

SETTLEMENT AGREEMENT, WAIVER AND RELEASE

This Settlement Agreement, Waiver and Release (hereinafter, the "Settlement Agreement") is made on this 1st day of May, 2020, by and among Albert J. Alvarez ("Alvarez"), the State of New Jersey ("State"), and Murphy for Governor, Inc. ("MFG", and, collectively with Alvarez and State, the "Defendants"), and Katherine Brennan ("Plaintiff") (each, a "Party" and collectively referred to herein as the "Parties").

WHEREAS, on or about January 7, 2019, Plaintiff filed an action against Defendants in the Superior Court of New Jersey, Law Division, Mercer County, captioned Katherine Brennan v. Albert J. Alvarez, et al., Docket No. MER-L-000034-19, which claims allegedly resulted in personal physical injury and medical illness; and

WHEREAS, Count One of Plaintiff's Complaint was thereafter transferred to the Appellate Division of the Superior Court, captioned Katherine Brennan v. Albert J. Alvarez, et al., Docket No. A-004566-18; and

WHEREAS, Alvarez thereafter filed certain Counterclaims against Plaintiff alleging malicious prosecution, defamation, and tortious interference with employment/prospective economic advantage, as well as cross-claims against the State and MFG for contribution and indemnification (the above-entitled matters will be collectively referred to as "the Actions"); and

WHEREAS, the Parties have determined to voluntarily and amicably settle and adjust all claims among them with prejudice, including all claims that were brought or could have been brought by any Party in the Actions,

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NOW, THEREFORE, in consideration of the mutual promises, terms, covenants, conditions and agreements contained herein, it is agreed by and among the Parties as follows:

1. Payments to Plaintiff and Her Counsel. In consideration for the release of all claims enumerated in Paragraph 11 of this Settlement Agreement, the dismissal of the Actions with prejudice, and for agreeing to the terms of this Agreement, Defendants State and MFG shall pay four hundred thousand dollars (\$400,000.00) to the law firm of Smith Eibeler LLC ("the Firm") to cover Plaintiff's attorneys' fees incurred in pursuing her claims and in full satisfaction of all claims. In addition, the Defendants State and MFG will pay to the trust account of Plaintiff's Counsel, the Firm, the sum of six hundred thousand dollars (\$600,000.00) – four hundred thousand (\$400,000.00) from the State, and two hundred thousand (\$200,000.00) from MFG - for compensation for a total sum of one million dollars (\$1,000,000.00) ("the Settlement Amount"). In the event of any default of this Settlement Agreement based upon the non-payment of Settlement Amount, the State shall only be responsible for \$800,000.00 of the Settlement Amount, and MFG shall only be responsible for \$200,000.00 of the Settlement Amount. The failure of MFG and/or Alvarez to perform and/or discharge their obligations under this Settlement Agreement shall not work or function as a default of the State's or the non-breaching party's obligations under this Settlement Agreement, and shall not in any way void the terms of this Settlement Agreement as between the State and Plaintiff. As part of this Settlement Agreement, Plaintiff and her counsel have agreed that \$600,000.00 of the payment made to the Firm trust account will be donated to a recognized 501(c)3 charity that will utilize the funds to improve the health and welfare of sexual assault victims. The Settlement

Amount shall be delivered to the Firm as soon as possible, which is expected to be within eight to twelve weeks after the receipt by Defendants of a correctly completed and executed Settlement Agreement and payment paperwork including but not limited to an executed W-9 form from the Firm, and a certified child support judgment lien search for Plaintiff. Plaintiff acknowledges that this is payment of consideration to which she would not otherwise be entitled unless she were to forego this settlement and prevail at a trial in this matter. In further consideration for this Settlement Agreement, Plaintiff agrees that she will not seek anything further, including any other payment, from Defendants relating to any of the issues raised, or that could have been raised, in the Actions. Plaintiff's claims arise from allegations of personal physical injury and alleged resulting medical illness. Defendants MFG and State will report the Settlement Amount in Box 10 of Forms 1099-MISC to be issued to the Firm.

2. **Mediator's Fee.** The State will pay the entire cost of the mediator's fees incurred in this matter. Defendants currently estimate this amount to be \$20,000.00.

3. **Indemnification.** Plaintiff understands that it will be the responsibility of her counsel to execute an appropriate W-9 form for the Firm. It is understood and agreed that Defendants have not made any representations to Plaintiff or her counsel regarding the taxability of the amounts described in Paragraph 1 of this Settlement Agreement. It also is understood that Defendants will not issue any Form 1099 to Plaintiff. Plaintiff shall be solely responsible for the payment of appropriate taxes on the Settlement Amount, and makes no claims against Defendants for the payment of any such taxes, or the payment of any applicable interest or penalties, and shall hold Defendants harmless and indemnify Defendants for same.

4. Attorneys' Fees. This Settlement Agreement includes and resolves all potential claims for attorneys' fees and costs. Each party is responsible for its own attorneys' fees and costs.

5. Debt/Lien Owed to the State. Defendant State shall conduct a lien search and advise Plaintiff (within thirty (30) days of receipt of the Settlement Agreement by the State executed by Plaintiff) if a debt/lien is owed to the State, its agencies or departments. Plaintiff acknowledges that any such debt/lien shall be deducted from the Settlement Amount prior to the disbursement of the Settlement Amount to Plaintiff. In the event of the existence of such a lien, the amount of the lien shall be deducted from the four hundred thousand dollars (\$400,000.00) to be paid by the State to the attorney trust account of the Firm.

6. Child Support Certification. Plaintiff hereby acknowledges and understands her obligation to comply with the legal requirements of N.J.S.A. 2A:17-56.23b, including, but not limited to, the requirement to perform a certified child support judgment lien search and to provide Defendants with said documentation prior to the Defendants' disbursement of the Settlement Amount. Plaintiff agrees that she shall direct her attorneys to perform the judgment search required by N.J.S.A. 2A:17-56.23b, and deliver a copy of the certification to Defendants' counsel. Plaintiff further understands and acknowledges that, (a) no settlement funds due Plaintiff under this Settlement Agreement shall be released prior to the receipt of the judgment search certification, and (b) any fees incurred, and payments made, by Defendants in connection with N.J.S.A. 2A:17-56.23b shall be deducted from the Settlement Amount prior to its disbursement to Plaintiff. In the event of the existence of such a judgment, the amount of the judgment shall be deducted

from the four hundred thousand dollars (\$400,000.00) to be paid by the State to the attorney trust account of the Firm.

7. State of New Jersey Anti-Harassment/Discrimination Policy ("State Policy"). The State further agrees that, as part of its State Policy, it will in the future allow an alleged victim of discrimination, harassment, or retaliation to have an advisor or other support person to be present during interviews by the EEO Investigator so long as the advisor's or support person's request to be present will not operate to delay such an interview. It is understood by the Parties that this provision may not bind future administrations.

8. Sexual Assault Nurse Examiner Council. The State agrees to assist Plaintiff in her efforts to present additional proposed reforms to the Sexual Assault Nurse Examiner Council ("Council"). Specifically, the State, acting through the Governor's Office or through the EEO Office, will contact the Attorney General's Office and will recommend that Plaintiff or her designee be permitted to present Plaintiff's recommendation for reforms within the criminal justice system at a meeting of the Council.

9. Defendant Alvarez. Alvarez agrees to attend a confidential Restorative Justice process with Plaintiff to include attending a confidential meeting with Plaintiff to be arranged through a trained facilitator acceptable to both Plaintiff and Alvarez. Additionally, Alvarez agrees to attend a class on anti-sexual harassment. Nothing contained in this paragraph shall be construed or deemed to be an admission of liability or wrongdoing on the part of Alvarez for any reason. Should Plaintiff and Alvarez be unable to arrange and/or discharge their mutual obligations under this Paragraph within six months

of the date of this Settlement Agreement, despite reasonable efforts to do so, all such obligations under this Paragraph shall be waived.

10. **Effective Date of this Settlement Agreement.** This Settlement Agreement and the releases contained herein shall become effective upon all Parties' execution of this Settlement Agreement.

11. **Release by Plaintiff.** In consideration of the payments set for above, Plaintiff hereby releases, acquits and fully, finally and forever discharges Albert J. Alvarez, State of New Jersey, and Murphy for Governor, Inc., the New Jersey Democratic State Committee, the 2017 Coordinated Campaign, the candidates as well as any and all of their respective former and current parent corporations or companies, subsidiaries, affiliated companies, agencies, authorities, as well as any Municipal, County, and State governmental entities including but not limited to the Transition Office of Governor-elect Philip Murphy, New Jersey Housing and Mortgage Finance Agency and the New Jersey Schools Development Authority, as well as each and all of their members, managers, principals, directors, officers, shareholders, employees, attorneys, insurers, predecessors, successors and assignees, from any and all claims, liabilities, controversies, actions, causes of action, damages, rights, losses, omissions, injuries, suits, costs, compensation, expenses, (including, but not limited to, any claim for attorneys' fees or costs of suit), and demands whatsoever, in law or in equity, foreseen or unforeseen, contingent or fixed, known or unknown, that have as their basis any action, transaction, omission or event from the beginning of time until the Effective Date of this Settlement Agreement, whether or not alleged in the Actions. This release includes, but is not limited to, the matter pending in the Law Division of the Superior Court as well as the matter pending in the Appellate

Division entitled Brennan v. Albert J. Alvarez, et al bearing Docket Number A-004566-18.

In addition to the specific claims enumerated above, this Settlement Agreement includes all claims under the Constitution or statutes of the United States, the Constitution, statutes or compacts of the State of New Jersey, or under common law, including but not limited to, all claims under: Title VII of the Civil Rights Act, Sections 1981, 1983 and 1985 of the Civil Rights Act, the New Jersey Law Against Discrimination, the New Jersey Civil Rights Act, the Family Medical Leave Act, the Family Leave Act, the Equal Pay Act, the Conscientious Employee Protection Act, the Age Discrimination in Employment Act, the Civil Service Act, the Handicapped, Blind, or Deaf Persons Civil Rights Law, the Developmentally Disabled Rights Act, the Americans with Disabilities Act, the Alcoholism Treatment and Rehabilitation Act, the Education Code, public works statutes, the Public Transportation Act, the Right to Know Act, the Occupational Safety and Health Act, the Worker Health and Safety Law, the Minimum Wage Law, the Prevailing Wage Law, the New Jersey Smoking Act, wages and hour laws, unemployment compensation, disability benefits laws, workers compensation, the U.S. Constitution, the New Jersey Constitution, tort law or contract law. This Settlement Agreement includes all claims made or which could have been brought as grievances under any collective bargaining agreement, and/or all claims made or which could have been brought in any other administrative or judicial proceeding. This Settlement Agreement includes all claims involving any continuing effects of actions or practices which arose prior to the date of this Settlement Agreement and Plaintiff releases the use in any way of any past action or practice in any subsequent claim.

Provided however, this Settlement Agreement does not affect any vested right to pension, COBRA or related benefits which Plaintiff might have.

Nothing in this Agreement is intended to or shall be interpreted: (i) restrict or otherwise interfere with Plaintiff's obligation to testify truthfully in any proceeding in any forum; (ii) to restrict or otherwise interfere with Plaintiff's right and/or obligation to contact, cooperate with, provide information to, testify or otherwise participate in any action, investigation or proceeding of, any federal, state, or local government agency, commission or entity (including, but not limited to, the Equal Employment Opportunity Commission ("EEOC")); (iii) to restrict Plaintiff from making disclosures that are protected under the whistleblower provisions of federal law or regulation; or (iv) to restrict or otherwise interfere with her right and/or obligation to disclose any information or produce any documents as is required by law or legal process. While this Agreement shall not be interpreted as to prevent Plaintiff from contacting or filing a charge with the EEOC or other administrative agency, Plaintiff knowingly and affirmatively waives any and all rights to any monetary recovery from any such claims, excepting any benefit or remedy to which Plaintiff is or becomes entitled pursuant to Section 922 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

In addition to the claims enumerated above, this Settlement Agreement includes the release of all claims, including counterclaims, Plaintiff filed or could have brought against Alvarez for assault, battery, and defamation.

This Settlement Agreement is a compromise and in full settlement of all claims that Plaintiff may have against Defendants. Should any of the parties breach the payment or other terms under this Settlement Agreement, the other party's sole recourse will be to

pursue a claim of specific performance to compel the breaching party to comply with its obligation(s) as set forth in this Settlement Agreement.

12. Release by Albert J. Alvarez, State of New Jersey, and Murphy for Governor, Inc. Albert J. Alvarez, State of New Jersey, and Murphy for Governor, Inc., on behalf of themselves as well as any and all of their respective predecessor entities, subsidiaries, affiliated companies, agencies, authorities, including but not limited to the Transition Office of Governor-elect Philip Murphy, New Jersey Housing and Mortgage Finance Agency and the New Jersey Schools Development Authority, the candidates as well as each and all of their successors, directors, shareholders, members, insurers, officers, and assigns, hereby release, acquit and fully, finally and forever discharge each other, and Plaintiff, as well as any and all of their former and current parent corporations or companies, subsidiaries, affiliated companies, members, managers, principals, directors, officers, shareholders, employees, attorneys, predecessors, successors and assignees, from any and all claims, counterclaims, liabilities, controversies, actions, causes of action, damages, rights, losses, omissions, injuries, suits, costs, compensation, expenses, (including, but not limited to, any claim for attorneys' fees or costs of suit), and demands whatsoever, in law or in equity, foreseen or unforeseen, contingent or fixed, known or unknown, that have as their basis any action, transaction, omission or event from the beginning of time until the Effective Date this Settlement Agreement, whether or not alleged in the Action.

In addition to the claims enumerated above, this Settlement Agreement includes all claims under the Constitution or statutes of the United States, the Constitution, statutes or compacts of the State of New Jersey, or under common law, including but not limited to,

all claims under: Title VII of the Civil Rights Act, Sections 1981, 1983 and 1985 of the Civil Rights Act, the New Jersey Law Against Discrimination, the New Jersey Civil Rights Act, the Family Medical Leave Act, the Family Leave Act, the Equal Pay Act, the Conscientious Employee Protection Act, the Age Discrimination in Employment Act, the Civil Service Act, the Handicapped, Blind, or Deaf Persons Civil Rights Law, the Developmentally Disabled Rights Act, the Americans with Disabilities Act, the Alcoholism Treatment and Rehabilitation Act, the Education Code, public works statutes, the Public Transportation Act, the Right to Know Act, the Occupational Safety and Health Act, the Worker Health and Safety Law, the Minimum Wage Law, the Prevailing Wage Law, the New Jersey Smoking Act, wages and hour laws, unemployment compensation, disability benefits laws, workers compensation, the U.S. Constitution, the New Jersey Constitution, tort law or contract law. This Settlement Agreement includes all claims made or which could have been brought as grievances under any collective bargaining agreement, and/or all claims made or which could have been brought in any other administrative or judicial proceeding. This Settlement Agreement includes all claims involving any continuing effects of actions or practices which arose prior to the date of this Settlement Agreement and Alvarez releases the use in any way of any past action or practice in any subsequent claim.

In addition to the claims enumerated above, this Settlement Agreement includes the release of all claims, including counterclaims, Alvarez filed or could have brought against Plaintiff for malicious prosecution, defamation, and tortious interference with employment/prospective economic advantage.

Provided however, this Settlement Agreement does not affect any vested right to pension, COBRA or related benefits which Alvarez might have, nor does it affect any right Alvarez may have to indemnification or contribution in any action that is brought against him by reason of his prior position as Chief of Staff of the New Jersey Schools Development Authority. This Settlement Agreement is a compromise and in full settlement of all claims that Alvarez may have against Defendants or Plaintiff.

13. **Breach of This Agreement.** Notwithstanding the foregoing, the Parties do not release any claims arising out of the breach of any representation or obligation contained herein.

14. **Stipulation of Dismissal with Prejudice.** Contemporaneous with the execution of this Settlement Agreement, the Parties agree to have their respective counsel execute a Stipulation of Dismissal of All Claims and Counterclaims with Prejudice and Without Costs (the "Stipulation of Dismissal") in the form attached hereto as "Exhibit A," and hereby direct their counsel to do so.

15. **Final Accord and Satisfaction.** This Settlement Agreement and the releases contained herein are intended to be final and binding between the Parties hereto and are further to be effective as a full and final record and satisfaction among the Parties hereto as of the Effective Date of this Settlement Agreement, and each Party expressly relies on the finality of this Settlement Agreement as a substantial, material factor inducing the Parties' execution of this Settlement Agreement.

16. **No Admission of Wrongdoing.** No action taken by the Parties to this Settlement Agreement either previously or in connection with the compromise reflected in this Settlement Agreement, shall be deemed or construed to be an admission of the truth or

falsity of any matter pertaining to any claim, counterclaim, crossclaim, demand or cause of action or as to any fault or liability of any Party herein, or of any other person, in connection with any matter or thing.

17. Legal Counsel. The Parties hereto acknowledge that they have been represented by counsel of their own choice throughout all negotiations that preceded the execution of this Settlement Agreement and that this Settlement Agreement was executed with the consent and on the advice of such legal counsel.

18. Authority to Enter Agreement. Each signatory hereto represents that he or she has full and proper authority to sign and enter this Settlement Agreement.

19. Entire Agreement. This Settlement Agreement sets forth the entire agreement between the Parties with respect to the matters set forth in this Settlement Agreement. There have been no additional oral or written representations or agreements between the Parties affecting this Settlement Agreement not contained in this Settlement Agreement. This Settlement Agreement cannot be amended or modified except by a written instrument executed by both Plaintiff and Defendants.

20. Severability. If any provision of this Settlement Agreement is to be held unenforceable for any reason, the remaining parts of the Settlement Agreement shall remain in full force and effect.

21. Choice of Law. This Settlement Agreement shall be construed and enforced in accordance with the procedural and substantive laws of the State of New Jersey, without regard to conflict of law principles. Any actions emanating from or relating to disputes that arise pursuant to the terms of this Agreement shall be venued in the Superior Court of New Jersey, Mercer County.

22. Neutral Interpretation. The Parties hereto agree that the terms and language of this Settlement Agreement were the result of negotiations between the Parties and, as a result, there shall be no presumption that any ambiguities in this Agreement shall be resolved against any Party.

23. Executed in Counterparts. This Settlement Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of which taken together shall be deemed to be one and the same instrument.

24. Headings. All headings and captions in this Settlement Agreement are for convenience of reference only. They shall not be deemed part of this Settlement Agreement and shall in no way define, limit, extend or describe the scope or intent of any provisions hereof.

25. Admissibility. This Settlement Agreement shall not be admissible in any legal or administrative proceeding except to enforce the terms of this Settlement Agreement.

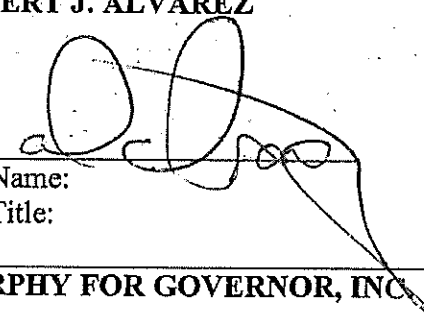
26. No Third-Party Beneficiaries. Nothing contained in this Settlement Agreement is intended to give or shall give to anyone any third-party beneficiary rights.

PURSUANT TO N.J.S.A. 10:5-12.8, THE FOLLOWING LANGUAGE IS REQUIRED TO BE INCLUDED IN ALL SETTLEMENTS INVOLVING CLAIMS OF DISCRIMINATION, HARASSMENT OR RETALIATION: ALTHOUGH THE PARTIES MAY HAVE AGREED TO KEEP THE SETTLEMENT AND UNDERLYING FACTS CONFIDENTIAL, SUCH A PROVISION IN AN AGREEMENT IS UNENFORCEABLE AGAINST THE EMPLOYER IF THE EMPLOYEE PUBLICLY REVEALS SUFFICIENT DETAILS OF THE CLAIM SO THAT THE EMPLOYER IS REASONABLY IDENTIFIABLE.

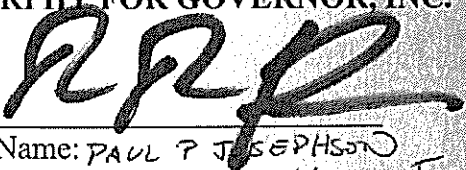
IN WITNESS WHEREOF, the Parties, Katherine Brennan, Albert J. Alvarez, State of New Jersey and Murphy for Governor, Inc., by their appropriate representatives, have hereunto executed this Settlement Agreement.

KATHERINE BRENNAN By: <u>Katherine Brennan</u> Name: Katherine Brennan Title: Plaintiff 5/14/2020	ALBERT J. ALVAREZ By: _____ Name: Title:
STATE OF NEW JERSEY 5/15/20 By: <u>John P. Lacey</u> Name: John P. Lacey Title: Attorney for State of New Jersey	MURPHY FOR GOVERNOR, INC. By: _____ Name: Title:

IN WITNESS WHEREOF, the Parties, Katherine Brennan, Albert J. Alvarez, State of New Jersey and Murphy for Governor, Inc., by their appropriate representatives, have hereunto executed this Settlement Agreement.

KATHERINE BRENNAN By: _____ Name: Title:	ALBERT J. ALVAREZ By:  Name: Title:
STATE OF NEW JERSEY By: _____ Name: Title:	MURPHY FOR GOVERNOR, INC. By: _____ Name: Title:

IN WITNESS WHEREOF, the Parties, Katherine Brennan, Albert J. Alvarez, State of New Jersey and Murphy for Governor, Inc., by their appropriate representatives, have hereunto executed this Settlement Agreement.

KATHERINE BRENNAN By: _____ Name: Title:	ALBERT J. ALVAREZ By: _____ Name: Title:
STATE OF NEW JERSEY By: _____ Name: Title:	MURPHY FOR GOVERNOR, INC.  By: _____ Name: PAUL P JOSEPHSON Title: ATTORNEY FOR MURPHY FOR GOVERNOR, INC.