOR DEFENDANT</p> <p>By: <u></u></p> <p>Christopher N. Manning Jesse T. Smallwood Williams & Connolly LLP 725 Twelfth Street N.W. Washington, D.C. 20005 Tel.: (202) 434-5000</p> <p>Dated: <u>12/2/2016</u></p>
<p>DEFENDANT UBS FINANCIAL</p>	<p>APPROVED AS TO FORM BY COUNSEL FOR DEFENDANT</p>

IN WITNESS WHEREOF, the parties hereto, through their fully authorized representatives, have executed this Agreement as of the date set forth below.

<p>PLAINTIFF FRESNO COUNTY FINANCING AUTHORITY</p> <p>By: _____ Ernest Buddy Mendes, Chairperson</p> <p>Dated: _____</p>	<p>APPROVED AS TO FORM BY COUNSEL FOR PLAINTIFF</p> <p>By: <u>Eric B. Fastiff</u> Eric B. Fastiff Lieff Cabraser Heimann & Bernstein, LLP 275 Battery Street, 29th Floor San Francisco, California 94111 Tel.: (415) 956-1000</p> <p>Dated: <u>October 5, 2016</u></p> <p>By: _____ Sylvia Sokol Scott+Scott, Attorneys at Law, LLP The Chrysler Building 405 Lexington Avenue 40th Floor New York, New York 10174-4099 Tel.: (212) 223-6444</p> <p>Dated: _____</p>
<p>DEFENDANT UBS AG</p> <p>By: _____ Patrick Shilling</p> <p>_____</p> <p>Karen Kowalski</p> <p>Dated: _____</p>	<p>APPROVED AS TO FORM BY COUNSEL FOR DEFENDANT</p> <p>By: _____ Christopher N. Manning Jesse T. Smallwood Williams & Connolly LLP 725 Twelfth Street N.W. Washington, D.C. 20005 Tel.: (202) 434-5000</p> <p>Dated: _____</p>
<p>DEFENDANT UBS FINANCIAL</p>	<p>APPROVED AS TO FORM BY COUNSEL FOR DEFENDANT</p>

<p>By: _____</p> <p>Karen Kowalski</p> <p>Dated: _____</p>	
<p>DEFENDANT UBS FINANCIAL SERVICES, INC.</p> <p>By:  _____</p> <p>Ilene Marquardt</p> <p>Dated: <u>12/1/16</u></p>	<p>APPROVED AS TO FORM BY COUNSEL FOR DEFENDANT</p> <p>By:  _____</p> <p>Christopher N. Manning Jesse T. Smallwood Williams & Connolly LLP 725 Twelfth Street N.W. Washington, D.C. 20005 Tel.: (202) 434-5000</p> <p>Dated: <u>12/2/2016</u></p>