

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release (“Agreement”) is made by and between Shadow Run Townhomes Homeowners Association, Inc., a Colorado nonprofit corporation (the “Association”), and _____ (the “Member”).

RECITALS

A. The Association is generally responsible for the maintenance and repair of significant portions of the Shadow Run community, as set forth in Article V of the Amended and Restated Declaration of Covenants, Conditions and Restrictions of Shadow Run Townhomes (the “Declaration”).

B. Recently, as described in the Member’s Claim Form attached hereto as Exhibit 1, the Member’s real and/or personal property (the “Property”) within the Shadow Run community was damaged (the “Claim”).

C. The Association may be responsible for some portion of the Claim in connection with its maintenance and repair obligations under the Declaration.

D. The parties wish to settle all claims related to the Claim by entering into this Agreement.

WHEREFORE, the parties agree as follows:

1. Payment. The Association agrees to pay the sum of \$_____ (“Payment”) to the Member contemporaneously with the full execution of this Agreement. By signing below, the Member acknowledges the receipt and sufficiency of the Payment. The Member shall use the Payment for the maintenance, repairs, and replacements necessitated to the Property by the Claim.

2. Release. In consideration for the Payment, the Member releases, acquits, and forever discharges the Association and its officers, agents, employees, successors, and assigns from any and all claims, actions, causes of action, demands, rights, damages, costs, loss of services, expenses, attorney fees, and compensation whatsoever, without limitation, known or unknown, discovered or undiscovered, which the Member now has or which may hereafter accrue on account of, or arising out of the underlying facts of this dispute involving the Claim.

3. No Admission of Liability. This Agreement is not intended, nor shall it be construed, as an admission by any party as to any liability or any act, omission, fact or

circumstance, it being mutually acknowledged and understood that this Agreement is entered into in good faith as a reasonable settlement of the dispute between the parties.

4. Venue, Jurisdiction, and Choice of Law. This Agreement is governed by Colorado law. The parties consent to jurisdiction in Colorado and venue shall be exclusively in Mesa County.

5. Costs and Attorney Fees. The prevailing party shall be entitled to all reasonable costs and attorney fees incurred in the enforcement of this Agreement, whether or not litigation is initiated.

6. Complete Agreement. This Agreement is the complete agreement between the parties as to its subject matter. All previous or contemporaneous negotiations, commitments, statements, agreements, and understandings, whether oral or in writing, are merged herein and extinguished. In the event any provision in this Agreement is found to be unenforceable, all enforceable provisions shall nevertheless continue in full force and effect.

7. Capacity to Execute and Warranty. The parties represent that they have read this Agreement and have had the opportunity to consult with an attorney or other advisor of their choosing prior to executing this Agreement. This Agreement is executed voluntarily and knowingly with full understanding of its terms, provisions, and legal effect. The parties warrant that they have not assigned the legal claims that are subject to release herein, and no third parties are subrogated to the claims extinguished by this Agreement.

DATED this ____ day of _____, 20____.

**SHADOW RUN TOWNHOMES
HOMEOWNERS ASSOCIATION, INC.**

MEMBER

By: _____

_____, President