

Taxpayer Litigation Reject Settlement
12/21/2015

Bill and Mike,

Below is Mr. Sherman's response to Mt. SAC's settlement offer communicated in my letter to him dated December 17th. My letter had an acceptance deadline of 12 p.m. today.

You will see Mr. Sherman's client are not negotiating in good faith. The counter proposal includes additional demands regarding Mt. SAC's abandonment of the Parking Facility project on Lot A and increases the monetary demand from \$160,000 to \$300,000.

It's clear to me Mr. Sherman does not have any client control, and I suspect the settlement offer below was actually drafted in part by his client. For this reason, I do not recommend a counter proposal at this time. I believe we need to proceed with the litigation, file the motion to dismiss and focus our efforts on showing Judge Chalfant that Judge Lavin erred in granting the preliminary injunction. We have strong arguments. The motion will be heard on January 23, 2016 and it is likely we will have some insights into Judge Chalfant's ability to weigh the merits of this case independent of Judge Lavin's prior ruling on the preliminary injunction.

I will be driving from 9:00 a.m to 1:00 p.m. today, so please call my cell phone if you have any questions, 925-330-7563.

Sean B. Absher

<http://www.sycr.com/>

Stradling Yocca Carlson & Rauth, P.C.