

MUTUAL SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS

KNOW ALL MEN BY THESE PRESENTS that the Plaintiff, Leslie Johnson, for the sole consideration of \$206,298.57 (Two hundred six thousand, two hundred ninety-eight dollars and fifty-seven cents) and the terms set forth in this Mutual Settlement Agreement and Release and dismissal of all claims, the receipt and legal sufficiency of which is hereby acknowledged, has released and discharged, and by these presents does hereby forever release and discharge the Defendants, **the City of Lenoir City, Tony Aikens, Don White, and Dale Hurst**, as well as its/their heirs, employees, principals, agents, insurers, successors and assigns for and from any and all past and/or present liability, claims, rights, demands, obligations, controversies, damages, costs, expenses, actions, causes of action, and/or compensation of any nature whatsoever, whether based on tort, contract, or other theory of recovery, and whether for compensatory or punitive damages which **Leslie Johnson** had, now has, or which hereafter may accrue or otherwise be acquired on account of or in any way related to or growing out of events alleged to have occurred during her employment with Lenoir City as referenced in the captioned lawsuit styled **Leslie Johnson v. City of Lenoir City, et al.**, filed in the United States District Court, Eastern District, Knoxville Division, bearing docket number 3:13-cv-342. This release further affects and applies to, without limitation, **City of Lenoir City, Tony Aikens, Don White, Dale Hurst**, and **Leslie Johnson**, with each of them hereby being released from any and all liability, claims, rights, demands, obligations, controversies, damages, costs, expenses, compensation, actions, and/or causes of action whatsoever, either in law or equity, which the undersigned, their heirs, executors, administrators, successors, and assigns, can, shall or may have by reason of or in anywise incident to or resulting from the above-mentioned lawsuit and any events alleged to have occurred between the parties during **Leslie Johnson's** employment with the City of Lenoir

City, Tennessee. Defendants Tony Aikens, Don White and Dale Hurst will be voluntarily dismissed with prejudice from the litigation once the above consideration has been paid in full by the City and prior to the lawsuit being dismissed as to the City with no admission or finding of liability having been made by or against the Defendants.

The City of Lenoir City agrees that the above monetary consideration shall be paid in full and tendered to Plaintiff's counsel on or before the close of business on November 14, 2014. Payment shall be made in three checks, as follows: (1) one check payable to Leslie Johnson in the amount of \$20,000 for back pay, with normal withholdings being deducted and a Form W-2 issued to Ms. Johnson; (2) checks payable to Leslie Johnson totaling \$100,000 for non-wage compensatory and other claimed damages with Form 1099s issued to Ms. Johnson; and (3) one check payable to Douglas B. Janney III in the amount of \$86,298.57 for attorney's fees and litigation expenses with a Form 1099 issued to Mr. Janney.

Once all of the above monetary consideration is paid, Ms. Johnson agrees to file an agreed order of dismissal with prejudice of all remaining claims against the City of Lenoir City on or before November 17, 2014. If all of the above consideration is not paid on or before November 14, 2014, the lawsuit will not be dismissed against any of the Defendants, and the Defendants agree that the parties may take any further depositions that they deem necessary and to waive their right to file or make any motion for summary judgment or for pre-trial dismissal of any of Ms. Johnson's claims in the lawsuit, and to proceed to trial on all claims asserted against all of the Defendants.

This Release shall be a fully binding and complete settlement between all parties to the above captioned lawsuit, their heirs, employees, principals, agents, insurers, representatives, successors and assigns. The Plaintiff, **Leslie Johnson**, agrees to hold harmless the parties

released from and against all such claims, demands, obligations, actions, causes of action, damages, costs, expenses, including, without limitation, any claims, demands, obligations, actions, causes of actions, damages, costs, expenses of any person claiming by and/or through the **City of Lenoir City, Tony Aikens, Don White, and Dale Hurst**, by signing below, acknowledges her understanding that she will hold harmless and indemnify the **City of Lenoir City, Tony Aikens, Don White, and Dale Hurst** and/or their liability insurer for any and all liens, healthcare, TennCare, Medicare or otherwise, which may be claimed to exist as a result of the incident at issue. The City of Lenoir City likewise agrees to hold harmless and indemnify Ms. Johnson with respect to any breach of any of its obligations under this agreement.

As inducement to the payment of the sum aforesaid, the undersigned declares that she fully understands the terms of this settlement, and that she voluntarily accepts the terms for the purposes of making full and final compromise, adjustment and settlement of any and all losses, damages, and injuries heretofore incurred, now existing, or which may hereinafter arise as a result of events alleged to have occurred in Loudon County, Tennessee and the lawsuit hereinbefore mentioned or referred to, and that the payment of said sum for this release is not an admission of liability by the payors and/or the parties released, but that the payors and/or the parties released expressly deny liability.

Additionally, the City of Lenoir City agrees to the following: (1) Ms. Johnson's personnel file will be purged of all personal e-mails, personal text messages, and personal photographs, which the City agrees are not public records under the applicable law, and of all items related to Defendants' 2012-2013 internal investigation of Ms. Johnson, her January 23, 2013 suspension and her January 25, 2013, separation from employment, with all of this material either being destroyed or placed in a confidential, attorney-client privileged file that shall be

maintained only by the City's legal counsel and/or Ms. Johnson's legal counsel; (2) The Defendants agree not to disclose or discuss any of the material referenced in Item 1 above with anyone unless compelled to do so by legal process or other legal obligation; (3) The City agrees to notify Ms. Johnson's counsel, Doug Janney, as soon as practicably possible if the City receives a public records or related request for any of the material referenced in Item 1 above; (4) Ms. Johnson's personnel file will be changed to reflect that she voluntarily resigned from the City of Lenoir City effective January 25, 2013; (5) All parties agree that they will not make any statements that may reasonably be construed as disparaging of any other party and that this non-disparagement agreement applies to Ms. Johnson, the Defendants, the Lenoir City City Council, and all Lenoir City Department Heads or higher level managers; and (6) The City agrees to provide a neutral reference for Ms. Johnson stating only her dates of employment and position held to any prospective or future employer who may inquire or with whom it may communicate about Ms. Johnson's former employment with the City.

The undersigned declare and represent that no promise, inducement or agreement not herein expressed has been made to the undersigned; that this Mutual Settlement Agreement and Release contains the entire agreement between the parties hereto; and that the terms of this Mutual Settlement Agreement and Release are contractual and not a mere recital. THE UNDERSIGNED PARTIES HAVE READ THE FOREGOING MUTUAL SETTLEMENT AGREEMENT AND RELEASE AND FULLY UNDERSTAND IT.

CAUTION: READ BEFORE SIGNING BELOW

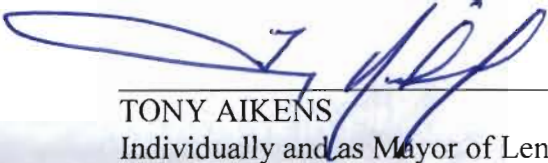
PLAINTIFF:



LESLIE JOHNSON

11/10/14
DATE

DEFENDANTS:



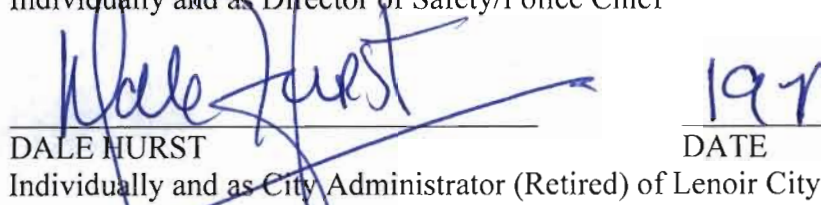
TONY AIKENS
Individually and as Mayor of Lenoir City

11-19-14
DATE



DON WHITE
Individually and as Director of Safety/Police Chief

11-19-14
DATE



DALE HURST
Individually and as City Administrator (Retired) of Lenoir City

19 Nov. '14
DATE