

Execution Copy

MASTER STIPULATION AND AGREEMENT OF SETTLEMENT

This Master Stipulation and Agreement of Settlement (“Agreement”) is made and entered into as of the 10th day of March, 2015, by and among the Class Plaintiffs (as defined below), the Individual Plaintiffs (as defined below) and the Powell Defendants (as defined below), by and through their respective counsel, subject to the approval of the Court (as defined below).

WHEREAS there exist certain disputes between Plaintiffs (as defined below) and the Powell Defendants, certain of which are the subject of the Actions (as defined below); and

WHEREAS the Plaintiffs and the Powell Defendants have determined to resolve all of the disputes between them upon the terms and conditions set forth in this Agreement; and

WHEREAS, based upon their investigation, Plaintiffs, Class Counsel (as defined below) and Individual Plaintiffs’ Counsel (as defined below) have concluded that the terms and conditions of this Agreement are fair, reasonable, adequate and in the best interests of the Settlement Classes (as defined below), and, subject to the approval of the Court, have agreed to settle the claims raised in the Actions as against the Powell Defendants pursuant to the terms and provisions of this Agreement; and

WHEREAS, in no event shall this Agreement be construed or deemed to be evidence or an admission or concession on the part of the Powell Defendants of any fault or liability or damages whatsoever; and

WHEREAS the Powell Defendants have vigorously denied and continue to deny any and all wrongdoing of any kind whatsoever and any liability to anyone in the Actions; and

WHEREAS the Powell Defendants believe they have meritorious defenses to each of the Actions, and no such defenses are waived; and

WHEREAS the Parties (as defined below) have concluded that it is desirable that each of the Actions be fully and finally settled, as against the Powell Defendants, in the manner and upon

the terms and conditions set forth herein in order to avoid the expense, inconvenience, uncertainties and risks associated with further proceedings,

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by the Parties, through their undersigned attorneys, subject to the approval of the Court, as follows:

Definitions

1. As used in this Agreement, the following terms shall have the meanings set forth below:

- (a) "Actions" means the Class Actions and the Individual Actions.
- (b) "Authorized Claimant" means any Plaintiff or member of the Settlement Classes who has submitted a Proof of Claim and whose claim for recovery has been allowed pursuant to this Agreement.
- (c) "Cash Settlement Fund" has the meaning set forth in paragraph 5 below.
- (d) "Claim" means any and all legal or equitable claims (including any complaints, suits, petitions, or statements of claim in arbitration), demands, debts, obligations, allegations of wrongdoing or liability (based on any legal or equitable duties or obligations, any contracts, agreements or understandings, or any other facts and circumstances), and demands for legal, equitable, or administrative remedies or relief (including claims for damages, punitive damages, rescission, reformation, restitution, disgorgement, accounting, attorneys' fees or expenses, interest, or costs) that may or could be asserted in or before any court, arbitration, tribunal, administrator, or other legal or equitable proceeding, regardless of whether they are known or unknown, foreseen or unforeseen, fixed or contingent, matured or unmatured, or liquidated or unliquidated.

(e) “Class Actions” means the actions pending before the Court and captioned *H.T. v. Ciavarella*, Case No. 3:09-cv-357 (M.D. Pa.), and *Conway v. Conahan*, Case No. 3:09-cv-291 (M.D. Pa.).

(f) “Class Counsel” means, collectively, the attorneys representing plaintiffs in the Class Actions.

(g) “Class Plaintiffs” means the named plaintiffs in each of the Class Actions.

(h) “Common Benefit Fees and Expenses” has the meaning set forth in paragraph 44 below.

(i) “Court” means the United States District Court for the Middle District of Pennsylvania, and the Judge assigned to the Actions.

(j) “Effective Date” has the meaning set forth in paragraph 69 below.

(k) “Escrow Account” means the interest-bearing escrow account maintained by Class Counsel and the Escrow Agent at PNC Bank on behalf of Plaintiffs and the members of the Settlement Classes, into which the Powell Defendants shall pay or cause to be paid the Settlement Amount.

(l) “Escrow Agent” means PNC Bank, N.A.

(m) “Individual Actions” means the actions pending before the Court and captioned *Belanger v. Ciavarella*, Case No. 10-cv-1405 (M.D. Pa.), *Clark v. Conahan*, Case No. 09-cv-2535 (M.D. Pa.), *Dawn v. Ciavarella*, Case No. 10-cv-797 (M.D. Pa.), *Elia v. Powell*, Case No. 11-cv-465 (M.D. Pa.), *Elia v. Powell*, Case No. 11-cv-466 (M.D. Pa.), *Gillette v. Ciavarella*, Case No. 11-cv-658 (M.D. Pa.), *Humanik v. Ciavarella*, Case No. 09-cv-630 (M.D. Pa.), *Wallace v. Powell*, Case No. 09-cv-286 (M.D. Pa.) (the “Wallace Action”), and any other action (apart from the Class Actions)

that is pending before the Court and has been consolidated or coordinated to any extent with the *Wallace* Action.

(n) "Individual Plaintiffs" means all plaintiffs in the Individual Actions.

(o) "Individual Plaintiffs' Counsel" means the attorneys representing plaintiffs in the Individual Actions, including Caroselli Beachler McTiernan & Conboy, LLC, Cefalo & Associates, Anapol Schwartz, Barry Dyller, Esquire, Metzger & Klein, and Richard Freeman, Esquire.

(p) "Initial Payment Date" shall mean the later of (i) the date that is three (3) business days after the Effective Date, or (ii) December 21, 2015.

(q) "Juvenile Representative Plaintiffs" means, collectively, Dezare Dunbar, Alexandra Fahey, Elizabeth Habel, Angelia Karsko, H.T., and Jessica Van Reeth.

(r) "Juvenile Settlement Class" means, for purposes of the Settlement only, all juveniles who appeared before former Luzerne County Court of Common Pleas Judge Mark A. Ciavarella between January 1, 2003 and May 28, 2008 who were adjudicated delinquent or placed by Ciavarella.

(s) "Mailed Notice" means the Notice of Pendency and Proposed Settlement of Class Action, which is to be sent to Plaintiffs and the members of the Settlement Classes, substantially in the form attached hereto as Exhibit A-2.

(t) "Mericle Parties" means Robert K. Mericle and Mericle Construction, Inc.

(u) "MOU" means the Memorandum of Understanding executed by the Parties, through their counsel, on January 9, 2015.

(v) "Mutually Agreed-Upon Statement" has the meaning set forth in paragraph 77 below.

(w) “Net Settlement Fund” has the meaning set forth in paragraph 6 below.

(x) “Net Worth Determination Date” means the earlier of (i) December 21, 2016, or (ii) the day that is 30 days after the later of (x) the day on which the Powell Defendants have received all fees and expenses to which they are entitled from the proceeds of the settlement in *Tronox, Inc. v. Anadarko Petroleum Corp.*, Case No. 14 Civ. 5495 (KBF) (S.D.N.Y.), and (y) the first day on which all of the Zappala Actions have terminated by settlement or by a final and non-appealable judgment.

(y) “Net Worth Estimate” has the meaning set forth in paragraph 7 below.

(z) “Net Worth Professional” shall mean Thomas D. Pratt, of Schneider Downs & Co., Inc., or, if Mr. Pratt is unwilling or unable to perform the function set forth in paragraph 9 below, such other person as the Parties shall jointly select or the Court shall designate.

(aa) “Non-Released Parties” means all Persons, other than the Powell Defendants, who have at any time been named as defendants in any of the Actions (including, without limitation, Beverage Marketing of PA, Inc., Mark A. Ciavarella, Michael T. Conahan and Pinnacle Group of Jupiter, LLC). The term “Non-Released Parties” shall not include any of the Releasees.

(bb) “Notice and Administration Costs” has the meaning set forth in paragraph 40 below.

(cc) “Opt-Out Deadline” means a date to be fixed by the Court and set forth in the Mailed Notice and the Published Notice, which shall be at least twenty-eight (28) days before the Final Approval Hearing (as defined below).

(dd) "Order and Final Judgment" means the proposed order and final judgment to be entered by the Court approving the Settlement, substantially in the form attached hereto as Exhibit B, which shall, among other things: (i) affirm the certification of the Settlement Classes, pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure, for settlement purposes only; (ii) finally approve the Settlement in its entirety as fair, reasonable and adequate, and in the best interests of the Settlement Classes as a whole; (iii) determine that all members of the Settlement Classes shall be bound by the Settlement and shall be deemed conclusively to have settled and released with prejudice the Releasees and to have covenanted not to sue the Releasees; (iv) bar each member of Settlement Classes from asserting, in any proceeding, any and all Released Claims he or she had or has against any Releasees; (v) bar all Non-Settling Parties from asserting against the Releasees, in any proceeding, claims for contribution or indemnification based on or arising from the allegations and/or claims asserted in any of the Actions; (vi) dismiss with prejudice, as to the Releasees, all Released Claims asserted in the Actions; and (vii) reserve the Court's continuing and exclusive jurisdiction over the Parties for the purpose of administering, supervising, interpreting and enforcing this Agreement in accordance with its terms.

(ee) "Parent Representative Plaintiff" means Jack Van Reeth.

(ff) "Parent Settlement Class" means, for purposes of the Settlement only, all parents and/or guardians of juveniles who appeared before former Luzerne County Court of Common Pleas Judge Mark A. Ciavarella between January 1, 2003 and May 28, 2008, and who, in connection with their juvenile's appearance: (i) made payments or had wages, social security or other entitlements garnished or withdrawn; (ii) had costs, fees,

interest and/or penalties assessed against them or their juvenile; or (iii) suffered any loss of companionship and/or familial integrity.

(gg) "Parties" means Plaintiffs and the Powell Defendants.

(hh) "Person" means a natural person or any legal entity (including, without limitation, individuals, corporations, partnerships, limited liability companies, governmental entities or organizations, and trusts).

(ii) "Plaintiffs" means, collectively, the Class Plaintiffs and Individual Plaintiffs.

(jj) "Plan of Allocation" means a plan or formula of allocation of the Cash Settlement Fund, to be proposed by Class Counsel and Individual Plaintiffs' Counsel, whereby the Cash Settlement Fund shall be distributed to Authorized Claimants after payment of expenses of notice and administration of the Settlement and such attorneys' fees, costs and expenses as may be awarded by the Court. Any Plan of Allocation is not a part of the Settlement or this Agreement, and the Releasees shall have no responsibility with respect thereto.

(kk) "Powell Defendants" means Robert J. Powell, Vision Holdings, LLC and the Powell Law Group, P.C.

(ll) "Powell's Net Worth" shall mean the Net Worth Estimate, if Plaintiffs do not timely reject the Net Worth Estimate pursuant to paragraph 7 below, or otherwise the net worth of Robert J. Powell as of the Net Worth Determination Date, as determined by the Net Worth Professional pursuant to paragraph 9 below.

(mm) "Preliminary Approval Order" means the proposed order to be entered by the Court preliminarily approving the Settlement, directing notice thereof to Plaintiffs and

the Settlement Classes, and scheduling a hearing concerning final approval of the Settlement, substantially in the form attached hereto as Exhibit A.

(nn) "Proof of Claim" means the proposed Proof of Claim and Release form to be submitted by Plaintiffs and members of the Settlement Classes, substantially in the form attached hereto as Exhibit A-3.

(oo) "Proof of Claim Deadline" means a date to be fixed by the Court and set forth in the Mailed Notice and the Published Notice, which shall be at least sixty (60) days after the entry of the Preliminary Approval Order.

(pp) "Provider Parties" means Consulting Innovations and Services, Inc., Mid-Atlantic Youth Services Corp., PA Child Care, LLC, Western PA Child Care, LLC, and Gregory R. Zappala.

(qq) "Published Notice" means the summary notice for publication, substantially in the form attached hereto as Exhibit A-1.

(rr) "Related Parties" means (i) with respect to natural persons, their past or present agents, servants, attorneys, accountants, insurers, co-insurers and re-insurers, executors and administrators; (ii) with respect to legal entities other than natural persons, their past and present parents, subsidiaries, general partners, limited partners, directors, officers, employees, trustees, members, agents, servants, attorneys, accountants, insurers, co-insurers and re-insurers; and (iii) the predecessors, successors, heirs and assigns of all of the foregoing.

(ss) "Released Claims" means any and all Claims of every nature, character and description against the Releasees, whether direct or brought in any other capacity, whether under federal or state law, whether known or unknown (including "Unknown

Claims” as defined below), whether suspected or unsuspected, whether accrued or unaccrued, concerning in any respect, directly or indirectly, the adjudication of any person as delinquent by the Luzerne County Court of Common Pleas, the referral of any person to any facility owned or operated by any of the Provider Parties, or the detention of any person in any facility owned or operated by any of the Provider Parties, and including, without limitation, all Claims that were alleged, or that could have been alleged, in the complaints in any of the Actions.

(tt) “Releasees” means the Powell Defendants and their Related Parties.

(uu) “Second Payment” shall be an amount, under no circumstances greater than \$2,750,000, computed as follows: (i) if Powell’s Net Worth is equal to or less than \$4,750,000, then the Second Payment shall be zero; (ii) if Powell’s Net Worth is greater than \$4,750,000 but equal to or less than \$14,875,000, then the Second Payment shall be 10 percent of the amount by which Powell’s Net Worth exceeds \$4,750,000; (iii) if Powell’s Net Worth is greater than \$14,875,000, but equal to or less than \$19,937,500, then the Second Payment shall be \$1,012,500 plus 14 percent of the amount by which Powell’s Net Worth exceeds \$14,875,000; and (iv) if Powell’s Net Worth is greater than \$19,937,500, then the Second Payment shall be \$1,721,250 plus 20 percent of the amount by which Powell’s Net Worth exceeds \$19,937,500, up to a maximum of \$2,750,000.

(vv) “Second Payment Date” means the date that is 30 days after the earlier of (i) the day on which Plaintiffs accept the Net Worth Estimate, or (ii) the date on which the Net Worth Professional issues a final report pursuant to paragraph 9(d) below.

(ww) “Settlement” means the settlement embodied in this Agreement.

(xx) “Settlement Amount” means the sum of \$4,750,000 plus the amount (if any) of the Second Payment.

(yy) “Settlement Classes” means the Juvenile Settlement Class and the Parent Settlement Class.

(zz) “Settlement Class Counsel” means Daniel Segal of Hangley Aronchick Segal Pudlin & Schiller (“HASP&S”); William R. Caroselli and David S. Senoff of Caroselli, Beachler, McTiernan & Conboy, LLC (“CBM&C”); Sol H. Weiss of Anapol Schwartz (“Anapol”); and Marsha L. Levick of Juvenile Law Center (“JLC”).

(aaa) “Unknown Claims” means any and all Claims which any Plaintiff or member of the Settlement Classes does not know or suspect to exist in his or her favor at the time of the release of such claims, which if known by him or her might have affected his or her decision(s) with respect to the Settlement.

(bbb) “Taxes” has the meaning set forth in paragraph 29 below.

(ccc) “Zappala Actions” means the actions entitled *Vision Holdings, LLC, et al. v. Consulting Innovations and Services, Inc., et al.*, December Term 2013, Case No. 941 (Ct. Com. Pl. Phila. Co.), *Vision Holdings, LLC, et al. v. Gregory R. Zappala*, Case No. 3:15-cv-00025 (M.D. Pa.), and *Western PA Child Care, LLC, et al. v. Robert J. Powell, et al.*, Case No. 3:14-cv-02197 (M.D. Pa.).

Certification of the Settlement Classes

2. Solely for purposes of the Settlement and for no other purpose, and without prejudice to or abandonment of any positions taken in the Actions regarding class certification, the Parties agree to (a) the certification, pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure, of the Juvenile Settlement Class and the Parent Settlement Class; (b) appointment of the Juvenile Representative Plaintiffs as class representatives for the Juvenile

Settlement Class; (c) appointment of the Parent Representative Plaintiff as class representative for the Parent Settlement Class; and (d) appointment of Settlement Class Counsel as class counsel for the Settlement Classes pursuant to Rule 23(g) of the Federal Rules of Civil Procedure.

3. The Parties further agree that the Order and Final Judgment shall include a provision vacating, as to the Powell Defendants only, the Court's May 14, 2013 order (Docket No. 1410 in the *Wallace* Action) which, among other things, certified certain litigation classes.

4. Certification by the Court of the proposed Settlement Classes, and appointment by the Court of class representatives and class counsel for the proposed Settlement Classes, shall be binding only with respect to the Settlement. In the event that the Effective Date does not occur, or the Agreement is not approved by the Court, or is terminated, cancelled, or fails to become effective for any reason, the stipulated certification of the proposed Settlement Classes, and the appointment of class representatives and class counsel for the proposed Settlement Classes, shall be vacated and the Actions shall proceed as though the proposed Settlement Classes had never been certified. Except to effectuate this Agreement, the Parties and their counsel agree not to present as evidence or legal precedent, rely upon, make reference to or otherwise make use of this stipulated certification of the proposed Settlement Classes in the Actions or any other legal proceeding.

Settlement Consideration

5. In full satisfaction of all Released Claims, and as consideration for the releases, bar orders and other benefits to the Releasees provided for in this Agreement, the Powell Defendants shall make payments into the Escrow Account, as follows:

(a) Within thirty (30) days after the Court's entry of the Preliminary Approval Order, and after Class Counsel and the Escrow Agent have entered into the Escrow

Agreement, the Powell Defendants shall pay or cause to be paid Two Hundred Thousand Dollars (\$200,000) into the Escrow Account.

(b) On the Initial Payment Date, the Powell Defendants shall pay or cause to be paid into the Escrow Account the amount necessary to bring the balance of that account, including the payment previously made pursuant to paragraph 5(a) and all accrued interest, up to Four Million Seven Hundred Fifty Thousand Dollars (\$4,750,000).

(c) On the Second Payment Date, if Powell's Net Worth is greater than \$4,750,000, the Powell Defendants shall pay or cause to be paid into the Escrow Account the Second Payment.

The sum in the interest-bearing Escrow Account shall be the "Cash Settlement Fund."

6. The Cash Settlement Fund, net of any Taxes (as defined below) and after the payment of Tax Expenses (as defined below), shall be used to pay (i) the Notice and Administration Costs referred to in paragraph 40, and (ii) the attorneys' fee and expense award referred to in paragraphs 44, 45 and 46. The balance of the Cash Settlement Fund after the above payments shall be the "Net Settlement Fund" which shall be distributed to Authorized Claimants as provided in paragraphs 47 through 57.

Computation of the Second Payment

7. Within 30 days after the Net Worth Determination Date, the Powell Defendants shall notify Plaintiffs of their estimation of the net worth of Robert J. Powell ("Powell") as of the Net Worth Determination Date (the "Net Worth Estimate"). Plaintiffs shall accept or reject the Net Worth Estimate, by written notice to the Powell Defendants, within ten (10) business days after receiving it.

8. If Plaintiffs do not timely reject the Net Worth Estimate, then the Net Worth Estimate shall be used to compute the Second Payment.

9. If Plaintiffs timely reject the Net Worth Estimate, then:

(a) The Parties shall jointly engage the Net Worth Professional, who shall determine Powell's net worth, as of the Net Worth Determination Date, in accordance with Financial Accounting Standards Board Accounting Standards Codification No. 274 Personal Financial Statements ("ASC 274"). According to ASC 274, an individual's net worth is defined as "the difference between total assets and total liabilities (determined on the accrual basis of accounting and using estimated current value, as defined), after deducting estimated income taxes on the differences between current values of assets and the estimated current amounts of liabilities and their tax bases." However, for purposes of determining Powell's net worth (and as exceptions to the standards promulgated under ASC 274): (i) the Net Worth Professional shall not consider the current value of Powell's principal residence, any debt collateralized by Powell's principal residence, or any individual items of Powell's personal property that the Net Worth Professional shall estimate have a current value of less than \$5,000; and (ii) the Net Worth Professional shall value each of Powell's assets at the amount of cash Powell could reasonably expect to realize by a sale of such asset on or before the Second Payment Date.

(b) All fees and expenses charged by the Net Worth Professional shall be paid from the Cash Settlement Fund, as provided in paragraph 40 below.

(c) The Powell Defendants shall provide all documentation that the Net Worth Professional may reasonably request for the purpose of determining Powell's net worth as of the Net Worth Determination Date, so long as the Net Worth Professional shall have agreed in writing that (i) no such documentation shall be supplied to Plaintiffs or any other person without written authorization from the Powell Defendants; (ii) the content of

any such documentation shall not be disclosed to Plaintiffs or any other person without written authorization from the Powell Defendants; and (iii) following the issuance of his or her report, the Net Worth Professional shall return or destroy all documents supplied by the Powell Defendants.

(d) The Net Worth Professional shall issue a final report advising the Parties of his or her determination of Powell's net worth as of the Net Worth Determination Date, which shall be final, binding and non-appealable.

(e) For purposes of computing the Second Payment, Powell's Net Worth shall be the amount set forth in the Net Worth Professional's final report.

Dismissals, Releases, Covenant Not to Sue and Non-Solicitation

10. Upon the entry of the Order and Final Judgment, all Released Claims brought in the Actions by or on behalf of any and/or all of the Plaintiffs, the members of the Settlement Classes, and their respective heirs, executives, administrators, successors and assigns, are to be dismissed with prejudice.

11. Upon the entry of the Order and Final Judgment, Plaintiffs and all members of the Settlement Classes shall be deemed to have, and by operation of the Order and Final Judgment shall have, unconditionally, fully, finally and forever remised, released, relinquished, compromised and discharged all Released Claims, and shall forever be enjoined from prosecuting any Released Claims against any of the Releasees, whether or not any particular Plaintiff or member of the Settlement Classes seeks or receives payment under the terms of this Agreement.

12. Plaintiffs agree and covenant, and each member of the Settlement Classes shall be deemed to have agreed and covenanted, and by operation of the Order and Final Judgment shall have expressly agreed and covenanted, not to institute, commence, file or prosecute, or cooperate

in the institution, commencement, filing or prosecution of, any lawsuit, appeal, arbitration or other proceeding against the Releasees that asserts, relates to, or is based on any claim that concerns, arises out of or relates to any of the facts, actions, claims, allegations, events, transactions, occurrences, courses of conduct, representations, omissions, circumstances or other matters alleged or referred to, or which could have been alleged or referred to, in the Actions.

13. Other than existing clients with whom Individual Plaintiffs' Counsel and/or Class Counsel currently have an engagement letter, Individual Plaintiffs' Counsel and Class Counsel agree not to initiate any communications for the purpose of seeking to represent any member of the Settlement Classes who may exercise the right of exclusion under paragraph 59, or who elects to exercise that right, against any of the Releasees.

Plaintiffs' Co-Operation with the Powell Defendants

14. Plaintiffs agree that their counsel will make their non-privileged files concerning the Actions, including materials produced in discovery in the Actions, reasonably available for inspection, upon request, by the Powell Defendants and their counsel.

Disposition of Discovery Materials from the Actions

15. Plaintiffs agree that Class Counsel and Individual Plaintiffs' Counsel shall destroy all copies within their possession, custody or control of all documents and information produced in discovery in the Actions (including deposition transcripts) within ten (10) business days after all of the following conditions are satisfied: (a) the Court has entered a final judgment disposing of the Class Actions; (b) the time for appeal or review of such judgment has expired; and (c) any appeal from any such judgment has been adjudicated, and such judgment is no longer subject to review upon appeal, or by writ of certiorari.

Cross-Releases

16. At least fourteen (14) days prior to the Final Approval Hearing, Plaintiffs shall deliver to the Powell Defendants a release by the Mericle Parties in favor of the Releasees (the "Mericle Release"), in a form reasonably acceptable to the Powell Defendants. The Mericle Release shall, among other things, release and discharge any claims for contribution, indemnification or the like, however styled, that the Mericle Parties may have against any of the Releasees arising from or relating in any way to (i) the Actions, (ii) any facts alleged or claims asserted in the Actions, (iii) any actual or potential liability of the Mericle Parties to any Plaintiff or member of the Settlement Classes, or (iv) any settlement payment the Mericle Parties have made in connection with any of the Actions. The Powell Defendants shall deliver a reciprocal release in favor of the Mericle Parties.

Future Claims for Contribution or Indemnity

17. It is the express intention of the Parties that, to the fullest extent possible, Plaintiffs shall in all future litigation against Non-Released Parties eliminate all claims for contribution and/or indemnity that might be asserted against the Releasees.

18. Plaintiffs, when entering into a settlement agreement with any Non-Released Party resolving some or all of the claims in the Actions, or resolving any other claims related in any way to the claims, allegations and/or facts in the Actions, shall insist on and include a provision barring such Non-Released Party from bringing against the Releasees, the Mericle Parties, and the Provider Parties any contribution claim, any indemnity claim, or any other claim related in any way to the claims, allegations and/or facts in the Actions.

19. Plaintiffs in any jury trial against a Non-Released Party shall proffer a jury verdict form that includes the Releasees, and in any bench trial or binding alternative dispute forum where claims are asserted against any Non-Released Party, request that the Releasees' wrongful

conduct, if any, be adjudicated. The purpose of this paragraph is to allocate liability among all Releasees and Non-Released Parties, and Plaintiffs and the members of the Settlement Classes agree that any judgment recovered against any Non-Released Parties in the Actions or any other proceeding shall be reduced pro rata or pro tanto to account for the Releasees' proportionate share of fault or liability, regardless of whether Releasees herein were in fact joint tortfeasors, and regardless of whether the Releasees participate in any such action or proceeding. The intent of this paragraph is to be consistent with *Griffin v. U.S.*, 500 F.2d 1059 (3d Cir. 1974).

20. Plaintiffs agree to hold in escrow any recovery against a Non-Released Party that exceeds such Non-Released Party's proportionate share of fault or liability, or as to which there has not been a binding allocation of liability as to all Releasees and Non-Released Parties. No such recovery shall be distributed until the expiration of any statutes of limitations period for any possible indemnification and/or contribution claims that such Non-Released Party may bring against any of the Releasees, regardless of the Releasees' and/or Plaintiffs' assessment of such claims' merit. If, upon expiration of the statutes of limitations, no claims have been filed by the Non-Released Party against any of the Releasees, any such recovery may be distributed. If any claims have been filed by the Non-Released Party against any of the Releasees, no distribution shall be made until all proceedings in connection with such claims, including appeals, are finally and fully resolved.

21. The provisions of paragraphs 17 through 20 and this paragraph 21 are intended, *inter alia*, to accomplish the complete and permanent disengagement of the Releasees from all possible claims -- known or unknown, suspected or unsuspected, present or future -- that arise out of or could arise out of the facts alleged in the Actions, for which the Releasees have been

released and to avoid the necessity and expense of having the Releasees participate in any litigation related to such claims.

Bar Order

22. The Parties shall request that the Court, as part of the Order and Final Judgment, enter a bar order that will discharge the Releasees, to the maximum extent allowed by applicable state or federal law, from any and all claims for contribution, and all claims for indemnification or the like, however styled, by any person or entity, including all Non-Released Parties, whether arising under state, federal, local, statutory or common law, or any other law, rule or regulation, based upon, arising out of, relating to, or in connection with the Released Claims.

The Escrow Account

23. The Escrow Account shall be administered in the manner set forth in an escrow agreement between Class Counsel and the Escrow Agent (the "Escrow Agreement"). The Escrow Agreement shall be in a form reasonably acceptable to the Powell Defendants, and shall require the Escrow Agent to comply with all relevant provisions of this Agreement, including without limitation paragraphs 6, 24, 25, 26, 27, 28, 29, 54 and 72 of this Agreement. Class Counsel shall not enter into the Escrow Agreement without the prior approval of the Powell Defendants, which approval shall not be unreasonably withheld.

24. All funds held by the Escrow Agent shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court until such time as such funds shall be distributed or returned to the Powell Defendants pursuant to this Agreement and/or further order(s) of the Court.

25. The Parties agree, and the Escrow Agreement shall provide, that prior to the Effective Date, the Escrow Agent shall not disburse any portion of the Cash Settlement Fund

except (i) by order of the Court, or (ii) with the prior written consent of counsel for the Powell Defendants.

26. In the event that the Effective Date does not occur, or the Agreement is not approved by the Court, or is terminated, cancelled or fails to become effective for any reason, the Parties agree, and the Escrow Agreement shall provide, that the Escrow Agent shall, within ten (10) calendar days, refund to the Powell Defendants the Cash Settlement Fund (including accrued interest) less the expenses, set forth in paragraph 40 below, actually incurred or due and owing in connection with the Settlement.

Taxes and Tax Expenses

27. The Parties and the Escrow Agent agree to treat the Cash Settlement Fund as a “qualified settlement fund” within the meaning of Treasury Regulation § 1.468B-1. The Parties therefore agree not to take any position in any filing before any tax authority that is inconsistent with such treatment. The Escrow Agent shall make such elections as are necessary to carry out the provisions of this paragraph 27 and paragraphs 28 and 29, including a timely “relation back election,” as defined in Treasury Regulation § 1.468B-1(j), back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of Class Counsel and/or the Escrow Agent to timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur.

28. For the purpose of § 468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the “administrator” shall be the Escrow Agent. The Escrow Agent shall timely and properly file all informational and other tax returns necessary or advisable with respect to the Cash Settlement Fund (including, without limitation, the returns described in Treasury Regulation § 1.468B-2(k)). Such returns (as well as the election described

in paragraph 27) shall be consistent with this paragraph 28 and paragraphs 27 and 29, and in all events shall reflect that all Taxes (including any estimated Taxes, interest or penalties) on the income earned by the Cash Settlement Fund shall be paid out of the Cash Settlement Fund as provided in paragraph 29.

29. The Cash Settlement Fund shall be used to pay (a) all taxes (including any estimated taxes, interest or penalties) arising with respect to the income earned by the Cash Settlement Fund, including any taxes or tax detriment that may be imposed on the Powell Defendants or their counsel with respect to any income earned by the Cash Settlement Fund for any period during which the Cash Settlement Fund does not qualify as a “qualified settlement fund” for federal or state income tax purposes (together, “Taxes”), and (b) expenses and costs incurred in connection with the taxation of the Cash Settlement Fund and operation and implementation of this paragraph 29 and paragraphs 27 and 28 of this Agreement (including, without limitation, expenses of tax attorneys and/or accountants) and mailing and distribution costs and expenses relating to filing (or failing to file) the returns described in this paragraph 29 and paragraphs 27 and 28 of this Agreement (together, “Tax Expenses”). In all events, the Powell Defendants, the Releasees and their counsel shall have no liability or responsibility for the payment of any Taxes or Tax Expenses. Further, Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Cash Settlement Fund, and shall be timely paid by the Escrow Agent out of the Cash Settlement Fund without prior order from the Court, and the Claims Committee and the Escrow Agent shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution to Authorized Claimants any funds necessary to pay such amounts, including the establishment of adequate reserves for any Taxes and Tax Expenses (as well as any amounts that may be required to be withheld under Treasury

Regulation § 1.468B-2(1)(2)). The Parties agree to cooperate with the Escrow Agent, each other, and their tax attorneys and accountants to the extent necessary to carry out the provisions of this paragraph 29 and paragraphs 27 and 28 of this Agreement.

Tax Liability of Members of the Settlement Classes and Indemnification

30. In no event shall the Powell Defendants, their counsel, Class Counsel or Individual Plaintiffs' Counsel have any liability or responsibility for the payment of any taxes that may be owed by Plaintiffs or members of the Settlement Classes.

31. The Claims Committee shall deliver a Form 1098 or Form 1099, if applicable, to each Authorized Claimant who receives any payment from the Cash Settlement Fund.

32. The Releasees, their counsel, Class Counsel and Individual Plaintiffs' Counsel have neither made, nor will make, any representations to any Plaintiff or member of the Settlement Classes as to the tax consequences of any payment from the Cash Settlement Fund, benefit, or consideration described herein, and they assume no responsibility or liability for payment of any local, state or federal taxes that may become due because of this payment. Each Plaintiff and member of the Settlement Classes expressly agrees to indemnify the Releasees, their counsel, Class Counsel and/or Individual Plaintiffs' Counsel against, and hold them harmless from, all tax consequences, if any, arising out of Releasees not withholding taxes, including, but not limited to, any and all interest and/or penalties.

Preliminary Approval Motion

33. As soon as practical following the execution of this Agreement, Class Counsel and Individual Plaintiffs' Counsel shall submit this Agreement, together with its exhibits, to the Court and shall apply for entry of the Preliminary Approval Order, which shall, among other things: (a) certify the Settlement Classes for settlement purposes only; (b) solely for purposes of the implementation, approval and consummation of the Settlement, appoint Settlement Class

Counsel to represent all members of the proposed Settlement Classes; (c) solely for purposes of the implementation, approval and consummation of the Settlement, appoint the Juvenile Representative Plaintiffs as representatives of the proposed Juvenile Settlement Class; (d) solely for purposes of the implementation, approval and consummation of the Settlement, appoint the Parent Representative Plaintiff as representative of the proposed Parent Settlement Class; (e) preliminarily approve the Settlement embodied in this Agreement; (f) approve the mailing of the Mailed Notice and Proof of Claim and the publication of the Published Notice, substantially in the forms of Exhibits A-1, A-2 and A-3 attached hereto; and (g) require that any person who properly and timely exercises his or her right to exclude himself or herself from the Settlement Classes participate in non-binding mediation before pursuing any separate claim against any of the Releasees. The Mailed Notice and the Published Notice shall include the general terms of the Fees and Expenses Application (as defined below) and the date of the Final Approval Hearing (as defined below); identify a website on which the Proof of Claim shall be available for download; and identify a mailing address that can be used to request a Proof of Claim. Class Counsel and Individual Plaintiffs' Counsel shall be responsible for providing the names and addresses of potential members of the Settlement Classes, and for providing notice to potential members of the Settlement Classes.

34. Class Counsel and Individual Plaintiffs' Counsel shall request that after the Mailed Notice and Published Notice are mailed and published, respectively, after there has been sufficient time for members of the Settlement Classes to assert objections to the Settlement pursuant to the terms of this Agreement, and no earlier than twenty-eight (28) days after the Opt-Out Deadline, the Court hold a hearing (the "Final Approval Hearing") to consider and determine whether to approve the Settlement as fair, reasonable and adequate, and whether the

Order and Final Judgment should be entered approving the Settlement as set forth herein and dismissing the Actions with prejudice as against the Powell Defendants. At or after the Final Approval Hearing, Class Counsel and Individual Plaintiffs' Counsel will also request that the Court approve the proposed Plan of Allocation and the Fees and Expenses Application.

35. The Powell Defendants shall not oppose the application for entry of the Preliminary Approval Order, and shall have the right to submit papers in connection with that application.

Claims Committee and Administration of the Settlement

36. Plaintiffs shall form a committee (the "Claims Committee") that will be responsible for administering various aspects of the Settlement. The Claims Committee shall consist of four attorneys, including one representative from each of the following four law firms: (a) HASP&S; (b) Anapol; (c) CBM&C; and (d) JLC.

37. The Claims Committee, subject to such supervision and direction of the Court as may be necessary or as circumstances may require, shall administer the Settlement, including (a) reviewing Proofs of Claim returned by Plaintiffs and members of the Settlement Classes; (b) determining which members of the Settlement Classes have properly and timely elected to opt out of the Settlement; (c) notifying the Court and the Powell Defendants of any objections made to the Settlement by any members of the Settlement Classes; and (d) pursuant to the Plan of Allocation, calculating the appropriate portion of the Net Settlement Fund (if any) to be paid to each Authorized Claimant.

38. An attorney representative from the Law Offices of Stephen S. Stallings or Kramer Levin Naftalis & Frankel LLP shall have (a) the right to participate in any and all of the Claims Committee's discussions and meetings determining the identities of and/or otherwise concerning members of the Settlement Classes who have properly and timely elected to opt out

of the Settlement, and (b) full access to all Proofs of Claim, objections, or other documents received in response to the Mailed Notice and/or the Published Notice, as well as any reports and/or summaries that the Claims Committee may prepare concerning persons who have properly and timely elected to exclude themselves from the Settlement Classes and/or the Settlement.

39. The Parties shall request that the Court appoint Judge Marina Corodemus (Ret.) (the "Special Master") to resolve any disputes concerning the amount of any payment that any Plaintiff or member of the Settlement Classes may receive from the Cash Settlement Fund. The fees and expenses charged by the Special Master shall be paid from the Cash Settlement Fund, as provided in paragraph 40 below.

40. All reasonable costs and expenses of notice to members of the Settlement Classes and administration of the Cash Settlement Fund, escrow fees, Taxes, Tax Expenses, custodial fees, fees and expenses charged by the Net Worth Professional and the Special Master, costs of delivering Forms 1098 and 1099 to Authorized Claimants, and expenses incurred in processing Proofs of Claim or distributing the Cash Settlement Fund (the "Notice and Administration Costs"), shall be paid from the Cash Settlement Fund. Funds may be disbursed from the Cash Settlement Fund for these purposes without further approval of the Court. Under no circumstances shall the Powell Defendants have any obligation to contribute to the payment of Notice and Administration Costs, other than by paying the Settlement Amount into the Escrow Account.

41. Upon the request of counsel for Powell Defendants, after the Published Notice is published and the Mailed Notice is mailed, and before the Opt-Out Deadline, the Claims Committee shall provide: (a) a list by name of all persons who have submitted requests to

exclude themselves from the Settlement Classes and/or the Settlement; (b) copies of all such requests; (c) a complete list by name of all persons who have submitted written objections to the Settlement; and (d) copies of any such written objections.

42. Within ten (10) calendar days after the Opt-Out Deadline, the Claims Committee shall transmit by electronic mail to counsel for all Parties: (a) a complete list by name of all persons who have submitted requests to exclude themselves from the Settlement Classes and/or the Settlement, together with the date on which each such person submitted such requests; (b) copies of all such requests; (c) a statement of the total number of Mailed Notices mailed and the total number of requests received for exclusion from the Settlement Classes and/or the Settlement; (d) copies of all written objections to the Settlement; and (e) a complete list of all Plaintiffs and members of the Settlement Classes claiming from the Cash Settlement Fund.

43. Notwithstanding any other provision of this Agreement, the Powell Defendants, the Releasees and their counsel shall have no liability, obligation or responsibility whatsoever for the administration of the Settlement, the investment of the Settlement Amount, the Plan of Allocation, the distribution of the Net Settlement Fund, or any losses incurred in connection with such matters.

Common Benefit Fees and Expenses

44. Class Counsel and Individual Plaintiffs' Counsel shall make an application to the Court (the "Fees and Expenses Application") for a common benefit fee award not to exceed thirty (30) percent of the Settlement Amount and, in addition, for common benefit litigation expenses (together, "Common Benefit Fees and Expenses"). The Powell Defendants shall not oppose the Fees and Expenses Application. Any Common Benefit Fees and Expenses awarded by the Court shall be paid exclusively from the Cash Settlement Fund, and shall not increase the Powell Defendants' payment obligations above the Settlement Amount.

45. The Releasees shall have no responsibility for, and no liability whatsoever with respect to, the allocation among Class Counsel and Individual Plaintiffs' Counsel, and/or any other person who may assert some claim thereto, of any Fees and Expenses Application, or any award relating thereto that the Court may make in the Actions.

46. The procedure for, and the allowance or disallowance by the Court of, any applications by Class Counsel or Individual Plaintiffs' Counsel for attorney fees, expenses and costs to be paid out of the Cash Settlement Fund are not part of the Settlement set forth in this Agreement, and are to be considered by the Court separately from the Court's consideration of the fairness, reasonableness and adequacy of the Settlement set forth in this Agreement. Any order or proceeding relating to the Fees and Expenses Application, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel the Agreement, or affect or delay the finality of the Order and Final Judgment approving the Agreement and the Settlement of the Actions set forth herein.

Plan of Allocation and Distribution to Authorized Claimants

47. The Net Settlement Fund shall be distributed to Authorized Claimants in accordance with a Plan of Allocation to be described in the Mailed Notice and approved by the Court.

48. The Plan of Allocation proposed in the Mailed Notice is not a necessary term of this Agreement and it is not a condition of this Agreement that the Plan of Allocation be approved by the Court.

49. The Powell Defendants shall have no involvement in reviewing or challenging claims.

50. For purposes of determining the extent to which a Plaintiff or member of the Settlement Classes shall be entitled to be treated as an “Authorized Claimant,” the following conditions shall apply:

(a) Each Plaintiff and member of the Settlement Classes who wishes to obtain compensation from the Cash Settlement Fund shall be required to submit a Proof of Claim (see Exhibit A-3 hereto);

(b) Unless the Proof of Claim Deadline is extended by Order of the Court, all Proofs of Claim must be either (i) actually received by the Claims Committee on or before the Proof of Claim Deadline, or (ii) mailed by first-class mail and addressed in accordance with the instructions on the Proof of Claim, and received by the Claims Committee with a postmark on or before the Proof of Claim Deadline. Any Plaintiff or member of the Settlement Classes who fails to submit a Proof of Claim in accord with the preceding sentence shall be forever barred from receiving any payment pursuant to this Agreement (unless, by Order of the Court, a later submitted Proof of Claim by such Plaintiff or member of the Settlement Classes is approved), but shall in all other respects be bound by all of the terms of this Agreement and the Settlement, including the terms of the Order and Final Judgment to be entered in the Actions and the releases provided for herein, and will be barred from bringing any action against the Releasees concerning the Released Claims;

(c) Each Proof of Claim shall be reviewed by the Claims Committee, which shall determine in accordance with this Agreement the extent, if any, to which each claim shall be allowed, subject to review by the Special Master pursuant to subparagraph (f) below;

(d) Proofs of Claim that do not meet the submission requirements may be rejected;

(e) The Claims Committee shall notify each person who submits a Proof of Claim, in a timely fashion and in writing, of (i) whether and to what extent it has determined to allow such person's claim, (ii) in the case of claims that the Claims Committee has determined to deny, the reasons for the denial, and (iii) the right of such person to seek review of, or relief from, the Claims Committee's determination by application to the Special Master or the Court; and

(f) If any Plaintiff or member of the Settlement Classes disputes the amount of his or her distribution from the Cash Settlement Fund, such dispute shall be submitted to the Special Master for resolution, as set forth more particularly in the Mailed Notice.

51. Each Plaintiff and member of the Settlement Classes shall be deemed to have submitted to the jurisdiction of the Court with respect to the claim of such Plaintiff or member of the Settlement Classes, and the claim will be subject to investigation and discovery by the Parties under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to (a) the status of the claimant as a Plaintiff or member of the Settlement Classes, and (b) the validity and amount of the claim of such Plaintiff or member of the Settlement Classes. No discovery shall be allowed on the merits of the Actions or the Settlement in connection with the processing of Proofs of Claim.

52. Payment pursuant to this Agreement shall be deemed final and conclusive against all Plaintiffs and members of the Settlement Classes. All Plaintiffs and members of the Settlement Classes whose claims are not approved by the Court shall be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all

terms of this Agreement and the Settlement, including the terms of the Order and Final Judgment to be entered in the Action and the releases provided for herein, and will be barred from bringing any action against the Releasees concerning the Released Claims.

53. All proceedings with respect to the administration, processing and determination of claims pursuant to paragraphs 47 through 57 of this Agreement and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of claims shall be subject to the jurisdiction of the Court.

54. No distribution may be made from the Cash Settlement Fund to any Authorized Claimant until after (a) the Court has approved the Plan of Allocation; (b) the Effective Date has occurred; (c) all claims have been processed; (d) all matters with respect to attorney fees have been resolved by the Court, all appeals therefrom have been resolved or the time for any such appeal has expired; and (e) all costs of administration have been paid.

55. If any funds remain in the Net Settlement Fund by reason of uncashed checks, or otherwise, after the Claims Committee has made reasonable and diligent efforts to have Authorized Claimants who are entitled to participate in the distribution of the Net Settlement Fund cash their distribution checks, then any balance remaining in the Net Settlement Fund six (6) months after the initial distribution of such funds shall be used to make a second distribution to Authorized Claimants who cashed their checks, in accordance with the Plan of Distribution.

56. No person shall have any claim against Plaintiffs, Class Counsel, Individual Plaintiffs' Counsel, the Claims Committee, the Powell Defendants, the Releasees or the Powell Defendants' counsel based on any distribution made substantially in accordance with this Agreement and the Settlement, the Plan of Allocation, or further order(s) of the Court.

57. It is understood and agreed by the Parties that any proposed Plan of Allocation of the Net Settlement Fund, including, but not limited to, any adjustments to an Authorized Claimant's claim set forth therein, is not a part of the Agreement and is to be considered by the Court separately from the Court's consideration of the fairness, reasonableness and adequacy of the Settlement, and any order or proceeding relating to the Plan of Allocation shall not operate to terminate or cancel the Agreement or affect the finality of the Order and Final Judgment approving the Agreement and the Settlement, or any other orders entered pursuant to the Agreement.

Final Approval Hearing

58. In advance of the Final Approval Hearing, Class Counsel and Individual Plaintiffs' Counsel shall move the Court for entry of the Order and Final Judgment.

Right of Exclusion and Objection

59. Any person may seek to be excluded from the Settlement Classes and the Settlement provided for in this Agreement by returning a Proof of Claim indicating his or her opt-out election, on or before the Opt-Out Deadline. Members of the Settlement Classes who properly and timely elect to exclude themselves from the Settlement shall not be bound by the terms of this Agreement, nor entitled to any of its benefits, and shall not be bound by any order and final judgment and/or other order of the Court entered herein, whether pursuant to this Agreement or otherwise, except that any such person shall be required to engage in non-binding mediation with the Powell Defendants before bringing any action in which he or she asserts any Released Claim against any of the Releasees.

60. Any person may retract or withdraw a request for exclusion from the Settlement Classes and the Settlement by delivering a written notice to the Claims Committee, prior to the Final Approval Hearing, stating the person's desire to retract or withdraw his or her request for

exclusion and the person's desire to be bound by any judgment or settlement in the Actions. The Claims Committee shall promptly notify counsel for the Powell Defendants of any retraction or withdrawal of a request for exclusion.

61. Individual Plaintiffs' Counsel and Class Counsel shall not encourage any person to exclude himself or herself from the Settlement Classes and/or the Settlement.

62. Any member of the Settlement Classes who does not exclude himself or herself from the Settlement Classes shall have the right to submit written objections concerning the Settlement, the Plan of Allocation, and/or the Fees and Expenses Application, which objections shall state all of the reasons for the objections (e.g., a mere statement that "I object" shall not be deemed sufficient). Any written objection(s), and any briefs, affidavits or other evidence in support thereof, must be submitted to the Claims Committee at least twenty-eight (28) calendar days prior to the date set by the Court for the Final Approval Hearing. Objections and supporting materials shall be deemed to have been submitted when posted, if received with a postmark indicated on the envelope and if mailed by first-class mail and addressed in accordance with the instructions in the Mailed Notice. In all other cases, objections and supporting materials shall be deemed to have been submitted when actually received by the Claims Committee.

63. Within three (3) calendar days after receiving any objections and supporting materials, the Claims Committee shall (a) file them with the Clerk of Court, and (b) deliver copies of them to counsel for all parties to the Actions.

64. All persons desiring to attend the Final Approval Hearing and be heard as objectors must have delivered written objections to the Claims Committee as provided herein, as a condition of appearing and being heard at such hearing. Any member of the Settlement Classes who does not timely deliver written objections to the Settlement pursuant to this

paragraph and the Mailed Notice shall not be permitted to object to the Settlement at the Final Approval Hearing, and shall be foreclosed from objecting to, challenging or otherwise seeking review of the Settlement by appeal or otherwise, in the Actions or in any other action.

65. If the Court approves the Agreement and enters the Order and Final Judgment, and the Order and Final Judgment becomes final and non-appealable, any member of the Settlement Classes who objected to the Settlement shall be bound by the Agreement and by the Order and Final Judgment.

The Powell Defendants' Termination Right

66. Subject to paragraphs 69 through 72, the Powell Defendants have the option to terminate the Settlement, as set forth in a separate agreement between the Powell Defendants and Plaintiffs (the "Supplemental Agreement"), in the event that the number of persons who would otherwise be entitled to participate in the Settlement as Plaintiffs and/or members of the Settlement Classes, but who timely and validly request exclusion, equals or exceeds a threshold set forth in the Supplemental Agreement.

67. If the Powell Defendants elect to exercise the option set forth in paragraph 66, written notice of such election must be provided to Class Counsel and Individual Plaintiffs' Counsel on or before five (5) calendar days prior to the Final Approval Hearing. Such notice may be served by hand delivery or facsimile. The Powell Defendants may withdraw their election by providing written notice of such termination, by hand delivery or facsimile, to Class Counsel and Individual Plaintiffs' Counsel no later than 5:00 p.m. Eastern Time on the day prior to the Final Approval Hearing, or by such later time as the Parties agree in writing.

68. If the Powell Defendants elect to terminate the Settlement in accordance with paragraph 66, this Agreement shall be withdrawn and terminated and deemed null and void, and the provisions of paragraphs 69 through 72 shall apply.

Effective Date of Settlement, Waiver or Termination

69. The Effective Date of the Settlement shall be five business days after the date on which Class Counsel and Individual Plaintiffs' Counsel deliver written notice to the Powell Defendants that all of the following have occurred: (a) entry of the Preliminary Approval Order in all material respects in the form attached hereto as Exhibit A; (b) approval by the Court of the Settlement, following notice to the Settlement Classes and a hearing, as prescribed by Fed. R. Civ. P. 23; (c) delivery by Plaintiffs and the Powell Defendants of the releases called for by paragraph 16; (d) expiration of the time for the Powell Defendants to exercise their right to terminate the Settlement in accordance with the terms of the Supplemental Agreement described in paragraph 66, without the exercise of that option; and (e) entry by the Court of the Order and Final Judgment, in all material respects in the form set forth in Exhibit B attached hereto, and the expiration of any time for appeal or review of such Order and Final Judgment, or, if any appeal is filed and not dismissed, after such Order and Final Judgment is upheld on appeal in all material respects and is no longer subject to review upon appeal, review by writ of certiorari or mandamus, or, in the event that the Court enters an order and final judgment in a form other than that provided above (an "Alternative Judgment") and the Powell Defendants do not elect to terminate this Settlement, the date that such Alternative Judgment becomes final and no longer subject to appeal.

70. If all of the conditions specified in paragraph 69 are not met, then the Agreement shall be cancelled and terminated subject to paragraphs 71 and 72, unless Class Counsel, Individual Plaintiffs' Counsel and counsel for the Powell Defendants mutually agree in writing to proceed with implementation of the terms of the Agreement.

71. The Powell Defendants or Plaintiffs shall have the right to terminate the Settlement and this Agreement by providing written notice of their election to do so to all other

Parties within fourteen (14) days of: (a) the Court's declining to enter the Preliminary Approval Order, or directing modification of the Mailed Notice, the Published Notice or the Proof of Claim, in any material respect; (b) the Court's refusal to approve this Agreement or any material part of it; (c) the Court's declining to enter the Order and Final Judgment in any material respect; (d) the date upon which the Order and Final Judgment is modified or reversed in any material respect by the Court of Appeals or the Supreme Court; or (e) the date upon which an Alternative Judgment is modified or reversed in any material respect by the Court of Appeals or the Supreme Court.

72. Except as otherwise provided herein, in the event that the Agreement is not approved by the Court, or the Settlement set forth in the Agreement is terminated or fails to become effective in accordance with its terms for any reason, then the Parties shall be deemed to have reverted to their respective status in the Actions immediately prior to the execution of this Agreement. In such event, the terms and provisions of this Agreement, with the exception of paragraphs 1(a) through (ccc), 26, 73, 81, 83, 84, 87, 89, 90, 91, 93, 95, 96 and 97, shall have no further force and effect with respect to the Parties and shall not be used in the Actions or in any other proceeding, or be admissible as evidence, for any purpose. Except as otherwise expressly provided herein, the Parties shall proceed in all respects as if this Agreement and any related orders had not been entered, and the Cash Settlement Fund, together with any interest earned thereon, less any Taxes due with respect to such income, and less costs of administration and notice actually incurred, shall be returned to the Powell Defendants within ten (10) calendar days from the date the Settlement is terminated or fails to become effective.

No Admission of Wrongdoing

73. This Agreement, all negotiations, statements, and proceedings in connection herewith and any act performed or document executed pursuant to, in furtherance of, or in

connection with the Agreement or the Settlement shall not, in any event, be construed or deemed to be evidence of an admission or concession on the part of any of the Powell Defendants or any other person of any liability or wrongdoing by them, or any of them, and shall not be offered or received in evidence in any civil, criminal or administrative action or proceeding in any court, administrative agency or other tribunal (except to enforce this Agreement and the Settlement), or be used in any way as an admission, concession, or evidence of any liability or wrongdoing of any nature.

Waivers

74. With respect to any and all Released Claims, Plaintiffs and the members of the Settlement Classes stipulate and agree that, upon the Effective Date, Plaintiffs shall waive, and each member of the Settlement Classes shall be deemed to have waived, and by operation of the Order and Final Judgment shall have expressly waived, the provisions, rights and benefits of section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Plaintiffs shall expressly waive, and each member of the Settlement Classes shall be deemed to have waived, and by operation of the Order and Final Judgment shall have expressly waived, any and all provisions, rights and benefits conferred by the law of any state or territory of the United States, or principle of common law, which is similar, comparable or equivalent to California Civil Code § 1542.

75. Plaintiffs and the members of the Settlement Classes may hereafter discover facts in addition to or different from those which they or any of them now know or believe to be true

with respect to the subject matter of the Released Claims, but Plaintiffs and the members of the Settlement Classes shall have expressly fully, finally and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts.

76. Plaintiffs acknowledge, and the members of the Settlement Classes shall be deemed by operation of the Order and Final Judgment to have acknowledged, that the waivers and releases set forth in paragraphs 74 and 75 of this Agreement, and the inclusion of “Unknown Claims” in the definition of Released Claims, were separately bargained for and are key elements of the Settlement.

Mutually-Agreed Statement

77. On or after the day that the Parties submit this Agreement to the Court and jointly move the Court for entry of the Preliminary Approval Order, the Parties may issue a mutually agreed-upon statement (the “Mutually Agreed-Upon Statement”). The Mutually Agreed-Upon Statement, if the Parties determine to issue it, shall acknowledge that by settling the Actions, the Powell Defendants have not admitted to any wrongdoing, liability, or breach of any duty. Class Counsel, Individual Plaintiffs’ Counsel, and counsel for the Powell Defendants agree that they will not make or cause to be made any other public comment regarding the Settlement, other than the Mutually Agreed-Upon Statement, which they may post on their websites.

78. The Parties agree that the provisions of paragraph 77 are material and in the event that Class Counsel, Individual Counsel, or counsel for the Powell Defendants issue or make any public comment concerning the Settlement other than the Mutually Agreed-Upon Statement, the

Plaintiffs or the Powell Defendants shall, as the case may be, be in material breach of this Agreement, and the Plaintiffs or the Powell Defendants, as the case may be, shall have all rights in law and equity to seek relief for such breach.

79. Notwithstanding the provisions of paragraphs 77 and 78, the Parties agree that oral or written communications between Class Counsel and the Individual Plaintiffs' Counsel, on the one hand, and Juvenile Representative Plaintiffs, the Parent Representative Plaintiff, members of the Settlement Classes, Individual Plaintiffs, or potential members of the Settlement Classes, on the other hand, shall not constitute making or causing to be made a public comment regarding the Settlement. The Parties further agree that, notwithstanding paragraphs 77 and 78, oral or written communications between counsel for the Powell Defendants, on the one hand, and the Powell Defendants, on the other hand, shall not constitute making or causing to be made a public comment regarding the Settlement.

Miscellaneous Provisions

80. All of the Exhibits attached to this Agreement are material and integral parts hereof, and are hereby incorporated by reference as though fully set forth herein.

81. The headings and captions in this Agreement are used solely for convenience, and shall have no legal effect in construing this Agreement or any of its terms or provisions.

82. Where a term is defined in plural and used in singular in the text, it means one such. Where a term is defined in singular is used in plural in a text, it means more than one such.

83. The Parties agree that any and all documents, material, correspondence and/or information received and/or produced or disclosed in furtherance of this Agreement, the Supplemental Agreement or the MOU, including all drafts of this Agreement, the Supplemental Agreement and the MOU, shall be considered confidential and shall not be disclosed to any third parties unless otherwise required by law.

84. In no event shall this Agreement, in whole or in part, whether effective, terminated, or otherwise, or any of its provisions or any negotiations, statements or proceedings relating to it in any way be construed as, offered as, received as, used as or deemed to be evidence of the factual allegations and/or legal conclusions in the Actions, in any other action, or in any judicial, administrative, regulatory or other proceeding, except as necessary to enforce this Agreement. Without limiting the foregoing, neither this Agreement nor any related negotiations, statements or proceedings shall be construed as, offered as, received as, used as or deemed to be evidence, or an admission or concession of (a) any liability or wrongdoing whatsoever or breach of any duty on the part of the Releasees or (b) any infirmity in any defense to any of the claims asserted in the Actions. This Agreement does not constitute or reflect any admission of any liability by the Releasees of the claims brought against them in the Actions. None of the Parties waives or intends to waive any applicable attorney-client privilege or work product protection for any negotiations, statements or proceedings relating to this Agreement.

85. The Court will have original and exclusive jurisdiction over all provisions of this Agreement, including the administration, supervision, interpretation and enforcement of this Agreement in accordance with its terms and any award of attorney's fees.

86. The Powell Defendants shall not be liable for delay or non-performance of their obligations under this Agreement arising from any act of God, governmental act, or act of terrorism, war, fire, flood, explosion or civil riot. The performance of the Powell Defendants' obligations under this Agreement, to the extent affected by the delay, shall be suspended for the period during which the cause of the delay persists.

87. All agreements made and orders entered during the course of the Actions relating to the confidentiality of documents and information shall survive this Agreement pursuant to their terms.

88. This Agreement, including its Exhibits, and the Supplemental Agreement (a) contain an entire, complete, and integrated statement of each and every term and provision agreed by and among the Parties, and (b) supersede any prior agreements or understandings, whether written or oral, between and among the Plaintiffs, the members of the Settlement Classes, the Powell Defendants, Class Counsel, Individual Plaintiffs' Counsel and counsel for the Powell Defendants regarding the subject matter of this Agreement and the Supplemental Agreement.

89. This Agreement may not be amended or modified, except by a written instrument signed by or on behalf of Class Counsel, Individual Plaintiffs' Counsel and counsel for the Powell Defendants, and approved by the Court.

90. The provisions of this Agreement may be waived only by an instrument in writing executed by the waiving Party. Any waiver by any Party of any breach of this Agreement by any other Party shall not be deemed a waiver of any other prior or subsequent breach of the same or any other provision of this Agreement.

91. This Agreement is the product of arms-length negotiations between the Parties and their counsel, all of whom contributed substantially and materially to its drafting. None of the Parties shall be considered to be the drafter of this Agreement or any provision hereof for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter.

92. No Party has entered into this Agreement in reliance on any representation other than those contained herein and in the Supplemental Agreement.

93. The construction, interpretation, operation, effect and validity of this Agreement, and all documents necessary to effectuate it, shall be governed by the laws of the Commonwealth of Pennsylvania, without regard to its choice of law or conflict of laws principles, except to the extent that federal law requires that federal law govern.

94. Except as otherwise provided herein, nothing in this Agreement is intended, nor shall it in any way be construed, to create or convey any rights in or to any person other than the Plaintiffs, the members of the Settlement Classes and the Releasees. For avoidance of doubt, the judgment reduction provisions in paragraphs 19 are for the benefit of, and shall be enforceable by, the Non-Released Parties.

95. This Agreement may be executed in counterparts, each of which shall constitute an original. Scanned signatures shall be considered valid signatures as of the date submitted, although the original signature pages shall thereafter be appended to this Agreement.

96. This Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors and assigns.

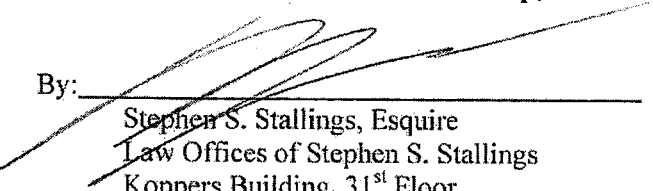
97. Each person signing this Agreement on behalf of a Party represents and warrants that he or she has all the requisite power and authority to enter into this Agreement and to implement the transactions contemplated herein, and is duly authorized to execute this Agreement on behalf of that Party. By their signature or counsel's signature affixed hereto, each Party acknowledges that he or she has read this Agreement, fully understands the agreements, representations, covenants, obligations, conditions, warranties, releases and terms contained herein, and has had the advice of counsel pertaining thereto, prior to the time of execution. Class

Counsel and Individual Plaintiffs' Counsel acknowledge that they have authority to execute this Agreement and bind Class Plaintiffs, the Individual Plaintiffs and the members of the Settlement Classes.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized attorneys as of the date first above written.

Robert J. Powell and Powell Law Group, P.C.

By: _____


Stephen S. Stallings, Esquire
Law Offices of Stephen S. Stallings
Koppers Building, 31st Floor
436 Seventh Avenue
Pittsburgh, PA 15219
(412) 735-3206

Dated: 3/10/15

Robert J. Powell and Vision Holdings, LLC

By: _____

Stephen M. Sinaiko, Esquire
Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, NY 10036
(212) 715-9100

Dated: _____

Counsel and Individual Plaintiffs' Counsel acknowledge that they have authority to execute this Agreement and bind Class Plaintiffs, the Individual Plaintiffs and the members of the Settlement Classes.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized attorneys as of the date first above written.

Robert J. Powell and Powell Law Group, P.C.

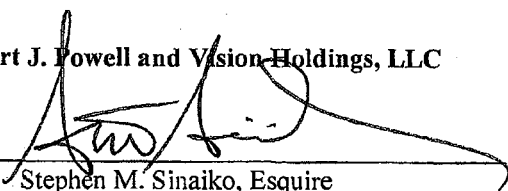
By: _____

Stephen S. Stallings, Esquire
Law Offices of Stephen S. Stallings
Koppers Building, 31st Floor
436 Seventh Avenue
Pittsburgh, PA 15219
(412) 735-3206

Dated: _____

Robert J. Powell and Vision Holdings, LLC

By: _____


Stephen M. Sinaiko, Esquire
Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, NY 10036
(212) 715-9100

Dated: March 10, 2015

For Plaintiffs in the action titled,
H.T., et al. vs. Clavarella, et al., No. 09-cv-357
(M.D. Pa.)

By: 

Marsha L. Levick, Esquire
Juvenile Law Center
1315 Walnut Street, Suite 400
Philadelphia, PA 19107
(215) 625-0551

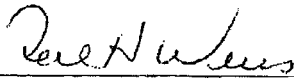
Dated: _____

By: 

Daniel Segal, Esquire
Rebecca S. Meiley, Esquire
Hangley Aronhick Segal Pudlin & Schiller
One Logan Square, 27th Floor
18th and Cherry Streets
Philadelphia, PA 19103
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Dated: March 10, 2015

**For Plaintiffs in the actions titled,
Conway, et al. v. Conahan et al., No. 09-cv-291
(M.D. Pa.), Elia v. Powell, No. 11-cv-465 (M.D.
Pa.), and Elia v. Powell, No. 11-cv-466 (M.D. Pa.)**

By: 

Sol H. Weiss, Esquire
Joseph J. Fantini, Esquire
Anapol Schwartz
1710 Spruce Street
Philadelphia, PA 19103
(215) 735-2098

Dated: 3-10-15

By: _____

Barry H. Dyller, Esquire
Gettysburg House
88 North Franklin Street
Wilkes-Barre, PA 18701
(570) 829-4860

Dated: _____

**For Plaintiffs in the actions titled,
Conway, et al. v. Conahan et al., No. 09-cv-291
(M.D. Pa.), Elia v. Powell, No. 11-cv-465 (M.D.
Pa.), and Elia v. Powell, No. 11-cv-466 (M.D. Pa.)**

By: _____

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1710 Spruce Street
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(215) 735-2098

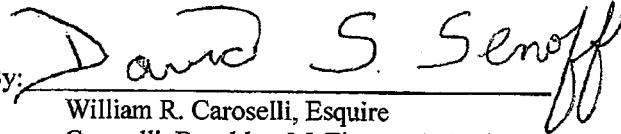
Dated: _____

By:  _____

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Dated: 3/10/15

**For Plaintiffs in the action titled,
Wallace v. Powell, et al., No. 3:09-cv-286 (M.D.
Pa.)**

By: 

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David S. Senoff, Esquire
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Dated: _____

By: _____

Michael J. Cefalo, Esquire
Cefalo & Associates
309 Wyoming Avenue
West Pittston, PA 18643
(570) 655-5555

Dated: _____

**For Plaintiffs in the action titled,
Humanik v. Ciavarella, et al., No. 3:09-cv-630
(M.D. Pa.)**

By: _____

Daniel E. Kleiner, Esquire
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(215) 567-6616

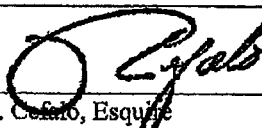
Dated: _____

**For Plaintiffs in the action titled,
Wallace v. Powell, et al., No. 3:09-cv-286 (M.D.
Pa.)**

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Dated: 3/10/15

**For Plaintiffs in the action titled,
Humanik v. Ciavarella, et al., No. 3:09-cv-630
(M.D. Pa.)**

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