

**SETTLEMENT AGREEMENT BETWEEN VALHALLA MANAGEMENT
ASSOCIATION AND VALHALLA SEVEN ASSOCIATION**

The parties hereby agree to the following terms and conditions as and for their Settlement Agreement (“Agreement”):

I. PARTIES TO THE SETTLEMENT AGREEMENT:

The parties to this Settlement Agreement are:

- a) Valhalla Management Association (hereinafter “VMA”)
- b) Valhalla Seven Association (hereinafter “Valhalla Seven”)

II. RECITALS

- A. VMA is an Association, made up of Member Associations (“the Valhalla Associations”) of which Valhalla Seven is one. The VMA Board of Directors consists of representatives from each of the Valhalla Associations, including at least one representative from Valhalla Seven.
- B. Over the past years, there have been ongoing disputes between VMA and Valhalla Seven Association as to the proper management and procedures for VMA to utilize in its services to Valhalla Seven and to the other Associations managed by VMA. Some of these disputes are set out in the Petition for Declaratory Judgment, a copy of which is attached hereto as Exhibit A.
- C. In January, 2022, these ongoing disputes culminated with a disrupted meeting of the VMA Board of Directors, and a directive by Valhalla Seven to VMA not to implement various policies and procedures specifically directed and authorized by the VMA Board of Directors.
- D. Following that meeting, the VMA Board of Directors held an emergency session at which the VMA Board of Directors voted to proceed with a Petition to the Court for a declaratory judgment as to the rights and responsibilities of VMA to Valhalla Seven and Valhalla Seven’s rights and responsibilities to VMA all as defined by the governing documents.
- E. A Petition for Declaratory Judgment was prepared and personal service was attempted upon the Valhalla Seven Officers, and the Secretary of State. However, due to an issue with the legal name on the Petition, service was not completed, and a lawsuit was not formally commenced.
- F. Valhalla Seven then requested that VMA hold off on commencing litigation, for cost savings, while a resolution was discussed. However, each time VMA attempted to move

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towards resolution, Valhalla Seven requested additional time to consider the options and the disputes continued unresolved.

- G. Finally, on or about April 14, 2022, VMA sent the corrected Petition (Exhibit A.) via US Mail to Valhalla Seven's Officers, with admissions of service for signature and return. VMA also sent a courtesy copy to Valhalla Seven's attorney Frederick Kreitzman. These documents described the legal obligation of Valhalla Seven to sign and return the Acknowledgements of Service, otherwise VMA would file the Petition and the Court would order the costs of further service be borne by Valhalla Seven.
- H. On or about April 20, 2022, VMA sent notice of financial concerns regarding Valhalla Seven's ability to pay its proportion of shared expenses to Valhalla Seven's attorney Frederick Kreitzman.
- I. Shortly after service of the Petition by mail, and notice of the financial status of Valhalla Seven, but before the deadline to return the Acknowledgements, Skye Davis and Rick Miller resigned from the Valhalla Seven Board of Directors.
- J. For cost savings, VMA and Valhalla Seven (through its new Board of Directors), agreed to work jointly to resolve the claims alleged in the Petition for Declaratory Judgment, rather than proceed into formal litigation and requiring a court's declaratory judgment.
- K. In consideration of the agreement to jointly resolve the disputes, VMA did not require the return of a signed Acknowledgement, nor did it file the suit and move for an award of costs for formal service against Valhalla Seven.
- L. The parties have now reached a complete settlement of the declaratory judgment issues described in the Petition, and hereby resolve all disputes as set forth herein.

III. CONSIDERATION AND RELEASE:

For and in consideration of the agreements and covenants set forth in this Settlement Agreement, including the obligation for specific performance of certain terms now and in the future, and other good and valuable consideration and intending to be legally bound as of the date of this Agreement; and on into the future so long as Valhalla Seven remains a member of VMA, the Parties agree as follows:

1. Valhalla Seven agrees that as long as it remains a member of VMA, Valhalla Seven will comply with the decisions past, present, and future, within the scope of authority granted by the applicable governing documents and properly enacted by vote of the VMA Board of Directors regarding VMA policies, procedures, and operational decisions.
2. Valhalla Seven agrees that as long as it remains a member of VMA, Valhalla Seven and all Valhalla Seven Unit Owners will receive the same services, neither more, nor less, in exchange for the same proportional costs (Valhalla Seven's proportion of shared expenses is 4.71%) as every other Member Association of VMA. Valhalla Seven agrees it may not

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dictate provision of separate services for VMA to provide to its building or Unit Owners, nor can it alter its proportional costs for such services, nor can it decline to pay for shared expenses authorized by the governing documents and approved by the VMA Board of Directors.

3. Valhalla Seven agrees that as long as it remains a member of VMA, Valhalla Seven will receive, use, and follow the same financial and accounting procedures enacted by the VMA Board of Directors to be followed by VMA for all Valhalla Associations.
4. If Valhalla Seven wishes to implement new or revised accounting procedures for all of the Valhalla Associations to be implemented by VMA, then Valhalla Seven can move to implement change by bringing procedures and recommendations to the Master Board; if those proposals are voted on and adopted, then all Valhalla Associations will use any such properly passed and legal procedure. If the proposals are not passed, then Valhalla Seven will follow and be subject to the Master Board approved procedures and policies exactly the same as every other Valhalla Member Association.
5. Valhalla Seven's exclusive remedy to its disapproval with any VMA Board of Directors' decision past, present, or future, is limited to: (A) continued membership and/or the formal proposal of new procedures to be voted on through board process while continuing to follow the VMA majority approved policies and procedures in the meantime; or (B) to withdraw from the VMA by a formal vote of 80% of its members or as otherwise allowed by the legally enacted governing documents of Valhalla Seven and VMA.
6. Valhalla Seven agrees to comply fully with its obligations to and with VMA and cease all attempts to obstruct VMA's operations including its noncompliance in VMA board approved policies and procedures and its noncompliance with Valhalla Seven's financial obligations as a VMA member.
7. Valhalla Seven agrees that while a member of VMA, Valhalla Seven is subject to, and obligated to comply with, VMA Board-approved policies and procedures, including but not limited to the new financial accounting procedures approved by the Board on November 16, 2021.
8. Valhalla Seven affirmatively agrees and accepts that the Manager does and will prepare the same annual / monthly financial documents for Valhalla Seven that it does for each other Member Association and that the Manager will provide such financial documents directly to each unit owner in every association, including the unit owners of Valhalla Seven.
9. Valhalla Seven affirmatively agrees that VMA will continue to perform the legally mandated annual accounting reviews with an outside firm of VMA's choosing; and, VMA will continue to present the results of those annual reviews to the VMA Board of Directors meetings each year with copies electronically provided to each Building Board of Directors, and available for any unit owner to review.

10. Valhalla Seven agrees that the Manager of VMA may be present and available to unit owners at all Valhalla Seven Board of Director meetings and the Valhalla Seven Annual Meeting.
11. Valhalla Seven agrees that the Manager of VMA may answer any questions by any unit owners regarding the Valhalla community, VMA, or Valhalla Seven, within the Manager's knowledge and within any authority given by the VMA Board of Directors.
12. Valhalla Seven agrees to post its Board meeting minutes on the Valhalla community website within 14 days, or provide the same to VMA for posting on the community website.
13. Valhalla Seven agrees that, unless or until Valhalla Seven decides to withdraw from VMA pursuant to a vote by 80% of Valhalla Seven members or any future withdrawal or separate procedure provided by then-governing documents or law, VMA is authorized to perform all services for Valhalla Seven, and to require Valhalla Seven to conform to all legally enacted VMA policies and procedures, including payment of shared expenses and duly authorized assessments and special assessments without further direct approval from Valhalla Seven, exactly according to the same procedure as all other Valhalla Associations and without additional separate approval from Valhalla Seven.
14. Valhalla Seven specifically agrees that it will not interfere with VMA hired contractors performing tasks at the Valhalla Community that have been determined by the VMA board to be necessary. Valhalla Seven agrees that any such future behavior by any member of Valhalla Seven may result in Valhalla Seven paying the costs and expenses associated with such a disruption as well as a direct fine to the individual behaving in this manner to be set by the VMA Board of Directors.
15. Valhalla Seven agrees that it will not interfere with the work performed by VMA on behalf of Valhalla Seven unit owners. With regards to outside contractors needed to perform work at or for Valhalla Seven, Valhalla Seven may either: (A) choose to get bids and arrange for who and how the work will be done and then turn over the project to VMA for review and implementation; or, (B) Valhalla Seven may turn the entire project over to VMA and will not second guess or debate the choices made by VMA to get the project done. If Valhalla Seven chooses option A, it must inform both VMA and any affected individual unit owner of its decision in a single written correspondence provided to both the unit owner and VMA stating the chosen option.
16. Valhalla Seven agrees that with regards to maintenance, work, or projects, voted on and approved by VMA within the scope of its authority pursuant to the governing documents, Valhalla Seven will not interfere in any way with the project or chosen contractors. Valhalla Seven has the right and duty to participate in these projects through its Master Board Member, and has no additional or further right to demand individualized input or oversight of the project other than as a member of the VMA Board of Directors.
17. In further consideration of this agreement, Valhalla Seven agrees that Skye Davis and Rick Miller are barred from serving as Valhalla Seven's VMA Board of Directors

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representative(s) on the VMA Management Board for the next seven years and are also barred from participating in any of the VMA Management Board committees, such as the finance committee, executive committee, RAMB committee, etc.

18. In further consideration of this agreement, Valhalla Seven agrees that VMA is authorized to send informational letters to Valhalla Seven Unit Owners regarding this dispute as well as any future disputes that arise between Valhalla Seven and VMA. Any such informational letters would go to Valhalla Seven Board of Directors to preview 7 days before being sent. Nothing in this provision would prevent Valhalla Seven from sending its own informational letters to Valhalla Seven Unit Owners.
19. In consideration of this settlement, including the above-described agreements as to current and future performance by Valhalla Seven, VMA has agreed to waive its demand for Valhalla Seven to pay all attorney fees and costs incurred in addressing Valhalla Seven's repeated obstructive actions over the last two years, including all costs and fees incurred in moving towards a declaratory judgment lawsuit after multiple directives from the Valhalla Seven Board of Directors to the Manager directly conflicted with VMA Board of Director approved policies and procedures, prohibited the Manager from performing duties required by the governing documents, and prohibited the Manager from implementing the Master Board approved policies and procedures. This waiver does not exclude Valhalla Seven from paying its proportional share of all VMA expenses, including the costs incurred in pursuing and enacting this resolution as shared by the entire Valhalla community.
20. In consideration of this settlement, including the above-described agreements as to current and future performance by VMA, and VMA's waiver of the demand that Valhalla Seven bear all costs and fees, Valhalla Seven agrees that if the same or similar issues between Valhalla Seven and VMA occur in the future due to Valhalla Seven's obstruction of VMA's operations and/or violation of this Settlement Agreement, that all costs and fees associated with VMA having to address any such dispute, informally through its attorney, or formally through a declaratory judgment action or any other legal action in the future will be borne exclusively by Valhalla Seven. Valhalla Seven affirmatively agrees that whether any issues that arise in the future are "the same or similar" will be decided by a vote of the VMA Board of Directors; and, that the VMA Board of Directors determination as to whether it is the "same or similar" shall be final and not subject to review by a court or arbitrator. VMA will be entitled to file a demand for judgment and have the amount of these costs and fees entered as a judgment against Valhalla Seven upon the filing of an affidavit by the VMA President swearing to the amount of costs and fees, the decision by the VMA Board of Directors, and a copy of this signed agreement.

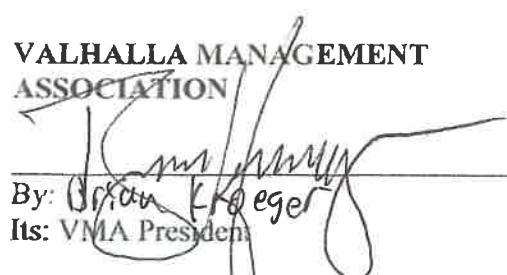
IV. INTENT

VMA and Valhalla Seven hereby agree and intend to be bound by this Release, now and in the future, including being bound to the terms of ongoing and future specific performance. Both parties have participated in reaching this agreement, including crafting the language for this Settlement Agreement and no terms shall be construed against another as "the drafter" of this agreement.

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Dated: 3/8/2023

VALHALLA MANAGEMENT
ASSOCIATION


By: Brian Kroeger
Its: VMA President

Dated: 2/27/2023

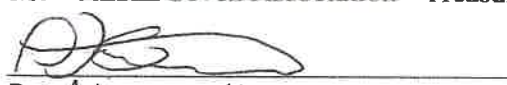
VALHALLA SEVEN ASSOCIATION


By: GARY Mehvikens
Its: Valhalla Seven Association - President

Dated: 2-26-2023


By: Derick Behrends
Its: Valhalla Seven Association - Treasurer

Dated: 2-27-2023


By: Nicholas Hart
Its: Valhalla Seven Association - Secretary