

RELEASE AND SETTLEMENT AGREEMENT

This Release and Settlement Agreement ("Agreement") is between Franciscan Medical Group, a Washington corporation, Franciscan Health System, a Washington corporation, and Catholic Health Initiatives, a Colorado corporation (collectively "Franciscan") and Ramon Anel ("Anel"), and shall, except as provided in paragraph 14, below, be effective on the date on which it is signed by Anel (the "Effective Date").

Recitals

1. Franciscan and Anel are parties to Civil Action No. 14-2-10378-6 KNT, now pending in the Superior Court for the State of Washington in and for King County (the "Lawsuit").

2. Anel was employed by Franciscan Medical Group until October 14, 2013. A dispute has arisen concerning the circumstances of Anel's employment with and separation from Franciscan Medical Group, the resignation of Anel's medical privileges with Franciscan Health System, and other issues raised in the Lawsuit (the Lawsuit").

3. Franciscan and Anel desire fully and completely to resolve all differences between them, including without limitation all matters, claims, causes of action, and allegations that were or could have been raised in the Lawsuit.

Agreement

In consideration of the conditions, covenants, and agreements set forth below, the parties agree as follows:

1. Payment.

(a) Within 14 days after this agreement and its attachments and W-9 forms are fully executed by Anel, and delivered to counsel for Franciscan, Franciscan shall deliver to counsel for Anel two checks in the total amount of Two Million Five Hundred Thousand dollars (\$2,500,000.00). The first check in the form of a paycheck and shall be in the amount of \$500,000.00 payable to "Ramon Anel" for lost wages. The second check shall be in the amount of \$2,000,000.00 and shall be made payable to "The Blankenship Law Firm, P.S. in trust for Ramon Anel" for emotional distress damages, attorneys' fees and costs.

(b) Anel acknowledges that Franciscan makes no representation concerning the tax consequences of this Agreement. If for some reason any assessment is imposed on Franciscan, Anel shall immediately reimburse

Franciscan for all taxes, interest or penalties paid by Franciscan as a result of the assessment. Franciscan shall have no obligation to contest the validity of any such assessment or to reimburse Anel for any amounts, including costs and attorneys' fees, that he incurs in contesting the assessment.

2. Release.

(a) Anel, for himself, his heirs, personal representatives and assigns, and any other person or entity that could or might act on behalf of him, including, without limitation, his counsel and Key Nephrology, PLLC (all of whom are collectively referred to as "Releasers"), hereby fully and forever release and discharge Franciscan, its present and future affiliates and subsidiaries, and each of their past, present and future officers, directors, employees, shareholders, independent contractors, attorneys, insurers, and any and all other persons or entities that are now or may become liable to any Releaser due to any Releasee's act or omission, all of whom are collectively referred to as "Releasees," of and from any and all actions, causes of action, claims, demands, costs and expenses, including attorneys' fees, of every kind and nature whatsoever, in law or in equity, whether now known or unknown, that Releasers, or any person acting under any of them, may now have, or claim at any future time to have, based in whole or in part upon any act or omission occurring on or before the Effective Date, without regard to present actual knowledge of such acts or omissions, including specifically, but not by way of limitation, matters which may arise at common law, such as breach of contract, express or implied, promissory estoppel, wrongful discharge, tortious interference with contractual rights, infliction of emotional distress, defamation, malicious prosecution, or under federal, state or local laws, such as the Fair Labor Standards Act, the Employee Retirement Income Security Act, the National Labor Relations Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Rehabilitation Act of 1973, the Equal Pay Act, the Americans with Disabilities Act, and the Washington Law Against Discrimination, the Washington Minimum Wage Act, the Washington Family Leave Act, the Washington Family Care Act, the Occupational Safety and Health Act, the Washington Industrial Safety and Health Act, EXCEPT for the rights and obligations created by this Agreement. Anel hereby warrants that he has not assigned or transferred to any person any portion of any claim which is released, waived and discharged above. Anel further states and agrees that he has not experienced any illness, injury, or disability compensable or recoverable under the worker's compensation laws of any state, and Anel agrees that he will not file a worker's compensation claim asserting the existence of any such illness, injury, or disability. Anel has specifically consulted with his attorneys with respect to the agreements, representations, and declarations set forth in the previous sentences. Anel understands and agrees that by signing this Agreement he is giving up his right to bring any legal claim against Franciscan concerning, directly or indirectly, Anel's employment relationship with Franciscan, including

his separation from employment and any legal claims occurring after his separation from employment. Anel agrees that this legal release is intended to be interpreted in the broadest possible manner in favor of Franciscan, to include all actual or potential legal claims that Anel may have against Franciscan Agreement before the Effective Date of this release, except as specifically provided otherwise in this Agreement.

(b) Franciscan, for itself, its affiliates, and any other person or entity that could or might act on behalf of it including, without limitation, its attorneys (all of whom are collectively referred to as "Franciscan Releasers"), hereby fully and forever release and discharge Anel, his heirs, representatives, assigns, attorneys, and any and all other persons or entities (including Key Nephology) from any and all potential claims known or unknown to any Franciscan Releaser or entity associated or affiliated with Franciscan, all of whom are collectively referred to as "Franciscan Releasees," of and from any and all actions, causes of action, claims, demands, costs and expenses, including attorneys' fees, of every kind and nature whatsoever, in law or in equity, whether now known or unknown, that Franciscan Releasers, or any person acting under any of them, may now have, or claim at any future time to have, based in whole or in part upon any act or omission occurring before the Effective Date, without regard to present actual knowledge of such acts or omissions; EXCEPT as specifically provided otherwise in this Agreement. Franciscan understands and agrees that by signing this Agreement, it is giving up its right to bring any legal claim against Anel concerning, directly or indirectly, against Anel, his heirs, representatives, assigns, attorneys, and any and all other persons or entities (including Key Nephology). Franciscan agrees that this legal release is intended to be interpreted in the broadest possible manner in favor of Anel, to include all actual or potential legal claims that Franciscan may have against Anel, except as specifically provided otherwise in this Agreement.

3. Reemployment. Anel shall never apply for or accept employment with Franciscan.

4. Letter of Reference. Franciscan shall provide Anel with a positive letter of reference for future inquiries regarding his time with FMG and FHS, attached herein as Exhibit A.

5. Announcements Concerning Anel. Anel shall be treated the same as similarly situated physicians with privileges with regard to any web postings or announcements related to his application for or conferral of medical staff privileges.

6. Attorneys' Fees. Releasers understand and agree that the compensation described in Paragraph 1 above is in complete satisfaction of

any right that Releasers or their counsel may have, or claim to have, to recover attorneys' fees from any Releasees.

8. Authority and Nonassignment. The parties warrant that each has authority to enter into this Agreement, and that neither has transferred to any other person or entity any claim, action, demand, or cause of action released by this Agreement.

10. Nonreliance. Each party understands and agrees that he or it assumes all risk that the facts or law may be, or become, different than the facts or law as believed by the party at the time he or it executes this Agreement. Anel and Franciscan acknowledge that their adversary relationship precludes any affirmative obligation of disclosure, and expressly disclaim all reliance upon information supplied or concealed by the adverse party or its counsel in connection with the negotiation and/or execution of this Agreement.

11. Additional Warranty and Acknowledgment. The parties warrant and represent that they have been offered no promises or inducements except as expressly provided in this Agreement, and that this Agreement is not in violation of or in conflict with any other agreement of either party.

12. Survival of Covenants and Warranties. All covenants and warranties contained in this Agreement are contractual and shall survive the closing of this Agreement.

13. Dismissal. Simultaneously with the execution of this Agreement, the parties' counsel shall execute the attached Stipulated Motion to Dismiss With Prejudice. After Franciscan makes all payments required by paragraph 1 above, and the checks have cleared and the funds are available, Anel's counsel shall file the motion to dismiss with the court, and Anel shall not oppose entry of an order dismissing the Lawsuit.

14. Acknowledgment of Rights Under the Older Worker's Benefits Protection Act.

(a) Anel agrees and acknowledges that he: (i) understands the language used in this Agreement and the Agreement's legal effect; (ii) understands that by signing this Agreement he is giving up the right to sue Franciscan for age discrimination; (iii) will receive compensation under this Agreement to which he would not have been entitled without signing this Agreement; (iv) has been advised by Franciscan to consult with an attorney before signing this Agreement; and (v) was given no less than twenty-one days to consider whether to sign this Agreement.

(b) For a period of seven days after the Effective Date, Anel may, in his sole discretion, rescind this Agreement, by delivering a written notice of rescission to Franciscan. If Anel rescinds this Agreement within seven calendar days after the Effective Date, this Agreement shall be void, all actions taken pursuant to this Agreement shall be reversed, and neither this Agreement nor the fact of or circumstances surrounding its execution shall be admissible for any purpose whatsoever in any proceeding between the parties, except in connection with a claim or defense involving the validity or effective rescission of this agreement. If Anel does not rescind this Agreement within seven calendar days after the Effective Date, this Agreement shall become final and binding and shall be irrevocable.

15. Miscellaneous.

(a) **Successors and Assigns.** This Agreement shall be binding in all respects upon, and shall inure to the benefit of, the parties' heirs, successors and assigns.

(b) **Governing Law.** This Agreement shall be governed by the internal laws of the State of Washington, irrespective of the choice of law rules of any jurisdiction.

(c) **Severability.** In the event that a court of competent jurisdiction enters a final judgment holding invalid any provision of this Agreement other than paragraph 2 (Release), the remainder of this Agreement shall be fully enforceable. In the event that a court of competent jurisdiction enters a final judgment holding invalid paragraph 2, then either party may, in its sole discretion, rescind this Agreement by providing written notice of rescission to the other party, in care of that party's counsel, not later than ten days following entry of the judgment; in this event, all monies paid under this Agreement shall be returned within ten days of receipt of the notice, all other rights and obligations created under this Agreement shall then become void, and neither this Agreement nor the fact of or circumstances surrounding its execution shall be admissible into evidence for any purpose whatsoever in any proceeding between the parties, except in connection with a claim or defense involving the validity, or effective rescission, of this Agreement.

(d) **Integration.** This Agreement constitutes the entire agreement of the parties and a complete merger of prior negotiations and agreements.

(e) **Modification.** This Agreement shall not be modified except in a writing signed by the parties.

(f) **Waiver.** No term or condition of this Agreement shall be deemed to have been waived, nor shall there be an estoppel against the enforcement of any provision of this Agreement, except by a writing signed by the party charged with the waiver or estoppel. No waiver of any breach of this Agreement shall be deemed a waiver of any later breach of the same provision or any other provision of this Agreement.

(g) **Headings.** Headings are intended solely as a convenience and shall not control the meaning or interpretation of any provision of this Agreement.

(h) **Gender and Number.** Pronouns contained in this Agreement shall apply equally to the feminine and masculine genders. The singular shall include the plural, and the plural shall include the singular.

(i) **Other Agreements.** Each party shall promptly execute, acknowledge and deliver any additional document or agreement that the other party reasonably believes is necessary to carry out the purpose or effect of this Agreement.

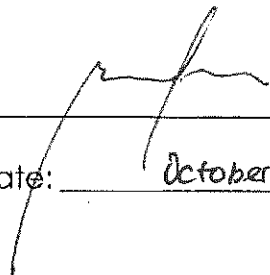
(j) **Construction.** The parties acknowledge that they [and their respective counsel] have reviewed this Agreement in its entirety and have had a full and fair opportunity to negotiate its terms. Each party therefore waives all applicable rules of construction that any provision of this Agreement should be construed against its drafter, and agrees that all provisions of the Agreement shall be construed as a whole, according to the fair meaning of the language used.

(k) **Disputes.** The venue for every dispute arising from or relating to this Agreement after payment and dismissal shall be brought in King County Superior Court. The parties consent to venue in King County Superior Court, and agree that those courts shall have personal jurisdiction over them in, and subject matter jurisdiction concerning, any such action. Any disputes prior to payment and final dismissal shall be brought before the trial judge in this matter, The Honorable Richard McDermott.

(l) **Counterparts and Telecopies.** This Agreement may be executed in counterparts, or by copies transmitted by Facsimile, all of which shall be given the same force and effect as the original.


[SIGNATURES FOLLOW]

Ramon Anel:



Date: October 14, 2015

Franciscan Medical Group,
Franciscan Health System and
Catholic Health Initiatives

By: 

As its: SVP Human Resources
Date: Nov. 6, 2015