

SETTLEMENT AGREEMENT

This Settlement Agreement is between Raul DeLaGarza, Tracy DeLaGarza, Tony Tucker and Kandas Tucker ("Plaintiffs") and the Sportsman's Paradise Property Owners Association, Inc. ("Defendant").

Whereas, Plaintiffs filed suit against the Defendant and the Individuals in Cause No. CV23-0576-392 in the 392nd District Court, (to be heard by the 173rd District Court) Henderson County, Texas (the "Lawsuit") alleging claims against the Defendant and Individuals;

Whereas, the Defendant and Individuals answered the Lawsuit, denying any wrong doing;

Whereas, Melissa Klingman filed a Motion for Summary Judgment which the Court granted by Order dismissing all claims against her;

Whereas, Plaintiffs filed a Motion to Dismiss the claims asserted against the other Individuals which the court granted by Order dismissing Plaintiffs claims against Jai Makinson, Jim Speier and Shannon Armstrong;

Whereas, to avoid the time and expense of litigation, Plaintiffs and Defendant want to resolve their differences and reach an end, compromise, and settlement for all disputes existing and potentially existing between them related to the claims alleged in the pleadings;

Therefore, in consideration of the execution of this Settlement Agreement and the mutual covenants and conditions, the Plaintiffs and Defendant agree as follows:

I. Definitions.

1. "1976 Covenants" means the Restrictive Covenant Agreement dated October 3, 1976, covering Section One of the Subdivision, filed at volume 790, page 493 of the real property records of Henderson County, Texas.
2. "1977 Covenants" means the Restrictive Covenant Agreement dated April 18, 1977, covering Section Two of the Subdivision, filed at volume 808, page 676 of the real property records of Henderson County, Texas.
3. "2020 Covenants" means the 2020 Amended Restrictive Covenant Agreement filed under Instrument No. 2020-00013794 of the Real Property Records of Henderson County, Texas.
4. "De La Garza Property" means Section 2, Block H, lots 2, 3, 4 and 5 and one-half of Lot 26, and lots 27, 28, 29 and 30, in the Sportsman's Paradise Subdivision, Abstract 136, Santiago Calderon Survey, Henderson County, Texas.

5. "Subdivision" means Section One and Section Two of the Sportsman's Paradise Subdivision of Henderson County Texas as shown in Volume 9 at Page 94 and Volume C at Page 335 in the Plat Records of Henderson County, Texas.

6. "Tucker Property" means Section 2, Block A, lots 4 and 5, in the Sportsman's Paradise Subdivision, Abstract 136, Santiago Calderon Survey, Henderson County, Texas.

II. Stipulations and Agreements. The parties stipulate and agree that:

1. Except as otherwise provided in this paragraph, the 1976 Covenants and 1977 Covenants expired and are not enforceable. The Association and its board members will not directly or indirectly seek to enforce the restrictive covenants against any property owner / member in the Subdivision. Provided however, nothing herein shall invalidate paragraphs 19–easements, 22–assessments, and 25–easements–of the 1976 Covenants and paragraphs 21–easements, 24–assessments, and 27–easements–of the 1977 Covenants.

2. The 2020 Covenants were not approved by the required number of members of the Association and are therefore void and of no legal effect.

3. All monetary obligations claimed by the Association against the De La Garzas as of the effective date of this Settlement Agreement, including assessments through and including 2025, have been paid or are barred by limitations and the Association shall not take any further action to collect the same. Any liens claimed by the Association against the De La Garza Property for any monetary obligations as of the effective date of this Settlement Agreement are not enforceable and shall be released. Nothing contained herein shall be construed to release amounts lawfully assessed against the De La Garza Property after the effective date of this Settlement Agreement.

4. All monetary obligations claimed by the Association against the Tuckers as of the effective date of this Settlement Agreement, including fines and assessments through and including the 2025 assessments, are waived. Nothing contained herein shall be construed to release amounts lawfully assessed against the Tucker Property after the effective date of this Settlement Agreement.

5. Contemporaneous with the approval and execution of this Settlement Agreement (the "Effective Date"), the Association shall:

A. File a full release as to any and all claims of liens against the Delagarza Property in the Official Public Records of Henderson County, Texas with express reference to the documents which are currently of record purporting to be or claiming a lien against the Delagarza Property.

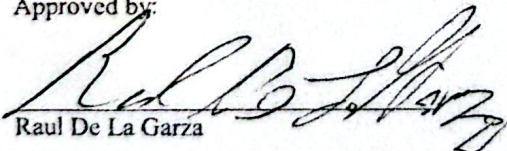
B. Pay to the De La Garzas and Tuckers the sum of \$20,000.00.

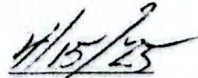
C. Submit an Agreed Judgment to the court in the form attached hereto. The Association

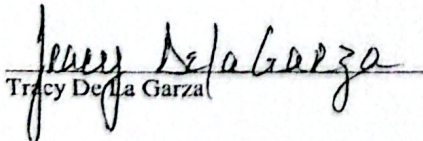
shall cause a copy of the Agreed Judgment to be filed in the Official Public Records of Henderson County, Texas within ten days after it is entered by the Court.

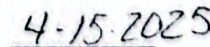
6. The parties deny any bad faith or intentional wrongdoing as it relates to the facts and claims asserted in the pending lawsuit that resulted in this Settlement Agreement. The parties shall execute a Mutual Release Agreement in the form attached hereto, releasing all claims which were asserted or could have been asserted in this action, whether said claims were known or unknown as of the date of this Settlement Agreement, excepting therefrom any claim to enforce the terms of this Settlement Agreement, Agreed Judgment, and Mutual Release Agreement.
7. The parties shall execute all documents reasonably necessary to effectuate the terms of this Settlement Agreement.
8. This Settlement Agreement shall be construed in accordance with the laws of the State of Texas. Venue for any legal action arising out of this Settlement Agreement shall lie in Henderson County, Texas.
9. This Settlement Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, and assigns.
10. This Settlement Agreement and the attached Agreed Judgment and Mutual Release Agreement constitute the entire agreement and understanding of the parties with respect to the transactions contemplated hereby, and supersedes all prior agreements, arrangements, and understandings related to the subject matter hereof. No representations, warranties, recitals, covenants, or statements of intention have been made by, or on behalf of, any party which is not embodied in this Settlement Agreement or in connection with the transactions contemplated, and no party shall be bound by, or liable for, any alleged representation, warranty, recital, covenant, or statement of intention not so set forth.
11. This Settlement Agreement may be signed in counterparts, and each counterpart shall constitute an original. This Settlement Agreement is being executed in duplicate, so there will be multiple copies. A copy of this Settlement Agreement will be considered a fully executed original.

Approved by:


Raul De La Garza


Date


Tracy De La Garza


Date

Tony Tucker
Tony Tucker

4-15-25
Date

Kandas Tucker
Kandas Tucker

4-15-25
Date

Approved by:

Sportsman's Paradise Property
Owners Association Inc.

By: _____
President

Date