

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Settlement Agreement and Release") is entered into by and between FREEDOM FROM RELIGION FOUNDATION, INC. ("FFRF"), DOE 1, by Doe 1's next friend and parent MARIE SCHAUB ("Doe 1") and MARIE SCHAUB, who also sues on her own behalf ("Schaub") (collectively the "Plaintiffs") and NEW KENSINGTON-ARNOLD SCHOOL DISTRICT ("the District") (collectively referred to as "THE PARTIES").

WHEREAS, on September 14, 2012, Plaintiffs initiated litigation against the District by filing a one-count Complaint against the District in the United States District Court for the Western District of Pennsylvania (the "District Court"), which was docketed at 2:12-cv-01319 (the "Litigation");

WHEREAS, THE PARTIES' cross Motions for Summary Judgment are currently pending before the District Court;

WHEREAS, Plaintiffs contend that in the event the District Court were to grant their Motion for Summary Judgment they would have a right, pursuant to 42 U.S.C. § 1988, to file a motion with the District Court to seek an Order requiring the District to pay Plaintiffs' reasonable attorneys' fees and costs incurred in the Litigation ("Plaintiffs' Fee Motion");

WHEREAS, Plaintiffs contend that in the event the District Court were to grant their Motion for Summary Judgment they would have a right, pursuant to Rule 54 of the Federal Rules of Civil Procedure, to file a bill of costs with the Court to seek an Order requiring the District to pay Plaintiffs' recoverable costs associated with the Litigation (Plaintiffs' Bill of Costs");

WHEREAS, THE PARTIES have reached agreement on terms to resolve the Litigation, including the potential for Plaintiffs' Fee Motion and Plaintiffs' Bill of Costs;

NOW THEREFORE, intending to be legally bound and to resolve any and all claims between them as it relates to the issues set forth herein, THE PARTIES agree as follows:

After consultation with their respective attorneys and intending to be legally bound hereby, THE PARTIES agree to the following provisions, each of which is material and is agreed to as an inducement to enter into this Settlement Agreement and Release by THE PARTIES:

FFRF, Doe 1 and Schaub do hereby on their own behalf and on behalf their agents, representatives, respective heirs, executors, administrators, successors and assigns, and for the consideration set forth in this Settlement Agreement and Release, the adequacy of which they specifically acknowledge as to the District, hereby voluntarily, expressly and unconditionally releases and forever discharges the District, its predecessors, related entities, successors and assigns and its board of directors, past present and future board members, administrators, employees, representatives, contractors, professional consultants, agents including, the District's agents, representatives, employees, insurers, present or past parent corporations, subsidiary corporations, divisions, officers, directors, and any and all other persons, firms, contractors, or professional consultants that were directly or indirectly involved in the Litigation, and the heirs, executors, administrators, successors or assigns of any such persons or such entities (hereinafter severally and collectively called "RELEASED PARTIES"), from (i) any and all possible claims, issues, charges, complaints or causes

of action, known or unknown, and of whatever kind or nature, which arose on or before the effective date of this Settlement Agreement and Release; (ii) any and all claims arising out of, or in any way related to, the Litigation; (iii) any and all claims, which arose on or before the effective date of this Settlement Agreement and release, under any possible legal, equitable, tort, contract or statutory theory including but not limited to any and all claims of local, state and federal civil rights claims, alleged discrimination, retaliation, violation of Constitutional rights, tort claims, and all claims arising under, but not limited to, the District's policies and procedures or any local ordinance; (iv) and all claims which FFRF, Doe 1 and Schaub did assert or might have asserted against the RELEASED PARTIES in the Litigation.

FFRF, Doe 1 and Schaub affirm that they have not filed with any governmental agency or court any type of action or report against the District [other than this matter], and currently knows of no existing act or omission by the District that may constitute a claim or liability excluded from this Settlement Agreement and Release.

FFRF, Doe 1 and Schaub and their attorneys also specifically release all RELEASED PARTIES from any and all claims or causes of action for the fees, costs, expenses and interest incurred by FFRF, Doe 1 and Schaub as well as those incurred by any and all attorneys who have at any time or are now representing them in connection with the Litigation and/or this Settlement Agreement and Release and/or in connection with any matters released in this Settlement Agreement and Release, including Plaintiffs' Fee Motion and Plaintiffs' Bill of Costs.

It is further understood and agreed that the consideration for the Settlement Agreement and Release is as follows:

1. The District's Insurer, CM Regent Insurance Company will pay One Hundred, Sixty Three Thousand, and Five Hundred Dollars (\$163,500.00) to "Steele Schneider" to resolve Plaintiffs' Fee Motion and Plaintiffs' Bill of Costs. This payment shall be by check within 20 days of the effective date of this Settlement Agreement. FFRF, Doe 1 and Schaub are responsible for and assumes any and all liability for any tax consequences or penalties incurred relative to this settlement payment and will indemnify, defend and hold harmless the District and CM Regent Insurance Company for any taxes owed, penalties, interest and/or liability;

2. Within 30 days of the effective date of this Settlement Agreement and Release, the District shall remove the monument that is central to the controversy underlying the Litigation and place the monument in storage on District property until the monument is delivered to a private entity.

3. The District's insurer, CM Regent Insurance Company, shall pay Burns White LLC for mediation services provided by attorney David White.

4. FFRF, Doe 1 and Schaub will discontinue and withdraw with prejudice the matter filed in the United States District Court for the Western District of Pennsylvania at Civil Action No. 12-1319, and release all claims against all RELEASED PARTIES. It is agreed that a stipulation of dismissal with prejudice shall be filed by FFRF, Doe 1 and Schaub's counsel with the United States District Court for the Western District of Pennsylvania in the form set forth in Exhibit A hereto. This Settlement Agreement shall not be filed with the stipulation of dismissal with prejudice. Each party shall bear its own costs, expenses, and attorneys' fees, and by endorsing this Settlement Agreement and Release, FFRF, Doe 1 and Schaub expressly waive any right to

attorney's fees and/or costs, including those claims that would be made in Plaintiffs' Fee Motion and Plaintiffs' Bill of Costs;

5. FFRF, Doe 1 and Schaub acknowledge that there are no other lawsuits or administrative charges pending against the District in which any of them is a plaintiff or charging party;

6. FFRF, Doe 1 and Schaub acknowledge and confirm that none of them received health care treatment as a result of alleged injuries by the District and affirm that they are not suffering from any disability as a result of the alleged injuries and that none of them is a Medicare recipient with respect to the alleged injuries. FFRF, Doe 1 and Schaub further agree to reimburse, indemnify and hold harmless the District and its Insurer, CM Regent Insurance Company, with respect to all known and unknown medical liens and/or letters of protection for medical treatment sought by FFRF, Doe 1 and Schaub related to the settlement payment for which a medical provider may seek recovery and Medicare rights to recovery related to the settlement payment for which the federal government may seek repayment, as well as any fine or penalty the federal government may seek resulting from the sufficiency and accuracy of the information FFRF, Doe 1 and Schaub has provided to Insurer CM Regent Insurance Company, regarding Medicare rights to recovery known as of this date;

7. It is expressly understood and agreed that this is a compromise settlement of a disputed claim. No part of this Settlement Agreement and Release, nor any actions of the District in settling this matter, shall be considered, constitute, or be cited as an admission by the District of any wrongful conduct or violation of law or of any act alleged

by FFRF, Doe 1 and Schaub. The District denies any wrongdoing or liability on the part of the District, its Board members, administrators, and employees.

8. This Settlement Agreement and Release is made and entered into within and shall be governed by, construed, interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without regard to the principles of conflicts of laws. Any action to enforce this Settlement Agreement and Release shall be brought in the United States District Court of Western Pennsylvania.

9. This Settlement Agreement and Release constitutes the entire agreement and understanding of THE PARTIES and supersedes all prior negotiations and/or prior agreements, proposed or otherwise, written or oral, concerning the subject matter hereof. Furthermore, no modification of this Settlement Agreement and Release shall be binding unless in writing and signed by each of the parties hereto.

10. If any of the provisions of this Settlement Agreement and Release is determined to be invalid or unenforceable by a Court of competent jurisdiction for any reason, the remaining provisions and portions of this Agreement shall be unaffected thereby and shall remain in full force to the fullest extent permitted by law.

11. This Settlement Agreement and Release has been drafted jointly and there shall be no presumption of construction against any party. THE PARTIES agree that the language of all parts of this Settlement Agreement and Release shall in all cases be construed as a whole, according to the fair meaning, and not strictly for or against any party.

12. FFRF, Doe 1 and Schaub have consulted with, and been advised by their attorneys before executing this Settlement Agreement and Release. FFRF, Doe 1 and

Schaub acknowledge that they have carefully read it, that they understand completely its contents, that their attorneys have explained all of its contents and ramifications to them, and that they have executed it of their own free will, act and deed without coercion and with knowledge of the nature and consequences thereof.

13. This Settlement Agreement and Release may be executed by THE PARTIES in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, THE PARTIES hereto, intending to be legally bound hereby, have executed this Settlement Agreement and Release on the dates set forth below.

FREEDOM FROM RELIGION
FOUNDATION, INC.

By: Anne Zanne Taylor
Co-President
2-9-17
Date

Witness: [Signature]

DOE 1, by Doe 1's next friend
and parent, MARIE SCHAUB

Doe 1
2-9-17
Date

Witness: [Signature]

MARIE SCHAUB, who also sues
On her own behalf

[Signature]
2-9-17
Date

Witness: [Signature]

NEW KENSINGTON-ARNOLD
SCHOOL DISTRICT

By: John E. Pallone
Superintendent
02-15-2017
Date

Witness: [Signature]