

**A RESOLUTION AUTHORIZING EXECUTION OF A  
SETTLEMENT AGREEMENT AND CLAIM RELEASE RELATED TO  
SANGAMON COUNTY CASE NO. 2019-MR-526**

**WHEREAS**, on September 6, 2018, Michelle Stolleis Forbes n/k/s Michelle Denault filed Sangamon County Case No. 2018-L-168 against the Board of Education of the New Berlin Community Unit School District #16 (the “Board”) and Carroll Owen Smith;

**WHEREAS**, the Board sought insurance coverage for Sangamon County Case No. 2018-L-168 from Country Mutual Insurance Company (“CMIC”) under various policies that Board of Education asserted existed and provided coverage;

**WHEREAS**, CMIC disputed the existence of those policies and denied it owed insurance coverage for Sangamon County Case No. 2018-L-168;

**WHEREAS**, CMIC filed a declaratory action against the Board of Education under Sangamon County Case No. 2019-MR-526 (“Coverage Action”) seeking a declaration that CMIC had no duty to defend or indemnify Board in connection with Sangamon County Case No. 2018-L-168;

**WHEREAS**, the Board of Education filed a counterclaim against CMIC, its purported insurer, seeking a declaration that CMIC did have a duty to defend and indemnify the Board in Sangamon County Case No. 2018-L-168;

**WHEREAS**, in an effort to settle the dispute between the Board and CMIC without the additional necessity, time, and expense of litigation, the Board and CMIC want to resolve any and all disputes pursuant to the terms and conditions of a settlement agreement and claim release in substantially the same form as the “SETTLEMENT AGREEMENT AND CLAIM RELEASE” attached hereto as **EXHIBIT A** (the “Agreement”).

**WHEREAS**, it is in the best interest of the Board to approve settlement of this matter.

*NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF NEW BERLIN COMMUNITY UNIT SCHOOL DISTRICT #16, AS FOLLOWS:*

**SECTION 1:** The recitals contained above in the preamble of this Resolution are hereby incorporated herein by reference, the same as if set forth in this Section of this Resolution verbatim, as findings of the Board.

**SECTION 2:** The Board hereby authorizes settlement of the aforementioned Matter.

**SECTION 3:** The Agreement by and between the Parties, in substantial the form that has been presented to and is now before the meeting of the Board at which this Resolution is adopted, a copy of which is attached hereto, is hereby approved.

**SECTION 4:** The Board President, for and on behalf of the Board, is hereby authorized to execute and deliver the Agreement, the Board Secretary is hereby authorized to attest to the same, and the proper members of the Board and their designees are authorized and directed to carry out the Agreement.

**SECTION 5:** This Resolution shall take effect immediately.

PASSED this \_\_\_\_ day of April, 2025.

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Absent: \_\_\_\_\_

Abstain: \_\_\_\_\_

By: \_\_\_\_\_  
President, Board of Education

ATTEST:

\_\_\_\_\_  
Secretary, Board of Education

## **Exhibit A**

### **SETTLEMENT AGREEMENT AND CLAIM RELEASE**

This Settlement Agreement and Claim Release (the “Agreement”) is made and entered into by and between BOARD OF EDUCATION OF NEW BERLIN COMMUNITY UNIT SCHOOL DISTRICT 16 (“Board of Education”), and COUNTRY MUTUAL INSURANCE COMPANY (“CMIC”). At times herein, Board of Education and CMIC shall be referred to individually as a “Party” and/or collectively as the “Parties.”

### **RECITALS**

**WHEREAS**, on September 6, 2018, MICHELLE DENAULT f/k/a MICHELLE STOLLEIS FORBES (“Claimant”), filed a lawsuit against, among others, Board of Education, under Case No. 2018-L-168, in the Circuit Court of the Seventh Judicial Circuit, Sangamon County, Illinois (“Lawsuit”);

**WHEREAS**, Board of Education sought insurance coverage for the Lawsuit from CMIC under various policies that Board of Education asserted existed and provided coverage for the Lawsuit (the “Policies”);

**WHEREAS**, CMIC disputed the existence of certain of the Policies and denied it owed insurance coverage for the Lawsuit under the Policies;

**WHEREAS**, CMIC filed a declaratory action against the Board of Education under Case No. 2019-MR-526 in the Circuit Court of the Seventh Judicial Circuit, Sangamon County, Illinois (“Coverage Action”) seeking a declaration that CMIC had no duty to defend or indemnify Board of Education in connection with the Lawsuit;

**WHEREAS**, Board of Education filed a counterclaim against CMIC, its purported insurer, seeking a declaration that CMIC did have a duty to defend and indemnify Board of Education in the Lawsuit (the “Counterclaim”);

**WHEREAS**, Board of Education, Claimant, and CMIC have agreed to settle the Lawsuit, which settlement is by memorialized by separate agreement between those parties (the “Underlying Settlement Agreement”); and

**WHEREAS**, while the Parties to this Agreement agree and acknowledge that this Agreement shall not be construed as an admission by any Party of any liability, coverage, or responsibility with regard to the Lawsuit, the Parties now wish to, and hereby do, resolve all disputes between and among them with regard to the Lawsuit, the Coverage Action, the Counterclaim, the Policies, and the Underlying Settlement.

**NOW, THEREFORE**, it is stipulated and agreed by and between the Parties, in consideration of the mutual promises exchanged herein and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, as follows:

## **1. RECITALS**

The above recitals and the facts set forth therein are expressly made a substantive part of this Agreement.

## **2. SETTLEMENT CONSIDERATION**

A. CMIC has agreed to pay Claimant Eight Hundred Fifty-Two Thousand Five Hundred Dollars and No Cents (\$852,500.00) ("CMIC's Settlement Payment") for the sole purpose of resolving all insurance coverage disputes with Board of Education regarding coverage for the Lawsuit. Payment shall be made within 45 days of approval by Board of Education of this Agreement and the Underlying Settlement Agreement. Payments shall be made out to "Michelle Denault and Gates, Wise, Schlosser & Goebel".

B. Within seven days of the receipt by Claimant of CMIC's Settlement Payment, the Parties shall jointly file a motion to dismiss the Coverage Action with prejudice, with each Party to bear its own fees and costs.

C. CMIC shall not be responsible for any amounts in connection with the Lawsuit, including the Board of Education's defense of the Lawsuit, other than the Settlement Payment.

D. Upon payment by CMIC of CMIC's Settlement Payment, the Parties agree and acknowledge that: (1) the respective legal liability and obligations of CMIC under the Policies shall be fully satisfied with respect to the Lawsuit; and (2) CMIC shall bear no further obligations, duties, or responsibilities under the Policies or any other policy of insurance issued or subscribed to by CMIC with respect to the Lawsuit.

## **3. RELEASES**

A. In exchange for the mutual promises in this Agreement, Board of Education, on its own behalf and on behalf of all other insureds under the Policies, and on behalf of each of their respective affiliates, predecessors, successors, parents, subsidiaries, divisions, partnerships, and joint ventures, and all of the foregoing persons' or entities' respective past, present and future associates, representatives, owners, members, managers, estates, heirs, assigns, insurers, shareholders, creditors, liquidators, administrators, executors, partners, principals, trustees, directors, officers, employees, committee members, volunteers, attorneys, agents, and all others acting or claiming by, through, under, on behalf of, in concert with, or asserting the rights of any of the foregoing, hereby RELEASE, ACQUIT, AND FOREVER DISCHARGE CMIC, and its past, present, or future affiliates, predecessors, successors, parents, subsidiaries, divisions, partnerships, and joint ventures, and all of the foregoing entities' respective past, present and future associates, representatives, owners, members, managers, estates, heirs, assigns, insurers, reinsurers, shareholders, creditors, liquidators, administrators, executors, partners, principals, trustees, directors, officers, employees, committee members, volunteers, attorneys, and agents, from all past, present, and future demands, claims, actions, causes of action, controversies, suits, liabilities, costs, expenses, attorneys' fees, losses, judgments, settlements, promises, duties, responsibilities, agreements, covenants, coverages, damages, declaration of rights, monetary or non-monetary relief, of whatever kind or nature, now existing or hereafter arising, whether in law,

equity, or otherwise, known or unknown, based upon, arising out of, directly or indirectly resulting from, attributable to, or in any way involving any of the following (the “Released Matters”):

- (i) the Lawsuit;
- (ii) the Coverage Action as it relates to the Lawsuit ;
- (iii) the Policies as they relate to the Lawsuit;
- (iv) the Counterclaim as it relates to the Lawsuit;
- (v) the Underlying Settlement Agreement as it relates to the Lawsuit;
- (vi) CMIC’s Settlement Payment as it relates to the Lawsuit;
- (vii) CMIC’s investigation, claims handling, or litigation of coverage for the Lawsuit (the Coverage Action), the Counterclaim as it relates to the Lawsuit, and the Policies as they relate to the Lawsuit, including without limitation any claims of “bad faith,” or claims of unfair or unlawful business or insurance practices under any state or federal regulation or statute, all common law claims for bad faith insurance practices or breach of the implied covenant of good faith and fair dealing, and all claims for any alleged failure to effectuate prompt, fair, and equitable settlements of claims arising from or related to the Lawsuit and Coverage Action.

Notwithstanding the foregoing, this release shall not extend to claims for breach of this Agreement or the warranties or representations contained herein.

B. In exchange for the mutual promises in this Agreement, CMIC, on its own behalf and on behalf of its past, present, or future affiliates, predecessors, successors, parents, subsidiaries, divisions, partnerships, and joint ventures, and all of the foregoing entities’ respective past, present and future associates, representatives, owners, members, managers, estates, heirs, assigns, insurers, shareholders, creditors, liquidators, administrators, executors, partners, principals, trustees, directors, officers, employees, committee members, volunteers, attorneys, agents, and all others acting or claiming by, through, under, on behalf of, or in concert with, or asserting the rights of any of the foregoing, hereby RELEASE, ACQUIT, AND FOREVER DISCHARGE Board of Education and its past, present, or future affiliates, predecessors, successors, parents, subsidiaries, divisions, partnerships, and joint ventures, and all of the foregoing persons’ and entities’ respective past, present and future associates, representatives, owners, members, managers, estates, heirs, assigns, shareholders, creditors, liquidators, administrators, executors, partners, principals, trustees, directors, officers, employees, committee members, volunteers, attorneys, and agents from all past, present, and future demands, claims, actions, causes of action, controversies, suits, liabilities, costs, expenses, attorneys’ fees, losses, judgments, settlements, promises, duties, responsibilities, agreements, covenants, damages, declaration of rights, monetary or non-monetary relief, of whatever kind or nature, now existing or hereafter arising, whether in law, equity, or otherwise, known or unknown, based upon, arising out of, directly or indirectly resulting from, attributable to, or in any way involving any of the Released Matters.

C. The releases above are and may be pleaded as a full and complete defense to, and are and may be used as the basis for an injunction against, prosecution of any demands, claims, actions, causes of action, controversies, suits liability, costs, expenses, attorneys' fees, losses, judgments, settlement, promises, duties, responsibilities, agreements, covenants, damages, declaration of rights, monetary or non-monetary relief, of whatever kind or nature that seeks recovery arising directly or indirectly out of, or in any way involving or relating to, or based upon, or in connection with any of the Released Matters.

#### **4. WAIVER OF RIGHTS**

The Parties expressly waive any and all rights they may have, under federal or state statute, common law, contract, equity or otherwise, to assert unknown or unsuspected claims related to the Released Matters herein.

The Parties acknowledge that they may have sustained damages, losses, fees, costs, or expenses that are presently unknown and unsuspected, and that such damages, losses, fees, costs, or expenses they may have sustained might give rise to additional damages, losses, fees, costs, or expenses in the future. Nevertheless, the Parties acknowledge that this Agreement has been negotiated and agreed upon in light of such possible past, present, or future damages, losses, fees, costs, or expenses.

#### **5. NO ADMISSION OF LIABILITY**

Nothing in this Agreement shall be construed as an admission of liability, fault, or coverage or the lack of coverage under any Policies or any other policy of insurance issued or subscribed to by CMIC. CMIC does not concede or agree that any coverage is afforded for the Lawsuit. This Agreement is not and shall not be deemed to be a policy or contract of insurance, and is not subject to any insurance-related statute, regulation, or other law. Nothing in this Agreement changes the terms and conditions of any Policy.

#### **6. NO MODIFICATION OF POLICY**

This Agreement is not, and shall not be deemed to be, a policy or contract of insurance, and is not subject to any insurance-related statute, regulation, or other law. Nothing in this Agreement changes the terms and conditions of any Policies.

#### **7. NO CUSTOM, PRACTICE, OR COURSE OF DEALING**

Each Party understands and agrees that the terms of this Agreement have been specifically negotiated and drafted with respect to the specific matters dealt with herein, and that in doing so each Party has made compromises from the positions which it believes itself to be legally entitled to assert, and no Party hereto shall be deemed to have established any custom, practice, or course of dealing which may be held against that Party in the future by reason of that Party's acceptance of this Agreement or any of its terms. Board of Education expressly agrees that the fact that CMIC has compromised coverage for the Lawsuit, which is a disputed claim, will not be used in connection with any other request for coverage Board of Education makes under any of the Policies or any past or future policies of insurance that Board of Education has or may obtain from CMIC.

## **8. LIMITATION OF WAIVERS**

Waiver of any one breach of a provision of this Agreement shall not be deemed a waiver of any breach of any other provision, or of this Agreement.

## **9. CONSTRUCTION**

The Parties have reviewed and revised, or have had the opportunity to revise, this Agreement. The Parties agree that any uncertainty or ambiguity shall not be interpreted or construed against any Party under or by any rule of interpretation providing for interpretation against the Party who caused an uncertainty to exist or against the draftsman, and that this Agreement shall be construed as if the Parties prepared it jointly.

## **10. INTEGRATED AGREEMENT**

A. This Agreement constitutes the complete expression of the terms of the settlement between the Parties. All prior and contemporaneous agreements, representations, and negotiations are hereby superseded.

B. The Parties warrant and represent that no promise or representation of any kind has been expressed or implied by the Parties released herein or by anyone acting for them, except as is expressly stated in this Agreement.

C. No amendment to or modification of this Agreement shall be effective unless it is in writing and signed by a duly authorized representative of the Parties.

## **11. ARMS-LENGTH NEGOTIATIONS**

A. This Agreement represents a settlement of coverage issues and is the product of arms-length negotiation. The Parties have read this Agreement carefully and completely, have had the advice and assistance of their own independent legal counsel, and agree that this Agreement is executed solely in reliance on each Party's own judgment, beliefs, and knowledge, and not on any representations or statements of fact or opinion made by any other Party or its agents.

B. The Parties further agree that this Agreement has been negotiated and executed in good faith and without improper influence by any person. The Parties have informed themselves of the terms of this Agreement and understand the same, and the Parties sign this Agreement as their own free act.

## **12. NEWS MEDIA CONTACT AND NO DISPARAGEMENT**

The Board of Education and CMIC and their respective counsel agree they shall not initiate discussion of this matter or the resolution of the dispute with any news organization or media, and will not seek out any news organization or media as it relates to the Coverage Action or the resolution of the Coverage Action. The Parties agree not to engage in any conduct or make any statements regarding the Parties that are defamatory or disparaging in nature. This paragraph does not restrict the Board of Education's ability to make any statements or engage in any conduct while

it is: (1) conducting business in any meeting or preparing to conduct business in any meeting; (2) responding to any lawful request for information from any third-party (including, but not limited to FOIA); or (3) reporting to any government agency. **UNENFORCEABLE PARTS OF AGREEMENT**

In the event that any provision of this Agreement is held unenforceable or invalid, such holding shall not affect the validity or enforceability of the other provisions of this Agreement or this Agreement as a whole, but instead, this Agreement shall be construed as if it did not contain the unenforceable or invalid part.

### **13. SIGNATURES AND COUNTERPARTS**

This Agreement may be executed in multiple counterparts, each of which, when so executed and delivered, shall be deemed an original, and all of which shall constitute one Agreement. Each signature may be delivered by facsimile, PDF, or by electronic mail, which shall be treated as an original signature.

### **14. NO THIRD-PARTY RIGHTS**

This Agreement is intended to confer rights and benefits on the Parties. Except as otherwise expressly provided herein, no person or entity other than the Parties shall have any rights under this Agreement. The Parties warrant and represent that they are the sole owners of the respective rights and claims relinquished by this Agreement and that, prior to entering into this Agreement, the Parties have not sold, transferred, or assigned any rights or obligations under the Policy.

### **15. AUTHORITY OF SIGNATORIES**

CMIC hereby warrants and represents that the person signing this Agreement is expressly authorized and empowered by CMIC to bind CMIC to each of the obligations set forth herein. Board of Education hereby warrants and represents that the person signing this Agreement is expressly authorized and empowered by Board of Education to bind Board of Education and any such individuals to each of the obligations set forth herein. The Parties further represent and warrant that they are authorized to make the releases set forth in this Agreement for all entities and individuals granting releases pursuant to this Agreement.

IN WITNESS WHEREOF, the Parties have signed this Agreement by their respective authorized officers, representatives, or counsel.

**BOARD OF EDUCATION OF NEW BERLIN  
COMMUNITY UNIT SCHOOL DISTRICT  
16**

Dated: \_\_\_\_\_, 2025

By: \_\_\_\_\_

Its: Board President

Attest: \_\_\_\_\_  
Board Secretary

**COUNTRY MUTUAL INSURANCE  
COMPANY**

Dated: \_\_\_\_\_, 2025

By: \_\_\_\_\_

Its: \_\_\_\_\_