

SETTLEMENT AGREEMENT AND GENERAL RELEASE

This Settlement Agreement and General Release ("Agreement") is made and effective this July 12, 2016 by and among Terry A. Hansen, in her official capacity as the County Clerk/Recorder/Registrar of Voters of the County of Yuba (the "Registrar"), and real parties in interest County of Yuba, a public entity (the "County"), Yuba County Water Agency, a public entity ("YCWA"), and Charles Mathews, Billy D. Simmons, Jeanette L. Cavaliere, Joan C. Saunders, and Dale Whitmore (the "Proponents"), hereinafter collectively referred to as the "Parties."

Recitals

- A. Proponents are five registered voters of the County. YCWA is a countywide, independent local agency, created by a special act of the Legislature. (Stats. 1959, c. 788, p. 2791 ("Agency Act"), §§ 1 & 26, as amended West's Cal. Water Code Appendix, §§ 84-1 & 84-26.) Registrar is the Registrar of Voters for the County and the County's Clerk and Recorder.
- B. Proponents submitted a proposed ballot initiative (the "Initiative") to the County for preparation of a ballot title and summary. The Initiative purports to be an ordinance of YCWA. Registrar accepted the submission, after which County Counsel prepared a ballot title and summary. Proponents then began the process of collecting signatures to qualify the Initiative for the ballot.
- C. YCWA believes that under Section 9 of the Agency Act, because the Initiative purports to be an ordinance of YCWA, the Proponents should have submitted the Initiative to YCWA for preparation of a ballot title and summary and that any actions taken by the Registrar should have been directed by YCWA. YCWA further believes that, if the requisite signatures are submitted and certified, the Initiative should be submitted to the YCWA Board of Directors and not the Yuba County Board of Supervisors. The County and the Proponents dispute certain aspects of YCWA's position on how the Initiative should be processed pursuant to Section 9 of the Agency Act, which provides that the initiative power be exercised in accordance with the procedures established by state law for the exercise of such powers in relation to counties.
- D. As a result of this dispute, Registrar filed a Complaint for Declaratory Relief in the Yuba County Superior Court, Case No. YCSCCVPT 16-0000454, entitled *Hansen v. Hansen* (the "Lawsuit"). The Lawsuit seeks a judicial determination as to whether YCWA or the County is the appropriate entity to process the initiative proposal, who may prepare the ballot title and summary, and whether Yuba County Board of Supervisors may adopt the ordinance or submit it to the

voters if the requisite signatures are submitted and certified. The Parties stipulated to transfer venue to Sacramento County Superior Court on June 16, 2016.

- E. YCWA has prepared an elections ordinance (the "Ordinance") that applies to proposed initiatives of YCWA, which the YCWA Board of Directors will adopt as promptly as possible. The Ordinance will prescribe YCWA's elections procedures, including how initiatives are processed in substantial compliance with the intent of Section 9 of the Agency Act and the applicable Elections Code statutes. Under the Ordinance, the proponent of an initiative would file a proposed initiative with YCWA's Board Secretary as the Agency elections official; YCWA Counsel would prepare a title and summary; the proponents would file signed petitions with YCWA; YCWA would request, upon agreement as to reimbursement of election related costs, that the County Registrar of Voters examine and certify signatures on filed petitions; and any certified petition would be returned to the YCWA Board of Directors for further action as set forth in the Elections Code. The Ordinance will not impose any additional requirements or procedures for initiatives that do not substantially comply with the intent of Section 9 of the Agency Act and the Elections Code.
- F. Proponents will cease collecting signatures and refrain from submitting to the Registrar any signatures gathered for the Initiative. Proponents' rights are expressly reserved to refile the Initiative with YCWA, or file a new initiative proposal with YCWA, after the adoption of the Ordinance, subject to the Proponents' compliance with all procedures set forth in the Ordinance and applicable law. If the YCWA Board does not adopt the Ordinance by August 23, 2016, Proponents' rights are expressly reserved to refile the Initiative with YCWA, or file a new initiative proposal with YCWA, subject to the Proponents' compliance with all procedures set forth in Recital E and applicable law. Upon receiving the Initiative or a new initiative proposal filed by Proponents, YCWA shall process the Initiative or new initiative proposal in compliance with the Ordinance and/or the procedures set forth in Recital E and applicable law.
- G. Subject to YCWA's approval of the proposed Elections Ordinance and Proponents' agreement to cease collecting signatures for the Initiative and to not submit any signatures gathered for the Initiative to the Registrar, the Registrar is willing to dismiss the Lawsuit.
- H. The Parties desire to settle their disputes on the terms and conditions set forth herein.

Agreement and Mutual Release

In consideration for the mutual covenants set forth below, the Parties agree as follows:

1. Settlement of Disputed Matters. The Parties understand and agree that the terms and conditions of this Agreement constitute the settlement of disputed matters. Neither the offer nor the acceptance of the terms and conditions hereof, nor the giving or receiving of the consideration herein, represents an admission of liability or responsibility on the part of any party, each party hereto expressly disclaiming any such liability. Further, this settlement shall not be construed as agreement by any party that the position taken by any other party is correct or that any party has acted contrary to what is required by law.
2. Dismissal of Lawsuit. The resolution of this matter shall be contingent on YCWA adopting the Ordinance referenced in Recital E in substantial compliance with the intent of Section 9 of the Agency Act and the Elections Code. Upon YCWA adopting the Ordinance in satisfaction of the condition expressed herein and consistent with Recital E, the Registrar shall file a Request for Dismissal with prejudice of the Lawsuit within thirty (30) court days after the adoption of the Ordinance.
3. Proponents' Right to Cease Collecting Signatures and to Refile Without Prejudice. Proponents shall cease collecting signatures and refrain from submitting to the Registrar any signatures gathered for the Initiative. The full execution of this Agreement shall be considered written notice to the Registrar that the Proponents have ceased collecting signatures and will not submit any signatures gathered for the Initiative to the Registrar. The full execution of this Agreement also shall constitute direction to the Registrar to cease all processing and handling of the Initiative. Proponents may refile the Initiative, or file a new initiative proposal, with YCWA at any time after the adoption of the Ordinance, subject to the Proponents' compliance with all procedures set forth in the Ordinance and applicable law. If the YCWA Board does not adopt the Ordinance by August 23, 2016, Proponents may refile the Initiative with YCWA, or file a new initiative proposal with YCWA, subject to the Proponents' compliance with all procedures set forth in Recital E and applicable law. Upon receiving the Initiative or a new initiative proposal filed by Proponents, YCWA will process the Initiative or new initiative proposal in compliance with the Ordinance and/or the procedures set forth in Recital E and applicable law.
4. Admissibility of Agreement. The Parties acknowledge that this Agreement is enforceable and binding as of the effective date and is admissible and subject to disclosure pursuant to Evidence Code section 1123, subdivisions (a) and (b), and any other relevant provisions of law.

5. Release and Discharge. Except for the Parties' obligations set forth herein, each party, including, if applicable, each party's directors, officers, agents and employees, hereby releases and discharges the other from all claims, demands, actions, liabilities, damages and causes of action whatsoever arising out of, or in any way connected directly or indirectly to, the facts and events described in the Lawsuit and in the above recitals, which recitals are hereby incorporated in this Agreement.

6. Waiver of Civil Code Section 1542. Each party understands and agrees that this Agreement constitutes a full and final release applying to all unknown or unanticipated claims, demands, actions, liabilities, damages or causes of action, as well as those now known or disclosed, arising out of or related to the matters referenced in the Lawsuit. Each party understands that this is a general release and expressly waives and relinquishes all rights and benefits which each may have under California Civil Code section 1542 ("Section 1542"), which reads as follows:

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 THIS RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Each party understands and acknowledges the significance and consequence of this specific waiver of Section 1542. Each party acknowledges that each may hereafter discover facts in addition to or different from those which each knows or believes to be true with respect to the subject matter of this Agreement, but intends to fully, finally and forever settle and release any and all such matters, disputes and differences known or unknown, anticipated or unanticipated, which do not now exist, may exist or heretofore have existed among the Parties arising out of or related to the matters referenced in the Lawsuit.

7. Exceptions to Release. Nothing herein shall be construed as a release by any party hereto of any obligation or claim arising out of a breach of this Agreement.

8. Binding on Successors and Assigns. This Agreement shall inure to the benefit of, bind and be binding upon the agents, officers, directors, employees, heirs, successors and assigns of the Parties.

9. Attorneys' Fees and Costs. Each party shall bear its own attorneys' fees and costs in connection with the preparation and negotiation of this Agreement, as well as any such fees and costs incurred arising out of or related to the Lawsuit prior to the execution of this Agreement.

10. Entire Agreement. This Agreement contains the entire understanding and agreement between the Parties with respect to the matters referred to herein. No other representations, covenants, undertakings or other prior or contemporaneous agreements, oral or written, respecting those matters, which are not specifically incorporated herein, may be deemed in any way to exist or to bind any party hereto. Each party hereto acknowledges that it has not executed this Agreement in reliance on any such promise, representation or warranty.

11. Modifications. This Agreement may not be and shall not be modified by any party hereto by oral representation made before or after the execution of this Agreement. All modifications must be in writing and signed by authorized representatives of all of the Parties hereto.

12. Governing Law. This Agreement is entered into, and shall be construed and interpreted, in accordance with the laws of the State of California.

13. Enforcement of Terms. This Agreement shall be enforceable under the provisions of Code of Civil Procedure section 664.6. The Court shall retain jurisdiction over this proceeding and the enforcement hereof. Should it be necessary to enforce any term of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs expended to enforce this Agreement.

14. Representations and Warranties Regarding Execution. Each party warrants and represents that in executing this Agreement, it has had the opportunity to consult with an attorney of its choice; that the terms of this Agreement have been read and its consequences, including the risks, complications and costs, are completely understood; that it fully understands the terms of this Agreement; and that each is fully authorized to enter into this Agreement. Each party further acknowledges and represents that, in executing this Agreement, it has not relied on any inducements, promises, or representations made by another party or any person representing or serving another party, except as specifically provided herein; and that each has signed this Agreement voluntarily, without any duress or undue influence on the part of, or on behalf of, any party.

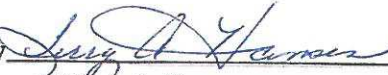
15. Cooperation. Each party agrees to do all things that may be necessary, including, without limitation, the execution of documents which may be required hereunder, in order to implement and effectuate this Agreement.

16. Joint Drafting of Agreement. The Parties agree that this Agreement has been jointly drafted and shall not be construed in favor of, or against, any party by reason of the extent to which any party or its counsel participated in the drafting of this Agreement.

[Signatures appear on following pages]

Dated: July 5, 2016

TERRY A. HANSEN

By 
Terry A. Hansen

Dated: July __, 2016

COUNTY OF YUBA

By _____
Chair, Board of Supervisors

Attest: _____
Clerk, Board of Supervisors

Dated: July 12, 2016

YUBA COUNTY WATER AGENCY

By 
Chair, Board of Directors

Attest: 
Secretary, Board of Directors

Dated: July __, 2016

PROPONENTS

By _____
Charles Mathews

By _____
Billy D. Simmons

By _____
Jeanette L. Cavaliere

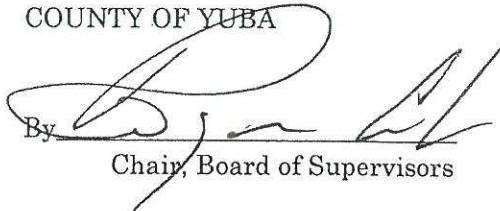
Dated: July __, 2016


TERRY A. HANSEN

By _____
Terry A. Hansen

Dated: July 12, 2016

COUNTY OF YUBA

By  _____
Chair, Board of Supervisors

Attest:  _____
Clerk, Board of Supervisors

Dated: July __, 2016

YUBA COUNTY WATER AGENCY

By _____
Chair, Board of Directors

Attest: _____
Secretary, Board of Directors

Dated: July __, 2016

PROPONENTS

By _____
Charles Mathews

By _____
Billy D. Simmons

By _____
Jeanette L. Cavaliere

Dated: July __, 2016

TERRY A. HANSEN

By _____
Terry A. Hansen

Dated: July __, 2016

COUNTY OF YUBA

By _____
Chair, Board of Supervisors

Attest: _____
Clerk, Board of Supervisors

Dated: July 12, 2016

YUBA COUNTY WATER AGENCY

By *Jim Beja*
Chair, Board of Directors

Attest: *Terry Peterson*
Secretary, Board of Directors

Dated: July 12, 2016

PROPONENTS

By *Charles Mathews*
Charles Mathews

By *Billy D. Simmons*
Billy D. Simmons

By *Jeanette L. Cavaliere*
Jeanette L. Cavaliere

By Joan C. Saunders
Joan C. Saunders

By Dale Whitmore
Dale Whitmore