

**SETTLEMENT AGREEMENT, ASSIGNMENTS OF RIGHTS, STIPULATED
JUDGMENT and COVENANT NOT TO EXECUTE**

This Settlement Agreement and Assignments of Rights (hereinafter, "Agreement") is made and entered into by, on one hand, Plaintiffs M [REDACTED] A [REDACTED]; J [REDACTED] B [REDACTED]; C [REDACTED] C [REDACTED]; B [REDACTED] F [REDACTED] as Guardian for K [REDACTED] F [REDACTED]; J [REDACTED] H [REDACTED]; J [REDACTED] R [REDACTED]; G [REDACTED] F [REDACTED]; J [REDACTED] W [REDACTED]; R [REDACTED] N [REDACTED]; S [REDACTED] C [REDACTED]; S [REDACTED] W [REDACTED]; A [REDACTED] L [REDACTED]; C [REDACTED] H [REDACTED]; B [REDACTED] A [REDACTED] T [REDACTED]; D [REDACTED] Q [REDACTED] M [REDACTED]; D [REDACTED] A [REDACTED] M [REDACTED]/S [REDACTED]; C [REDACTED] r C [REDACTED] M [REDACTED]; B [REDACTED] L [REDACTED] T [REDACTED]; C [REDACTED] C [REDACTED]; and L [REDACTED] K [REDACTED], as Guardian for R [REDACTED] K [REDACTED] (collectively hereinafter, "Plaintiffs"); and on the other hand, Guy Cornwell and his marital community with Melanie Cornwell (hereinafter, "Cornwell"); and Charles McCarthy, the Estate of Charles McCarthy, and Barbara Thompson, as Personal Representative for the Estate of Charles McCarthy (collectively hereinafter "Estate of McCarthy"). Collectively Cornwell and Estate of McCarthy are referred to herein as "Defendants." Collectively Plaintiffs and Defendants are referred to herein as "Parties."

RECITALS

WHEREAS: Plaintiffs allege they suffered life-altering trauma, injuries, and damage as a result of being physically, sexually, and emotionally abused at the Kiwanis Vocational Home ("KVH") under the supervision, direction, and control of Charles McCarthy.

WHEREAS: Defendant Charles McCarthy was employed by Lewis County Youth Enterprises ("LCYE") d/b/a KVH as the executive director of KVH from 1979 to January 4, 1991. Defendant Cornwell at various times was employed as the assistant executive director and/or director of youth care by LCYE d/b/a KVH from July 1986 until February 1991. During this period of time certain Plaintiffs alleged that they suffered life altering trauma, injuries and damages as a result of being sexually, physically, and emotionally abused while at KVH.

WHEREAS: Plaintiffs also allege injuries resulting from administrators and KVH staff's provisioning of cigarettes and other nicotine products as wages and rewards systems in place of actual wages and properly administered childcare.

WHEREAS: Plaintiffs' claims are contained within multiple lawsuits captioned as follows (collectively hereinafter "Lawsuits"):

1. *M.A., et al. v. Kiwanis International, et al.*, Pierce County Cause No. 18-2-06475-4 currently in trial as of October 3, 2022.
2. *N.P., et al. v. Kiwanis International, et. al.*, Pierce County Cause No. 21-2-05153-9.
3. *B.A.T., et al. v. Kiwanis International, et. al.*, Pierce County Cause No. 21-2-08181-1.
4. *R.N., et al. v. Kiwanis International, et. al.*, Thurston County Cause No. 15-2-00383-3.
5. *Beasley, et.al. v. Kiwanis International, et.al.*, Pierce County Cause No. 21-2-04890-2.

6. *Beglinger, et.al. v. Kiwanis International, et.al.*, Pierce County Cause No. 22-2-05019-1.
7. *Kim, et al., v. Kiwanis International, et al.*, Pierce County Superior Court Cause No. 20-2-05344-4.
8. *A.B., et al. v. Kiwanis International, et al.*, Pierce County Superior Court Cause No. 19-2-05645-8 (including Plaintiffs Cliff Crawford and Kevin Frazier).

WHEREAS: Charles McCarthy was the Executive Director of KVH from approximately 1979 until January 4, 1991.

WHEREAS: Charles McCarthy was a member of the Kiwanis Centralia Club between 1979 and 1991.

WHEREAS: Guy Cornwell was the Director of Youth Care and Assistant Executive Director of KVH between July 1986 and January 4, 1991, and KVH interim Executive Director from roughly January 4, 1991, until the end of February of 1991.

WHEREAS: Defendant Cornwell was a member of the Kiwanis of Tumwater Club and the Kiwanis of Centralia Club between 1986 and 1991. Between 1986 and 1991, Defendant Cornwell rose to the position of lieutenant governor elect at the Kiwanis of Centralia Club.

WHEREAS: KVH was a special project of local Kiwanis clubs, including Kiwanis of Club of Chehalis, Kiwanis Club of Centralia, Kiwanis Club of Grand-Mound Rochester, and Kiwanis Club of Tumwater. McCarthy served on the board of directors for LCYE, the company that owned KVH, and LCYE was affiliated with local Kiwanis Clubs, which in turn were affiliated with Kiwanis International.

WHEREAS: McCarthy's letterhead included the Kiwanis International seal.

WHEREAS: McCarthy's work with the boards governing KVH and his work for LCYE d/b/a KVH was considered a service project for Kiwanis International and related clubs.

WHEREAS: Kiwanis International was insured between 1979 and 1992 with the insurers listed from 1-24 below. The policies listed from 25-36 provided coverage for Kiwanis International's owned, controlled, subsidiary or affiliated organizations between 1979-1992. The Policies listed between 37- 43 provided coverage for "Kiwanis Members" or "Club Members" between 1979-1992. The Policies listed from 44-46 provided coverage for an "affiliate" of Kiwanis International between 1979-1992. Collectively the following insurers are referred to as the "Kiwanis Insurers."

1. United States Fidelity and Guarantee Company (Travelers),
1CC0172540006-00, 11/1/1977-10/1/1980, limits unknown
2. United States Fidelity and Guaranty Company, CEP 126205, 5/3/1980-
5/3/1981,
\$2m occ. / \$2m agg.

3. United States Fidelity and Guaranty Company (Travelers), ICC D63876, 10/1/1980-10/1/1983, \$1m occ. / \$1m agg.
4. Granite State, 6680-7665, 10/1/1980-10/1/1981, \$2m occ., agg unknown
5. Granite State, 6681-8744, 10/1/1981-10/1/1982, \$2m occ. / \$2m agg.
6. Granite State, 6682-9861, 10/1/1982-10/1/1983, \$5m occ. / \$5m agg.
7. United States Fidelity and Guaranty Company (Travelers), ICC017254006-00, 10/1/1983-10/31/1986, \$1m occ. / no agg.
8. Royal Insurance Company of America (Arrowpoint), PTG 34 88 11, 10/1/85- 10/1/86, \$1m occ.
9. Royal Insurance Company of America (Arrowpoint), PTG 34 88 11, 10/1/86- 10/1/87, \$1m occ.
10. Royal Insurance Company of America (Arrowpoint), PTG 34 88 11, 9/30/87- 10/1/88, \$1m occ.
11. International Surplus Lines Insurance Company, 531-000572-4, 9/30/87-10/1/88, \$2m occ / \$2m agg.
12. Chubb, OGLG10790499, 11/1/88-11/1/89, \$1m occ. / agg. unknown
13. CIGNA / Ins. Co. of N. America (Chubb), XOOG10791455, 11/1/88-11/1/89, \$10m occ / \$10m agg., \$8,145,731 remaining.
14. CIGNA / Ins. Co. of N. America (Chubb), OGLG1 07 90 49 9, 11/1/89-11/1/90, \$1m occ / agg. unknown.
15. Chubb, XOOG13551789, 11/1/89-11/1/90, \$10m occ. / \$10m. agg., \$9,529,773 remaining
16. Federal Insurance Company (Chubb), 7090 28 88, 3/1/90-11/1/90, \$25m occ. / \$25m agg.
17. Chubb, SVPD16962351, 11/1/90-11/1/91, \$1m occ. / \$2m agg., agg. exhausted.
18. CIGNA / Ins. Co. of N. America (Chubb), XOOG14552467, 11/1/90-11/1/91, \$10m occ / \$10m agg., \$9,529,773 remaining
19. Federal Insurance Company (Chubb), (91) 7909 28 88, 11/1/90-11/1/91, \$25m occ. / \$25m agg.
20. Transamerica Insurance Company, XLX 2707 520, 11/1/90-11/1/91, \$15m occ. / \$15m agg.

21. CIGNA / Ins. Co. of N. America (Chubb), GSV D1 69 62 35 1, 11/1/91-11/1/92, \$1m occ. / \$2m agg., agg. exhausted
22. CIGNA / Ins. Co of N. America (Chubb), XOOG15589760, 11/1/91-11/1/92, \$10m occ. / \$10m agg., \$1,452,952 remaining
23. Federal Insurance Company (Chubb), (92) 7909 28 88, 11/1/91-11/1/92, \$25m occ./ \$25m agg.
24. Fireman's Fund, XK2175749, 11/1/91-11/1/92, \$15m occ. / agg. unknown
25. United States Fidelity and Guarantee Company (Travelers), ICC0172540006-00, 11/1/1977-10/1/1980, limits unknown
26. United States Fidelity and Guaranty Company (Travelers), ICC D63876, 10/1/1980-10/1/1983, \$1m occ. / \$1m agg.
27. Granite State, 6680-7665, 10/1/1980-10/1/1981, \$2m occ., agg unknown
28. United States Fidelity and Guaranty Company (Travelers), ICC017254006-00, 10/1/1983-10/31/1986, \$1m occ. / no agg.
29. Royal Insurance Company of America (Arrowpoint), PTG 34 88 11, 10/1/85- 10/1/86, \$1m occ.
30. Royal Insurance Company of America (Arrowpoint), PTG 34 88 11, 10/1/86- 10/1/87, \$1m occ.
31. Royal Insurance Company of America (Arrowpoint), PTG 34 88 11, 9/30/87- 10/1/88, \$1m occ.
32. Chubb, OGLG10790499, 11/1/88-11/1/89, \$1m occ. / agg. Unknown
33. CIGNA / Ins. Co. of N. America (Chubb), OGLG1 07 90 49 9, 11/1/89-11/1/90,\$1m occ / agg. unknown.
34. Federal Insurance Company (Chubb), (91) 7909 28 88, 11/1/90-11/1/91, \$25m occ. / \$25m agg.
35. Transamerica Insurance Company, XLX 2707 520, 11/1/90-11/1/91, \$15m occ. / \$15m agg.
36. Fireman's Fund, XK2175749, 11/1/91-11/1/92, \$15m occ. / agg. Unknown
37. United States Fidelity and Guarantee Company (Travelers), ICC0172540006-00, 11/1/1977-10/1/1980, limits unknown
38. United States Fidelity and Guaranty Company (Travelers), ICC D63876, 10/1/1980-10/1/1983, \$1m occ. / \$1m agg.

39. United States Fidelity and Guaranty Company (Travelers), 1CC017254006-00, 10/1/1983-10/31/1986, \$1m occ. / no agg.
40. Granite State, 6680-7665, 10/1/1980-10/1/1981, \$2m occ., agg unknown
41. Royal Insurance Company of America (Arrowpoint), PTG 34 88 11, 10/1/85- 10/1/86, \$1m occ.
42. Royal Insurance Company of America (Arrowpoint), PTG 34 88 11, 10/1/86- 10/1/87, \$1m occ.
43. Royal Insurance Company of America (Arrowpoint), PTG 34 88 11, 9/30/87- 10/1/88, \$1m occ.
44. Chubb, OGLG10790499, 11/1/88-11/1/89, \$1m occ. / agg. Unknown
45. CIGNA / Ins. Co. of N. America (Chubb), XOOG14552467, 11/1/90-11/1/91,\$10m occ / \$10m agg., \$9,529,773 remaining
46. CIGNA / Ins. Co of N. America (Chubb), XOOG15589760, 11/1/91-11/1/92, \$10m occ. / \$10m agg., \$1,452,952 remaining

WHEREAS: Certain of the defense lawyers hired and assigned by the consortium of insurance companies have been litigating KVH since 2015 regarding the lawsuit captioned *R.N. v. Kiwanis, et al.*, Thurston County Cause Number 15-2-00383-3. The files developed in KVH litigation since 2015 include hundreds of witness depositions, hundreds of thousands of case documents, voluminous legal pleadings and evidentiary rulings by the court.

WHEREAS: Over the course of litigation, several defendants were dismissed by way of summary judgment, including the following: Edward Hopkins, Lee Coumbs, Sam Morehead, Lewis Patton, Melanie Cornwell, Dale Shannon and Henry Meister. Plaintiffs stipulate to waive any right to appeal of the Court's orders dismissing said defendants.

WHEREAS: Despite the benefit of nearly eight (8) full years of exhaustive litigation and the materials created therefrom to both understand the case issues and its probability of success, Plaintiffs allege that the various insurance companies have failed to act reasonably in offering to resolve the claims against Estate of Charles McCarthy and Guy Cornwell in the lawsuits enumerated above.

WHEREAS: Plaintiffs have regularly requested settlement discussions and have provided robust packages of information to support settlement positions they have offered. Plaintiffs' efforts over the years of litigation included requests for global settlement discussions. Contrastingly, the Kiwanis Insurers have shared nothing.

WHEREAS: A jury could find that the Kiwanis Insurers' conduct, including the conduct described above, as well as failing to reasonably respond and acknowledge exposure to the claims of Plaintiffs is a breach, not only of the contracts of insurance, but the duty of good faith and fair dealing owed by insurers to insureds such as McCarthy and Cornwell.

WHEREAS: Only certain Plaintiffs have viable claims against Defendant Guy Cornwell and Melanie Cornwell and their marital community. Such Plaintiffs are identified herein as M■■■■ A■■■■, J■■■■ B■■■■, J■■■■ R■■■■ J■■ W■■■■, R■■■■ N■■■■ B■■ L■■ T■■■■, C■■ C■■, S■■■■ C■■ D■■ A■■■■ M■■/S■■, B■■■■ A■■ T■■ C■■■■■■ H■■, D■■ Q■■ M■■■■, and C■■■■ C■■ M■■ (hereinafter “Cornwell-McCarthy Plaintiffs”).

WHEREAS: All Plaintiffs have viable claims against Defendant Estate of Charles McCarthy.

WHEREAS: Defendant Guy Cornwell and Defendant Estate of Charles McCarthy, while not admitting liability, agree that, based on the evidence, a jury could conclude beyond a preponderance of the evidence that they committed the negligent or grossly negligent or reckless misconduct alleged against them, while conducting activities in furtherance of several local Kiwanis clubs’ activities or on their behalf, that their misconduct proximately caused the Cornwell-McCarthy Plaintiffs’ injuries, and that the amounts below are within the range of verdicts a jury could return in the Lawsuits for the Cornwell-McCarthy Plaintiffs:

Plaintiff	Jury Verdict Exposure
M■■■■ A■■■■	\$2,250,000
J■■■■ B■■■■	\$1,625,000
J■■■■ R■■■■	\$2,250,000
J■■ W■■■■	\$1,900,000
R■■■■ N■■■■	\$2,075,000
S■■■■ C■■	\$2,050,000
C■■■■ H■■	\$2,800,000
B■■■■ A■■ T■■■■	\$450,000
D■■ Q■■ M■■■■	\$550,000
D■■ M■■/S■■	\$3,350,000
C■■■■ M■■	\$1,350,000
B■■ L■■ T■■■■	\$5,275,000
C■■ C■■	\$2,625,000

WHEREAS: Defendant Estate of McCarthy, while not admitting liability, agrees that, based on the evidence, a jury could conclude beyond a preponderance of the evidence that Charles McCarthy committed the negligent or grossly negligent or reckless misconduct alleged against the Estate, while conducting activities in furtherance of several local Kiwanis clubs’ activities or on their behalf, that McCarthy’s misconduct proximately caused Plaintiffs’ injuries, and that the amounts below are within the range of verdicts a jury could return collectively in the Lawsuits for Plaintiffs with claims against McCarthy but not Cornwell:

Plaintiff	Jury Verdict Exposure
C■■ C■■■■	\$2,250,000
K■■ F■■■■	\$11,000,000
J■■ H■■	\$1,800,000
G■■ F■■■■	\$2,950,000

S [REDACTED] W [REDACTED]	\$1,750,000
A [REDACTED] L [REDACTED]	\$2,600,000
R [REDACTED] K [REDACTED]	\$14,400,000

WHEREAS: Defendant Guy Cornwell and his wife, Melanie Cornwell are 77 and 66 years old, respectively, with a very small, fixed income and very small savings or assets to their names.

WHEREAS: Defendant Cornwell and his marital community wish to avoid the suffering, economic hardship, and exposure to jury verdicts and judgments he could not possibly satisfy, and he is electing in the absence of protection by the Kiwanis Insurers involved herein to protect himself by electing to negotiate an Assignment of Rights against the Kiwanis Insurers denominated herein.

WHEREAS: Defendant Estate of Charles McCarthy has had property tied up in probate since McCarthy passed away, incurring the costs of probate, and denying the beneficiaries the value of the Estate. The remaining assets of Defendant Estate of Charles McCarthy are likely to be fully extinguished by a judgment in one or more the Lawsuits.

WHEREAS: Defendant Estate of Charles McCarthy wishes to avoid the suffering, economic hardship, and exposure to jury verdicts and judgments it could not possibly satisfy, and it is electing in the absence of protection by the Kiwanis Insurers involved herein to protect himself by electing to negotiate an Assignment of Rights against the Kiwanis Insurers denominated herein.

WHEREAS: The Great American Insurance Company (“Great American”) insures the Charles McCarthy, Barbara Thompson, as the personal representative of the Estate of Charles McCarthy, the Estate of Charles McCarthy, Guy Cornwell, Edward Hopkins, Henry Meister, Lee Coumbs, Lewis Patton, Sam Morehead and Dale Shannon (and all spouses of such individuals) (collectively hereinafter “Great American Individual Insureds”) related to the above titled Lawsuits under the following policies issued by Great American Insurance Company (“Great American”):

1. Great American, BP 6-55-38-12-00, 1987-1988
2. Great American, PAC 2-79-59-63-00, 1988-1989
3. Great American, PAC 2-79-70-03-00, 1989-1990
4. Great American, PAC 2-79-82-23-00, 1990-1991
5. Great American, PAC 2-79-82-23-01, 1991-1992
6. Great American, PAC 2-79-82-23-02, 1992-1993

Collectively the above policies are referred to as the “Great American Policies.”

NOW, THEREFORE, IT IS AGREED as follows:

AGREEMENT

1. Amount. Subject to the provisions below, Plaintiffs agree to settle their claims against Defendants in part for payment of the principal amount of \$4,100,000.00 by Great American made payable to Pfau Cochran Trust Account. Payment shall be made within 30 days of the execution of this agreement by Plaintiffs.

2. Stipulated Judgment. By way of further consideration, Defendant Guy Cornwell and Defendant Estate of Charles McCarthy shall stipulate to judgments in favor of the Cornwell-McCarthy Plaintiffs against Defendants Guy Cornwell and the Estate of Charles McCarthy in the forms attached hereto as **Exhibit A** and in the following amounts:

Plaintiff	Jury Verdict Exposure
M [REDACTED] A [REDACTED]	\$2,250,000
J [REDACTED] B [REDACTED]	\$1,625,000
J [REDACTED] R [REDACTED]	\$2,250,000
J [REDACTED] W [REDACTED]	\$1,900,000
R [REDACTED] N [REDACTED]	\$2,075,000
S [REDACTED] C [REDACTED]	\$2,050,000
C [REDACTED] H [REDACTED]	\$2,800,000
B [REDACTED] A [REDACTED] T [REDACTED]	\$450,000
D [REDACTED] Q [REDACTED] M [REDACTED]	\$550,000
D [REDACTED] M [REDACTED] r/S [REDACTED]	\$3,350,000
C [REDACTED] M [REDACTED]	\$1,350,000
B [REDACTED] L [REDACTED] T [REDACTED]	\$5,275,000
C [REDACTED] C [REDACTED]	\$2,625,000

3. Stipulated Judgment. By way of further consideration, Defendant Estate of Charles McCarthy shall stipulate to judgments in favor of the remaining Plaintiffs against the Estate of Charles McCarthy in the forms attached hereto as **Exhibit B** and in the following amounts:

Plaintiff	Jury Verdict Exposure
C [REDACTED] C [REDACTED]	\$2,250,000
K [REDACTED] F [REDACTED]	\$11,000,000
J [REDACTED] H [REDACTED]	\$1,800,000
G [REDACTED] F [REDACTED]	\$2,950,000
S [REDACTED] W [REDACTED]	\$1,750,000
A [REDACTED] L [REDACTED]	\$2,600,000
R [REDACTED] K [REDACTED]	\$14,400,000

4. Stipulated Judgment. The Stipulated Judgments will be entered in favor of Plaintiffs as judgment creditors and against Defendant Estate of Charles McCarthy and Defendant Guy Cornwell as judgment debtors. Within five (5) business days of the execution of this Agreement, the Parties will execute the Stipulated Judgment in the forms

attached as **Exhibit A** and **B** respectively, although Defendants agree that the captions of the forms of the judgments may be altered to reflect the caption under which Plaintiffs choose to pursue entry of judgment. Should a court determine that an amount other than the amount of the stipulated judgments is a reasonable settlement amount, Plaintiffs, Defendant Estate of Charles McCarthy, and Defendant Guy Cornwell agree to stipulate to amend the judgments against (1) Defendants Guy Cornwell and the Estate of Charles McCarthy and (2) Defendant Estate of Charles McCarthy in the amount that the court determines is reasonable (rather than the amounts listed in the tables above) in favor of Plaintiffs. Defendant Estate of Charles McCarthy and Defendant Guy Cornwell agree that the amounts are within the range that a jury could reasonably return in the various Lawsuits. Should a court determine that an amount other than the amount of the stipulated judgments is a reasonable settlement amount, such determination shall not void this Agreement and the obligations thereunder.

5. Interest. Interest shall accrue at a rate of 12 percent per annum from the date that this Agreement is executed until the date that the judgment is satisfied. The interest shall accrue on either the amount of the stipulated judgment in paragraphs 2-4 or, should a court determine that another amount is a reasonable settlement amount, the interest shall accrue based on the amount that a court orders. Plaintiffs, and anyone claiming by and through Plaintiffs, agree to seek any accruing interest solely from the Kiwanis Insurers and agree and warrant they will not seek any interest (or related amounts) from the Estate of Charles McCarthy and/or Defendants Guy Cornwell and Melanie Cornwell (and their marital community).

6. Covenant Not to Execute. Plaintiffs hereby irrevocably covenant and agree to limit their execution of the judgments to insurance assets, other than the Great American Insurance Policies, and insurance-related claims against Kiwanis Insurers and to not otherwise execute the judgments against Defendants.

7. Assignment of Rights. For consideration provided herein, Defendants hereby assign Plaintiffs any and all of their rights against all Kiwanis Insurers, or any other insurance company providing insurance for Kiwanis International, Kiwanis local clubs, or Kiwanis Members, including those identified herein, whether **KNOWN OR UNKNOWN**, in the form attached hereto as **Exhibit C**. This Assignment includes but is not limited to all of Defendants' rights, privileges and claims or causes of action connected with any insurance contracts, whether arising at common law or otherwise, as well as all claims or actions for insurance protection, indemnification, breach of contract, negligence, gross negligence, fiduciary breach, violation of the Consumer Protection Act, violation of the Insurance Fair Conduct Act, bad faith, punitive damages and/or the insurers acting as a lawyer, as well as any other claims against the Kiwanis insurers. This assignment includes any rights Defendants had to obtain claim files for the above Lawsuits and related claims from the Kiwanis Insurers. Consistent with this complete Assignment of Rights, Plaintiffs shall decide all matters of settlement or conduct of the action to be brought against any party. Defendants acknowledge that by assigning their claims to Plaintiffs, Defendants are releasing all interest in the assigned claims and any recovery or proceeds that may result from the assigned claims. Defendants further acknowledge that Plaintiffs have the exclusive legal power and right to prosecute, compromise, settle, assign and otherwise control the assigned claims at their sole expense. This assignment does not include an assignment of rights against Great American Insurance Company ("GAIC")

or its affiliates. Defendants shall have no financial or legal responsibility for any actions Plaintiffs take on the assigned claims.

8. Release. Upon full execution of this Agreement by all parties, receipt of payment in Paragraph 1 by Pfau Cochran, and entry of the stipulated judgments, Plaintiffs hereby forever release, acquit and discharge Great American Individual Insureds and Great American Insurance Company, including each and all of their owned, controlled, subsidiary or affiliated organizations and corporations, agencies, divisions, officers, directors, officials, employees, volunteer workers, agents, beneficiaries, heirs and assigns, successors, attorneys, and representatives (hereinafter collectively "Releasees"), and each of them, for and from any and all past, present and future claims, creditor's claims, damages, losses, attorneys' fees, costs, liens, obligations, demands, actions, and causes of action of any nature whatsoever, **KNOWN OR UNKNOWN**, alleged or brought, or which could have been brought arising from or related in any way to any incidents, dealings, or occurrences involving Releasees, including but not limited to (i) any incidents and damages alleged or which could have been alleged in the Lawsuits, (ii) any act or omission by or on the part of any of the Releasees prior to the execution date of this agreement; and (iii) any incidents or claims for damages or other losses relating in any way to the Kiwanis Vocational Home. Releasees do not admit any negligence, gross negligence, and/or tortious and/or other wrongful conduct, nor do Releasees admit liability for the alleged acts and in fact expressly deny the same. Nothing in this Agreement shall be viewed or construed as an admission of liability, coverage, wrongdoing or responsibility by any Releasee, or as to any Releasee. This release of claims includes, but is not limited to, all common law, statutory, or any other type of claim Plaintiffs have or may have in the future. This release expressly does not include Kiwanis International, or any Kiwanis affiliated club or members other than the individuals identified as "Great American Insureds" herein. This release is intended to by the Parties to be as broad as they can possibly create and include, but it expressly does not include any non-GAIC insurers or policies enumerated herein, non-GAIC insurers or policies not enumerated herein, or other non-GAIC insurers or policies in existence but unknown to the Parties at this point. This release expressly does not include any Kiwanis Insurers identified herein. This release does not include any insurance company providing insurance for Kiwanis International, Kiwanis local clubs, or Kiwanis Members. This release does not include the defunct entities LCYE and KVH, however, Plaintiffs recognize that they do not have the legal grounds to enter a judgment against the defunct entities LCYE or KVH based solely on the Court of Appeals' current interpretation of the corporate dissolution statute of limitations. Plaintiffs will not pursue recovery against Releasees under the Great American Policies in any regard. This release furthermore does not apply to the Great American Insureds' liability for the stipulated judgment, except as otherwise limited by Paragraph 6, pertaining to the covenant not to execute. The Parties do not intend for this release or any other provision in this agreement to impede, impair, or otherwise alter the liability of the Great American Insureds, the Kiwanis Insurers, or any other insurance company providing insurance for Kiwanis International, Kiwanis local clubs, or Kiwanis Members for the stipulated judgments or the stipulated judgments' legal effect on other potential proceedings, including any litigation related to the claims assigned under Paragraph 7.

9. Previously Dismissed Defendants. Plaintiffs stipulate to waive any right of appeal of the summary judgment dismissals of any of the following former defendants in any

of the Lawsuits: Edward Hopkins, Lee Coumbs, Sam Morehead, Lewis Patton, Melanie Cornwell, Dale Shannon, and Henry Meister.

10. Previously Dismissed Plaintiffs. Plaintiffs stipulate to waive any right of appeal of the summary judgment dismissals of any previously dismissed plaintiffs from any of the Lawsuits against any of the following defendants: Edward Hopkins, Lee Coumbs, Sam Morehead, Lewis Patton, Melanie Cornwell, Dale Shannon, and Henry Meister.

11. No Action Detrimental to the Agreement. Defendants represent that they have done nothing and will in the future do nothing to impair or otherwise adversely affect viability of the Stipulated Judgment or Assigned Claims. Defendants will allow Plaintiffs to review files and correspondence between Defendants and non-GAIC Kiwanis Insurers to determine the viability and value of the assigned claims.

12. Cooperation. The parties to this Agreement agree to provide reasonable cooperation in all matters for all tasks and endeavors necessary to carry out or realize the terms of this Agreement, including review of the Kiwanis Insurers' materials and the non-GAIC Kiwanis Insurers claim files, and participation in any reasonableness hearings. Plaintiffs will continue pursuing discovery in the Lawsuits that may include discovery of materials from Defendants. Defendants agree they will comply with reasonable discovery requests by the parties and will cooperate with trial obligations as required.

13. Governing Law. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Washington. If there is a dispute over the terms of this contract, the proper venue to bring court action is the superior court in Pierce County, Washington.

14. Counterparts. This Agreement may be executed by the parties in any number of counterparts, each of which shall be deemed an original instrument, but all of which together shall constitute one and the same instrument.

15. Successor and Assigns. This Agreement shall be binding upon the successors and assigns of the parties to this Agreement, and the benefits of this Agreement shall inure to the benefit of their respective assigns and successors.

16. Invalid Provisions. If a provision of this Agreement is found to be illegal, invalid or unenforceable, the provision shall be fully severable. In lieu thereof, there shall be added a provision as similar in terms to the severed provisions as may be possible and be legal, valid and enforceable.

17. Entire Agreement. All prior discussions and/or negotiations, whether written or verbal, are hereby merged into and superseded by this Agreement which sets forth the entire agreement and understanding of the parties to this Agreement, with respect to subject matter included in this Agreement.

18. Joint Effort. Preparation of this Agreement has been a joint effort of the Parties and the resulting document shall not be construed more severely against one of the Parties than against the other.

19. Effective. This Agreement shall be effective when all parties have executed it.

20. Liens. Plaintiffs further agree to hold harmless, defend and indemnify the Releasees from any and all claims and actions asserted by any third parties or lienholders, including but not limited to, direct or indirect lien claims, including, but not limited to, all workers' compensation liens, medical claims, vocational claims, child support claims, medical liens, any lien claim by an attorney, any lien claim arising by or through the State of Washington, claims arising from any other insurance carriers, or any other applicable lien asserted by any third party or entity, which may arise out of or in any way relate to the incidents described above as to or against the proceeds of this settlement. Plaintiffs further covenant and agree that any and all Medicare, Medi-cal, ERISA, Social Security, hospital, medical insurance, subrogation, attorney's fees and costs, and/or any other type of liens, claims of lien, or interest that is and/or could be claimed by any person and/or entity, has been or will be entirely released or fully paid and satisfied from the settlement proceeds delineated in this Agreement. The Releasees are relying on Plaintiffs regarding the actions they have taken or will take to satisfy any and all lien claims. Plaintiffs further covenant and agree that any and all Medicare, ERISA, Social Security, hospital, medical insurance, subrogation, attorney's fees and costs, and/or any other type of liens, claims of lien, or interest that is and/or could be claimed by any person and/or entity, has been or will be entirely release or fully paid and satisfied from the Settlement Payment. Releasees are relying on Plaintiffs regarding the actions they have taken or will take to satisfy any and all lien claims.

a. Medicare Secondary Payer Act Compliance

The parties intend to comply with the Medicare Secondary Payer Act (42 U.S.C. 1395y). Plaintiffs understand that as used herein, the term "Medicare" includes Medicare Part A (Hospital Insurance), Medicare Part B (Medical Insurance), Medicare Part C (Medicare Advantage Organizations) and Medicare Part D (Prescription Drug Insurance).

b. Medicare Eligibility Representation and Warranty

In order to induce Releasees to enter into this settlement agreement and make the payments set forth herein, Plaintiffs hereby declare, represent and warrant to Releasees that they are **not enrolled** in Medicare and have **not been eligible** for Medicare benefits at any time.

c. Medicare Release

Plaintiffs release and forever discharge Releasees from all claims or causes of action arising out of the loss of any present or future right to Medicare benefits.

d. Waiver of Private Cause of Action

In the event it is determined that Medicare made conditional payments for the treatment of Plaintiffs' injuries or medical condition(s) arising out of the Incidents, Plaintiffs waive the right to sue.

21. Non-Disparagement. To the extent possible, the terms, conditions, amount, fact of and claims underlying the making of this Agreement and any and all actions taken in accordance with this Agreement shall be maintained by all Parties in a manner befitting best efforts to avoid disparagement of one another. Neither the Parties, nor anyone at their direction or on their behalf, shall maliciously disclose the facts, allegations leading up to the making of this Agreement, the terms, conditions, amount, fact of or contents of the Agreement, to any other persons, entities or organizations (with the sole exception of closely-affiliated persons, attorneys, the Court, financial advisers, and governmental entities that request or need information about the Agreement, or as compelled by law), in any manner, whether in writing or orally, directly or indirectly, on social media, or by or through an agent, representative, attorney or any other such person.

22. Agreement Read and Understood. Plaintiffs (or their legal representatives/guardians) warrant that they have completely read and fully understand the Agreement's terms and their effect. They have received independent legal advice from their attorneys with respect to the advisability of entering into the settlement and executing this Settlement Agreement (or they elected not to seek attorney advice). They may subsequently discover facts different from or in addition to those they now know or believe to be true with respect to the matters that this Agreement embraces, and they nevertheless agree that the releases and agreements contained in this Agreement will remain effective notwithstanding such different or additional facts.

23. Other Uses Prohibited. The Parties agree that this agreement (and the related stipulated judgments and assignments) cannot be used in any future actions filed against Defendants or any Releasee for injuries arising at or related to KVH. The parties further agree that this document is protected from discovery and use at any hearing or trial in any future litigation against Defendants or Releasees related to KVH and does not constitute an admission of liability or damages in any future litigation that may arise against Defendants or Releasees.

24. Dismissals. Plaintiffs agree to dismiss Edward Hopkins, Henry Meister, Lee Coumbs, Lewis Patton, Sam Morehead and Dale Shannon from the Lawsuits with prejudice and without costs or fees to any party within five business days of the Settlement Payment being made in Paragraph 1. Plaintiffs agree to dismiss Cornwell and Estate of McCarthy from the *Beglinger* and *Beasley* lawsuits without prejudice and without costs or fees to any party within five business days of the Settlement Payment being made in Paragraph 1. Plaintiffs agree to dismiss Cornwell and Estate of McCarthy from the *Beglinger* and *Beasley* lawsuits without prejudice and without costs or fees to any party within five business days of final determination by the Court of the reasonable stipulated judgment amounts of the Lawsuits. Plaintiffs further agree that they have not filed any other complaints and will not directly or indirectly institute any legal action against Releasees based upon, arising out of, or relating to any claims released in this Settlement Agreement and Release. Plaintiffs agree to release their creditors' claims in the matter of *The Estate of Charles Stephen McCarthy*, Thurston County Case No., 20-4-00884-

34 (or any related estate matter) and file a satisfaction with five business days of receiving the Settlement Payment made in Paragraph 1. Plaintiffs agree that Barbara Thompson can distribute the assets from the Estate of Charles McCarthy and close the Estate.

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PLEASE READ CAREFULLY. THIS AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

This Agreement is effective this ____ day of October, 2022.

IN WITNESS WHEREOF, I have caused this Settlement Agreement, Assignments of Rights, Stipulated Judgment, and Covenant Not to Execute to be executed on this 15th day of November, 2022.

Barbara Thompson

Defendant Barbara Thompson, as Personal
Representative for the Estate of Charles
McCarthy

46. CIGNA / Ins. Co of N. America (Chubb), XOOG15589760, 11/1/91-11/1/92,
\$10m occ. / \$10m agg., \$1,452,952 remaining

This assignment is executed in partial fulfillment of the Settlement Agreement, Assignments of Rights, Stipulated Judgment, and Covenant Not to Execute entered between Plaintiffs and Defendants.

STATE OF Iowa)
) ss.
COUNTY OF Story)

Defendant Guy Cornwell, individually and on behalf of his marital community with Melanie Cornwell, being first duly sworn upon oath, deposes and says:

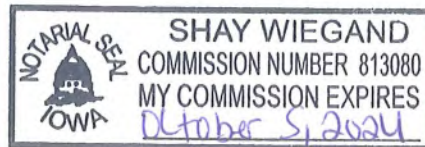
That he is the individual above named; that he has read the foregoing Settlement Agreement, Assignments of Rights, Stipulated Judgment, and Covenant Not to Execute, knows the contents thereof, and believes the same to be true.

[Signature]
Defendant Guy Cornwell,
Individually and on behalf of his
marital community

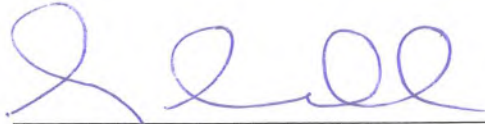
SUBSCRIBED AND SWORN to before me this 27 day of October, 2022.

[Signature]
NOTARY PUBLIC in and for the State
of Iowa, residing at Greater Iowa Credit Union
My Commission Expires: October 5, 2024

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IN WITNESS WHEREOF, I have caused this Settlement Agreement, Assignments of Rights, Stipulated Judgment, and Covenant Not to Execute to be executed on this 27th day of October, 2022.



Defendant Guy Cornwell,
Individually and on behalf of his
marital community

