

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release (“Agreement”) is hereby entered into by and between **The Regional Community Park Foundation**, a California public charity nonprofit organization (“Park Foundation”), and the **Sonora Union High School District**, a California school district (“District”). The Park Foundation and the District are hereinafter referred to in the singular as “Party” and/or collectively as “Parties.”

RECITALS

WHEREAS, in or about November 2018, the Parties entered into a Purchase and Sale Agreement and Joint Escrow Instructions for the original contract sum of One Million Dollars (\$1,000,000), for the Park Foundation to purchase a 112-acre portion of the District’s property to develop a regional community park (the “Park”) for recreation, sports, and education where children, families, and the community could gather and play (the “Purchase Contract”).

WHEREAS, the Purchase Contract was subsequently challenged by a third party, the Tuolumne County Farm Bureau (“Farm Bureau”), in a legal action titled *Tuolumne County Farm Bureau v. Sonora Union High School District*, Tuolumne County Superior Court Case No. CV62157 (“Legal Action”).

WHEREAS, on or about May 14, 2019, the District’s Board of Trustees (“Board”) unilaterally terminated the Purchase Contract.

WHEREAS, on or about July 3, 2019, the Farm Bureau filed a request for dismissal of the Legal Action.

WHEREAS, a dispute has arisen between the Parties with regard to the District’s termination of the Purchase Contract.

WHEREAS, in order to avoid costly litigation and uncertainty, the Parties now desire to resolve this dispute without further delay.

NOW, THEREFORE, the Parties agree as follows:

1. **Settlement Payment.** Within ten (10) days of execution of this Agreement, and contingent upon the District’s receipt of the documentation identified in subsections (a) and (b) below, the District shall issue a check in the amount of Fifty Two Thousand Dollars (\$52,000) made payable to “Best Best & Krieger LLP Client Trust Account” (the “Settlement Payment”). The Settlement Payment shall be comprised of the following amounts:

(a) Attorneys’ fees in an amount not to exceed \$42,000, as documented by a ledger of the invoices for legal services provided directly by the Park Foundation’s counsel, Best Best & Krieger LLP (“BBK”) related to the Purchase Contract and the Legal Action. This document shall provide the name of the matter billed, the total amount billed, and the date of the invoice. However, no actual BBK invoices, redacted or otherwise, will be required or produced. The BBK ledger shall be provided in advance of final execution of this Agreement.

(b) Copies of invoices paid, or to be paid by the Park Foundation for costs and fees incurred in furtherance of the Purchase Contract in the approximate amount of \$8,000 or more, including invoices for preliminary studies of the Park, appraisal services, surveying services, and non-refundable escrow costs.

(c) Remaining miscellaneous costs and fees incurred in the amount of \$2,000, with no documentation required or produced.

2. Letter of Support. Within ten (10) days of execution of this Agreement, the District shall provide the Park Foundation with the original signed version of the letter of support attached hereto as **Exhibit A**, signed by President of the District's Board of Trustees, on behalf of the Board of Trustees.

3. Park Foundation's Release of the District. In exchange for the District's payment of the Settlement Payment identified in Section 1 above, as well as provision of the letter of support identified in Section 2 above, the Park Foundation, on its behalf and on behalf of its board, partners, members, shareholders, officers, directors, employees, agents, representatives, attorneys, predecessors, successors, beneficiaries, and assigns, hereby releases and discharges the District and its Board, officers, directors, employees, agents, representatives, attorneys, predecessors, successors, beneficiaries, and assigns, from any and all rights, claims, losses, debts, demands, obligations, liabilities, damages, compensation, fees, costs, expenses, actions, and causes of action, in law or in equity, fixed or contingent, known or unknown, suspected or unsuspected, which the Park Foundation may have or claims to have, at any time heretofore had, or may claim to have in the future, against the District arising from or related to the Purchase Contract.

4. District's Release of the Park Foundation. In exchange for the Park Foundation's release of the District, the District, on its behalf and on behalf of its Board, partners, members, shareholders, officers, directors, employees, agents, representatives, attorneys, predecessors, successors, beneficiaries, and assigns, hereby releases and discharges the Park Foundation and its board, partners, members, shareholders, officers, directors, employees, agents, representatives, attorneys, predecessors, successors, beneficiaries, and assigns, from any and all rights, claims, losses, debts, demands, obligations, liabilities, damages, compensation, fees, costs, expenses, actions, and causes of action, in law or in equity, fixed or contingent, known or unknown, suspected or unsuspected, which the District may have or claims to have, at any time heretofore had, or may claim to have in the future, against the Park Foundation arising from or related to the Purchase Contract.

5. Civil Code Section 1542 Waiver. With respect to the releases described in Sections 3 and 4 of this Agreement, the Park Foundation and the District waive all rights under California Civil Code section 1542, which provides that a general release does not extend to unknown or unsuspected claims which, if known, would have materially affected the settlement. California Civil Code section 1542 provides:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
THAT THE CREDITOR OR RELEASING PARTY DOES
NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER
FAVOR AT THE TIME OF EXECUTING THE RELEASE**

AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

The Parties acknowledge that they may hereafter discover facts different from, or in addition to, those which they now believe to be true with respect to the release of claims, and they agree that this Agreement shall remain effective in all respects, notwithstanding such different or additional facts, or the discovery thereof.

6. Terms of Agreement Binding on All Assigns and Successors. The Parties agree that the terms, conditions and provisions of this Agreement are binding upon, and shall inure to the benefit of, all assigns and successors of each of the Parties hereto.

7. Duly Authorized. The Parties each represent and warrant that the individuals signing below are duly authorized to bind their respective principals to the terms of this Agreement. The individuals signing below also represent and warrant that they have obtained all necessary approvals and have the authority to bind their respective principals to the terms of this Agreement.

8. Settlement and Compromise. This Agreement and the releases contained herein affect the compromise and settlement of disputed and contested claims and nothing contained herein shall be constructed as an admission by any Party hereto of any liability of any kind to any other party. Each Party hereby expressly denies that it is in any way liable or indebted to any other Party to this Agreement.

9. Consultation with Legal Counsel. The Parties represent that they have consulted legal counsel prior to the execution of this Agreement and have executed this Agreement with full knowledge of its meaning and effect.

10. Entire Agreement. This Agreement constitutes the entire and only agreement between the Parties with reference to the subject matter hereof and supersedes any prior agreement, oral or written, with respect thereto. The Parties further agree that no representation, warranty, agreement or covenant has been made with regard to this Agreement, except as expressly recited herein and that in entering into this Agreement, no Party is relying upon any representation, warranty, agreement or covenant not expressly set forth herein.

11. Drafting of Agreement. The Parties agree that this Agreement shall not be construed in favor of, or against, any Party by reason of the extent to which any Party or their counsel participated in the drafting of this Agreement.

12. Counterpart Signatures. This Agreement may be signed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute the same Agreement. Facsimile and electronic signatures will have the same force and effect as original signatures.

13. Enforceability of Agreement. Should any clause or provision of this Agreement be declared illegal or unenforceable, it shall be modified as minimally necessary to be enforceable. If the provision cannot be modified to be enforceable, such provision shall immediately become null and void, leaving the remainder of this Agreement in full force and effect.

14. Parties' Acknowledgement. The Parties have read and fully understand the provisions of this Agreement. The Parties acknowledge their agreement hereto as evidenced by their signatures on the dates set forth below.

15. Effective Date. This Agreement shall be effective once fully executed by all Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date(s) set forth below:

Date: 12/18, 2019

**THE REGIONAL COMMUNITY PARK
FOUNDATION**

By: Ron Jacobs

Name: Dr. Ron Jacobs

Title: President

Date: 1/14/2020, 2019

**SONORA UNION HIGH SCHOOL
DISTRICT**

By: Jim Riggs

Name: Jim Riggs

Title: Board President

EXHIBIT A

Letter of Support



100 School Street, Sonora, California 95370

Superintendent's Office
Phone (209) 533-8510
Fax (209) 532-4513
shssupt@sonorahs.k12.ca.us

www.sonorahs.k12.ca.us

Business Office
Phone (209) 533-0423
Fax (209) 532-4513
dbo@sonorahs.k12.ca.us

"An excellent place to learn, teach, and work."

December 17, 2019

The Park Foundation
13775-A Mono Way PMB #262
Sonora, CA 95370
Attention: President/CEO

RE: Sonora High School District Support for The Park Foundation

Dear Mr. Jacobs:

The purpose of this letter is to memorialize the Sonora Union High School District's ("District") position regarding the Purchase and Sale Agreement ("PSA") the District entered into with The Park Foundation to purchase a 112-acre portion of the District's property known as "Wildcat Ranch." While the District's governing board ("Board") took action on May 14, 2019 to unilaterally terminate the PSA, the Board had no intention that this action reflect negatively, in any way, on The Park Foundation, its donors, and/or its mission to develop a regional community park for recreation, sports, and education where children, families, and the community could gather and play.

In fact, the Board and the District fully support The Park Foundation's mission to provide such a regional community park for the children and families that both the District and The Park Foundation serve. The District further recognizes and appreciates The Park Foundation's almost two year effort to collaborate with the District in good faith to discuss and ultimately negotiate the PSA, which would not have been possible without The Park Foundation's many supporters and donors.

For all the above reasons, the Board wants to express its sincere apologies for any negative impact termination of the PSA may have had on The Park Foundation and its mission. To be clear, the District wholeheartedly supports The Park Foundation and wishes it much success with its mission to provide a regional community park for youth and family activities in the future.

Sincerely,

Jim Riggs,
President Board of Trustees