

ATTACHMENT A

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made and entered into by and between the County of San Mateo (“Defendant”) and American Addiction Centers, Inc. (“Intervenor”). Jointly, Intervenor and Defendant are referred to herein as the “Parties.”

RECITALS

A. On March 25, 2015, Stillpath Retreat Center, LLC (“Plaintiff”) filed a lawsuit against Defendant in the United States District Court for the Northern District of California entitled *Stillpath Retreat Center, LLC v. County of San Mateo*, Case No. 3:15-cv-01386-MMC. Plaintiff alleges that, by denying Plaintiff’s application for an amendment to the existing Conditional Use Permit for 13650 Skyline Boulevard in Woodside, California for use as a drug and alcohol residential treatment center, Defendant violated the following: (1) Fair Housing Act, 42 U.S.C. §§ 3601, *et seq.*; (2) Americans with Disabilities Act, 42 U.S.C. § 1202, *et seq.*; (3) Due Process Clause of the Fourteenth Amendment of the United States Constitution; and (4) 42 U.S.C. § 1983. On July 17, 2015, Plaintiff filed a First Amended Complaint for Injunctive and Declaratory Relief and Damages adding claims under the California Fair Employment and Housing Act, Cal. Gov’t Code § 12900, *et seq.* and California Public Records Act, Cal. Gov’t Code § 6250, *et seq.*

B. On November 19, 2015, Intervenor filed a Complaint-in-Intervention against Defendant in the United States District Court for the Northern District of California, alleging claims for violations of (1) the Federal Fair Housing Act, 42 U.S.C. §§ 3601 *et seq.*; (2) Americans with Disabilities Act, 42 U.S.C. §§ 12132 *et seq.*; (3) Due Process Clause of the Fourteenth Amendment of the United States Constitution; (4) 42 U.S.C. § 1983. Intervenor alleges that Plaintiff and Intervenor reached an agreement whereby Intervenor would lease the property located at 16350 Skyline Boulevard from Plaintiff for use as a drug and alcohol residential treatment center.

C. Defendant disputes that it has any liability for its decision to deny Plaintiff’s application for an amendment to the existing Conditional Use Permit. Defendant also disputes that Intervenor had a legally binding agreement with Plaintiff for Intervenor to lease the property at 16350 Skyline Boulevard in Woodside, California. As such, Defendant maintains that Intervenor has no standing to sue in this matter.

D. By this Agreement, the Parties desire to settle fully and finally all claims raised in Intervenor’s Complaint-in-Intervention, without any admission of wrongdoing by Defendant.

AGREEMENT

WHEREFORE, in consideration of the mutual promises made herein, the Parties agree as follows:

1. Non-Admission Of Liability.

By entering into this Agreement, the Parties do not admit, and do specifically deny, any violation of any contract, local, state, or federal law, common or statutory. Neither the execution of this Agreement nor the consideration provided for herein shall constitute or be construed as an admission by either party (or any party’s agents,

representatives, attorneys) of any fault, wrongdoing, or liability whatsoever, and the Parties acknowledge that all such liability is expressly denied.

2. Dismissal of Actions and Payment of Settlement Sum.

(a) Upon executing this Agreement, Intervenor shall, within five (5) calendar days, either sign and deliver to Defendant the Stipulation for Dismissal of Complaint-in-Intervention With Prejudice and Proposed Order (attached herein as Attachment A), or provide authorization to Defendant to file Attachment A with the electronic signature of Intervenor's attorney of record.

(b) Within thirty (30) calendar days of receipt of such signed stipulation or authority to file, Defendant shall pay Intervenor the sum of Twenty-Five Thousand Dollars (\$25,000).

(c) Within three (3) calendar days of receipt of payment, Intervenor shall notify Defendant to confirm said receipt of payment.

(d) Upon Intervenor's confirmation of receipt of payment, Defendant shall, within five (5) calendar days ("Effective Date"), file said stipulation and proposed order with the United States District Court for the Northern District of California.

3. Costs and Attorneys' Fees

All parties agree to bear their own costs and attorneys' fees in connection with the action referred to herein.

4. Release.

(a) Intervenor, on behalf its parents, affiliates, subsidiaries, predecessors, successors and assigns and its past, present and future officers, directors, employees, agents, attorneys, and legal representatives, and each of them, hereby releases and forever discharges Defendant, and its parents, affiliates, subsidiaries, predecessors, successors and assigns and its past, present and future officers, directors, employees, members of the Board of Supervisors, members of the Planning Commission, agents, attorneys, and legal representatives, from any and all claims, demands, liens, actions, suits, causes of action, obligations, debts, expenses and liabilities of whatever kind or nature, whether arising in contract, tort, law, equity or otherwise, in common law or statute, whether asserted or unasserted, known or unknown, suspected or unsuspected, and whether or not concealed or hidden, that Intervenor (and/or any person claiming by or through such Party) ever had, now has or can, or shall or may have, at any time prior to the Effective Date.

(b) Nothing contained in this release shall release any Party from obligations arising under this Agreement.

(c) Intervenor hereby acknowledges that it is familiar with California Civil Code Section 1542, 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.

Intervenor hereby waives and relinquishes all rights and benefits which it has or may have under California Civil Code Section 1542 and any statute, rule and legal doctrine in this or any other jurisdiction to the same or similar effect as Section 1542 to the full extent that it may lawfully waive such rights and benefits. In making this waiver, Intervenor acknowledges that it may hereafter discover facts in addition to, or different from, those which it now believes to be true with respect to the subject matter of the disputes and other matters released herein, but agrees that it has taken that possibility into account in reaching this Agreement and that the release given herein shall be and remain in effect as full and complete releases of the released claims, notwithstanding the discovery or existence of any such additional or different facts, as to which Intervenor expressly assumes the risk.

5. Release.

The Parties warrant and represent that there has been no assignment of any claims covered by this Agreement.

6. Governing Law.

The rights and obligations of the Parties hereunder shall be construed and enforced in accordance with, and shall be governed by, the laws of the State of California.

7. Integrated Agreement.

This Agreement constitutes and contains the entire agreement and understanding between the Parties concerning the subject matters addressed herein and supersedes and replaces all prior negotiations and all agreements proposed or otherwise, whether written or oral, concerning the subject matter hereof.

8. Severability.

If any provision of this Agreement or the application thereof is held invalid, such invalidation shall not affect other provisions or applications of this Agreement and to this end, the provisions of this Agreement are declared to be severable.

9. Consultation With Counsel.

The Parties each acknowledge that it/he/she has had the opportunity to consult with legal counsel of its/his/her choice prior to execution and delivery of this Agreement, and that it/he/she has in fact done so.

10. Headings.

The headings in each Paragraph herein are for convenience of reference only and shall be of no legal effect in the interpretation of the terms hereof.

11. Drafting.

Each Party has cooperated in the drafting and preparation of this Agreement. In any construction or interpretation of this Agreement, the Agreement shall not be construed against any Party on the basis that the Party was the drafter.

12. Counterparts.

This Agreement may be executed in separate counterparts and each such counterpart shall be deemed an original with the same effect as if all Parties had signed the same document.

13. Modification.

This Agreement cannot be modified except in writing signed by both Parties to this Agreement.

14. Voluntary And Knowing Agreement.

By their authorized signatures below, the Parties certify that they have carefully read and fully considered the terms of this Agreement, that they have had an opportunity to discuss these terms with attorneys or advisors of their own choosing, that they agree to all of the terms of this Agreement, that they intend to be bound by them and to fulfill the promises set forth herein, and that they voluntarily and knowingly enter into this Agreement with full understanding of its binding legal consequences.

15. Authority To Enter Into Agreement.


Each Party represents and warrants that, as of the date of the execution of this Agreement, he, she or it has the right and authority to execute this Agreement, and he, she or it has not sold, assigned, transferred, conveyed, or otherwise disposed of any claims or demands relating to any right surrendered by virtue of this Agreement. Each of

the Parties and his, her or its signatory represents that the signatory is either a Party or a business representative or assignee of, and is fully authorized to execute this Agreement on behalf of the Party for whom he or she signs or they sign.

16. Facsimile or PDF Signature.

Facsimile or PDF signatures on this Agreement shall be treated as original signatures.

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound, have caused this Agreement to be executed as of the dates set forth below:




American Addiction Centers, Inc.

By: Kirk R. Manz

Its: Chief Financial Officer

Date: 1/13/17



County of San Mateo

By: John Beiers

Its: County Counsel

Date: 1/16/17