

BUTTE SCHOOL DISTRICT NO. 1
BOARD OF TRUSTEES
SPECIAL MEETING
February 2, 2023

The Board of Trustees held a Special Meeting on Thursday, February 2, 2023 at 5:07 p.m. via TEAMS Teleconference with Chairperson Ann Boston presiding. Trustees present were Kelly Lee, Susanne Dauenhauer, Frank Joseph, and Kathy Milodragovich. Trustees Tom Billteen, Henry Klobucar, and Patti Hepola were absent. Also present were Judy Jonart, Superintendent.

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

CLOSE MEETING

Trustee Joseph made a motion to close the meeting, second by Trustee Dauenhauer. Motion carried unanimously. Chairperson Boston closed the meeting at 5:17 p.m.

LITIGATION SESSION

OPEN MEETING

Chairperson Boston opened the meeting at 5:42 p.m.

ENTERTAIN A MOTION ADDRESSING NEXT STEPS WITH CONTRACTOR

Board approval was requested for the following two motions:

- 1) Move to satisfy 3 payment applications, #21, 22, and 23, dated Feb 10, 2022 to April 6, 2023, to Langlas for the sum of \$837,500.00.

Trustee Dauenhauer made a motion to approve, second by Trustee Joseph. Motion carried unanimously.

- 2) Move to authorize Butte School District #1 to continue to work with the FBI and Department of Homeland Security to pursue any and all claims for recovery of funds stolen by cyberthieves.

Trustee Joseph made a motion to approve, second by Trustee Lee. Motion carried unanimously.

Settlement Agreement and Release of All Claims

This Settlement Agreement and Release of All Claims ("Agreement") is entered into by and between Langlas and Associates, Inc. ("Langlas") and Butte School District No. 1 ("District"). This Agreement settles all claims of whatever nature Langlas has made, or could have made, against the District arising out of a cyber theft of money which was due and payable to Langlas as a result of Langlas's Payment Applications #21, #22 and #23, dated February 10, 2022 through April 6, 2022. This Agreement specifically includes and settles any and all claims by Langlas for late fees, penalty, interest or attorney fees and costs.

The obligations of the respective parties to this Agreement are as follows:

1. District's Obligations

Upon the District's receipt of a fully executed Agreement from Langlas, the District is obligated to perform as follows:

- a) Within two (2) calendar days of the District's emailed receipt of an executed Agreement from Langlas, the District shall make and deliver a one time payment to Langlas via a check in the amount of Eight Hundred and Thirty Seven Thousand, Five Hundred Dollars (\$837,500.00);
- b) If, and only if, the District, within one (1) year of the execution of this Agreement, successfully pursues and recovers through the efforts of the FBI or Homeland Security, money/funds actually stolen by the cyber thief(s), the District shall notify Langlas in writing of the recovery and the amount recovered; thereafter, the District shall pay to Langlas any sum recovered by Homeland Security and/or the FBI, which

is received by the District in excess of \$837,500, ; any payment to Langlas would only be up to the amount Langlas claims would be required to make it whole (\$1,263,947.45-\$837,500.00). This provision shall survive, unless extended in writing, for one (1) year from the final execution of this agreement.

2. Langlas & Associates Inc. Obligations

Upon receipt of the \$837,500.00 referenced herein, Langlas is obligated to perform as follows:

- a) Langlas shall cease and desist all collection efforts, formal or informal, to collect any funds from the District for any work or costs Langlas or its subcontractors performed or incurred in connection with the AIA contract dated the 29th day of April, 2019;
- b) Langlas shall satisfy all due and payable obligations it has to subcontractors and vendors associated with the April 29,2019 AIA contract and obtain a lien release from all such contractors or vendors;
- c) By signing this Agreement and receiving the \$837,500.00 referenced above, Langlas agrees that all terms and conditions of the April 29,2019 AIA contract, particularly payment obligations, are fully satisfied by the District;
- d) By signing this Agreement Langlas agrees that all of Langlas' obligations--- indemnification, warranty, maintenance and inspection are in full force and effect consistent with the April 29,2019 contract;
- e) Langlas agrees to cooperate with the District, Homeland Security and the FBI as the District pursues recovery of the funds stolen by the cyber thief(s); and

- f) With the exception of the District's obligation to pay Langlas any sums in excess of \$837,500 recovered through the FBI and/or Homeland Security within twelve months after the execution of this Agreement, Langlas hereby releases the District, its assigns and successors from all obligations associated with the AIA contract referenced herein as related to cyber theft or payment obligations.

3. Joint Recitals

The Parties each agree:

- a) Modifications. This Agreement cannot be changed orally, and no executory agreement shall be effective to waive, change, modify or discharge this Agreement in whole or in part, unless such executory agreement is in writing and is signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.
- b) Entire Agreement. This Agreement contains the entire agreement between the parties pertaining to the subject matter hereof and supersedes the prior written agreement between the parties pertaining to the payments referenced herein.
- c) Counterparts. This Agreement may be executed in counterparts, and all such executed counterparts shall constitute the same agreement.
- d) Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall nonetheless remain in full force and effect.

- e) Applicable Law. This Agreement is performable in the state of Montana and shall in all respects be governed by, and construed in accordance with, the substantive federal laws of the United States and the laws of Montana.
- f) Jurisdiction and Venue. Langlas and the District hereby stipulate to the jurisdiction of any state or federal court sitting in the county of Silver Bow and hereby irrevocably agree that all claims in respect to this Agreement shall be heard and determined in a state or federal court sitting in Silver Bow County.
- g) No Third Party Beneficiary. The provisions of this Agreement are and will be for the benefit of the Parties only and are not for the benefit of any third party, accordingly, no third party shall have the right to enforce the provisions of this Agreement or gain any benefit under this Agreement.
- h) Time of the Essence. Time is of the essence with respect to the provisions of this Agreement.

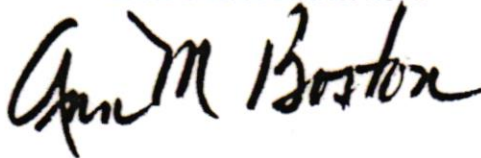
Dated this 1st day of February, 2023.

Langlas and Associates, Inc.

By: _____

Steve Langlas, President

Butte School District No. 1



Ann Boston, Chairman
Board of Trustees

PUBLIC COMMENT ON ANY PUBLIC MATTER NOT ON AGENDA

None

ADJOURNMENT

There being no further business to come before the board, Trustee Joseph moved to adjourn, second by Trustee Milodragovich. Motion carried unanimously. Chairperson Boston adjourned the meeting at 5:47 p.m.



District Clerk



Chairwoman of the Board of Trustees