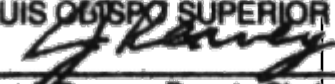


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SAN LUIS OBISPO SUPERIOR COURT
BY 
J. Reavey, Deputy Clerk

6 Attorneys for Plaintiff

8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **COUNTY OF SAN LUIS OBISPO**

10 THE PEOPLE OF THE STATE OF
11 CALIFORNIA,

12
13 Plaintiff,

14 v.

15 CHARLES GRACE, an individual;
16 GRACE ENVIRONMENTAL SERVICES,
17 LLC., a California Corporation; and DOES 1
18 through 20, inclusive

19 Defendants.

COURT NO. 21CV-0536

STIPULATION FOR ENTRY OF
FINAL JUDGMENT AND
INJUNCTION

[Business and Professions Code §§
17200, 17203, & 17206]

20 Plaintiff, the People of the State of California, appearing through its attorneys, DAN
21 DOW, District Attorney for San Luis Obispo County, by Kenneth J. Jorgensen, Deputy District
22 Attorney, and Defendants CHARLES GRACE, an individual, and GRACE
23 ENVIRONMENTAL SERVICES, LLC., a California Corporation, (“Defendants”), and by their
24 attorney, John J. Flynn III, hereby stipulate and agree as follows.

25 1. The term “Parties,” as used hereafter, refers collectively to Plaintiff and
26 Defendants; “Defendants” shall include any subsidiaries or affiliated entities, and their/its

1 predecessors, successors and assigns including, but not limited to, Grace Environmental
2 Services, Inc.

3 2. The term “San Simeon Community Services District,” “District,” or “SSCSD”
4 means the community services district created pursuant to Community Services District Law
5 (Government Code § 61000 et al., “CSD Law”), its residents, and its property owners.

6 3. The term “San Simeon Community Services District Board of Directors,”
7 “Board of Directors,” or “Board” means the board of directors of the District.

8 4. The term “SSCSD Manual of Policies” or “Board Policies” means the
9 comprehensive listing of current policies, rules, and regulations of the District enacted and as
10 amended from time to time by the Board of Directors.

11 5. The term “General Manager” means the executive officer of the Board of the
12 District and for the Board of Directors. (See Board Policies 3000 (before May 2019) & 4.01
13 (after May 2019); CSD Law, § 61002, subpart (f).)

14 6. The Parties to this Stipulation consent to the immediate entry of the Judgment in
15 the form attached and labeled as Exhibit 1, “Final Civil Judgment and Order According to
16 Stipulation” (“Final Judgment”), before the taking of any proof and without trial or adjudication
17 of any fact or law.

18 7. Defendants acknowledge that the Superior Court of the State of California,
19 County of San Luis Obispo, has jurisdiction of the subject matter hereto, and has personal
20 jurisdiction over Defendant.

21 8. Payments are to be made according to the provisions set forth in the Final
22 Judgment.

23 9. Defendants and their attorneys acknowledge the Final Judgment is a fair and
24 reasonable resolution of matters alleged in the People’s Complaint.

25 10. The Parties waive any right to set aside the Final Judgment through any collateral
26 attack, and further waive their right to appeal from the Final Judgment.

27 11. Defendants and the District entered into a contract (“the 2016 Contract”) wherein
28

1 Defendants agreed to provide operations and management services to the SSCSD in exchange
2 for a monthly sum of money. The 2016 Contract has since been amended over time. But the 2016
3 Contract, and its amendments, as structured, creates a financial conflict of interest under the laws
4 of California.

5 12. Presently, the District is seeking proposals from the community that would
6 separate the general management duties from the operations duties so that one business would
7 undertake management responsibilities and the other undertake operations.

8 14. The parties agree the separation of management and operations from one provider
9 would resolve the conflict of interest.

10 15. Defendants agree that it will not provide a proposal for either management or
11 operations to the District.

12 16. Defendants agree not to enforce remaining time of performance or any further
13 indemnification rights it has with the present Amended 2016 Contract.

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FOR THE PLAINTIFF:

DAN DOW, District Attorney
County of San Luis Obispo, State of California

DATED: May 26, 2023

By *Kenneth Jorgensen*

KENNETH JORGENSEN
Deputy District Attorney

FOR DEFENDANTS CHARLES GRACE AND GRACE ENVIRONMENTAL SERVICES, LLC.:

DATED: May 26, 2023

By *Charles Grace*

CHARLES GRACE
As an Individual and on behalf of
Grace Environmental Services, LLC and Grace
Environmental Services, Inc.

GREGORY W. SANDERS

DATED: May 26, 2023

By *G. Sanders*
Gregory W. Sanders (May 26, 2023 15:04 PDT)

GREGORY W. SANDERS, Attorney for Defendants










Proposed Stipulation mediation final

Final Audit Report

2023-05-26

Created:	2023-05-26
By:	Kenneth Jorgensen (kjorgensen@co.slo.ca.us)
Status:	Signed
Transaction ID:	CBJCHBCAABAAM5cd11ynPbcjnm5NsZKqduQORpdQpUOB

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-  Signer gsanders@nossaman.com entered name at signing as Gregory W. Sanders
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