

SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

This Settlement Agreement and Release of Claims (this “Agreement”) is entered into on October ____, 2025 (the “Effective Date”), at Weott, California, by and among Weott Community Services District, referred to in this Agreement as “WCSD,” and Richard Joseph Amaral, Jr., Trustee of the Richard Joseph Amaral Jr Trust, referred to in this Agreement as “Amaral.” Weott and Amaral are collectively referred to herein as the Parties.

RECITALS

This Agreement is entered into with reference to the following facts:

- A. Amaral is the owner of the real property situated in the County of Humboldt, State of California, commonly known as Humboldt County Assessor’s Parcel Number: 095-081-027-000, located at 35 Parish Lane, Weott, Humboldt County, California (“Amaral Property”).
- B. It is Amaral’s contention that the Amaral Property, specifically a gate on the property, incurred damage during a WCSD lateral waterline leak (“Gate Damage”).
- C. The total cost documented for repair of the Gate Damage on the Amaral Property is Seven Thousand Four Hundred Seventy-Two Dollars and Seventy-Eight Cents (\$7,472.78).
- D. WCSD and Amaral each desire to settle, compromise, and discharge any and all claims, demands, rights, and liabilities between and among them that in any manner arise from or related to the Gate Damage, WCSD lateral waterline leak or otherwise as stated in this Agreement, conditional and contingent upon completion of the terms and conditions stated herein.

AGREEMENT

In consideration of the compromise of their respective claims and contentions, and the mutual promises, representations, and warranties contained in this Agreement, the Parties agree as follows:

1. **Consideration.** For the consideration set forth herein, WCSD shall provide payment to Amaral in the total amount of Seven Thousand Four Hundred Seventy-Two Dollars and Seventy-Eight Cents (\$7,472.78). This payment will be made in two parts as described herein.

The initial payment of Five Thousand Dollars (\$5,000.00) shall be made from WCSD to Amaral upon the execution of this Agreement (“Initial Payment”).

Final payment shall be made upon completion of the Gate Damage repair and Amaral’s providing the documentation to WCSD as described in Section 3 of this Agreement, below. After receipt of the documentation, WCSD shall pay the remaining Two Thousand Four Hundred Seventy-Two Dollars and Seventy-Eight Cents (\$2,472.78) (“Final Payment”) to Amaral.

2. **Release.** Each party to this Agreement (i.e., WCSD and Amaral), on behalf of themselves and their heirs, successors, assigns, agents, and principals, will and does mutually release and discharges each

other party to this Agreement, and their spouse, heirs, successors, insurers, brokers, principals, officers, directors, shareholders, partners, agents, real estate sales persons, employees, and contractors, from any and all claims, liabilities, damages, and causes of action of any nature, including but not limited to those for damage to or diminution in the value of real or personal property, personal injuries, general and special damages, attorney's fees, and litigation expenses, which in any manner arise from or relate to the Gate Damage (hereinafter the "Release" or "Released Claims"). The release extends to and includes any and all claims, liabilities, injuries, damages, and causes of action that the Parties do not presently anticipate, know, or suspect to exist, but that may develop, accrue, or be discovered in the future related to or arising out of the Released Claims.

THE PARTIES EXPRESSLY WAIVE ALL RIGHTS UNDER 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 settlement with the debtor.

The Parties represent and warrant that they have considered the possibility that claims, liabilities, injuries, damages, and causes of action that they do not presently know or suspect to exist in their favor may develop, accrue, or be discovered in the future, and that they voluntarily assume that risk as part of the consideration for this Agreement.

3. **Documentation.** Within five (5) days of the Effective Date of this Agreement, Amaral shall furnish WCSD with copies of all receipts and invoices pertaining to the materials and costs associated with the repairs made pursuant to the Gate Damage for WCSD's records.

4. **Contingencies.** The Release recited in Section 2, above, and payments to Amaral recited in Section 1, above, is contingent upon and will become effective and due only upon satisfaction of each and all of the terms and conditions of this Agreement, the satisfaction of all of which collectively constitute conditions precedent to the enforceability of the Release. It is expressly acknowledged by the Parties that approval of this Agreement by the WCSD Board of Directors is a contingency to its enforceability.

5. **No Admission.** This Agreement is entered into for the purposes of compromising disputed claims and avoiding the expense, inconvenience, and uncertainty of litigation. Nothing contained in this Agreement, nor any consideration given pursuant to it, shall constitute or be deemed to be an admission of any breach, liability, or damages of any party.

6. **Future Water Line Damage.** WCSD shall remain accountable for issues related to the integrity of the lateral waterline rupture and subsequent repair for a period of one (1) calendar year from the Effective Date of this Agreement. At the expiration of this one (1) year period, Amaral shall assume full and complete liability and responsibility for condition of the Amaral Property, including, without limitation, future maintenance and repair of said lateral waterline. WCSD shall always remain responsible for the integrity of its own infrastructure located on WCSD's side of the service meter.

7. **Attorneys' Fees and Costs.** The Parties shall each bear their own attorney's fees and other expenses incurred as a result of the dispute to which this Agreement relates, including expenses for the negotiation and preparation of this Agreement and/or additional agreements to effectuate its terms. If any

legal action is commenced to interpret, enforce, or recover damages for the breach of any term of this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees incurred in connection with that action, in addition to costs of suit.

8. Entire Agreement. This Agreement contains the entire understanding between the Parties concerning the settlement of this dispute. Any and all prior negotiations that are not contained in this Agreement are superseded and are of no force or effect. Each party represents and warrants that no promise or inducement to enter into this settlement has been made to him or her that is not set forth in this Agreement.

9. Further Covenants. Each party covenants and agrees to execute such further documents and perform such further acts as may be reasonable and necessary to effectuate the purposes of this Agreement.

10. Interpretation. This Agreement shall be interpreted in accordance with the laws of the State of California. Where the context requires, the masculine, feminine, and neuter genders shall be construed to include each other, as shall the singular and the plural and the past, present, and future tenses. If any provision of this Agreement is determined to be invalid or unenforceable, the remainder shall be construed and enforced so as to best effectuate the intention of the Parties at the time this Agreement was entered into. This Agreement was drafted jointly by or on behalf of the Parties, and shall not be interpreted against any party on the basis that the party or the party's attorney drafted any of its provisions.

11. Signatures/Counterparts. This Agreement shall become effective upon its execution by or on behalf of all Parties, subject to satisfaction of the contingencies recited herein. It may be executed in two or more counterparts, each of which shall be deemed to be an original, and all counterparts shall together constitute the Agreement and electronically scanned and/or facsimile signatures shall be deemed to constitute originals, including signatures by DocuSign or other means.

12. Modification. This Agreement may not be orally superseded, modified, or amended. No waiver, modification, or amendment shall be valid unless signed by all Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

WCSD: Weott Community Services District

By: _____
Title: _____

Amaral: Richard Joseph Amaral, Jr., Trustee of the Richard Joseph Amaral Jr Trust,

Richard Joseph Amaral, Jr., Trustee of the
Richard Joseph Amaral Jr Trust