

SETTLEMENT AGREEMENT, POLICY RELEASE AND RELEASE OF ALL CLAIMS

This Settlement Agreement and Policy Release is entered into this 26th day of September, 2024, by and between the following:

1. Garden Grove Townhome Owners Association, its attorneys, assignees, and heirs (hereinafter "**Plaintiff**");
2. Defendant, Mid-Century Insurance Company, its officers, employees, agents, predecessors, successors, affiliates, management companies, attorneys and assigns (hereinafter known collectively as "**Defendant**").

Whereas, Plaintiff was insured by Defendant under a Condominium Owners Policy, policy number 60670-36-83 issued by Defendant (hereinafter "Policy").

Whereas on May 29, 2022, Plaintiff's property located at 551 Garden Grove Court, Grand Junction, Colorado, was allegedly damaged by a wind and hail storm. Due to the storm, Plaintiff's property allegedly suffered damage prompting Plaintiff to make a claim with Defendant.

Whereas, disputes have arisen between the parties hereto arising out of the insurers handling of contract claims and other claims practices. Claims have been made for violation of the contracts, statutes, tort, common law, and other.

Whereas, Plaintiff may have claims arising by statute, tort, contract, case law equity in Colorado or other in other states which are available and could have been raised against the Defendant for breach of the contracts, claims handling, denial of benefits, non-payment of benefits and/or conduct of their employees, agents, attorneys, investigators in the handling of the above noted claim for property damage, treble damages, attorney fees, costs, interest and other.

Now, therefore in consideration of the mutual and reciprocal obligations herein as set forth, the parties agree as follows:

Consideration and Waiver

In consideration of Six Hundred Fifty Thousand and 00/100 Dollars (\$650,000.00) paid to Chad T. Wilson Law Firm, the receipt and sufficiency of which is hereby acknowledged, Plaintiff, being of lawful age and sound mind hereby releases and discharges Defendant from any and all claims of any kind or character which Plaintiff has or might have against Defendant for all damages, losses, costs, lost wages, damages and injuries arising out of any Mid-Century insurance Policy insuring Plaintiff or any other Policy with Defendant regarding the incident that

occurred on May 29, 2022. Plaintiff, in addition and not by way of limitation, hereby releases and discharges Defendant from all claims it had or could have asserted against it, directly or indirectly, in any civil action or lawsuit including *Garden Grove Townhome Owners Association v. Mid-Century Insurance Company*, case number 23CV30437. Specifically and not by way of limitation, this release and discharge includes a complete release and discharge of all claims arising by contract, tort, equity, regulation, statute or otherwise which Plaintiff has against Defendant, including claims for breach of covenant of good faith and fair dealing, bad faith breach of contract, breach of contract, punitive damages, treble damages, attorney fees other relief and any other claim or cause of action arising out of or pertaining to Plaintiff's insurance benefits and for Defendant's handling of said claims and litigation.

The undersigned, Garden Grove Townhome Owners Association, hereby acknowledges full settlement, accord and satisfaction of all claims, of whatever kind or character, whether arising by common law, statute, contract, tort or otherwise which Plaintiff has raised or which Plaintiff may have against the Defendant, its officers, directors, employees, agents, affiliates, management companies, attorneys, predecessors, successors and/or assigns related to property damage, all claim handling, claims for punitive damages, treble damages, attorneys fees, interest and costs, and of all claims in any way related to the claims handling which Plaintiff had or could have raised in any state, including past, present or future benefits, claims or litigation. This agreement shall also serve as a complete Policy release of all claims for Policy benefits for the incident of a fire of May 29, 2022.

No Admission of Liability

This agreement is a compromise of a disputed claim and shall not be construed as an admission by Defendant of liability or any wrongdoing against Plaintiff.

Unknown Damages and Injuries

Plaintiff fully appreciates the severity and nature of the injuries and damages it has suffered as a result of the dispute and storm pertaining to insurance coverage which is the subject of the above cited civil action. Plaintiff fully appreciates and acknowledges that its injuries, economic loss and overall damages may be greater than it believes and may in the future increase or worsen. Despite this knowledge, Plaintiff hereby assumes any risk, responsibility and consequence of an increase or worsening of damages sustained.

Ownership of Claims

Plaintiff represents and guarantees that it has not assigned, transferred or purported to have assigned or transferred to any person or entity any claim or cause of action against Defendant, or any portion thereof, arising out of the insurance dispute with Defendant. Plaintiff represents that it is the real party in interest to pursue all claims or causes of action against Defendant as a result of the incident of May 29, 2022, and the insurance coverage for the incident and further represents and warrants that there are no other parties with claims, liens or rights of subrogation who may have a right to or claim against any of the settlement funds paid to Plaintiff.

Plaintiff agrees that it shall be solely responsible to satisfy any liens or claims and will hold Defendant harmless for such claims.

No Representations

Plaintiff acknowledges that no promise or inducement which is not expressly set forth herein has been made to it and in executing this Settlement Agreement and Release, it did not rely upon any statements or representations made by any person including, but not limited to, Defendant or its representatives concerning any aspect of their claim including, but not limited to, the nature, extent or duration of its injuries or damages or the legal liability therefore.

Confidentiality

Plaintiff agrees that neither it nor its attorneys nor representatives shall reveal to anyone, other than as may be mutually agreed to in writing or to their attorneys, tax or other professional advisors, any of the terms of this Settlement Agreement and Release of All Claims or any of the amounts, number or terms and conditions of any sums payable to Plaintiff hereunder. One Hundred and 00/100ths Dollars (\$100) from the above amount is designated as consideration for this confidentiality agreement.

Non-Disparagement

No Party shall disparage or make any negative statements to anyone about any other Party, or any other Party's business, products, services, financial condition, employees, officers, directors, members, or stockholders, or about any aspect of any matter arising from or related to the Agreement or the circumstances giving rise to the Civil Action.

Mistake

Plaintiff specifically states that it is its intention to fully and forever release Defendant from any and all claims or damages of whatever nature even if there may exist a mistake on the part of any party to this Settlement Agreement and release regarding any fact or issue including, but not limited to, the law or the extent and nature of the injuries and damages sustained by Plaintiff or the legal liability therefore.

Tax Consequences

Defendant makes no representations to Plaintiff regarding the tax consequences of this settlement and Plaintiff stipulates and agrees that it shall be solely responsible for paying any taxes due and owing as a result of this settlement.

Complete Agreement

This Agreement contains all of the agreements and understandings between the parties and supersedes any prior negotiations or proposed agreements, written or oral. This Agreement may be amended only by a writing signed by all of the parties to this Agreement.

Severability

Should any provision of this Agreement be declared or be determined by any Court to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement.

Applicable Law

This Agreement is made and entered into in the State of Colorado and it shall in all aspects be interpreted, enforced and governed under the laws of this State. The language of all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning and not strictly for or against any of the parties to this Agreement.

Full Knowledge

Plaintiff represents and agrees that it has read this Agreement and has had the opportunity to have legal counsel fully explain its contents and the ramifications of this Agreement and has had sufficient time to consider this Agreement and understand its contents.

I HAVE CAREFULLY READ THE FOREGOING SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS, KNOW THE CONTENTS THEREOF, FULLY UNDERSTAND IT AND SIGN THE SAME AS MY OWN FREE ACT.

Garden Grove Townhome Owners Association

By: Michael H. Murele
Title: President, Garden Grove Townhome

APPROVED AS TO FORM AND CONTENT:

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