

## SETTLEMENT AGREEMENT AND GENERAL RELEASE

This Settlement Agreement and General Release (“Agreement”) between Karen Bach (“Bach”), Jessica Reimann (“Reimann”) (collectively referred to as “Plaintiffs”), Tony Bouie (“Bouie”) and the State of Arizona (“The State”) (collectively referred to as “Parties”) is made as of the date this Agreement is signed by Plaintiffs.

WHEREAS, Bach is a former employee of The State whose employment ended on March 12, 2015;

WHEREAS, Reimann is a former employee of The State whose employment ended on April 7, 2015;

WHEREAS, on July 7, 2016, Plaintiffs filed a lawsuit in the United States District Court, District of Arizona, Case No. CV-16-02226-PHX-GMS alleging claims related to their employment against Bouie (the “Lawsuit”);

WHEREAS, Bouie and The State deny the allegations in the Lawsuit and deny that they are liable for any claims or damages alleged by Plaintiffs; and

WHEREAS, this Agreement is intended to fully resolve all claims brought by Plaintiffs against Bouie and the Parties mutually desire to resolve their disputes.

NOW THEREFORE, in consideration of the foregoing, and of the promises and mutual covenants contained herein, Plaintiffs, Bouie and The State agree as follows:

**1. SETTLEMENT PAYMENT** – In consideration for Plaintiffs’ agreement to all of the terms, conditions and promises in this Agreement, The State, on behalf of Bouie, agrees to pay the following sums, inclusive of any and all costs and attorneys’ fees and in full and final settlement (collectively referred to as “the Settlement Payment”). The Settlement Payment shall be paid through three checks as follows:

- i. The State will pay to each Bach and Reimann Forty-Seven Thousand Dollars and No Cents (\$47,000), for which The State will issue each Plaintiff a Form 1099; and
- ii. The State will pay Schleier Law Offices, P.C. Twenty Six Thousand Dollars and No Cents (\$26,000), as Plaintiffs’ attorneys’ fees and costs, for which The State will issue a Form 1099 to Schleier Law Offices, P.C.

The State agrees to deliver the aforementioned checks to Plaintiffs’ attorney within 30 days following (i) the expiration of the revocation period (defined below), (ii) delivery to The State of a Form W-9 executed by Plaintiffs and their attorney, and (iii) delivery of this Agreement executed with Plaintiffs’ original signature and the date of execution, provided that neither Plaintiff revoked this Agreement during the revocation period and has provided an executed stipulation for dismissal of the Lawsuit with prejudice as described below.

2. **TAX LIABILITY** – The State and Bouie make no representations or warranties with respect to the tax consequences of any portion of the Settlement Payment described above. Plaintiffs agree and understand that if a government taxing authority determines that any local, state, and/or federal taxes on those payments and/or any penalties or assessments thereon are due, they are responsible for all such payments. Plaintiffs further agree to indemnify and hold The State and Bouie harmless from any claims, demands, deficiencies, penalties, interest, assessments, executions, judgments, or recoveries by any government agency against The State or Bouie for any amounts claimed due on account of (a) Plaintiffs’ failure to pay or delayed payment of federal or state taxes, or (b) damages sustained by The State or Bouie by reason of any such claims, including attorneys’ fees and costs.

3. **DISMISSAL OF LAWSUIT / NO PENDING LAWSUITS OR CHARGES** - Plaintiffs represent that they are not a party in any pending administrative charge, lawsuit, civil action or claim of any kind against Bouie or The State or any of its divisions, departments, agencies, affiliates, trustees, directors, officers, elected officials, appointed officials, agents, employees, attorneys, or insurers, other than the Lawsuit. As a condition of receiving the Settlement Payment, Plaintiffs agree to dismiss the Lawsuit with prejudice within seven days of executing this Agreement.

4. **WAGES** - Plaintiffs represent and agree that they have been paid all of their normal and customary wages for services rendered during their employment with The State. Plaintiffs represent and agree that they are not entitled to any additional compensation or wages from their employment with The State.

5. **SUFFICIENCY OF CONSIDERATION** - Plaintiffs agree that the Settlement Payment is good and valuable consideration for the general release and the other promises and terms in this Agreement. Plaintiffs understand and agree that they are not eligible for or entitled to any payments, wages, benefits, fees, costs or remuneration from Bouie or The State, except as provided in this Agreement.

6. **RELEASE** - Plaintiffs hereby release and forever discharge Bouie, The State and each of its or their divisions, departments, agencies, affiliates, trustees, directors, officers, elected officials including the Governor, appointed officials, agents, employees, attorneys, insurers, and affiliates of each of them (collectively, the “Released Parties”), from any and all causes of action, lawsuits, proceedings, complaints, charges, debts, contracts, judgments, damages, claims, costs and attorney’s fees against the Released Parties, whether known or unknown, which Plaintiffs ever had, now have or which Plaintiffs or Plaintiffs’ heirs, executors, administrators, successors or assigns may have prior to the date this Agreement is signed by Plaintiffs, due to any matter whatsoever relating to Plaintiffs’ employment, compensation, benefits, and/or termination of employment (collectively, the “Released Claims”). The Released Claims include, but are not limited to, any claim under the United States Constitution, including, but not limited to, the First, Fifth and Fourteenth Amendments, any claim under 42 U.S.C. § 1981 and 42 U.S.C. § 1983, any claim under the Arizona Constitution, for disability discrimination in violation of the Americans with Disabilities Act of 1990 (“ADA”)(42 U.S.C. §§ 12101), any violation of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000e, et. seq.)(“Title VII”), the Equal Pay Act of 1963 (29 U.S.C. § 2006(d)), claims under the Employment Retirement Income Security Act (“ERISA”), any claims under the Age Discrimination in Employment Act of 1967 (“ADEA”), the Older Workers

Benefit Protection Act (“OWBPA”), the Family and Medical Leave Act (“FMLA”) (29 U.S.C. § 2601, et. seq.), the Genetic Information Nondiscrimination Act of 2008, the Rehabilitation Act of 1973, the Immigration Reform Control Act, the Occupational Safety and Health Act (“OSHA”), Arizona Employment Protection Act, Ariz. Rev. Stat. § 23-1501, Arizona Civil Rights Act, Ariz. Rev. Stat. § 41-1461 et seq., Arizona Constructive Discharge Act, Ariz. Rev. Stat. § 23-1502, Arizona Minimum Wage Payment Act, Ariz. Rev. Stat. § 23-350 et seq., Arizona Medical Marijuana Act, Ariz. Rev. Stat. § 36-2801 et seq., Arizona Equal Pay Act, Ariz. Rev. Stat. § 23-340 et seq., Arizona Voting Leave Law, Ariz. Rev. Stat. § 16-402, Arizona Military Leave Law, Ariz. Rev. Stat §§ 26-167, 168, Arizona Juror Protection Law, Ariz. Rev. Stat. § 21-236, Arizona Victims of Crime Protection Law, Ariz. Rev. Stat. §§ 13-4439, 8-420, Arizona Firearms in the Workplace Law, Ariz. Rev. Stat. § 12-781, and any other claims under any federal, state or local law, statute, regulation or ordinance, including state equal opportunities for employment laws and fair employment and housing laws, any claims arising under the Fair Labor Standards Act (29 U.S.C. § 201, et. seq.) and any similar state statute, any wage, hour, tip or bonus claims arising under any federal, state or local law, any claim for retaliation, and any claims growing out of any legal restriction on Released Parties’ right to terminate or constructively terminate its contractors or Plaintiffs including, but not limited to, contract, tort, common law, public policy or wrongful discharge, which arise from any and all events occurring on or before the date of this Agreement, including without limitation, all claims arising from actions or inactions by any of the Released Parties. All such claims (including related attorneys’ fees and costs) are forever barred by this Agreement.

7. **ACKNOWLEDGEMENT** - Plaintiffs understand and agree that they:

- (a) Have carefully read and fully understand all of the provisions of this Agreement.
- (b) Are, through this Agreement, releasing Released Parties from any and all claims they may have against Released Parties.
- (c) Are knowingly and voluntarily agreeing to all of the terms set forth in this Agreement.
- (d) Knowingly and voluntarily intend to be legally bound by the same, and have entered into this Agreement voluntarily and not as a result of coercion, duress, or undue influence.
- (e) Were advised and hereby are advised in writing to consider the terms of this Agreement and to consult with their attorney prior to executing this Agreement. Plaintiffs understand and agree that the terms of this Agreement were determined after negotiation between their counsel and counsel for Bouie and as such, should not be strictly construed for or against any party or The State.
- (f) Understand that rights or claims under the Age Discrimination in Employment Act of 1967 (29 U.S.C. §

621, *et seq.*) that may arise after the date this Agreement is executed are not waived.

- (g) **Plaintiffs also understand that they have up to twenty-one (21) full days to consider whether to sign this Agreement and release. Any changes to this Agreement, whether they are material or immaterial, do not restart the 21-day period. By signing on any date prior to the expiration of the 21-day period, Plaintiffs voluntarily elect to forego waiting 21 full days to sign the Agreement and release. Plaintiffs and Bouie and The State acknowledge and agree that for a period of seven (7) calendar days following their execution of this Agreement, Plaintiffs may revoke this Agreement, by providing Counsel for Bouie with written notification of such revocation. Such notification must be received via hand delivery, facsimile, confirmed email delivery, or overnight express delivery to Greg Coulter at 2425 E. Camelback Road, Ste. 900, Phoenix, Arizona, 85016 (gcoulter@littler.com).**

**8. MATTERS NOT RELEASED** - The Parties agree and acknowledge that the above Release does not waive claims: (i) for unemployment or workers' compensation benefits; (ii) for vested rights under ERISA-covered employee benefit plans as applicable on the date Plaintiffs sign this Agreement; (iii) that may arise after Plaintiffs sign this Agreement; (iv) that cannot be released by private agreement; (v) for benefits under the Arizona State Retirement System for retirement benefits; and (vi) any action arising out of a claim of a breach of this Agreement.

**9. NO INTERFERENCE WITH RIGHTS** - Plaintiffs understand, agree and acknowledge that nothing in this Release (including but not limited to the release of claims, promise not to sue, confidentiality, and non-disparagement) (a) limits or affects Plaintiffs' right to challenge the validity of this Release under the ADEA or the OWBPA or (b) prevents Plaintiffs from filing a charge or complaint with or from participating in an investigation or proceeding conducted by the EEOC, the Securities and Exchange Commission, or any other federal, state or local agency charged with the enforcement of any laws, including providing documents or other information, or (c) prevents Plaintiffs from making a claim with the Arizona State Retirement System for retirement benefits, although by signing this Agreement, Plaintiffs' are waiving all rights to recover individual relief (including backpay, frontpay, reinstatement, or other legal, monetary or equitable relief) as a result of any charge, complaint, lawsuit or other proceeding brought by Plaintiffs or on Plaintiffs' behalf by any third party against Released Parties, except where such a waiver of individual relief is prohibited.

**10. COVENANT NOT TO SUE** - Plaintiffs agree not to file or initiate any lawsuit in any court or initiate an arbitration proceeding asserting any of the Released Claims against any of the Released Parties. Plaintiffs further agree that they will not permit themselves to be a member of any class in any court or in any arbitration proceeding, seeking relief against the Released Parties based on claims released by this Agreement.

11. **MEDICARE DECLARATION** - Plaintiffs declare under the penalties of perjury that: (1) they are not currently entitled to Medicare; and (2) none of the treatment they received for any injury or injuries claimed due to their allegations against Bouie, The State or released in this Agreement were or will be submitted to, or paid for by, Medicare.

12. **CONFIDENTIALITY** - Except as provided in Paragraph 9 above, Plaintiffs agree to keep all of the terms and conditions of this Agreement strictly confidential. Plaintiffs represent that they have not disclosed and agree that they will not disclose the existence of this Agreement or any of the terms or conditions of this Agreement to anyone other than their attorneys, their spouses, and their tax or financial advisors, or as may be required pursuant to legal process. Plaintiffs may state to anyone who asks that “the matter is resolved.” Bouie and The State will keep all the terms and conditions of this Agreement confidential to the extent permitted by law. Bouie will state to anyone who asks that “the matter is resolved.” The sole consideration for this confidentiality provision is the mutual benefit of the other party. Plaintiffs further agree to refrain from any publication, oral or written, of a defamatory, disparaging or otherwise derogatory matter pertaining to Released Parties or to Plaintiffs’ employment relationship with Released Parties. Plaintiffs further agree to refrain from any mention of Released Parties in any appearance on any television broadcast, syndicated broadcast, podcast, radio program, social media or print media.

13. **NONADMISSION OF WRONGDOING** – Plaintiffs, Bouie and The State agree that this Agreement does not constitute an admission by Bouie or The State (or any Released Party) that it or they are liable for any of the matters alleged in the Lawsuit, or of any violation by Bouie or The State (or any Released Party) of any federal, state or local law, ordinance or regulation, or of any violation of any policy or procedure, or of any liability or wrongdoing whatsoever. Neither this Agreement nor anything in this Agreement shall be construed to be nor shall be admissible in any proceeding as evidence of liability or wrongdoing by Bouie or The State or any of its or their divisions, departments, agencies, affiliates, trustees, directors, officers, elected officials, appointed officials, agents, employees, attorneys, insurers, and affiliates of each of them. This Agreement may be introduced, however, in any proceeding to enforce the Agreement. Such introduction shall be pursuant to an order protecting its confidentiality.

14. **GOVERNING LAW** - This Agreement shall be governed in accordance with the laws of the State of Arizona.

15. **COUNTERPARTS** - This Agreement may be executed in counterparts and each counterpart will be deemed an original.

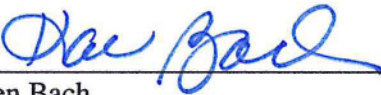
16. **SECTION HEADINGS** - Section headings contained in this Agreement are for convenience of reference only and shall not affect the meaning of any provision herein.

17. **SEVERABILITY** - Should any term or provision of this Agreement be declared illegal, invalid or unenforceable by any court of competent jurisdiction and if such provision cannot be modified to be enforceable, such provision shall immediately become null and void, leaving the remainder of this Agreement in full force and effect. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any of the parties.

**18. ENTIRE AGREEMENT** - This Agreement sets forth the entire agreement between the parties hereto and fully supersedes any and all prior and/or supplemental understandings, whether written or oral, between the parties concerning the subject matter of this Agreement. Plaintiffs acknowledge that they have not relied on any representations, promises or agreements of any kind made to them in connection with his decision to accept the terms of this Agreement, except for the representations, promises and agreements herein. Any modification to this Agreement must be in writing and signed by Plaintiffs, Bouie and The State representative who signed this Agreement, or their authorized representative.

PLEASE READ CAREFULLY BEFORE SIGNING. THIS SETTLEMENT AGREEMENT AND RELEASE HAS IMPORTANT LEGAL CONSEQUENCES.

IN WITNESS WHEREOF, the parties knowingly and voluntarily executed this Agreement and General Release as of the date set forth below.

By: <u></u> Karen Bach DATE: <u>6-17-17</u>	THE STATE OF ARIZONA By: _____ Ray Di Ciccio State Risk Manager DATE: _____
By: _____ Jessica Reimann DATE: _____	By: _____ Tony Bouie DATE: _____

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By: _____ Karen Bach  DATE: _____	THE STATE OF ARIZONA  By: _____ Ray Di Ciccio State Risk Manager  DATE: _____
By: <u>Jessica Reimann</u> Jessica Reimann  DATE: <u>6-15-17</u>	By: _____ Tony Bouie  DATE: _____

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By: _____ Karen Bach  DATE: _____	THE STATE OF ARIZONA By: <u>Ray D. Ciccio</u> Ray D. Ciccio State Risk Manager  DATE: <u>June 19, 2017</u>
By: _____ Jessica Reimann  DATE: _____	By: _____ Tony Bouie  DATE: _____



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By: _____ Karen Bach	THE STATE OF ARIZONA By: _____ Ray Di Ciccio State Risk Manager
DATE: _____	DATE: _____
By: _____ Jessica Reimann	By: _____  Tony Bouie
DATE: _____	DATE: <u>6-23-17</u>