## **The Park Foundation**

June 4, 2019

Board of Directors The P

Ron Jacobs, Ph.D. President/Chairman

Ron Patel Vice-President

Jay Canavan CFO/Secretary

Roger Haughton Director

Mike Jones Director

Gail Witzlsteiner Director To: The Board of Trustees of the Sonora Union High School District (SUHSD) Subject: Open Letter re: "rescind of PSA" decision

The Park Foundation writes this open letter to SUHSD in response to a letter from SUHSD's counsel, Anne Collins, emailed May 16, 2019. In this letter, The Park Foundation was informed about SUHSD Board of Trustees' decision to "rescind the PSA" at its May 14, 2019 Board meeting.

On December 5, 2018 Superintendent Dr. Mark Miller, on behalf of the SUHSD Board of Trustees executed a Purchase and Sale Agreement (PSA) following a vote by the Board of Trustees on December 4, 2018 to adopt the PSA with The Park Foundation. Dr. Ron Jacobs, President of The Park Foundation, executed the PSA on behalf of The Park Foundation making this a *bilateral* and *legally binding* agreement between two entities completing almost two years of discussions and negotiations.

Following the execution of the PSA, and as stipulated therein, The Park Foundation opened escrow, completed a phase-one environmental study, developed a legal description of the property needed for the grant deed and deposited \$500,000.00 into escrow intending to close escrow no later than March 31, 2019.

However, close of escrow was delayed by Court Order in the form of a Preliminary Injunction issued by the Tuolumne County Superior Court on April 12, 2019. The Court had identified errors and omissions made by SUHSD Board of Trustees, its representatives and counsel, in the process of selling the surplus land as well as during the legal defense before the Court.

It is noted that the Court did not rule that the PSA was illegal or should be rescinded. In fact, given the temporary nature of the Preliminary Injunction, SUHSD has a fiduciary and contractual obligation to remedy the errors and omissions as identified by the Court.

Instead, SUHSD Board of Trustees vote to "rescind the PSA" on May 14, 2019 is an erroneous and illegal action, as it is:

- An unauthorized *unilateral* decision in direct legal violation with the terms of the legally binding and *bilateral* PSA.
- A breach of the PSA with The Park Foundation.

As it has been communicated to SUHSD on many occasions and most recently by email on May 8, 2019, The Park Foundation is and remains fully committed to the binding terms of the PSA and the development of a public park for the benefit of our community.

The Park Foundation expects SUHSD Board of Directors to fulfill its legal obligation to:

1. Correct the erroneous and illegal action it took on May 14, 2019 to "rescind the PSA".

2. Remedy the Preliminary Injunction dated April 12, 2019 before the Court to then close escrow.

The Park Foundation looks forward to SUHSD publicly responding to this open letter addressing the issues raised herein.

Respectfully submitted,

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Dr. Ron Jacobs President/Chairman

Develop a Regional Park for Recreation, Sports & Education. A Beautiful and Safe Place for Children, Families and the Community to Gather and Play. That is our Mission!