

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") executed on the date last written below, is made and entered into by and between Craig Freebern and Jacqueline Freebern, individually and as parents and next friends of Kayla Ashlee Freebern, and Kayla Ashlee Freebern (the "Plaintiffs"), Geneseo Community School District No. 228 (the "District") and Carissa A. Hanson, (together, the "Defendants"). The undersigned may be referred to singularly as a "Party" or collectively as the "Parties."

RECITALS

- A. The District is a body politic and corporate, organized and existing under Section 5/10-2 of the Illinois School Code, 105 ILCS 5/10-2. Carissa Hanson is a teacher employed by the District.
- B. On February 25, 2016, Plaintiffs filed a Complaint at Law (the "Complaint") against the Defendants in the Circuit Court of Rock Island County, Illinois, Case Number 16 L 62 (the "Litigation").
- C. In the Complaint, Plaintiffs sought to recover monetary damages as a result of an occurrence which took place near the Interstate 80 and Interstate 88 interchange in Illinois on February 26, 2015, in which the District's Activity Bus (the "Activity Bus") driven by Hanson, hit a patch of ice, ultimately traveling into a median and tipping on its side (the "Accident").
- D. Kayla Freebern, then-minor child, but now is no longer a minor, of Craig Freebern and Jacqueline Freebern, was a student of the District, and passenger riding in the Activity Bus at the time of the Accident.
- E. Following a mediation on April 22, 2021, the parties now desire to enter into this Settlement Agreement in order to resolve and settle all claims, disputes, causes of action and controversies, and to provide for certain payments in full settlement and discharge of all claims known and unknown which are, or could have been, the subject of the Litigation, upon the terms and conditions set forth below.

NOW THEREFORE, in consideration of these recitals and the terms and conditions of this Agreement, and intending to be legally bound, the Parties agree as follows:

1. **Incorporation of Recitals.** The above recitals are incorporated into this Agreement.
2. **Settlement Payment.** The District and/or its insurance carriers shall pay to Plaintiffs the sum of One Million Five Hundred Thousand and 00/100 Dollars (\$1,500,000.00) to be paid in the form of cash and future periodic payments as set forth below. The cash portion of the settlement proceeds in the amount of \$1,000,000.00 will be made payable to the Trust Account of Bush, Motto, Creen, Koury & Halligan, PLC and shall be delivered to Plaintiffs.

attorney at Bush, Motto, Creen, Koury & Halligan, P.L.C., 5505 Victoria Avenue, Suite 100, Davenport, Iowa, 52807, within the time specified in this Section (the "Settlement Payment").

2.1 Future periodic payments will be made according to the schedules which follow (the "Periodic Payments") to the designated payee ("Payee") as set forth below in Sections 2.1(a) 2.1(b) and 2.1(c).

2.1(a) Future periodic payments made according to the schedule in this section will be paid to Plaintiffs' attorney, William J. Bush, Esq., in partial satisfaction of the fee owed to William J. Bush and the Law Office of Bush, Motto, Creen, Koury & Halligan PLC by the Plaintiffs.

Payee:	William J. Bush
Annuity Issuer:	Metropolitan Tower Life Insurance Company
Assignee:	MetLife Assignment Company, Inc.
Assignor:	Lexington Insurance Company

Monthly Payments

\$1,334.00 payable monthly for a period certain of 10 (ten) years, beginning February 22, 2031 with the last guaranteed payment due on January 22, 2041.

The amount of premium used to fund the periodic payment in Section 2.1(a) is \$110,000.00.

2.1(b) Future periodic payments made according to the schedule in this section will be paid to Plaintiffs' attorney, John Bush, Esq., in partial satisfaction of the fee owed to John Bush and the Law Office of Bush, Motto, Creen, Koury & Halligan PLC by the Plaintiffs.

Payee:	John Bush
Annuity Issuer:	Metropolitan Tower Life Insurance Company
Assignee:	MetLife Assignment Company, Inc.
Assignor:	Lexington Insurance Company

Annual Payments

\$43,081.00 payable annually for a period certain of 10 (ten) years, beginning December 21, 2029 with the last guaranteed payment due on December 21, 2038.

The amount of premium used to fund the periodic payment in Section 2.1(b) is \$310,000.00.

2.1(c) Future periodic payments made according to the schedule in this section will be paid to Plaintiffs' attorney, Michael Bush, Esq., in partial satisfaction of the fee owed to Michael Bush and the Law Office of Bush, Motto, Creen, Koury & Halligan PLC by the Plaintiffs.

Payee:	Michael Bush
Annuity Issuer:	Pacific Life Insurance Company
Assignee:	Pacific Life & Annuity Services, Inc.
Assignor:	Lexington Insurance Company

Annual Payments

\$14,463.18 payable annually for a period certain of 8 (eight) years, beginning May 23, 2032 with the last guaranteed payment due on May 23, 2039.

The amount of premium used to fund the periodic payment in Section 2.1(c) is \$80,000.00.

The Plaintiffs authorize and instruct payment to be made to their attorney(s) as provided herein. Such amount shall be paid from Periodic Payments that otherwise would be payable to the Plaintiffs pursuant to this Settlement Agreement. The Plaintiffs acknowledge and agree that these payment instructions are solely for the Plaintiffs' convenience and do not provide the Plaintiffs' attorney(s) with any ownership interest in any portion of the annuity or the settlement other than the right to receive the fee payments from the Plaintiffs in the future as more specifically set forth herein.

The Plaintiffs, solely for their convenience, direct the above payment stream(s) to be paid to the designated Payees in Sections 2.1(a), 2.1(b) and 2.1(c). Plaintiffs consent to the above-mentioned portion of the settlement obligation assigned to the designated assignment company(ies) in Sections 2.1(a), 2.1(b) and 2.1(c). The assignment company(ies) will purchase an annuity to fund this obligation in an assignment intended to meet Section 130 of the IRC.

Each attorney and the law firm hereby waive and disclaim any and all ownership interest or liens that they may have in the settlement proceeds by reason of any applicable state statute, common law decision or ruling. By their signature, the Plaintiffs and each attorney and the law firm, acknowledge that the attorney fee benefit payments are being made at the direction of the Plaintiffs and for the convenience of the Plaintiffs.

No part of the cost of the Periodic Payments may be paid directly to the Plaintiffs or any Payee, inasmuch as the parties negotiated for a structured settlement and the Periodic Payments. All sums set forth herein constitute damages (other than punitive damages) on account of personal physical injuries or physical sickness, within the meaning of Section 104 (a)(2) of the Internal Revenue Code of 1986, as amended.

Payees' Rights of Payments

Plaintiffs and Payees acknowledge that the Periodic Payments cannot be accelerated, deferred, increased or decreased by the Plaintiffs or any Payee; nor shall the Plaintiffs or any Payee have the power to sell, mortgage, encumber, or anticipate the Periodic Payments, or any part thereof, by assignment or otherwise. Transfer of the periodic payments is thus prohibited by the terms of this structured settlement and may otherwise be prohibited or restricted under applicable law.

Payees' Beneficiaries

Any payments to be made after the death of the respective Payee in sections 2.1(a) 2.1(b) and 2.1(c) pursuant to the terms of this Settlement Agreement shall be made to the Estate of the Payee or to such other person or entity as shall be made in writing by the Payee to the designated Assignee. If no person or entity is so designated by the Payee, or if the person designated is not living at the time of the Payee's death, such payments shall be made to the Estate of the Payee. No such designation, nor any revocation thereof, shall be effective unless it is in writing and delivered to the designated Assignee. The designation must be in a form acceptable to the Assignee before such payments are made, but in no event shall the request of the Payee be unreasonably withheld or denied.

Consent to Qualified Assignment

Plaintiffs acknowledge and agree that Lexington, on behalf of Defendants, will make a "qualified assignment", within the meaning of Section 130(c) of the Internal Revenue Code of 1986, as amended, of the Defendants' and/or Lexington's liability to make the Periodic Payments set forth in Sections 2.1(a) and 2.1(b) to MetLife Assignment Company, Inc. and in Section 2.1(c) to Pacific Life & Annuity Services, Inc. (each an "Assignee"). The Assignees' obligation for payment of the Periodic Payments shall be no greater than that of the Defendants and/or Lexington (whether by judgment or agreement) immediately preceding the assignment of the Periodic Payments obligation.

Any such assignments when made, shall be accepted by the Plaintiffs and all Payees without right of rejection and shall completely release and discharge the Defendant and/or Lexington from the Periodic Payments obligation assigned to the Assignees. The Plaintiffs and all Payees recognize that, in the event of such an assignment, MetLife Assignment Company, Inc. and Pacific Life & Annuity Services Inc. shall be the sole obligors with respect to the Periodic Payments obligations, and that all other releases with respect to the Periodic Payments obligations that pertain to the liability of the Defendants and/or Lexington shall thereupon become final, irrevocable and absolute.

Right to Purchase the Annuities

The Defendants' and/or Lexington's Assignees reserve the right to fund the liability to make the Periodic Payments outlined in Sections 2.1(a) 2.1(b) to Metropolitan Tower Life Insurance Company and in 2.1(c) to Pacific Life Insurance Company (each an "Annuity Issuer") through the purchase of an annuity policy from each such Annuity Issuer specifically designated therein. The Defendants' and/or Lexington's Assignees shall be the sole owners of the annuity policies and shall have all rights of ownership. The Defendants' and/or Lexington's Assignees may have the Annuity Issuers mail or electronically transfer payments directly to the Payees. The Payees shall be responsible for maintaining a current mailing address and bank information, if applicable, for the Payees with the Assignees.

Periodic Payments to a Payee may be delayed if (i) such Payee fails to provide the Annuity Issuers with current address or banking information, or (ii) if a Payee dies and the Annuity Issuers do not receive appropriate written direction for any remaining guaranteed payments.

Discharge of Obligation

The obligation of Defendants, Lexington and/or the Assignees to make each Periodic Payment shall be discharged upon the mailing of a valid check(s) or electronic funds transfer in the amount of such payment on or before the due date to the last address on record for Payees or Beneficiaries with the Annuity Issuers. If the Payees or Beneficiaries notify an Assignee that any check or electronic funds transfer was not received, then the designated Assignee shall direct the designated Annuity Issuer to initiate a stop payment action and, upon confirmation that such check was not previously negotiated or electronic funds transfer deposited, shall have the Annuity Issuer process a replacement payment.

None of the settlement proceeds will be placed or ordered to be placed into a QSF or 486B trust.

3. Plaintiffs' Release of Defendants and others. Plaintiffs being of lawful age, for the sole consideration of One Million Five Hundred Thousand and 00/100 Dollars (\$1,500,000.00) to be paid in the form of cash and future periodic payments, do hereby completely remise, release, acquit, and forever discharge the Defendants and their insurers, AIG Claims, Inc., Lexington Insurance Company, Prairie State Cooperative and Gallagher Bassett Services, Inc. as third party administrator and their reinsurers, predecessors, successors, assigns, board members, employees, agents, representatives, subsidiaries, affiliates, officers, directors, attorneys, volunteers, mediator and third-party administrators, (hereinafter referred to as "Releasees" or the "Released Persons") from all known and unknown past, present, and future claims, demands, damages, causes of actions, losses, expenses, liabilities, and damages, including attorney fees and court costs, of whatsoever kind or nature, at law or in equity, arising out of or on account of the Accident, which occurred on or about February 26, 2015. Upon receipt and deposit of the Settlement Payment,

Plaintiffs hereby release and forever discharge the Releasees, from all past, present, and future claims, demands, damages, causes of actions, losses, expenses, liabilities, and damages, including attorney fees and court costs, whether in contract or tort, statutory or otherwise, which Plaintiffs have asserted or could have asserted against the Defendants in the Complaint, and which Plaintiffs have asserted or could have asserted against the Defendants in connection with the Accident. This Release is intended to cover and does cover not only all now known alleged injuries, losses, and damages, but any injuries, losses, and damages not now known or anticipated, but which may later develop or be discovered, including all the effects and consequences thereof and including any future wrongful death claims. Notwithstanding the foregoing, this Release does not apply to and in no way impacts the medical payments coverage Plaintiff, Kayla Freebern, receives now and is entitled to receive in the future from the District's policy with Gerber Life Insurance/Web TPA ("Web TPA Policy"), Group Name: Prairie State Insurance Cooperative, Member ID number: 003471944. It is furthermore agreed among all parties that Plaintiffs have no claim or cause of, present or in the future, against any of the aforementioned Releasees concerning the Web TPA Policy.

4. **Dismissal of the Lawsuit.** In consideration for this Agreement, the Parties agree to execute an Agreed Stipulation to Dismiss with Prejudice on all counts in Plaintiff's Complaint, including the dismissal of all other known or unknown claims against Defendants and the Additional Released Persons arising out of or in any way relating to the Accident complained of in the Litigation at or before the next status date scheduled in the Lawsuit (the "Dismissal Stipulation"). All terms from the Dismissal Stipulation, attached hereto as Exhibit 1, are incorporated into this Agreement. Plaintiffs hereby authorize counsel for the Defendants to file the executed Dismissal Stipulation with the Court and to enter it as a matter of record.

5. **Attorney's Fees and Costs.** Each Party shall bear its own court costs and attorney's fees in connection with the Litigation and this Agreement.

6. **Prevailing Party.** The prevailing Party in any proceeding to enforce this Agreement or for damages arising under this Agreement shall be entitled to recovery of its respective court costs and reasonable attorneys' fees from the non-prevailing Party.

7. **Survival.** The representations and warranties set forth herein, and the obligations and covenants of this Agreement shall survive the execution of the Agreement.

8. **No Admission of Liability.** The Parties understand and agree that this Agreement is the compromise of disputed claims and that the provisions of this Agreement, and the Parties' performance of this Agreement, are not to be construed as admissions of liability by either Party. Payment of the above sum referenced in Paragraph 2 is in full accord and satisfaction of a disputed claim and is made to avoid the expense and delay of further investigation and litigation and is not to be construed as an admission of any liability whatsoever by or on behalf of the Defendants, Releasees, or any of them, by whom all liability is hereby expressly denied. Plaintiffs shall not be considered "prevailing parties" for purposes of obtaining attorneys' fees and costs under any

statute pertaining to the Litigation or common law interpretation, and Plaintiffs hereby waive any rights to recovery of attorney's fees and costs from the Released Persons.

9. **Indemnification.** Plaintiffs agree to defend, indemnify and hold the Released Persons harmless from and against any and all claims, demands, damages, controversies, actions, and rights of action, of whatsoever kind or nature, at law or in equity, by any person including but not limited to the Undersigned spouses or other relatives for loss of consortium or support of any kind arising out of or on account of or in any way related to the Accident including any and all costs, attorney fees, penalties, and interest incurred by the Released Persons in connection therewith.

10. **Hold Harmless.** Plaintiffs acknowledge that the Defendants have not made any representations to Plaintiffs regarding the tax consequences of this Agreement. Plaintiffs and their attorneys agree to be solely responsible for any and all taxes due in connection with the receipt of the payment identified in Paragraph 2 herein and agree to indemnify and hold the Released Persons harmless for any taxes or penalties due thereon. Should the Plaintiffs institute further legal proceedings that cause Releasees to incur defense costs or other legal expenses, judgments or settlements, the Plaintiffs agree to defend, indemnify, and hold harmless Releasees and will further reimburse such costs and expenses. If the Plaintiffs hereafter sue or commence any arbitration or other proceeding against any Released Person for the purpose of prosecuting any claim released under this Agreement, this Agreement shall be and constitutes a complete defense thereto, and the Released Persons shall, in addition to all other remedies, be entitled to recover damages from the Plaintiffs, which shall include reasonable expenses and attorneys' fees, and to receive a declaratory judgment or an injunction, or both, against conduct or litigation that violates or threatens to violate the terms of this Agreement.

11. **Liens.** In further consideration for the payments set forth herein, Plaintiffs agree to save, protect, indemnify, defend, and hold harmless and indemnify the Released Persons from any liens or claims which have been filed or may be filed or asserted in the future relating to the subject of the Litigation and this Agreement including, but not limited to any health insurance carriers, physicians, health care institutions and any other medical providers. Plaintiffs shall satisfy all liens related to this litigation.

12. **Undertaking by Plaintiffs as to Medicare.** Plaintiffs agree to fully satisfy and indemnify and hold the Released Persons harmless from all past, present and future rights of Medicare, including, but not limited to all penalties, liens, conditional payments, demands, and actions in law or equity arising out of the Medicare Secondary Payer Statute ("MSP"), including the failure to satisfy all Medicare liens or conditional payments. Plaintiffs acknowledge that payment of the settlement funds is conditioned upon Plaintiffs' agreement to reimburse Medicare for any funds that Medicare would otherwise be entitled to recover under the Medicare Secondary Payer Statute. Plaintiffs agree to indemnify and/or hold harmless and defend the Released Persons from any cause of action, including, but not limited to any loss of Medicare or Social Security benefits, or any recovery the Centers for Medicare and Medicaid Services may pursue, including for any recovery sought by Medicare for past, present and future liens. Plaintiffs also agree to release any right to bring any possible future action under the MSP against the Released Persons. Should Medicare require that it be reimbursed for any past medical expenses which it has paid for

medical treatment that is related to the Accident, Plaintiffs agree to be solely responsible for the same.

13. **No Third-Party Beneficiary.** Except for the benefits conferred upon the Released Persons as provided in this Agreement, this Agreement is not intended to confer any rights upon any other third party who is not a Party to this Agreement.

14. **No Assignment.** With the exception of the assignments described in paragraph 2 hereunder, the Parties represent and warrant that they have not assigned, conveyed or otherwise transferred to any other person, firm, corporation or entity in any manner, including by way of subrogation, contract or operation of law or otherwise, any portion of any sum of money, liability, account, claim, right, demand, contract, action, debt, controversy, agreement, damage, cost, expenses, lien, encumbrance, attorney's fees, cause of action or suit in law or in equity, right, title, or interest that they may have had or might have in said released claims which are the subject of this Agreement. The Parties further represent and warrant that they have not assigned, conveyed or otherwise transferred to any other person, firm, corporation or entity in any manner, any portion of any recovery or settlement or granted any lien against, or security interest therein or encumbrance thereon, to which they might be entitled in respect thereof.

15. **Understanding of Agreement and Advice of Counsel.** The Parties each understand their right to discuss all aspects of this Agreement with their legal counsel, and to the extent desired, they have done so. The Parties have carefully read and fully understand all provisions of this Agreement. Each Party represents that it has the capacity to enter into this Agreement and that it voluntarily enters into this Agreement.

16. **Choice of Law.** This Agreement shall be governed by, subject to, and construed in accordance with the laws of the State of Illinois without regard to conflict of law principles. Any dispute shall be heard in the Circuit Court of Rock Island County, Illinois.

17. **Binding Effect and Interpretation.** The Parties intend this Agreement to be legally binding on them, and to inure to their benefit and the benefit of their respective legal representatives, successors and assigns. The provisions of this Agreement are severable and no provision shall be affected by the invalidity of any other provision. This Agreement has been jointly drafted by the Parties, and in the event any court determines any provision of this Agreement to be ambiguous, the ambiguity shall not be construed against any Party.

18. **Amendments.** Except as otherwise provided, no subsequent alteration, amendment, change or addition to this Settlement Agreement shall be binding upon the parties hereto unless reduced to writing and duly authorized and signed by each of them.

19. **Execution in Counterparts.** This Agreement may be executed in counterparts. Electronic signatures will be binding to the same extent as original signatures. When each counterpart has been executed by each Party and exchanged with the other Parties electronically or in hardcopy, this Agreement shall be deemed fully executed and binding as if each Party had signed and exchanged the same originals as the other Parties.

20. **Integration.** This Agreement contains the entire agreement between the Parties and supersedes any prior verbal or written agreement between the Parties concerning the subject matter of this Agreement. This Agreement may only be amended by the subsequent written agreement of all Parties.

21. **Authority to Execute.** Each of the undersigned signatories represents in his / her individual capacity that he/she has the power and authority to execute this Agreement on behalf of the Party represented.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date last written below:

Craig Freebern and Jacqueline Freebern,
individually and as parents and next friends
of Kayla Ashlee Freebern

By: _____

Title: _____

Date: _____

Kayla Ashlee Freebern

By: _____

Title: _____

Date: _____

Carissa A. Hanson

By: _____

Title: _____

Date: _____

The Board of Education of Geneseo Community
School District No. 228

By: _____

Title: _____

Date: _____

Lexington Insurance Company

By: _____

Title: _____

Date: _____