

**SETTLEMENT AGREEMENT,
COVENANT NOT TO SUE AND RELEASE**

THIS SETTLEMENT AGREEMENT, COVENANT NOT TO SUE AND RELEASE (“Agreement”) is entered into between JENNIFER RHAMES, individually (“Rhames”), OWASSO KIDS FOR CHRIST (“OKFC”), OWASSO KIDS FOR CHRIST, INC. (“OKFC-INC”) and INDEPENDENT SCHOOL DISTRICT NO. 11 OF TULSA COUNTY, OKLAHOMA, commonly known as the Owasso Public Schools (the “Defendant”).

RECITALS

WHEREAS, OKFC filed a lawsuit in the United States District Court for the Northern District of Oklahoma, Case No. 11-CV-0653-CVE-PJC (the “Litigation”) seeking a preliminary and permanent injunction requiring Defendant to allow OKFC to distribute religious literature to parents and students through the take home flyer forum, literature table, and bulletin board, to place signs on school grounds promoting its weekly Bible club meetings, to make announcements over the public address system, and to participate in the Open House on the same terms as other community groups and individuals; and

WHEREAS, on December 6, 2011, Defendant filed a Motion to Dismiss against OKFC; and

WHEREAS, on December 20, 2011, OKFC filed an Amended Complaint adding Jennifer Rhames as a plaintiff in her individual capacity, and also filed a Motion for

Preliminary Injunction seeking an injunction against Defendant's policy and practice of denying equal access to OKFC's and Rhames' religious flyers; and

WHEREAS, on December 21, 2011, the Court denied Defendant's Motion to Dismiss as moot; and

WHEREAS, on January 3, 2012, Defendant filed a second Motion to Dismiss against OKFC and Rhames; and

WHEREAS, on January 27, 2012, OKFC-INC was incorporated as a not-for-profit Oklahoma corporation and as a successor to OKFC; and

WHEREAS, on February 13, 2012, the Defendant adopted Policy 1.05-A entitled "Distribution of Information by Outside Organizations and Individuals" that governs, amongst other things, literature distribution, signage, and meeting cancellation announcements on behalf of outside organizations and individuals; and

WHEREAS, on February 23, 2012, the Court granted Defendant's Motion to Dismiss as to Owasso Kids for Christ, denied the motion as to Jennifer Rhames, instructed the parties to discuss the possibility of settlement, and ordered the parties to file a joint status report on the need for an evidentiary hearing on Rhames' Motion for Preliminary Injunction; and

WHEREAS, on March 12, 2012, Defendant adopted amendments to Policy 1.05-A that provide further definition of the terms "District sponsored student organizations" and "District sponsored student programs/activities;" and

WHEREAS, the payment of any sums under this Release by or on behalf of the Defendant is not an admission of any liability from Defendant to Rhames, OKFC, or OKFC-INC.

WHEREAS, the parties desire to resolve all remaining issues in the case and now desire to set forth the terms of such settlement in writing.

THEREFORE, based on the promises and covenants set forth below, the sufficiency of which is acknowledged, the parties hereby agree as follows:

AGREEMENT

Release. In consideration of certain payments by the Defendant, the modifications previously made to Defendant's Policy 1.05-A, and other consideration recited herein, Rhames, OKFC, and OKFC-INC, for themselves, their members, and their respective affiliates, successors, and assigns, hereby release, remise and forever discharge the Defendant, and its respective officers, directors, board members, employees, agents, insurers, sureties, attorneys, affiliates, successors, and assigns, from any and all manner of actions and causes of action, suits, judgments, debts, claims, demands, accountings, grievances, contracts, obligations, and rights whatsoever, in law or in equity, now existing or which may hereafter accrue by reason of any existing facts, known or unknown, foreseen or unforeseen, arising out of the facts in the Litigation and to any and all claims asserted or which could have been asserted arising out of the facts of the Litigation.

Literature Distribution by OKFC and OKFC-INC. In accordance with Policy 1.05A, Defendant hereby agrees to: (a) permit OKFC and OKFC-INC to distribute

religious literature at Defendant's PreK-8 schools at the designated community bulletin board and/or table, (b) make OKFC and OKFC-INC meeting cancellation announcements, (c) permit OKFC and OKFC-INC to participate in the District-wide Information Night held each semester, and (d) permit OKFC and OKFC-INC to have equal access to those opportunities, benefits, and privileges given by the Defendant to community members similarly situated to Rhames, OKFC and OKFC-INC.

Payments. In further consideration of the release set forth above, Defendant hereby agrees to pay attorney's fees in the amount of \$20,000.00 to OKFC's and Rhames' attorneys within ten (10) days of the approval of this Agreement. The above-referenced check shall be made payable to Alliance Defense Fund.

Dismissal with Prejudice. In consideration of the foregoing releases, payments and other considerations recited above and subject to the conditions recited herein, the parties shall execute and file a Joint Stipulation of Voluntary Dismissal with Prejudice to dismiss the Litigation filed by OKFC and Rhames in the United States District Court for the Northern District of Oklahoma.

Invalidity. Should any part of this Agreement be declared or be determined by any court to be illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected thereby and said illegal or invalid part, term, or provision shall not be a part of this general release and settlement agreement.

Entire Agreement and Successors in Interest. This Agreement contains the entire agreement between Rhames, OKFC, and OKFC-INC, and the Defendant 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.

Additional Documents. All parties agree to cooperate fully and execute any and all supplementary documents and to take all additional action which may be necessary or appropriate to give full force and effect to the basic terms and intent of this Agreement.

Consultation With Counsel. The parties warrant and represent that they are duly and properly authorized to execute this Agreement. The parties acknowledge to each other that each of them has read the full contents of this Agreement, has consulted with counsel regarding the terms contained herein, understands that this Agreement constitutes a contract, and enters into this Agreement voluntarily.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

Jennifer Rhames
JENNIFER RHAMES, Individually

3-29-12
Date

OWASSO KIDS FOR CHRIST

By: Heather Hart
Heather Hart, Club Organizer


3-29-12
Date

OWASSO KIDS FOR CHRIST, INC.

By: Heather Hart
Heather Hart, President

3-29-12
Date

INDEPENDENT SCHOOL DISTRICT NO. 11
OF TULSA COUNTY, OKLAHOMA

By: 
Dr. Clark Ogilvie, Superintendent

3-29-12
Date