

RELEASE OF ALL CLAIMS

KNOW ALL BY THESE PRESENTS:

That the Undersigned Ann Zehm on behalf of herself as an individual Plaintiff, and Genevieve Mann the Personal Representative of the Estate of Otto Zehm (in USDC, Eastern District of Washington Cause No. CV-09-80-LRS), being of lawful age, make this agreement for the consideration of the total of One Million, Six Hundred Seventy Thousand Dollars (\$1,670,000.00) and additional action agreed to by the City of Spokane by separate agreement, dated May, 21, 2012, and incorporated by reference. Said consideration will be delivered in two parts. The first part will be in the amount of Seven Hundred Twenty Thousand Five Hundred Fifty Four Dollars and .08 Cents (\$720,554.08) payable by the City of Spokane to the undersigned. The second part will be in the amount of Nine Hundred Forty Nine Thousand Four Hundred and Forty Five Dollars and .92 Cents (\$949,445.92), payable by the Insurance Company of the State of Pennsylvania (ICSOP) to the undersigned. The undersigned acknowledge that the payment of the first part will occur before payment of the second part. Payment of the second part will be made after execution of that separate settlement agreement between the City of Spokane and ICSOP and within 90 days after execution of this agreement. Upon payment of the first part, the undersigned agree to execute this agreement, and direct their attorneys to contemporaneously execute a Stipulated Order of Dismissal with Prejudice, which will not be filed with the Court until the second payment of \$949,445.92 is delivered to attorneys for plaintiffs. The parties to this agreement acknowledge that failure of ICSOP to make payment of the second part will void this agreement in total within 90 days of the execution of this agreement.

In exchange for the consideration identified above, to the undersigned paid, as indicated herein below and receipt of which is hereby acknowledged, the undersigned do hereby and for our heirs, executors, administrators, successors and assigns release, acquit and forever discharge The City of Spokane, Jim Nicks, Karl Thompson, Steven Braun, Zack Dahle, Erin Ralieg, Dan Torok, Ron Voeller, Jason Uberaga, Theresa Ferguson, and their agents, servants, successors, heirs, executors, administrators and all other persons, firms, corporations, associations or partnerships, and ISCOP and its agents, servants, successors, heirs, executors, administrators and all other persons, firms, corporations, associations or partnerships, of and from any and all claims, actions, expenses and compensation whatsoever, which the undersigned now has\have or which may hereafter accrue on account of or in any way growing out of any and all known and unknown, foreseen and unforeseen bodily and personal injuries or death and property damage or any other injury or damage and the consequences thereof resulting or to result from or in any way related directly or indirectly to the accident, casualty, event which occurred on or about: March 18, 2006 at or near 1721 North Division Street, Spokane, Washington, and/or subsequent events related directly or indirectly thereto, as more fully set forth in the Complaint filed in USDC, Eastern District of Washington Cause No. CV-09-80-LRS. It is understood and agreed that this settlement is the compromise of a disputed claim, and that the payment made is not to be construed as an admission of liability on the part of the party or parties hereby released, and that said releasees deny liability therefor and intend merely to avoid litigation and buy their peace.

RELEASE OF ALL CLAIMS

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That the Undersigned Ann Zehm on behalf of herself as an individual Plaintiff, and Genevieve Mann the Personal Representative of the Estate of Otto Zehm (in USDC, Eastern District of Washington Cause No. CV-09-80-LRS), being of lawful age, make this agreement for the consideration of the total of One Million, Six Hundred Seventy Thousand Dollars (\$1,670,000.00) and additional action agreed to by the City of Spokane by separate agreement, dated May, 21, 2012, and incorporated by reference. Said consideration will be delivered in two parts. The first part will be in the amount of Seven Hundred Twenty Thousand Five Hundred Fifty Four Dollars and .08 Cents (\$720,554.08) payable by the City of Spokane to the undersigned. The second part will be in the amount of Nine Hundred Forty Nine Thousand Four Hundred and Forty Five Dollars and .92 Cents (\$949,445.92), payable by the Insurance Company of the State of Pennsylvania (ICSOP) to the undersigned. The undersigned acknowledge that the payment of the first part will occur before payment of the second part. Payment of the second part will be made after execution of that separate settlement agreement between the City of Spokane and ICSOP and within 90 days after execution of this agreement. Upon payment of the first part, the undersigned agree to execute this agreement, and direct their attorneys to contemporaneously execute a Stipulated Order of Dismissal with Prejudice, which will not be filed with the Court until the second payment of \$949,445.92 is delivered to attorneys for plaintiffs. The parties to this agreement acknowledge that failure of ICSOP to make payment of the second part will void this agreement in total within 90 days of the execution of this agreement.

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In consideration of payment of the above sum and the other agreements referenced in the first paragraph, the undersigned represents, warrants and agrees that he/she or his/her legal representative will satisfy any and all lien claims against the above sum, or any settlement or recovery arising out of the incident, casualty or events which occurred as above-described. In further consideration of the payment of the above sum and the other agreements referenced in the first paragraph, the undersigned agrees to indemnify all Defendants named in the above action, their attorneys of record, and ICSOP, and agrees to hold the same harmless against any claim, suit, action or demand asserting a lien against said sum, settlement or recovery, including the expenses of investigation, attorneys' fees, and other costs of litigation. In further consideration of payment of the above sum, the undersigned agrees to pay the expenses of investigation, attorneys' fees and all other costs of any action brought by any or all Defendants named in the above action, their attorneys of record, and their respective liability insurance carriers against the undersigned to establish and/or enforce indemnification hereunder.

The undersigned further declares and represents that no promise, inducement or agreement not herein expressed has been made to the undersigned, and that this Release contains the entire agreement between the parties hereto, and that the terms of this Release are contractual and not a mere recital.

THE UNDERSIGNED HAS READ THE FOREGOING RELEASE AND FULLY UNDERSTANDS IT.

Signed, sealed and delivered this 5th day of June, 2012.

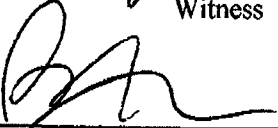
CAUTION: READ BEFORE SIGNING BELOW




Witness



Ann Zehm LS



Witness

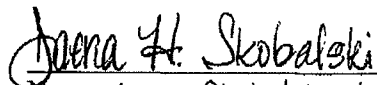


Genevieve Mann, Personal Representative of
the Estate of Otto Zehm LS

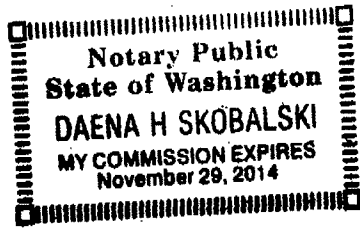
STATE OF WASHINGTON)

County Of Spokane) : ss

On this 5th day of June, 2012, before me personally appeared _____, to me known to be the persons named herein and who executed the foregoing Release and he/she acknowledged to me that he/she voluntarily executed the same.



Name: Daena Skobalski, Notary Public
State of Washington, residing in Spokane
Comm. expires 11-29-14



Notary Public in and for
the State of Washington,
residing at Spokane
My commission expires 11/29/14

SUPPLEMENTARY AGREEMENT BETWEEN PLAINTIFFS AND CITY

This agreement is dated May 21, 2012.

PARTIES

The parties to this agreement are individual plaintiff Ann Zehm, the Personal Representative of the Estate of Otto Zehm, Genevieve Mann, and the City of Spokane.

INCORPORATION BY REFERENCE

This supplementary agreement is incorporated by reference into the RELEASE OF ALL CLAIMS executed in connection with dismissal of the plaintiffs' lawsuit.

ACTION BY CITY

As further consideration for the plaintiffs' agreement to execute the RELEASE OF ALL CLAIMS, and for dismissal of the plaintiffs' Complaint, the City of Spokane agrees as follows:

1. Mayor David Condon will provide a written apology addressed to Ms. Ann Zehm, in substantially the same form as the Exhibit 1 to this agreement. It shall be prepared and executed on or before the date of entry of the Stipulated Order of Dismissal With Prejudice. It shall be delivered to plaintiffs' counsel.
2. Within 24-months of the date of this agreement, the City will have provided all patrol officers with Crisis Intervention Training ("CIT") or its reasonable equivalent except has limited below. The City reserves the right to advertise a Request for Proposal to find a suitable and qualified vendor to provide the training. The City shall not be required to provide training to officers who are expected to retire or resign within 1 year of today's date. The parties anticipate that there are approximately 90-110 officers who will receive this training, and this constitutes a material assumption underlying performance of this provision.
3. The Mayor will submit an official request to the Park Board requesting that it name a pavilion for Otto Zehm. The Mayor will make an official request that the pavilion be one in close proximity to Mission Park or other suitable location agreed by the parties. The Mayor will make an official request that the Park Board erect a plaque at the pavilion which will state: "In Memory of Otto Zehm," or words to that effect. The Mayor will make this official request by letter dated no later than 60 days following execution of this agreement. The parties acknowledge that the Park Board is not bound to follow any or all of the Mayor's request.
4. The City will pay an amount not to exceed \$50,000, for the Use of Force Commission to retain a qualified consultant to advise the City and the Use of Force Commission about suitable

modification in police procedures and changes in the City of Spokane use of force policy. The individual selected to serve in this role will be selected jointly by the Chief of Police, Mayor, and City Attorney.


5. Any and all disputes regarding the existence of a binding settlement agreement or the meaning or application of any term of such settlement agreement shall be resolved through binding arbitration, decided solely on written submission, before Judge Michael R. Hogan.

6. The Court will enter an order providing that Judge Hogan retains jurisdiction for purposes of enforcing this agreement, and such order shall be entered prior to any stipulation of dismissal. In addition, any stipulation of dismissal filed by the parties shall explicitly be conditioned upon entry of an order retaining jurisdiction to enforce this agreement.


Agreed this 12 day of ^{June}~~May~~, 2012



Nancy Isserlis, City Attorney.



Ann Zehm



Genevieve Mann, Personal
Representative for the Estate
Of Otto Zehm