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December 17, 2015

VIA E-MAIL AND U.S. MAIL:

craigshermanapc@gmail.com

Craig A. Sherman, Esq.
CRAIG A. SHERMAN, A PROFESSIONAL LAW CORP.
1901 First Avenue, Suite 219
San Diego, CA 92101

Re: *United Walnut Taxpayers v. Mt. San Antonio Community College District, et al;*
Los Angeles Superior Court Case No. BC 576587
Privileged Settlement Offer Under Evidence Code Section 1152

Dear Mr. Sherman:

This letter is a privileged settlement offer and is protected under Evidence Code section 1152. The settlement offer you communicated to me via email yesterday evening is rejected. Mt. San Antonio College ("Mt. SAC") is willing to settle the pending litigation as to **all issues other than those related to the West Parcel Solar Project** on the following terms and conditions:

1. Mt. SAC will pay the Taxpayers \$150,000 in full settlement of all claims and issues for all projects alleged in the lawsuit other than the West Parcel Solar Project. Payment to be made within 30 days of approval of the settlement by the Mt. SAC Board of Trustees.
2. Mt. SAC will agree to absorb the cost of preparation of the administrative record through the date of settlement.
3. Taxpayers will release and dismiss all claims other than claims related to the West Parcel Solar Project, including the proposed amended claims against Mt. SAC and Tilden-Coil related to the lease leaseback contract. Taxpayers will not release any claims as to future Mt. SAC projects.

4. Mt. SAC will acknowledge and agree the ACE project as alleged in the complaint is not going forward as the project is superseded by a new project that is the subject of a new CEQA review process that is presently underway. Taxpayers are not releasing any claims related to this new project.
5. Mt. SAC will acknowledge and agree the Parking Structure Project as a Measure RR project is not going forward. The Board of Trustees has previously taken action to withdraw the Parking Structure Project as a Measure RR project and will confirm this is the case as well as termination of the Tilden-Coil lease leaseback contract with respect to the Measure RR Parking Structure Project as of July, 2015.
6. The settlement agreement will memorialize Mt. SAC has not abandoned the Parking Structure Project on Lot A, but reserves the right to finance and build a future Parking Structure Project on Lot A in compliance with all applicable law, including, but not limited to, CEQA, local land use controls **to the extent applicable** and Prop 39 if funded by a new bond measure. (I will note that any new bond measure would need to go to the voters and is subject to the affirmative vote of more than 55% of the voters, and the Taxpayers are free to oppose the measure.)
7. The Taxpayers will sign a settlement agreement consistent with the above terms that will be presented to the Mt. SAC Board of Trustees for acceptance at a December 22, 2015 special meeting as discussed further below.
8. The fully executed settlement agreement will contain a reciprocal attorneys' fee clause and will be subject to enforcement under Code of Civil Procedure section 664.6.

You make reference to the Taxpayers not wanting to "kick the can down the road," but I will remind you that courts do not issue advisory opinions, nor do they adjudicate matters that are not before them. Simply stated, the Measure RR Parking Structure Project no longer exists, and any future Parking Structure Project is not before the court and the court lacks jurisdiction to resolve any issues related to a future Parking Structure Project.

To the extent the Taxpayers incur future legal fees and costs related to litigating the ACE project, the Measure RR Parking Structure Project, the new ACE project or the future Parking Structure Project, we will vigorously oppose any motion for an award of attorneys' fees as there is no public benefit in pursuing such litigation at this time as a matter of law.

Mt. SAC Executive Management has arranged for the Board of Trustees to be available to convene a special meeting at 6:30 p.m. on December 22, 2015 to approve a settlement with the Taxpayers as outlined above. A special meeting is subject to 24-hour notice; hence, this settlement offer will expire at **12:00 p.m. on Monday, December 21, 2015** unless extended in

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writing by the undersigned. This deadline will allow sufficient time to draft a settlement agreement that the Taxpayers can sign and present to the Board of Trustees for acceptance at the special meeting.

Please contact me if you have any questions.

Very truly yours,

STRADLING YOCCA CARLSON & RAUTH

A handwritten signature in blue ink, appearing to read "Sean B. Absher". The signature is fluid and cursive, with the first name "Sean" and last name "Absher" clearly legible.

Sean B. Absher