**SETTLEMENT AND RELEASE AGREEMENT**

**THIS SETTLEMENT AND RELEASE AGREEMENT** (“Agreement”) is entered into and effective as of October \_\_, 2019 by and between Essity Operations Wausau LLC F/K/A Wausau Paper Towel & Tissue LLC (“Taxpayer”) and the Danville Independent School District (“Danville ISD”) (hereinafter all referred to collectively as the “Parties”).

**RECITALS:**

1. For tax years ended December 31, 2015 & December 31, 2016 (“Tax Periods”), Taxpayer timely filed amended Tangible Personal Property Tax Returns and related refund claims (“Refund Claims”) for certain inventory located at a warehouse facility in Danville, Boyle County, Kentucky. The Refunds Claims were reviewed by the Department of Revenue, Office of Property Valuation, which resulted in refunds due from Danville ISD in the amounts of $174,008.46 & $160,704.03 for the Tax Periods, respectively, for a total due of $334,712.49.
2. The Parties now desire to settle, adjust and compromise all issues associated with the Refund Claims for the Tax Periods upon the following terms and conditions:

**AGREEMENT:**

Now, therefore, the Parties hereby agree as follows:

1. **Payments.** The Danville ISD hereby agrees to remit to Taxpayer six (6) separate payments of fifty-five thousand, seven hundred and eighty-five dollars and forty-one cents (“55,785.41) (“Payments”). The Danville ISD shall satisfy these payment obligations by a cash payment in such amount tendered via check (or other mutually agreeable method) on a semi-annual basis beginning on January 15, 2020 and each subsequent six (6) months thereafter until fully paid (*i.e.*, July 15, 2020; January 15, 2021, etc.).
2. **Taxpayer’s Refund Claims.** Upon receipt of all Payments, the Taxpayer’s Refund Claims shall be fully paid and satisfied.
3. **Danville ISD ’s Waiver of Claims.** Danville ISD hereby forever waives any right, claim or demand to adjust all original and amended returns and accounts of Taxpayer related to the Refund Claims or Tax Periods.
4. **Taxpayer’s Waiver of Claims.** Upon receipt of all of the Payments due hereunder, Taxpayer forever waives any right, claim or demand to any further refunds (and associated refund interest accruing thereon) previously paid to Danville ISD related to the Refund Claims for the Tax Period. In addition, Taxpayer acknowledges that Danville ISD has previously satisfied in full Taxpayer’s refund claim for 2014 and waives any right, claim or demand for any further refund for the tax year ending December 31, 2014.
5. **Closed Refund Periods.** Taxpayer shall not hereafter seek a refund of tangible personal property tax from the Danville ISD attributable to or associated with the Tax Period or for the tax year ending December 31, 2014, nor shall it seek to recover any such amount(s) by set-off, counter-claim or by any other means.
6. **No Third Party Rights.** The Parties do not intend that this Agreement shall confer on any third party any right, remedy or benefit, nor that any third party shall have any right to enforce any provision of this Agreement. The Parties acknowledge that the Agreement is limited to the Tax Period (as well as the tax year ending December 31, 2014) and shall not prejudice any rights concerning taxable years other than the Tax Period and the tax year ending December 31, 2014, nor constitute an admission for future taxable years as to any issue in controversy during or for the Tax Period, nor shall the settlement be offered as evidence in any administrative or judicial proceeding except in an action to enforce the Agreement by a Party thereto.
7. **Jointly Drafted.** The Parties have participated jointly in the negotiation and drafting of this Agreement. If any ambiguity or question of intent or interpretation arises, no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.
8. **Binding Agreement.** This Agreement shall be binding upon and inure to the benefit of the Parties, their successors, affiliates and assigns and shall be respected by all officers and representatives thereof.
9. **Notices.** Any notices required hereunder, or any allegations of any breach hereof, shall be made via U.S. Express Mail, return receipt requested, delivered as follows:

If to Danville ISD: Dr. Tammy McDonald

Superintendent,

Danville Independent Schools

115 E. Lexington Avenue

Danville KY 40422

If to Taxpayer: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. **Mutual Settlement and Compromise.** The Parties acknowledge that this Agreement is entered into as a mutual settlement and compromise of the Refund Claims, on a fair and equitable basis, taking into consideration the hazards of litigation. The Parties acknowledge that by entering into this Agreement, each intends only to reach a fair and equitable compromise and settlement of differences with the other.
2. **Accord and Satisfaction.** The Parties intend that this Agreement shall be effective as a full and final accord and satisfaction and release of every released matter.
3. **Governing Law.** The laws of the Commonwealth of Kentucky will govern this Agreement without regard to its principles of conflicts of laws. In the event of any dispute or claim arising out of this Agreement, the Parties hereby agree that any legal action will be litigated in state courts within Boyle County, Kentucky.
4. **Complete Defense.** This Agreement may be pleaded as a full and complete defense to any action, demand, claim, suit or other proceeding which may be instituted, prosecuted or attempted for, upon, or in respect of, any of the claims released thereby.
5. **Voluntary Acceptance of Terms.** The Parties hereby acknowledge that the terms of this Agreement have been read completely and are fully understood by them with the aid and assistance of counsel of their selection, and that they voluntarily accept same for purposes of making a full and fair compromise, adjustment and settlement of all claims settled herein.
6. **No Admission of Liability.** The Parties acknowledge that the consideration extended herein is made in resolution of disputed claims, and shall not be considered to be an admission of liability by either Party.
7. **Entire Agreement.** This Agreement sets forth the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral negotiations, agreements or understandings between the Parties concerning such subject matter.
8. **Amendment.** This Agreement may not be amended or modified in any respect except by a written instrument duly executed by appropriate representatives of each of the Parties to this Agreement.
9. **Assumption of Risks.** Each Party to this Agreement assumes the risk of any mistake of fact or law with regard to any aspect of this Agreement, the Refund Claims described herein, or any asserted rights, claims, demands and actions mutually released by this Agreement. The Parties acknowledge to each other that each understands the final and permanent effect of this Agreement.
10. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be an original, and that this Agreement is effective upon execution of at least one counterpart by each Party to this Agreement.

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Taxpayer

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Danville ISD