

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement is entered into by and between Keep Nevada County Rural, an unincorporated association of persons, represented by Karen Abbott, Patricia and Benton Seeley, and Billie Prestel, (collectively, "Petitioners"), the County of Nevada, a political subdivision of the State of California ("Respondent"), and Young Enterprises, L.P. ("Real Party(ies)"). All Parties will be referred to collectively as the "Parties." The Effective Date of this Agreement shall be on the date when the last of all parties has executed it and it has been approved by the Nevada County Board of Supervisors.

RECITALS

A. Real Party's Rincon del Rio Project encompasses 214.56 acres of real property in the unincorporated territory of the County and is located at the east terminus of Rincon Way. Real Party will develop this property as a Continuing Care Retirement Facility ("CCRC") featuring a variety of independent and supportive living arrangements including independent living, assisted living, nursing care, physical rehabilitation and memory impairment housing in a campus-like setting and featuring commercial and recreational uses and transportation, and a variety of other services. The proposed construction includes up to 345 detached and attached residential housing units of various sizes to serve a population not to exceed 415 residents. The "Project" as referred to herein means the Rincon del Rio project approved by the Nevada County Board of Supervisors on April 9, 2013, including the final project Conditions of Approval and Mitigation Measures, the final Ordinances and Resolutions for the various entitlements associated with the Board's action, the Project Site Plan, Tentative Map, Grading/Infrastructure Plan, Circulation Plan, Comprehensive Master Plan, Architectural Summary, Floor Plans, Elevations, Landscape

Plan, Lighting Plan, and the further minor modifications to the Project specified in this Agreement.

B. On May 25, 2013 Petitioners filed a Verified Petition for Writ of Mandate in Nevada County Superior Court, case number CU13-079647 entitled *Keep Nevada County Rural et al v. County of Nevada and Young Enterprises, L.P.* against the Project. The Petition alleges two causes of action against the Respondent and Real Parties in Interest, the first for alleged violations of the California Environmental Quality Act (CEQA) and the second for alleged violations of the County's General Plan (the "Petition").

C. On June 7, 2013, Petitioner's counsel told counsel for the Real Party that his clients intended to amend the Petition to include a Quiet Title action regarding allegations that the existing easements over Rincon Way did not support a roadway use to access the Rincon del Rio Project as approved on April 9, 2013 (the "Quiet Title Claim").

D. The Petitioners and several land owners have placed signs protesting the Project in locations visible to passersby either within their fenced property lines and/or on other properties (the "Protest Signs").

E. The Petition, the Quiet Title Claim and the Protest Signs will hereafter be referred to as "Petitioners' Claims" or the "Claims".

F. Prior to any trial on the merits of the Petition, the Parties attended a mandatory Settlement Conference on July 3, 2013. Thereafter, the Parties diligently worked to settle this matter.

G. The Parties wish by this Settlement and Release Agreement (the "Agreement") to end the litigation on the Petition and to resolve all of Petitioners' Claims, including any and all of their disputes and disagreements regarding the Project including those contained in the Petition.

Therefore, the Parties individually and through their respective counsel, and in order to both avoid any further litigation expenses and disputes concerning the Petition and Petitioners' Claims, have negotiated in good faith to obtain a settlement of all Petitioners' Claims as further set forth below.

AGREEMENT

NOW, THEREFORE, in consideration for the terms and conditions set forth in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which is acknowledged, the Parties hereto agree as follows:

1. The Recitals are incorporated herein.
2. Within 7 days of Petitioners' performance of their obligations set forth in Paragraph 14 of this Agreement, and its approval by the Board of Supervisors of Respondent, Real Party shall pay the sum of \$21,500 to Petitioners' attorneys, Soluri Meserve, as and for their attorneys' fees. Other than this payment, the parties agree they are each responsible for payment of their own attorney's fees and costs related to this matter.
3. Respondent and Real Party agree to amend Planning Condition of Approval ("COA") 10 to state that a "note" concerning the Projects' open space component shall be included on the final subdivision map for the Project, which note shall read as follows:

"All residential and commercial development density for the entire Rincon del Rio Project has been exhausted through clustering as noted in the April 9, 2013 Project Approvals. No further subdivision or development shall be permitted on Lot 14 as shown on the Tentative Map for the Project."

The parties acknowledge and agree that the correction to the wording of this Condition is a minor clarification to the Condition of Approval which shall be made administratively by County's Planning Director within ten business (10) days after the Effective Date of this Agreement.

4. Respondent and Real Party agree to amend Article 2.2.2 of the Project's approved Development Agreement to read:

"Developer shall not change, alter, operate or utilize the Property for any purposes other than as an age restricted Continuing Care Retirement Community consisting of a maximum of 345-units and 415 senior residents."

The parties acknowledge and agree that the correction to the wording of this Condition is a minor clarification to the Development Agreement which shall be made by an administrative amendment to the Development Agreement within ten (10) business days after the Effective Date of this Agreement.

5. Respondent and Real Party agree to amend the Project's adopted COA #19 to read:

"Developer shall not change, alter, operate or utilize the Property for any purposes other than as an age restricted Continuing Care Retirement Community consisting of a maximum of 345-units and 415 senior residents. All community residences (village core building units, lodge units, group home and co-housing units, duplexes, four-plexes and cottages) shall never be converted to non-age restricted units such as apartments, condominiums, town-houses or single family residences."

The parties acknowledge and agree that the correction to the wording of this Condition is a minor clarification to the Condition of Approval which shall be made administratively by County's Planning Director within ten (10) business days after the Effective Date of this Agreement.

6. Real Party agrees that the gate it installs on the emergency access route at Rodeo Flat Road will be locked, and will be controlled by CalFire and the Higgins Fire District. It will be installed as soon as the road connection between Rincon del Rio and the Ranchos

neighborhoods is completed during Phase 1 of the Project build-out, thereby eliminating the need for a temporary gate. The gate and all posts, hinges, latches and other members shall be constructed of heavy gauge steel as appropriate for the gate size. No PVC will be used. It shall be locked and accessible only by emergency and maintenance personnel via redundant electronic systems powered by 110 volts and, in case of power loss, battery backup (which will be charged by 110 volts and solar). Examples of acceptable access technologies include: Frequency activated dispatch, Click 2 Enter, Keypad activation, or other state of the art technology. The gate will be positioned such that it is visible from the cul-de-sac on Rodeo Flat Road.

7. Respondent and Real Party agree the Emergency Access Road from the Project may be used only for emergency, inspection and evacuation purposes, as determined necessary and appropriate by fire, police, medical, or other authorized emergency services personnel.

8. Respondent and Real Party agree to amend Public Work's COA B(1)(B) to clarify that the road improvements required include Rincon Way/Hidden Ranch Road from the planned gatehouse at the Project's entry to Highway 49. The parties acknowledge and agree that the correction to the wording of this Condition is a minor clarification to the Condition of Approval which shall be made administratively by County's Planning Director within ten (10) business days after the Effective Date of this Agreement.

9. Respondent and Real Party agree to amend Public Work's COA B(1)(D) to clarify that Real Party and/or the Owner of the CCRC shall solely bear all road maintenance obligations during Project construction as well as all ongoing maintenance costs for Rincon Way/Hidden Ranch Road from the Project's planned gatehouse to Highway 49. The parties acknowledge and agree that the correction to the wording of this Condition is a minor clarification to the Condition

of Approval which shall be made administratively by County's Planning Director within ten (10) business days after the Effective Date of this Agreement.

10. Real Party agrees that to address Petitioners' concern about potential visual impacts from the Project's streetlights adversely affecting the residences at 24912 and 24950 Connie Court, Real Party will install a chain link wire (cyclone) fence in compliance with all County standards and supplemented with a vegetation barrier consisting of deer tolerant evergreen shrubs such as large Oleanders or similar type plantings along the entire east side of parcel #57-240-11-000 and parcel #57-240-10-000. The physical and vegetation fences will run the entire length of the east side of both parcels. These fences will begin at the NE corner of parcel #57-240-10-000 and extend to the SE corner of parcel # 57-240-11-000. The length of these fences will be a minimum of 685 ft. Both the fence and the vegetation barrier are to be contained within Real Party's property lines. The vegetation barrier is to be planted on the Connie Court side of the fence within Real Property's property lines. Both the fence and the vegetation barrier are to be built, planted, and maintained (including irrigation) in perpetuity by Real Party and/or the owner of the CCRC. Real Party shall make any necessary repairs the fence, and shall replace any dead shrubs, within thirty (30) days.

11. Respondent and Real Party agree to add to the approved Planning Department COA #24 for the Project the following language: "Lighting: all lighting shall comply with the International Dark Skies Association standards." The parties acknowledge and agree that the correction to the wording of this Condition is a minor clarification to the Condition of Approval which shall be made administratively by County's Planning Director within ten (10) business days after the Effective Date of this Agreement.

12. Respondent and Real Party agree to modify Planning Department COA #37 to

read:

“All construction traffic shall enter and exit from Rincon Way. Construction traffic shall not be allowed to access or exit the project from the emergency access road that connects to Rodeo Flat Road except for the construction of off-site required utility improvements on Timber Ridge and Rodeo Flat Roads for the extension of the sewer line, water line and other required utilities to the site. After construction of utilities within the right-of-way of Timber Ridge and Rodeo Flat Road is completed, those roads shall be returned to previously existing conditions. Developer will consult with the Rancho Community Service District (CSD) regarding all construction activities necessary on or through the Ranchos road system.”

The parties acknowledge and agree that the correction to the wording of this Condition is a minor clarification to the Condition of Approval which shall be made administratively by County's Planning Director within ten (10) business days after the Effective Date of this Agreement.

13. Respondent and Real Party agree to locate the Sewer Lift Station in the area shown on Exhibit A to this Agreement. Real Party also agrees to install a cinder-block noise barrier/wall to specifications designed by Real Party and in compliance with County codes to surround/encase the sewer lift station nearest Rodeo Flat Road to facilitate the sewer lift station's meeting the noise limitation specifications of the Project's adopted Environmental Mitigation Measure 3.11.1 “Noise”.

14. Except as modified by the Project approvals, all construction and improvements must comply with County development and building standards.

15. Within three (3) business days of the execution of this Agreement by all Parties, Petitioners shall prepare and cause to be filed a dismissal of the Petition, with prejudice. Concurrently, (i) Petitioners and Landowners shall permanently remove the official “Stop Rincon Del Rio” signs that include the website address “www.stoprincondelrio.com,” and (iii) Petitioners shall take the website www.stoprincondelrio.com off of the Internet permanently.

16. For and in consideration of the mutual promises and consideration set forth in this Agreement, the sufficiency of which is hereby acknowledged, each of the Petitioners on behalf of him, her or its self, and on behalf of his, her or its heirs, successors, assigns, attorneys and agents, hereby releases and forever discharges Respondent and Real Parties, including each and every of his, her or its supervisors, officers, directors, attorneys, insurers, agents, employees, contractors, subcontractors, beneficiaries and assigns, from any and all claims, demands, debts, duties, obligations, promises, liabilities, damages, accounts, payments, liens, acts, costs, expenses, sums of money, suits, dues, actions and/or causes of action both in law and in equity, of any kind or nature whatsoever whether known or unknown, matured or unmatured, suspected or unsuspected, which Petitioners and each of them ever had, now has or may have against Respondent and Real Parties related to the Petition, the Claims, and the Project.

17. This Agreement shall be effective as a full and final accord and satisfaction and general release of any and all Claims that Petitioners may have against Respondent or Real Parties related to the Petition and the Claims and the Project, except claims for breach of this Agreement. Notwithstanding anything in this Agreement to the contrary, this Agreement does not constitute a release or waiver by Petitioners of claims that may accrue in the future or are otherwise unrelated to the Petition or the Claims or the Project, including:

- (a) Any violation by Real Party of the Project's mitigation measures, Development Agreement or conditions of approval;
- (b) Any failure by Respondent to enforce the Project's mitigation measures, Development Agreement or conditions of approval;
- (c) Any proposals by Real Party (or its successors or assigns) to revise the Project in a manner that is inconsistent with the Project approvals and this Agreement;

(d) Personal injury or property damage resulting from construction, development activities and/or operation of the Project by Real Party, its successors, contractors, subcontractors, insurers, agents, beneficiaries and assigns.

(e) Claims that the Project's access roadway along Rincon Way and/or Hidden Ranch Road encroaches on private property. The Petitioners further agree that, prior to bringing any such future claims against Respondent or Real Party, they will invite Respondent and/or Real Party to meet and confer and attempt in good faith to settle any disputes before filing new litigation.

18. The Petitioners and each of them hereto expressly waive and relinquish any rights and benefits which they may have under Section 1542 of the Civil Code of California which provides:

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

19. With respect to the matters set forth herein and subject to the terms of this release, Petitioners expressly waive and relinquish any right or benefit which each of them now has, or may in the future have, under Section 1542 of the Civil Code of the State of California set forth in Paragraph 18 above, or under any other state, federal, or local statute, code, ordinance or law similar to Section 1542 of the Civil Code. In connection with such waiver and relinquishment, Petitioners and each of them acknowledge they are aware that attorneys or agents may hereafter discover claims or facts in addition to or different from those which Petitioners now know or

believe to exist with respect to such matters, but it is Petitioners' intention to hereby fully, finally and forever settle and release all of the released matters in the Petition, Claims, disputes and differences, known or unknown, suspected or unsuspected, which do exist, or may exist, or heretofore have existed between Petitioners on the one hand and Respondent and Real Parties on the other. Petitioners further agree that, other than section 17, items a thru e, they will never file, at any time subsequent to the execution of this Agreement in any court or in any public agency, any claim or action, of any and every kind, nature, or character whatever, known or unknown, which they may now have, have ever had, or may in the future have against Respondent or Real Party in Interest, with respect to any matter arising from the Project, Petition or Claims or matters alleged in or related to the Recitals.

20. It is understood and agreed that this is a final settlement and release of disputed claims by Petitioners and each of them, and the agreements made herein for the settlement and general release of all claims shall not be deemed or construed as an admission of liability or responsibility at any time for any purpose. It is further agreed and understood that this general release of all claims by Petitioners is being entered into solely for the purpose of avoiding further expense and demands, actions, obligations, liabilities, and causes of action by Petitioners and each of them against Respondent or Real Party.

21. This Agreement shall be admissible in any proceeding for its enforcement in accordance with Sections 1118 and 1123 of the California Evidence Code. In the event any action should be necessary to enforce the terms and conditions of this Agreement, the prevailing party shall be entitled to recover their reasonable attorneys' fees and costs, including the fees and costs of enforcing any judgment.

22. This Agreement contains the entire agreement between the Parties and becomes effective immediately upon the Effective Date. The Parties agree to cooperate with each other and execute any documents reasonably necessary to perform the intent and purpose of the Agreement. This Agreement is entered into and shall be construed and interpreted in accordance with the laws of the State of California.

23. This Agreement incorporates the entire understanding between the Parties and represents the sole consideration for the promises exchanged herein. Each Party acknowledges there is no representation, inducement, promise or agreement which has been made, orally or otherwise, by the other party, or anyone acting on behalf of the other Party, concerning the terms or conditions of this Agreement which is not expressly embodied in this Agreement.

24. The Parties acknowledge and warrant they have each read this Agreement, that they are fully aware of its contents and of its legal effect, and that their execution of this Agreement is free and voluntary and is entered into on the advice and with the assistance of counsel.

25. Subject to the exceptions provided in Paragraph 17 above, Petitioners and their legal counsel (i.e., Patrick Soluri, Attorney at Law, or any attorney associated with his law firm or any future attorney representing any of the Petitioners) agree not to file any future lawsuits of any kind challenging (1) the Project, either as approved on April 9, 2013 or as modified by the changes to the COA or Development Agreement specified in this Agreement, or (2) any federal, state, regional, or local permits, entitlements, or other approvals required for the Project as approved on April 9, 2013 or infrastructure needed to serve the Project as approved on April 9, 2013. Subject to the exceptions provided in Paragraph 17 above, Petitioners and their legal counsel further agree not to support, fund, or otherwise encourage any such litigation by others.

The individually named Petitioners further agree not to attempt to discourage future residents of or investors in the Project by posting signs against the Project on their respective properties, or encouraging or requesting that others do so on their own properties on Petitioners behalf.

26. This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by each of the Parties affected thereby. No failure to exercise and no delay in exercising any right, remedy, or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power under this Agreement preclude any other or future exercise thereof, or the exercise of any other right, remedy, or power provided herein or by law or in equity. No waiver of any provision of this Agreement shall be binding on the Parties hereto unless it is executed in writing by the Party making the waiver.

27. If, for any reason, any provision of this Agreement is determined to be held invalid or illegal, such illegality shall not invalidate the whole of this Agreement, but, rather, the Agreement shall be construed as if it did not contain the invalid or illegal part, and the rights and obligations of the Parties shall be construed and enforced accordingly.

28. This Agreement or any uncertainty or ambiguity therein shall not be construed against any one Party or several Parties but shall be construed as if all Parties to this Agreement jointly prepared this Agreement.

29. Time is of the essence for each provision of this Agreement for which time is an element.

30. County's execution of this Agreement in no way limits the discretion of the County in the permit or approval process in connection with any construction or improvements related to the Project.

31. This Agreement creates rights and duties only between the parties to this Agreement, and no other party or third party is intended to have or be deemed to have any rights under the Agreement as an intended third party beneficiary. The rights and duties of the parties to this Agreement may not be assigned or transferred, in whole or in part.

32. Each of the Parties to this Agreement has investigated the facts pertaining to this Agreement to the extent each Party deems necessary. In entering into this Agreement, each Party assumes the risk of mistake with respect to such facts. This Agreement is intended to be final and binding upon the Parties regardless of any claim of mistake.

33. This Agreement may be executed in one or more counterparts, including by facsimile or electronic transmission, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the dates set forth below.

PETITIONERS

Karen Abbott
Date: 10-31-13

Benton Seeley
Date: 10/31/13

Billie Prestel
Date: 10/31/2013

Patricia Seeley
Date: 10-31-2013

Date: _____

RESPONDENT

Nevada County Board of Supervisors

By: Hank Weston

Its: Chair

Date: _____

REAL PARTY IN INTEREST

Young Enterprises, L.P.

Carol Young

By: Carol Young

Its: Partner

Date: 10/30/13

APPROVED AS TO FORM

Soluri Meserve, A Law Corporation

P. Soluri

By: Patrick Soluri

Date: 11/5/2013

County Counsel, Nevada County

Alison Barratt-Green

Attorney for Respondent

Date: _____

LEMMON -- LAND & LAW, P.C.

By: Peter D. Lemmon

Attorney for Real Party in Interest

Date: _____

RESPONDENT

Nevada County Board of Supervisors

By: Hank Weston

Its: Chair

Date: _____

REAL PARTY IN INTEREST

Young Enterprises, L.P.

Carol Young

By: Carol Young

Its: Partner

Date: 10/30/13

APPROVED AS TO FORM

Soluri Meserve, A Law Corporation

By: Patrick Soluri

Date: _____

LEMMON -- LAND & LAW, P.C.

Peter D. Lemmon
By: Peter D. Lemmon
Attorney for Real Party in Interest
Date: 10/30/13

County Counsel, Nevada County

Alison Barratt-Green

Alison Barratt-Green

Attorney for Respondent

Date: 11/21/13

RESPONDENT

Nevada County Board of Supervisors

Hank Weston

By: Hank Weston

Its: Chair

Date: 11-21-13

REAL PARTY IN INTEREST

Young Enterprises, L.P.

By: Carol Young

Its: Partner

Date: _____

APPROVED AS TO FORM

Soluri Meserve, A Law Corporation

By: Patrick Soluri

Date: _____

LEMMON -- LAND & LAW, P.C.

By: Peter D. Lemmon

Attorney for Real Party in Interest

Date: _____

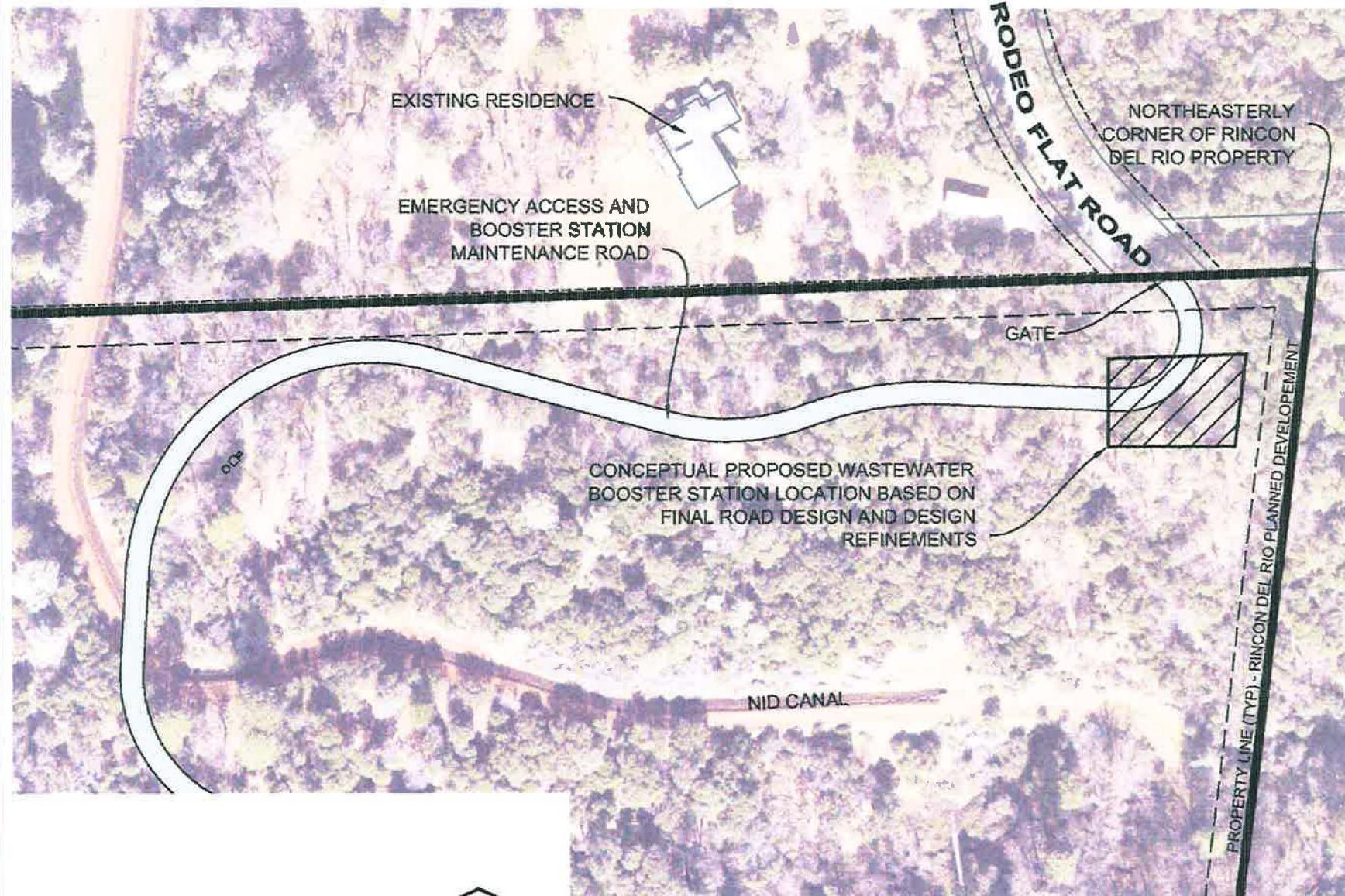
County Counsel, Nevada County

Alison Barratt-Green

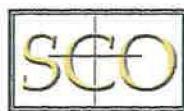
Alison Barratt-Green

Attorney for Respondent

Date: 11/21/13



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NORTH
SCALE: 1" = 120'
OCTOBER 2013

PROPOSED WASTEWATER BOOSTER STATION LOCATION
RINCON DEL RIO SENIOR LIVING