

SETTLEMENT AGREEMENT AND RELEASE

THIS AGREEMENT ("Agreement"), entered February ___, 2006, is among DEBORAH E. BENNETT ("Bennett"), MAGNUM PUBLISHING COMPANY, a Florida corporation ("Magnum"), JEFF PERLMAN ("Perlman") and THE SCHOOL BOARD OF PALM BEACH COUNTY (the "School Board"), a public body governing the School District of Palm Beach County (the "School District") (referred to collectively herein as the "Parties").

WHEREAS, on or about March 23, 2004, Bennett sued Magnum and Perlman, which action is Case No. 502004CA003114XXXMBAE in the Circuit Court for Palm Beach County, Florida (the "Litigation");

WHEREAS, on or about August 12, 2004, the School Board was added to the Litigation; and

WHEREAS the Parties desire to settle and fully resolve the Litigation according to the terms set forth herein;

NOW, THEREFORE, in consideration of the following terms and conditions, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Affidavit of Perlman. This Agreement is expressly conditioned on the contemporaneous execution by Perlman of the Affidavit attached hereto as Exhibit A.
2. Bennett's Attorneys' Fees. Within ten (10) days after the execution of this Agreement by all of the Parties, Perlman and Magnum, jointly and severally, shall pay to Bennett \$3,000 of the attorneys' fees incurred by Bennett in the Litigation. Separately and in addition, within thirty (30) days after School Board approval as set forth below in paragraph 6, the School Board shall also pay to Bennett \$3,000 of the attorneys' fees incurred by her in the Litigation.
3. Release and Reservation of Rights. Excepting any and all claims or rights arising from and expressly and specifically set forth in this Agreement (including those arising out of a breach of the terms hereof, and the right to enforce the terms hereof), in consideration of the mutual promises and obligations contained herein, the receipt and sufficiency of which is hereby acknowledged, Bennett, on the one hand, and each of Magnum, Perlman, and the School Board, on the other hand, does hereby for

itself/himself/herself, its/his/her successors and assigns remise, release, and forever discharge the others and each of their respective directors, officers, shareholders, present and former employees, attorneys, predecessors, successors, assigns, heirs, executors, or other agents or representatives, as the case may be, from the beginning of the world to the day of these presents, of and from the following: Bennett releases Magnum, Perlman, and the School Board from all public records-related claims that were raised or could have been raised in the Litigation; and Magnum, Perlman, and the School Board release Bennett from any claims arising from or related to the Litigation. This Agreement shall not be a waiver of any claim based upon future similar acts. Perlman and Bennett expressly reserve the right to bring an action against the other for defamation based upon any and all future acts.

4. No Admission of Fault. It is understood and agreed that this settlement is the compromise of a disputed claim, and that the consideration referenced herein is not to be construed as an admission of liability, an admission that any of the requested records were public records or that there was any public records statute violation, or an admission of any contractual obligation by any party or any finding of fault by any party, by whom liability or obligation is hereby expressly denied.

5. Dismissal of Litigation. Upon execution of this Agreement by all of the Parties, Bennett shall, within ten (10) days after receipt of payment in full and delivery of all records, as set forth above in paragraphs 1 and 2, file with the Court a notice of voluntary dismissal with prejudice, thereby terminating the Litigation.

6. Board Approval. This Settlement Agreement is contingent upon approval of the School Board at an open public meeting and the School Board shall consider this Settlement Agreement within forty-five (45) days of execution by the other parties. The Superintendent shall recommend the Settlement Agreement to the School Board for approval.

7. No Waiver. The parties agree that any failure of any executing party to insist on strict performance of any covenant or condition herein shall not be construed as a waiver of such covenant or conditions for any insistence.

8. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. Venue shall be in Palm

Beach County, Florida.

9. Headings. The section headings contained herein are for reference only and shall not in any way affect the meaning or interpretation of this Agreement.

10. Notices. Any notice required or permitted to be given under this Agreement shall be sufficient if in writing, and sent by certified U.S. Mail to the applicable party at its official address, or to such other address as the recipient party may specify to the sending party in writing. The date three (3) days after the date of mailing of such notice shall be deemed to be the date of delivery thereof. To expedite delivery, use of a facsimile machine is encouraged in addition to certified mailing.

11. Non-assignment. This Agreement may not be assigned by the parties.

12. Costs and Expenses. Except as otherwise provided within this Agreement, and except for the prior arrangement to share the cost of mediation, as between the Parties, each party to this Agreement shall bear his/her/its own costs, expenses, and claims to interest and attorneys' fees, whether taxable or otherwise, incurred in or arising out of, or in any way connected with the matters which are referenced or covered in or otherwise related to this Agreement. Bennett acknowledges that the waiver and release provisions of this Agreement bar any claims or demands for costs, fees or any other expenses including, but not limited to, attorney's fees incurred or claimed in connection with any claims they may have against the School Board, School District, Magnum or Perlman.

13. Representation. Each party attests that he/she/it has been represented by counsel of his/her/its selection, has read this Agreement (or has had the same read to it), knows and understands same, has entered into this Agreement freely and voluntarily and without coercion, and intends to be bound by the terms and conditions hereof, and waives any right to appeal any final judgment or order entered pursuant to the terms hereof.

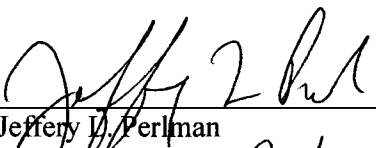
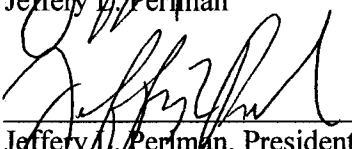
14. Severability. In the event of any section, paragraph, term, or provision of this Agreement or its application to any circumstance shall, to any extent, be deemed invalid or unenforceable by a court of law with appropriate jurisdiction, the remainder of this Agreement shall remain valid and enforceable to the fullest extent permitted by law.

15. Entire Agreement. This Agreement constitutes the entire agreement as between the Parties concerning settlement and resolution of the Litigation, upon approval

and execution by the entities and signatories listed below. The terms of this Agreement are contractual and not a mere recital and shall be binding upon the beneficiaries, agents, and attorneys of each. As between the Plaintiff and the Defendants, no other representations or promises concerning this matter shall be binding on the parties except the representations and promises contained in this Agreement or in some future writing signed by all parties stating such representations or promises. This Agreement cannot be modified, amended, or terminated except by written Agreement signed by all of the parties hereto.

16. Date of Agreement. This Agreement is dated as of the date of execution of the last such executing party. This Agreement may be signed in counterparts and the parties shall exchange executed copies of this Agreement immediately after the signatures have been obtained.

IN WITNESS OF the approval of the aforesaid entities, we have set our hands and affixed our seals below:

_____ Deborah E. Bennett	_____ Date
 _____ Jeffery L. Perlman	<u>2/08/06</u> _____ Date
 _____ Jeffery L. Perlman, President Magnum Publishing Company, Inc.	<u>2/08/06</u> _____ Date
_____ Thomas E. Lynch, Chair, the School Board of Palm Beach County, Florida	_____ Date
_____ Arthur C. Johnson, Superintendent The School District of Palm Beach County, Florida	_____ Date

and execution by the entities and signatories listed below. The terms of this Agreement are contractual and not a mere recital and shall be binding upon the beneficiaries, agents, and attorneys of each. As between the Plaintiff and the Defendants, no other representations or promises concerning this matter shall be binding on the parties except the representations and promises contained in this Agreement or in some future writing signed by all parties stating such representations or promises. This Agreement cannot be modified, amended, or terminated except by written Agreement signed by all of the parties hereto.

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<u>Deborah E. Bennett</u> Deborah E. Bennett	<u>2/9/06</u> Date
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_____ Jeffery L. Perlman	_____ Date
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_____ Jeffery L. Perlman, President Magnum Publishing Company, Inc.	_____ Date
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_____ Thomas E. Lynch, Chair, the School Board of Palm Beach County, Florida	_____ Date
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_____ Arthur C. Johnson, Superintendent The School District of Palm Beach County, Florida	_____ Date
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AFFIDAVIT OF JEFFREY L. PERLMAN

STATE OF FLORIDA)
) SS.
COUNTY OF PALM BEACH)

BEFORE ME, the undersigned authority, did personally appear JEFFREY L. PERLMAN, who is personally known to me and who did take an oath and says as follows:

1. That from 1996 through 2005, I was the President of Magnum Publishing Company, a Florida corporation. I make this affidavit of my own personal knowledge.
2. I formed Magnum Publishing Company in connection with the publication of *The Education Times*, a monthly newspaper covering local education news and issues, one of the only newspapers of its kind devoted solely to education. The publication grew from an 8,000 circulation paper in 1996 to a 55,000 circulation paper in 2001. I sold *The Education Times* to BRN Media Group in 2000.
3. Sometime during the latter part of 2002, I was approached by Palm Beach County Superintendent of Schools Art Johnson with a proposal to rejuvenate my former newspaper.
4. I told Dr. Johnson that I was interested and proposed to publish 6 issues of *Education Today* from January 2003 through December 2003, for payments totaling approximately \$69,000. I further conveyed my hope and goal that those payments would enable me to launch the newspaper; while the sale of sponsorships would result in the newspaper becoming financially self-sufficient, so that Magnum Publishing Company could continue to publish *Education Today* at no cost to the

School Board of Palm Beach County (the "School Board") after the first year of the publication.

5. Accordingly, Magnum Publishing Company and the School Board entered into a contract as of December 11, 2002, under which Magnum Publishing Company would publish six issues of *Education Today* during the 2003 calendar year.
6. Addendum 2 to the contract between Magnum Publishing Company and the School Board contemplated that for each of the 6 issues of *Education Today* published, 25,000 copies would be distributed at Chambers of Commerce, public schools, and pre-schools throughout Palm Beach County, public libraries, PTA members, SAC members, volunteers, realtors, and district employees, and "direct mailed to a list of leaders and education advocates".
7. However, when I attempted to obtain the School Board's list of "leaders and education advocates", the School Board refused to provide such a list.
8. I contracted with the Boca Raton News (the "Boca News") to handle the printing and distribution of *Education Today*. Based upon my prior relationship with the people at the Boca News, that contract was not in writing, but was simply based upon mutual respect and a handshake.
9. Accordingly, for each of the 6 issues of *Education Today* published in 2003, I paid the Boca News to print and distribute 25,000 copies of the paper at Chambers of Commerce, public schools, and pre-schools throughout Palm Beach County, public libraries, PTA members, SAC members, volunteers, realtors, and district employees.

However, because I could not obtain the School Board's list of leaders and education advocates, the Boca News did not distribute *Education Today* by direct mail to such individuals.

10. Payments to the Boca News for printing and distribution of *Education Today* in 2003 totaled \$ 9,800.00.
11. When I brought each issue of *Education Today* to the Boca News for printing, the circulation people would inform me whether the Boca News had sufficient staffing/capacity in order to handle that particular job. During those months when the Boca News could not utilize its own employees for distribution of *Education Today*, the Boca News would subcontract the job to independent distributors. These independent distributors frequently did not own bank accounts and required payments for their services in cash, or checks payable to cash.
12. When Boca News employees handled the distribution, I would write one check to the Boca News to cover printing and distribution costs. The prices for these services varied, based upon such factors as the amount of color I used, whether or not the ads and copy were "camera ready", whether I was able to schedule a press time when the Boca News was handling another tabloid-size job, the weight of the paper used, and the price of ink and newsprint, which fluctuates.
13. In order to receive payment from the School Board, I needed to produce the newspaper and deliver several hundred copies to district headquarters for internal distribution.

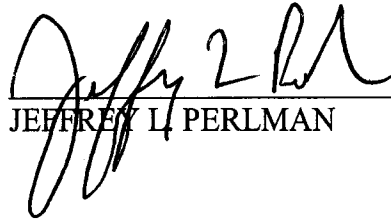
14. When the printing job was completed, I would pick up several bundles of newspapers for delivery to district headquarters and for my own use. The rest of the newspapers would be left at the Boca News plant for distribution by Boca News employees or independent contractors. The prices of those contractors also varied substantially, from \$200 by one crew of four men to up to \$800. I never had a choice of distributor because their availability was entirely unpredictable.
15. The printing and distribution costs for the first issue of *Education Today* [January/February 2003] amounted to \$1,800, consisting of \$1,000 for printing [see attached copy of check no. 167 payable to BRN Media] and \$800 for distribution [see attached check no. 168 payable to cash, for delivery by an independent contractor].
16. The printing and distribution costs for the April/May 2003 issue of *Education Today* amounted to \$2,000. The attached copy of check no. 111 payable to Jeff Perlman represents reimbursement for cash payments made to the Boca News and an independent distributor.
17. The printing and distribution costs for the June/July 2003 issue of *Education Today* amounted to \$1,600 [see attached copy of check no. 117 payable to BRN Media].
18. The printing and distribution costs for the August/September 2003 issue of *Education Today* amounted to \$1,200. The attached copy of check no. 147 payable to Jeff Perlman represents reimbursement for cash payments made to the Boca News and an independent distributor.

19. The printing and distribution costs for the October/November 2003 issue of *Education Today* amounted to \$1,200 [see attached copy of check no. 146 payable to BRN Media].
20. The printing and distribution costs for the final contracted issue of *Education Today* in December 2003/January 2004 amounted to \$2,000. The attached copy of check no. 162 payable to Jeff Perlman represents reimbursement for cash payments made to the Boca News and an independent distributor.
21. Neither I nor Magnum Publishing Company received an invoice or a receipt for the payments represented by checks nos. 167, 167, 111, 117, 147, 146, and 162, identified in paragraphs 15 through 20 above.
22. Neither I nor Magnum Publishing Company ever received original cancelled checks from Union Planters Bank. Instead, the bank forwarded small copies of the cancelled checks together with the monthly statements. Union Planters Bank is no longer doing business, having merged with Regions' Bank in 2004. I have not been able to obtain from Regions' Bank the original cancelled checks identified in paragraphs 15 through 20 above.
23. In accordance with my discussions with Dr. Johnson and in an effort to nurture the growth of *Education Today* so that we could continue to publish the paper after the expiration of the 2003 calendar year at no cost to the School Board, we were able to secure \$22,000 in sponsorships between the months of August and December of 2003. The list of sponsors is as follows:

<u>Sponsor</u>	<u>Amount Received</u>
Turner Construction	\$ 3,000.00
James Pirtle	\$ 3,000.00
Sysco Food Systems	\$ 1,500.00
Song & Associates	\$ 500.00
Michelle Heilweil	\$ 4,000.00
FPL	\$ 1,500.00
Bellsouth	\$ 1,500.00
Zyscovich	\$ 1,500.00
Community Blood Centers	\$ 500.00
United Health Care	\$ 500.00
Catalfumo	\$ 3,000.00
CR Klewin	\$ 1,500.00

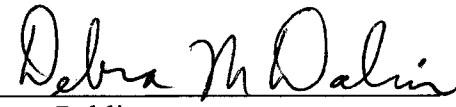
22. Documents reflecting the sponsorship monies raised in 2003 were previously provided at the request of the School Board's attorney. In addition to the documents previously provided, the attached list obtained from Rebecca Shelton, the independent contractor who sold all sponsorships on behalf of Magnum Publishing Company, reflects sponsorship monies received from Michelle Heilweil in the amount of \$4,000. Ms. Heilweil received a \$5,000 sponsorship in consideration for payment in the amount of \$4,000. The reason that Ms. Heilweil received the \$5,000 sponsorship is as a result of her contributing an additional \$1,000 directly to Conniston Middle School for a party and prizes to be awarded in conjunction with an essay contest.

FURTHER AFFIANT SAYETH NAUGHT.

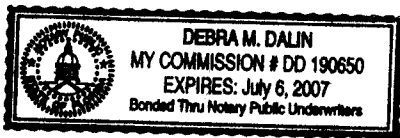


JEFFREY L. PERLMAN

BEFORE ME, the undersigned authority, personally appeared JEFFREY L. PERLMAN, who is personally known to me or who has produced FL D.L. P645-432-64-306-0 as identification and who swears and deposes that the foregoing is true and correct to the best of his knowledge, information and belief. SWORN TO AND SUBSCRIBED before me this 8 day of February 2006.



Notary Public
State of Florida



MAGNUM PUBLISHING COMPANY 167
 971 Delray Lakes Dr
 Delray Beach, FL 33444

26-4962752 00 012004
 1/13/04 DATE

PAY TO THE ORDER OF RON Medina \$ 1,000.00
one thousand and 00/100 DOLLARS

UNION PLANTERS BANK

FOR Ed Today Jeff R...

⑆067008414⑆0167 ⑆988004923⑆ ⑆0000100000⑆

01/20/04 167 \$1,000.00

MAGNUM PUBLISHING COMPANY 168
 971 Delray Lakes Dr
 Delray Beach, FL 33444

26-4962752 00 012004
 1/13/04 DATE

PAY TO THE ORDER OF Cash \$ 800.00
eight hundred and 00/100 DOLLARS

UNION PLANTERS BANK

FOR Jeff R... Jeff R... ASST

⑆067008414⑆0168 ⑆988004923⑆ ⑆0000800000⑆

01/20/04 168 \$800.00

MAGNUM PUBLISHING COMPANY 111
 971 Delray Lakes Dr
 Delray Beach, FL 33444

270005703 05 05-23-03
 5/23/03 DATE

PAY TO THE ORDER OF Jeff Reiman \$ 2,000.00
two thousand and 00/100 DOLLARS

UNION PLANTERS BANK

FOR Jeff R...

⑆067008414⑆0111 ⑆988004923⑆ ⑆0000200000⑆

05/23/03 111 \$2,000.00

MAGNUM PUBLISHING COMPANY 117
 971 Delray Lakes Dr
 Delray Beach, FL 33444

26-4962752 00 06-04-03
 6/24/03 DATE

PAY TO THE ORDER OF Roca River News \$ 1,600.00
one thousand six hundred and 00/100 DOLLARS

UNION PLANTERS BANK

FOR ED TODAY PRINTING TODAY Jeff R...

⑆067008414⑆0117 ⑆988004923⑆ ⑆0000160000⑆

06/04/03 117 \$1,600.00

MAGNUM PUBLISHING COMPANY
 971 Delray Lakes Dr
 Delray Beach, FL 33444

147

27510113400 DATE 10/31/03

ISSUED TO Jeff Palma \$ 1,200.00

one thousand two hundred & 00/100 DOLLARS

UNION PLANTERS BANK

FOR Jeff Palma

⑆067008414⑆0147 ⑆9660049231⑆ ⑆000010000⑆

10/31/03 147 \$1,200.00

MAGNUM PUBLISHING COMPANY
 971 Delray Lakes Dr
 Delray Beach, FL 33444

146

26848951300 DATE 11/03/03

ISSUED TO BRN made from \$ 1,100.00

one thousand one hundred and 00/100 DOLLARS

UNION PLANTERS BANK

FOR Jeff Palma

⑆067008414⑆0146 ⑆9660049231⑆ ⑆000010000⑆

11/03/03 146 \$1,100.00

MAGNUM PUBLISHING COMPANY
 971 Delray Lakes Dr
 Delray Beach, FL 33444

162

27154111100 DATE 12/22/03

ISSUED TO Jeff Palma \$ 2,000.00

two thousand and 00/100 DOLLARS

UNION PLANTERS BANK

FOR Jeff Palma

⑆067008414⑆0162 ⑆9660049231⑆ ⑆000020000⑆

12/22/03 162 \$2,000.00

Education Today Ad Placement for 2003 Edition

James Pirtle Construction	¼ page	1500.00	PIF
Catalfumo Construction, ltd	½ page	2500.00	PIF
Centex Rooney	¼ page	1500.00	PIF
Turner Construction Company	½ page	2500.00	PIF
Fl School Book Depository	HOLD	HOLD	
Sysco Food Svcs of Florida	¼ page	1500.00	PIF
Suffolk Construction Co	¼ page	1500.00	PIF
Bellsouth	¼ page	1500.00	PIF
FPL	¼ page	1500.00	PIF
SF Blood Bank	¼ page	MAILED 9/9	PIF
Michelle Heilweil Program Design per client 20% put into program/party.	FULL	5000.00	\$4k Paid