

Whereas, Kim Murphy has previously initiated multiple lawsuits against School District Five, including a suit seeking to prevent the District's approved development of Chapin High School around June 2010. Shortly after filing that suit, in November 2010, Ms. Murphy was elected to a Richland County seat on the School Board; and,

Whereas, even after she was sworn in as a member of the Board of Trustees, she continued to pursue her legal appeals and challenges to the students' new and renovated facilities at Chapin High School. The taxpayers decided to move forward on the expansion of Chapin High School through the democratic process and reasonably expected that the school board of Trustees would protect and preserve the District's property and assets, including the protection of its property rights against abusive litigation, construction delays, wasteful cost increases, and a trustee's efforts to pursue personal interests with school property to the detriment of the school district's students and taxpayers; and,

Whereas, as trustees of public property and servants of the public interest, school board members are bound in the management of all school district affairs to act in good faith and with due diligence and prudence for the benefit of the school district and its students without regard for their own personal interests; and,

Whereas, the voters of the district approved a bond referendum in 2008 that provided for improvements to and construction of facilities in the district including renovations and student facility upgrades to Chapin High School; and,

Whereas, it appears that Ms. Murphy, who opposed the bond referendum, in an effort to stop development of the approved improvements at Chapin High School and in order to further her own personal interests with the school district's property at Chapin High School, filed and prosecuted three administrative law actions, including appeals, opposing the permitting for aspects of the new Chapin High School student facilities; and,

Whereas, all three of the legal actions that Ms. Murphy instituted involving Chapin High School were unsuccessful, and DHEC granted the necessary permits. The permits were received by the School District after Ms. Murphy's legal actions significantly delayed the development of the student

facilities at Chapin High School; deprived the students at Chapin High School of the benefits of the upgraded facilities for two years; and based upon the District's 2012 determination, imposed more than \$10 million in unnecessary additional costs on the school district and its taxpayers; and,

Whereas, after being advised by State Authorities that while elected to a Richland County Seat, Ms. Murphy did not reside in Richland County, a determination subsequently approved by the South Carolina Supreme Court, Ms. Murphy was removed from the Board because she was ineligible to run for the seat, be elected to the seat or to serve as a member of the Board elected from Richland County; and,

Whereas, Ms. Murphy instituted the lawsuit in question, captioned Kim Murphy v. Richland Lexington School District No. 5 by and through its Board of Trustees and through Counsel to the Board of Trustees, Civil Action No. 2013-CP-40-01897; and,

Whereas, in response to this action and to protect the taxpayers who will bear the expense of the unnecessary additional \$10 million in costs, the School District instituted a compulsory counterclaim for the losses sustained because of her actions; and,

Whereas, after the Court granted summary judgment to the School District on Ms. Murphy's claim, she wished to appeal, and as an accommodation to her, the District waited to proceed on the compulsory counterclaim until after her appeals were resolved; and,

Whereas, the school district's compulsory counterclaim against its former trustee, Ms. Murphy, is a conscientious effort to protect school property and legal interests; and,

Whereas, Ms. Murphy alleged that she had a direct and personal interest in the matter opposing the renovations and new student facilities at Chapin High School. Her appeals and legal actions, opposing the school district's approved use of its property for Chapin High School students in pursuit of her private and personal interests, cost the district's taxpayers amounts estimated to be more than \$10 million; and

Whereas, her actions deprived the students of the timely use of new and improved facilities at Chapin High School. Just as the school district would seek to hold anyone accountable for damages to school property caused

by their improper and disruptive acts; here, the school district is not bullying or punitively attacking Ms. Murphy. Rather, it is our obligation as stewards of the school district's resources and assets to protect its students' and taxpayers' interests to hold Ms. Murphy accountable for the consequences of her abusive appeals and lawsuits in pursuit of her personal interests; and,

Whereas, the matter is nearing trial and in an effort to promote a resolution to this matter, taking into account a resolution that protects the District, students, and taxpayers from further wasteful and unnecessary litigation as well as protecting Ms. Murphy's constitutional rights,

I would move that the Board make the following offer to Ms. Murphy to resolve this matter, with the offer remaining open until April 18, 2019, at 5:00 PM.

The District will agree to dismiss its counterclaims against Ms. Murphy with PREJUDICE upon approval of the Court, on the following conditions:

The parties will execute a Consent Order that provides:

For a period of five (5) years from the date of entry of this Order, Ms. Murphy shall not file any legal action, including, but not limited to any petition, motion, complaint, appeal, extraordinary writ or other matter against School District Five of Lexington and Richland Counties ("School District") or any of its officials, agents or employees in any state or federal court, including any Administrative Law Court or Administrative Agency, without complying with the following prefiling procedures:

1. Ms. Murphy shall provide written notice to School District of her intent to file an action or proceeding by serving the District with such notice and the pleading, petition, motion or other papers she proposes to file. Service shall be in the manner provided by Rule 4 of the South Carolina Rules of Civil Procedure. Following such service, Plaintiff shall request a conference the Chief Administrative Judge for Administrative Purposes for the Fifth Judicial Circuit and notify the District of her request ("prefiling conference"). The request shall include a copy of this Consent Order and proposed filing and shall be served on the District. Upon receipt of notice that a prefiling conference has been

scheduled, the Plaintiff shall immediately notify Defendant in writing of the date and time of the Conference. The submission of such a request shall toll the statute of limitations as to any proposed underlying claim.

2. At the pre-filing conference, the Court may inquire into the proposed pleading or paper's compliance with Rules 11 and 12 of the South Carolina Rules of Civil Procedure. Based on that inquiry the Court may allow Ms. Murphy to proceed to file the action as presented or may direct Ms. Murphy to address identified deficiencies or may reject the proposed filing because it does not comply with Rule 11 or 12.
3. Only after the Chief Administrative Judge approves a requested filing may Ms. Murphy file the pleading or document with the clerk of court or another official.
4. Should Ms. Murphy file any action without the approval of the Court, she agrees that the Court may enter a judgment against her in the amount of Two Million and no/100 (\$2,000,000.00). The judgment shall also provide that Ms. Murphy is liable for prejudgment interest from the date of any unapproved filing together with costs and attorney fees incurred in collecting the said judgment.
5. For the purposes of the proposed Order, Ms. Murphy includes Kim Murphy individually as well as any entity or organization organized, incorporated, assembled by her or in her control.