

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("the Agreement") is made and entered into by and among the following Parties:

"Plaintiffs"	SAVANA REDDING, individually; and APRIL REDDING, individually
"Defendants"	SAFFORD UNIFIED SCHOOL DISTRICT NO. 1 ("District"), KERRY WILSON, HELEN ROMERO, and PEGGY SCHWALLIER
"Trust"	ARIZONA SCHOOL RISK RETENTION TRUST, INC.

RECITALS

A. Savana Redding was searched at school on or about October 8, 2003. Plaintiffs allege that their injuries from the search were the result of Defendants' acts or omissions, and they seek monetary damages, as more fully described in two pending actions: Case No. CV 04-265-TUC-HCE, United State District Court of Arizona, and Case No. No. CV2008-247, Graham County Superior Court.

B. The Trust is contractually obligated to indemnify the District, and as such, would be obligated to pay any covered claim or judgment against it.

C. The Parties desire to enter into this Agreement in order to provide for a certain payment in full settlement and discharge of all claims which have been, or might be made, by reason of the incident described in Recital A above, upon the terms and conditions set forth below.

AGREEMENT

The Parties agree as follows:

1.0 Release and Discharge

1.1 In consideration of the payment set forth in Section 2, Plaintiffs completely release and forever discharge Defendants and the Trust from any and all past, present, or future claims, demands, obligations, actions, causes of action, wrongful death claims, rights, damages, costs, losses of services, fees, expenses, and compensation of any nature whatsoever, whether based on tort, contract, civil rights, or other theory of recovery, which Plaintiffs now have, or which may hereafter accrue or otherwise be acquired, on account of, or may in any way grow out of the incident described in Recital A above, including, without limitation, any and all known or unknown claims for

Savana's bodily and personal injuries, which have resulted or may result from Defendants' alleged acts or omissions.

1.2 This release and discharge shall also apply to Defendants' and the Trust's past, present, and future governing board, officers, administrators, teachers, employees, volunteers, spouses, directors, members, attorneys, agents, servants, representatives, departments, agencies, subsidiaries, affiliates, partners, predecessors and successors in interest, and assigns and all other persons, firms, or corporations with whom any of the former have been, are now, or may hereafter be affiliated (collectively, the "Released Parties").

1.3 This release, on the part of Plaintiffs, shall be a fully binding and complete settlement among Plaintiffs, Defendants, and the Trust.

1.4 Plaintiffs acknowledge and agree that the release and discharge set forth above is a general release. Plaintiffs expressly waive and assume the risk of any and all claims for damages which exist as of this date, but of which Plaintiffs do not know or suspect to exist, whether through ignorance, oversight, error, negligence, or otherwise, and which, if known, would materially affect Plaintiffs' decision to enter into this Agreement. Plaintiffs further agree that they have accepted payment of the sum specified herein as a complete compromise of matters involving disputed issues of law and fact. Plaintiffs assume the risk that the facts or law may be other than they believe. It is understood and agreed to by Plaintiffs that this settlement is a compromise of a disputed claim, and the payment is not to be construed as an admission of liability on the part of the Released Parties, by whom liability is expressly denied.

1.5 Plaintiffs warrant that out of the proceeds paid herein they will satisfy any and all unpaid or unsatisfied hospital, insurance, or medical liens, and that Plaintiffs will defend, indemnify, and hold harmless the Released Parties from any and all liability whatsoever including but not limited to costs, attorneys' fees, or judgments which might arise from unpaid or unsatisfied hospital, insurance, or medical liens, or liens of any other kind which might apply to the proceeds paid herein or otherwise resulting from the involvement in the aforesaid accident.

2.0 Payment

2.1 In consideration of the release set forth above, the Trust—on behalf of the Released Parties—will pay Plaintiffs the sum of TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$250,000.00), which Plaintiffs hereby acknowledge as adequate and sufficient consideration.

Plaintiffs understand and agree that this is all the money they will ever receive from the Released Parties.

3.0 Attorney's Fees

Each party hereto shall bear all attorney's fees and costs arising from the actions of their own counsel in connection with this Agreement, the matters and documents referred to herein, and all related matters.

4.0 Representation of Comprehension of Document

In entering into this Agreement, Plaintiffs represent that they have had the opportunity to consult with attorneys of their own choice concerning the legal and income tax consequences of this Agreement; that they have not relied on the advice or representations of Defendants or their attorneys regarding the legal and income tax consequences of this Agreement; that the terms of this Agreement have been completely read; and that the terms of this Agreement are fully understood and voluntarily accepted by Plaintiffs.

5.0 Warranty of Capacity to Execute Agreement

Plaintiffs represent and warrant that no other person or entity has, or has had, any interest in the claims, demands, obligations, or causes of action referred to in this Agreement, except as otherwise set forth herein; that Plaintiffs have the sole right and exclusive authority to execute this Agreement and receive the sum specified in it; and that Plaintiffs have not sold, assigned, transferred, conveyed, or otherwise disposed of any of the claims, demands, obligations or causes of action referred to in this Agreement.

6.0 Confidentiality

The Parties agree that neither they nor their attorneys nor representatives shall reveal to anyone, other than as may be mutually agreed to in writing, any of the terms of this Agreement or any of the amounts, numbers, or terms and conditions of any sum payable to Plaintiffs hereunder, except as required by law.

7.0 Governing Law

The Agreement shall be construed and interpreted in accordance with the laws of the State of Arizona.

8.0 Additional Documents

The Parties agree to cooperate fully and execute any and all supplementary documents and to take all additional actions, which may be necessary or appropriate to give full force and effect to the basic terms and intent of this Agreement, including a stipulation to dismiss all pending cases with prejudice.

9.0 Entire Agreement and Successors in Interest

This Agreement contains the entire agreement between Plaintiffs, Defendants, and the Trust with regard to the matters set forth in it and shall be binding upon and inure to the benefit of the executors, administrators, personal representatives, heirs, successors, and assigns of each.

10.0 Effectiveness

This Agreement shall become effective immediately following execution by Plaintiffs.

**PLAINTIFF – SAVANA REDDING,
individually**

By _____

STATE OF _____)
) ss.
County of _____)

SUBSCRIBED AND SWORN to before me this _____ day of _____

_____, 2009, by SAVANA REDDING.

Notary Public

My Commission Expires:

By _____

SUBSCRIBED AND SWORN to before me this _____ day of _____, 2009, by APRIL REDDING.

My Commission Expires:

**PLAINTIFFS' ATTORNEY – BRUCE
MACDONALD, ESQ.**

By _____

Date _____