

## RELEASE AND SETTLEMENT AGREEMENT

THIS RELEASE AND SETTLEMENT AGREEMENT (this "Agreement") is made and entered into this 24<sup>th</sup> day of November, 2020 between Larree Morgan and Katherine Morgan (the "Morgans") and Empire Lodge Homeowners Association (the "Association").

WHEREAS, the Morgans brought suit against the Association in an action captioned Larree Morgan and Katherine Morgan v. Empire Lodge Homeowners Association, in the Lake County District Court, State of Colorado, Civil Action No. 2019CV30016 (hereinafter, the "Civil Action"); and

WHEREAS, the parties have agreed to terminate the Civil Action and forever settle any and all claims that were asserted or could have been asserted in the Civil Action,

IT IS HEREBY AGREED by and between the parties as follows:

1. Within ten calendar days following mutual execution of this Agreement, the Association will pay the Morgans the sum of SIXTY-FIVE THOUSAND DOLLARS (\$65,000)(the "Settlement Sum") by delivering the same to the Morgans' legal counsel, The Klug Law Firm, LLC, whose address for mailing is PO Box 6683, Breckenridge CO 80424, and whose address for overnight shipping is 325 Lake Dillon Drive, Suite 102, Dillon CO 80435.
2. Upon payment of the Settlement Sum, the parties will file a stipulation in the Civil Action in which they will ask the Court to dismiss the case with prejudice, all parties to bear their own costs and attorney's fees as provided by this Agreement. The Association will be bound by the orders entered in the Civil Action and that certain instrument titled "NOTICE OF INVALIDITY OF CERTAIN AMENDMENTS OF THE AMENDED AND RESTATED DECLARATION OF RESTRICTIVE AND PROTECTIVE COVENANTS FOR BEAVER LAKE ESTATES AND BEAVER LAKES ESTATES FILING #2" recorded on November 2, 2020, at Rec. No. 379538 in the records of the Lake County Clerk and Recorder.
3. The Morgans, for themselves and their heirs, personal representatives, administrators, attorneys, successors, assigns, and insurers, do hereby release and forever discharge and covenant to hold harmless the Association, and its respective agents, employees, directors, officers, representatives, successors, assigns, heirs, personal representatives, administrators, attorneys, and insurers of and from any and all liability for any and all demands, damages, claims, costs, liabilities, losses of services, losses, expenses, compensations, reimbursements, actions, rights and causes of action of whatsoever kind and nature, resulting from or in any way arising or growing out of, and by reason of any and all known and unknown, foreseen and unforeseen, damages, expenses, costs, losses, lost rental income, liabilities, claims, damage to property,

bodily, personal and psychological injuries, breaches of contract and the consequences thereof, which were claimed or could have been claimed in the Civil Action.

4. The Association, for itself and its respective agents, employees, directors, officers, representatives, successors, assigns, heirs, personal representatives, administrators, attorneys, and insurers does hereby release and forever discharge and covenant to hold harmless the Morgans of and from any and all liability for any and all demands, damages, claims, costs, liabilities, losses of services, losses, expenses, compensations, reimbursements, actions, rights and causes of action of whatsoever kind and nature, resulting from or in any way arising or growing out of, and by reason of any and all known and unknown, foreseen and unforeseen, damages, expenses, costs, losses, lost rental income, liabilities, claims, damage to property, bodily, personal and psychological injuries, breaches of contract and the consequences thereof, which were claimed or could have been claimed in the Civil Action. For the avoidance of doubt, this release shall prevent the Association from assessing the Morgans or their real property situated in Lake County, Colorado and described as LOTS 4, 5, & 6, BLK 11, BEAVER LAKES, which has a street address of 28 Rainbow Road, Leadville, CO 80461, at any time for any costs, attorney's fees or other expenses relating to the subject of the Civil Action.

5. Notwithstanding the foregoing, nothing in this Agreement shall release any claim arising after the date hereof.

6. Notwithstanding the generality of the foregoing releases, the parties expressly agree that their respective rights, duties and obligations arising under the Amended and Restated Declaration of Restrictive and Protective Covenants for Beaver Lakes Estates and Beaver Lakes Estates Filing #2, recorded December 20, 2012 at Reception No. 360391 in the records of the Lake County Clerk and Recorder, are not released, modified or discharged by this Agreement.

7. The parties state that this Agreement was made in contemplation of all damages, losses, expenses, liabilities, claims and the consequences thereof, of whatsoever kind and nature, including those which may not now be known to them or currently exist, but which may arise or become known to them in the future, and they do fully intend to release any and all such potentially unknown damages.

8. The parties further expressly state that they are fully informed as to the nature, extent and character of their claimed damages, if any, and that they have been advised of their rights to consult additional professionals of their choice, including doctors, accountants, lawyers and appraisers, at own expense, regarding any and all known and unknown claimed damage.

9. The parties further expressly understand and agree that the signing of this Agreement shall be forever binding, and no rescission, modification or release of the undersigned from the terms of this Agreement will be made for any mistake.

10. The parties warrant that no promise or inducement has been offered except as herein set forth, and that this Agreement was executed without reliance upon any statement or representation by the persons or parties released, or their representatives, concerning the nature or extent of any damages or any legal liability therefor.

11. The parties also warrant that they are legally competent to execute this Agreement and accept full responsibility therefor and assume the risk of any mistake of fact as to any damages, losses or injuries, and as to the result of any such damages, losses or injuries, whether disclosed or undisclosed, sustained as a result of the disputes and events underlying the Civil Action.

12. The parties declare and represent that no other person, firm or corporation has received any lien assignment, subrogation or other right of substitution to the claim or claims made or which could have been asserted in the Civil Action. In the event that the persons or parties released herein are subjected to further claims by any person, firm or corporation, under any actual or purported lien, assignment, subrogation or other right of substitution, the parties will hold the person or parties released harmless from any such claims, costs, expenses and demands, including costs of defense and attorney's fees.

13. The parties expressly acknowledge that this Agreement is in full accord and satisfaction of disputed claims, and that it is not to be construed in any way as an admission of liability. This Agreement is a compromise and settlement of disputed claims, and entered into to save time and bring closure to a longstanding dispute, with each party to bear their own costs and attorney's fees. The parties each deny liability for any claims and defenses asserted in the Civil Action.

14. This Agreement shall be binding upon and inure to the benefit of the parties. This Agreement in all respects shall be interpreted, governed, and enforced by and under the laws of the State of Colorado.

15. If any portion of this Agreement shall be deemed or declared to be unenforceable, invalid, or void, the same shall not impair any of the other portions of this Agreement.

16. The parties understand and agree that all prior agreements and understandings are embodied and expressed herein, and that the terms of this Agreement are contractual and not mere recitals.

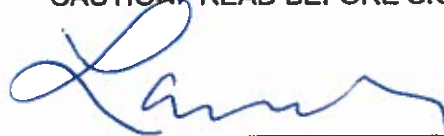
17. The parties have carefully read the above and foregoing Agreement, know and understand the contents thereof, and have signed the same as my own free and voluntary act after having the same explained to me by counsel.

18. The person signing below for the Association warrants that he has full authority to do so and that this Agreement will fully bind the Association according to its terms.

19. In the event of legal action to enforce or defend rights under this Agreement, the prevailing party shall be awarded reasonable costs and attorney's fees.

IN WITNESS WHEREOF, the parties have hereunto set their hand and seal  
this 24<sup>th</sup> day of November, 2020.

CAUTION: READ BEFORE SIGNING



Larree Morgan

STATE OF COLORADO           )  
  ) ss.  
COUNTY OF Douglas       )

Subscribed and sworn to before me by Larree Morgan this 24<sup>th</sup> day of  
November, 2020.

Witness my hand and official seal.



Notary Public

My Commission Expires: 02-26-2023

[SEAL]

NIMISHA PATEL  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20154008248  
MY COMMISSION EXPIRES 02/26/2023

CAUTION: READ BEFORE SIGNING


  
Katherine Morgan

STATE OF COLORADO )  
COUNTY OF Douglas ) ss.

Subscribed and sworn to before me by Katherine Morgan this 24<sup>th</sup> day of November, 2020.

Witness my hand and official seal.

[SEAL]

  
Notary Public  
My Commission Expires: 02-26-2023 <sup>1st</sup>

NIMISHA PATEL  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20154008248  
MY COMMISSION EXPIRES 02/26/2023

CAUTION: READ BEFORE SIGNING

EMPIRE LODGE HOMEOWNERS  
ASSOCIATION



By: Adam Wiens, President

STATE OF COLORADO                    )  
  ) ss.  
COUNTY OF DENVER                    )

Subscribed and sworn to before me by Adam Wiens, as President of Empire  
Lodge Homeowners Association, this 16<sup>th</sup> day of November, 2020.

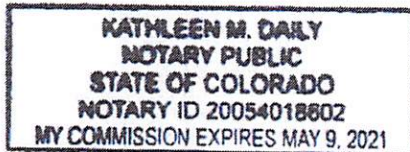
Witness my hand and official seal.



Notary Public

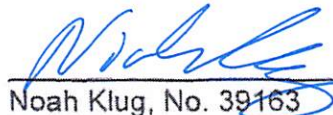
My Commission Expires: 5/9/2021

[SEAL]



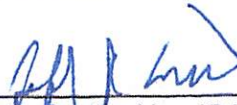
APPROVED AS TO FORM:

THE KLUG LAW FIRM, LLC



Noah Klug, No. 39163  
P.O. Box 6683  
Breckenridge, CO 80424-6683  
(970) 468-4953  
ATTORNEY FOR MORGANS

ALTITUDE COMMUNITY LAW P.C.



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ATTORNEYS FOR ASSOCIATION