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Egg Harbor Township, NJ 08234
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Attorneys for Defendant, Township of Galloway
LISA TILTON,

Plaintiff,

v.

TOWNSHIP OF GALLOWAY; STEPHEN
BONANNI, in his individual and official
capacity; TOM BASSFORD, in his
individual and official capacity; ANTHONY
COPPOLA, JR., in his individual and official
capacity; JIM GORMAN, in his individual
and official capacity; DENNIS KLEINER, in
his individual and official capacity; DON
PURDY, in his individual and official
capacity; BRIAN TYRRELL, in his
individual and official capacity; WHITNEY
ULLMAN, in her individual and official
capacity; CAROL HACKNEY, in her official
capacity; KAREN BACON, in her official
capacity; THALIA KAY, in her official
capacity; MICHAEL BLEE, in his official
Capacity as Township Counsel; the LAW
OFFICE OF MICHAEL BLEE, L.L.C.;
JOHN DOES 1-10, 11-20 (fictitious names
representing unknown defendants),

Defendant(s).

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION
CAPE MAY COUNTY

DOCKET NO: CPM-L-380-12

SETTLEMENT AGREEMENT
and GENERAL RELEASE

1. Parties. The parties to this Negotiated Settlement Agreement and General Release (hereinafter sometimes referred to as the "Agreement") are Lisa Tilton, her heirs, executors, administrators, assigns, and representatives (hereinafter collectively referred to as "Tilton"); and, the Township of Galloway and all of its related entities, departments or divisions, Stephen Bonnari, in his

individual and official capacity, Tom Bassford, in his individual and official capacity, Anthony Coppola, Jr., in his individual and official capacity, Jim Gorman, in his individual and official capacity, Dennis Kleiner, in his individual and official capacity, Don Purdy, in his individual and official capacity, Brian Tyrrell, in his individual and official capacity, Whitney Ullman, in her individual and official capacity, Carol Hackney, in her official capacity, Karen Bacon, in her official capacity, Thalia Kay, in her official capacity, John Doe's 1-10, and any officers, directors, employees, attorneys, agents, servants, representatives, assigns, successors, insurance or risk carriers, included but not limited to Indian Harbor Insurance Company, providers, funds or other coverage providers (hereinafter referred to collectively as the "Township"). This Agreement is the product of negotiation and compromise between Tilton and the Township.

2. Background. Tilton and the Township have chosen to enter into this Agreement in order to avoid further proceedings with respect to any claims of Tilton against the Township, and any claims of the Township against Tilton, including but not limited to those brought in Tilton v. Township of Galloway, Stephen Bonnani, in his individual and official capacity, Tom Bassford, in his individual capacity, Anthony Coppola, Jr., in his individual and official capacity, Jim Gorman, in his individual and official capacity, Dennis Kleiner, in his individual and official capacity, Don Purdy, in his individual and official capacity, Brian Tyrrell, in his individual and official capacity, Whitney Ullman, in her individual and official capacity, Carol Hackney, in her official capacity, Karen Bacon, in her official capacity, Thalia Kay, in her official capacity, John Does 1-10, 11-20, Docket No. CPM-380-12, currently pending with the Superior Court of New Jersey, Cape May County, Law Division (hereinafter referred to as "the Lawsuit"), or any other agencies, forums of arbitration or dispute resolution.

Tilton and the Township wish to resolve, finally and completely, all actual or potential disputes, differences, controversies, or claims (collectively hereunder sometimes referred to as "claims"), which arise out of, refer to, or relate to Tilton's employment with the Township, which claims Tilton, or the Township, has, or may have, concerning or arising out of Tilton's employment with the Township, the termination of Tilton's employment from the Township, or any interactions among Tilton and any present or former employee of the Township, and specifically but not limited to all claims of Tilton within the Lawsuit as well as claims based upon any law or theory identified below within Paragraph 5 .

3. No Admission and No Admissibility. Tilton and the Township understand and agree that the Township denies each and every allegation of wrongdoing made by Tilton in all matters, including but not limited to those currently pending in the Lawsuit; and, the Township specifically denies any claims made by Tilton for any hostile work environment, discrimination, harassment, or retaliation.

Tilton and the Township understand and agree that the making of this Agreement shall not, in any way, be construed or considered to be an admission by the Township of any guilt, wrongdoing, or non-compliance with any Federal, State, or local law, or any collective bargaining agreement, or for any other wrongdoing whatsoever; and, Tilton and the Township each understand and agree that the making of this Agreement shall not, in any way, be admissible in evidence in any subsequent proceeding, except for the enforcement of this Agreement. This Agreement is entered into solely to avoid the continuing expense and distraction of litigation, and disputes involving personnel issues.

4. Tilton's Representations and Warranties. Tilton hereby represents and warrants to the Township that:

- a. Read Agreement. Tilton has read this Agreement in its entirety.

b. Discussions with Counsel, etc. Tilton has hereby been advised, in writing, by the Township, pursuant to the Older Workers' Benefit Protection Act, to discuss, and has had the opportunity to discuss, all aspects of this Agreement with an attorney, and Tilton has, in fact, discussed all aspects of this Agreement with legal counsel, and Tilton fully understands all provisions and the legal and practical effect, and Tilton has had sufficient time to consider this Agreement;

c. Voluntary Acts, etc. Tilton is signing this Agreement and accompanying paperwork freely and voluntarily, without coercion of any kind, and with full knowledge and understanding of the contents, and Tilton is aware that, under the Older Workers' Benefit Protection Act, Tilton has seven (7) days from the execution of this Agreement to revoke it; after the expiration of such seven (7) day period, the Agreement is binding;

d. No Reliance. In signing this Agreement, Tilton is not relying in any way on any statements, representations, or promises by the Township, except as specifically set forth in this Agreement;

e. No Assignment or Transfer. Tilton has not assigned or transferred, or purported to assign or transfer, any claim covered by this Agreement, or any portion thereof, or any interest therein, to any person or entity;

f. Binding Effect. This Agreement, and each and every provision thereof, is valid and binding upon Tilton, and enforceable against Tilton, in accord with the terms of this Agreement;

g. No Claims Filed. Except for the Lawsuit, Tilton has not filed, and will not file, any charges, complaints, other claims or grievances against the Township in any other federal, state, or local court, agency, other forum of arbitration or dispute resolution for anything that has happened up until the execution of this Agreement;

h. Taxes. In the event taxes and penalties are assessed upon any portion of the payment made to Tilton pursuant to this Agreement, Tilton agrees that Tilton will pay when due the appropriate taxing authorities any and all taxes and penalties which Tilton may owe as the recipient of any sums paid to her under this Agreement.

5. Tilton's Release of Claims. In exchange for the promises made by and between Tilton and the Township herein, Tilton:

a. agrees to the dismissal with prejudice, and without any award of costs or attorneys' fees, of the Complaint filed in the Lawsuit. Tilton further authorizes and directs her legal counsel to execute the Stipulation of Dismissal With Prejudice attached hereto as Exhibit A and take all action necessary to dismiss the Lawsuit with prejudice and to promptly forward same to the Township's counsel. Tilton understands that "with prejudice" means that her claims will be forever barred;

b. agrees to unconditionally and irrevocably discharge and release the Township of and from any and all claims, known or unknown, that Tilton has, or may have had, against the Township as of the date of execution of this Agreement, including but not limited to any and all claims set forth in the Lawsuit, or otherwise arising out of the employment of Tilton with the Township or her interactions at any time with any present or former employee of the Township, including but not limited to any alleged violation of:

- Title VII of the Civil Rights Act;
- The Civil Rights Act of 1991;
- §§1981 through 1988 of Title 42 of the United States Code;
- The Employee Retirement Income Security Act;
- The Fair Credit Reporting Act;

- The Americans with Disabilities Act;
- The Rehabilitation Act;
- The Age Discrimination in Employment Act;
- The Older Workers' Benefit Protection Act;
- Executive Order 11246;
- The Fair Labor Standards Act;
- The Occupational Safety and Health Act;
- The Family and Medical Leave Act;
- The Equal Pay Act;
- The New Jersey Public Employer-Employee Relations Act;
- The New Jersey Law Against Discrimination;
- The New Jersey Family Leave Act;
- The New Jersey State Wage and Hour Law;
- The New Jersey Conscientious Employee Protection Act;
- The New Jersey Equal Pay Law;
- The New Jersey Public Employee Occupational Safety and Health Laws;
- The New Jersey Smokers' Rights Law;
- The New Jersey Genetic Privacy Act;
- Department of Personnel rights or procedures under New Jersey Civil Service laws or regulations;
- New Jersey Laws regarding Political Activities of Employees, Lie Detector Tests, Jury Duty, Employment Protection, Consumer Reports,

Discrimination; and, any other federal, state, or local civil rights law or any other local, state, or federal law, regulation or ordinance;

- Any public policy, contract (express, written or implied), tort, or common law claim;
- Any and all other claims for any benefits or under any health plans provided by the Township to Tilton, and any and all rights to the continuation of health insurance coverage from, by, or through the Township, beyond, or outside of, the terms contained herein;
- Any agreement for vacation, sick or personal leave pay or payment pursuant to any practice, policy, handbook, manual, Collective Bargaining Agreement, or contract of the Township;
- Any grievance under any Collective Bargaining Agreement; or,
- Any allegation for entitlement to fees, costs, or other expenses, including attorneys' fees.

c. Other than the payments or benefits contained within this Agreement, Tilton acknowledges and agrees that she has received all remuneration and compensation of any type due from the Township and that all payments, compensation and benefits provided for within this Agreement are in excess of that which she has any right or entitlement to receive.

6. Mutual Release of Claims. In consideration of the promises and actions by the Township described herein, Tilton has, by executing this Agreement, remised, released, and forever discharged the Township of and from all and every manner of judgment, action, cause, suit, debt, grievance, sum of money, account, reckoning, bond, bill, collective bargaining claim, covenant, contract, controversy, agreement, damage, claim, execution and demand of every type whatsoever, in

law or in equity, which Tilton ever had, or now has, against the Township, for anything that has happened up until now, including but not limited to any claims arising out of the employment of Tilton with the Township or her interactions with present or former employees of the Township; and, including but not limited to any claim for severance pay, back pay, grievance of any type, compensatory damages, punitive damages, or other compensation arising out of the employment relationship between Tilton and the Township; and, including but not limited to any claims that were or could have raised within the Lawsuit or identified generally or specifically elsewhere in this Agreement.

In consideration of the promises and actions by Tilton described herein, the Township has, by executing this Agreement, remised, released, and forever discharged Tilton of and from all and every manner of judgment, action and actions, cause and causes of action, suit, debt, dues, sums of money, accounts, reckonings, bonds, bills, covenants, controversies, agreements, damages, judgments, execution, claims and demands whatsoever, in law or in equity, which the Township ever had, or now has, against Tilton for anything that has happened up until now, including but not limited to any claims arising from the employment relationship of Tilton with the Township.

7. Tilton's Consideration, Tilton specifically agrees:

a. to release and give up, in accord with this Agreement, any and all claims, demands, actions, and causes of action that Tilton has now, or may hereafter have against the Township, for any and all personnel action(s), grievance(s), disability compensation benefits, public employees retirement system disability retirement, violation(s) of any administrative code, rule or regulation, or otherwise generally or specifically identified elsewhere in this Agreement;

b. to release and give up any and all claim(s) and right(s), including any and all claims for litigation expenses, attorneys' fees, or court fees, or other fees related to litigation which

Tilton may have, or may have had, against the Township for anything which has happened up to now between Tilton and the Township;

c. that she has directed her attorneys to take any and all steps necessary to effectuate the dismissal of any action(s) filed by Tilton against the Township with prejudice including but not limited to the Lawsuit, or any action(s) filed by Tilton against the Township before any other agency, forum of arbitration or dispute resolution, and to specifically take any and all steps necessary to effectuate the dismissal of all the foregoing, including but not limited to the execution and delivery to the Townships' attorneys a Stipulation of Dismissal with Prejudice, an Affidavit, a Consent Order, or to make appearances before a court or before a hearing officer;

d. to satisfy any and all lien(s) related to any claim(s) made by Tilton against the Township;

e. to indemnify, and hold the Township harmless from and against any and all claim(s) made, or action(s) filed against the Township for payment of any and all lien(s) related to any claim(s) made by Tilton against the Township;

f. not to file any charge(s), claim(s), lawsuit(s), action(s) or grievance(s) of any kind or type for any benefits or damages against the Township for anything which may have occurred during the course of Tilton's employment with the Township, for anything that has taken place during the time frame of Tilton's employment with the Township, and Tilton will take any and all necessary action(s) to effectuate the dismissal and the withdrawal with prejudice of any charge(s), complaint(s), or cause(s) of action against the Township in any court, proceeding, tribunal, or hearing;

g. not to apply for employment or re-employment or to enter in to any other contract for her services for which she would receive remuneration with the Township, and Tilton specifically hereby permanently waives any and all rights to employment with the Township. The

Township shall be entitled to disregard any application connected with the foregoing and Tilton shall not file any action, claim, complaint or charge against the Township arising from any alleged failure by the Township to hire or contract with her.

h. to indemnify and hold the Township harmless for any and all claim(s) which may be assessed, levied, or otherwise charged against the Township by any taxing authority, or governmental authority, for any charge, assessment or levy for additional taxes, fees, penalties, or on account of any obligation which Tilton may have for state or federal income taxes, withholding taxes, employee FICA taxes or pension contributions; for any sum(s) to be paid to Tilton, or to her attorney, pursuant to this Agreement;

i. Tilton agrees to indemnify the Township from and against any and all judgments or verdicts awarded against the Township in any future civil action in which Tilton initiates suit against a prospective employer for claims of "failure to hire" in which the Township is made a third-party defendant by the prospective employer. It is expressly agreed and understood that this indemnity does not encompass any costs or counsel fee obligations incurred by the Township to defend any such action.

j. cooperate fully and execute any and all supplemental documents, and take any additional action(s) that may be necessary or appropriate to give full force and effect to the terms of this Agreement.

8. The Township's Consideration. In exchange for the promises made by Tilton, and the execution by Tilton of this Agreement, and the execution by Tilton's attorneys of any document, record, order, affidavit, or other writing necessary to effectuate dismissal of any claim(s) made by Tilton against the Township in any court whatsoever, or before PERC, or before any other regulatory body, and any other document necessary to effectuate the terms of this Agreement, the Township and

the Indian Harbor Insurance Company agree to pay Tilton in accord with this agreement, and to pay Tilton and her attorney within thirty (30) days following execution of this Agreement by Tilton and the Township the following (provided Tilton has not revoked the Agreement within seven (7) days from execution):

- Payment of Two Hundred and Fifty Thousand Dollars (\$250,000) to Lisa Tilton shall be made by check from the Indian Harbor Insurance Company to the Law Firm of Florio, Perrucci, Steinhardt and Fader and Lisa Tilton, provided further that defense counsel receives a W-9 form properly executed by the Law Offices of Florio, Perrucci, Steinhardt and Fader. This Agreement shall be presented for approval and acceptance by the governing body for the Township of Galloway at its next regularly scheduled meeting, at which time the governing body shall execute a Resolution authorizing the Mayor of the Township to execute this Agreement on the Township's behalf, upon his receipt of an executed copy of this Agreement bearing Plaintiff's signature. This Agreement shall be executed in counterparts. All such counterparts shall be deemed to be originals and together shall constitute but one and the same instrument. The foregoing payment shall be made within thirty (30) days after, Plaintiff provides an executed copy of this Agreement to Kimberly A. Procopio, Esquire Counsel for the Township, same being effectuated by Resolution of the Township;
- The aforesaid sum represents a global unallocated settlement to Tilton;
- Tilton agrees that she is responsible for all applicable taxes, if any, as a result of the receipt by her and her counsel of the aforesaid sums;
- Tilton agrees to indemnify the Township and Indian Harbor Insurance Company, and further agrees to hold the Township and Indian Harbor Insurance Company harmless for

all taxes, penalties, and interest, withholding or otherwise, for which either or both may be charged or found liable or as a consequence of having paid the aforesaid sums;

- The Township and/or the Indian Harbor Insurance Company shall notify Tilton's counsel within thirty (30) days, in writing, and via Certified Mail/Return Receipt Requested, of any notification from any taxing authority, of any assessments, or of any concerns of any taxing authority; it is expressly agreed that if the Township and/or Indian Harbor Insurance Company is required to provide payment for taxes or interest or penalties to any taxing authority as a result of any payment pursuant to this Agreement, then Tilton shall reimburse the Township and/or Indian Harbor Insurance Company for such payment or payments to any such taxing authority within ten (10) days after the attorney for the Township notifies the attorney for Tilton, in writing, via Certified Mail/Return Receipt Requested, that Tilton has such a liability.

[REDACTED]

[REDACTED] Township will remove these documents and segregate them. In addition, the Municipal Clerk will make the required application to State of New Jersey Division of Archives and Records Management (DARM) to seek approval to permanently destroy these documents. If such approval is granted by DARM, these records will be permanently destroyed by the Township and Tilton shall be provided with a copy of the disposal schedule approved by DARM.

9. The Township's Reference for Tilton. The Township agrees to provide to Tilton, through the Township Manager, the letter attached as Exhibit B. Tilton shall direct all inquiries

regarding her employment solely to the Township Manager. If contacted by any prospective employer in the future in connection with Tilton's prior employment for the Township, the Township shall only provide that party with the attached reference letter.

In the event Tilton directs inquiries to anyone other than the Township Manager, the Township shall not be held responsible and this Agreement shall not have been breached by the Township.

10. Entire Agreement. This Agreement sets forth the entire agreement between Tilton and the Township, and fully supersedes any prior agreement(s) or understanding(s) between Tilton and the Township. Tilton acknowledges that she has not relied on any representations, promises, or agreements of any kind in connection with the decision to sign this Agreement, except for those set forth in this Agreement.

The parties agree and acknowledge that their Agreement dated July 18, 2011 ("Prior Agreement") remains in full force and effect to the extent that it is consistent with the terms of this Agreement. To the extent there exist any inconsistent terms between the Prior Agreement and this Agreement, this Agreement shall govern.

11. Modification. This Agreement may not be modified, except upon express written consent of both Tilton and the Township wherein specific reference is made to this Agreement.

12. Joint Negotiation. This Agreement is a product of joint negotiation of Tilton and the Township, and their respective counsel, and is not to be construed for or against either Tilton or the Township by virtue of the fact that Tilton or the Township, or their respective counsel, prepared this Agreement.

13. Enforceability. In the event that any provision(s) contained in this Agreement is declared invalid, illegal, or unenforceable by any court of competent jurisdiction, and cannot be

modified to be enforceable, excluding the general release language, such provision(s) shall immediately become null and void, leaving the remainder of this Agreement in full force and effect. Moreover, if any such provision(s) determined to be invalid, illegal, or unenforceable can be made valid, legal, or enforceable by modification thereof, then the party for whose benefit the provision(s) exists may make such modification(s) as necessary to make the provision(s) valid, legal, and enforceable.

14. Dispute Resolution. All parties agree that should a dispute arise concerning an alleged misinterpretation, application or violation of a term and/or condition of this Agreement, or performance thereof, that prior to instituting a legal action in any court of competent jurisdiction the parties will submit to non-binding mediation with the Honorable John J. Keefe, Sr., (J.S.C. ret.) in a good faith attempt to resolve the dispute. In the event that Mr. Keefe is unavailable or unable to serve as the mediator, the parties shall jointly select a mediator that is mutually agreeable to all parties. The purpose and intent of this procedure is to secure at the lowest possible level an expeditious, cost-effective and equitable solution to problems which may arise from the existence and application of this Agreement. However, nothing in this Paragraph shall be construed as a waiver of any of the parties' legal rights, whether procedural or substantive in nature, and all parties retain their rights to pursue any and all avenues of legal redress and remedies afforded at law. The costs for the service of the mediator shall be borne in proportionate shares by the represented parties.

15. New Jersey Law. This Agreement shall be governed and conformed in accordance with the laws of the State of New Jersey.

16. Satisfaction with Counsel. Tilton acknowledges that she is satisfied with the services of her attorney with respect to all advice and counsel which she has received from her attorney with respect to all aspects of her employment with the Township, including but not limited to all aspects,

terms, and conditions of this Agreement and the decision to execute and be bound by the terms and conditions of this Agreement.

17. Acknowledgements. By executing this Agreement, Tilton acknowledges that she:

- a. read the entire Agreement;
- b. understands the entire Agreement and that, by executing the same, she is giving up important rights;
- c. agrees with everything in the Agreement;
- d. the Agreement was negotiated on her behalf by her attorneys with her knowledge and consent.

This Agreement has been executed by Lisa Tilton on the 11th day of December, 2012.

Lisa Tilton
LISA TILTON

Sworn to and Subscribed

before me this 11th day

of December, 2012.

Karen S. Murray
Notary Public
KAREN S. MURRAY
My Commission Expires December 8, 2013

This Agreement has been executed on behalf of the Township on the 11th day of December, 2012.

For the Township of Galloway, Tom Bassford, in his individual capacity,
Anthony Coppola, Jr., in his individual and official capacity, Jim Gorman,
in his individual and official capacity, Don Purdy, in his individual and official capacity,
Brian Tyrrell, in his individual and official capacity, Whitney Ullman,
in her individual and official capacity, Carol Hackney, in her official capacity,
Karen Bacon, in her official capacity, Thalia Kay, in her official capacity,
John Doe's 1-10

By: 

~~DON PURDY, MAYOR, GALLOWAY TOWNSHIP~~

For Steven Bonanni:

By: _____

For Dennis Kleiner:

By: _____

For Indian Harbor Insurance Company:

By: _____

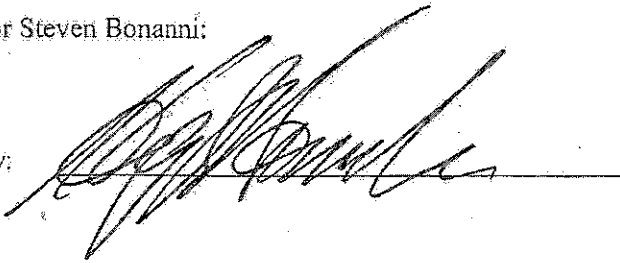
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By:

DON PURDY, MAYOR, GALLOWAY TOWNSHIP

For Steven Bonanni:

By:



For Dennis Kleiner:

By:

For Indian Harbor Insurance Company:

By:

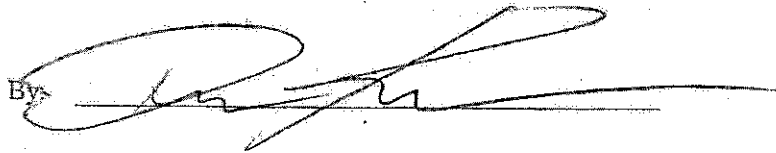
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John Doe's 1-10

By: _____
DON PURDY, MAYOR, GALLOWAY TOWNSHIP

For Steven Bonanni:

By: _____

For Dennis Kleiner:

By: 

For Indian Harbor Insurance Company:

By: _____

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By:

DON PURDY, MAYOR, GALLOWAY TOWNSHIP

For Steven Bonanni:

By: _____

For Dennis Kleiner:

By: _____

For Indian Harbor Insurance Company:

By:  _____