

## **MUTUAL RELEASE AND SETTLEMENT AGREEMENT**

THIS MUTUAL RELEASE AND SETTLEMENT AGREEMENT ("Agreement") is made and entered into this \_\_\_\_ day of July, 2013, by and among PUEBLO CITY-COUNTY LIBRARY DISTRICT and CHARLES BURNS (collectively "Plaintiffs") and COLORADO CITY IMPROVEMENTS CORPORATION, a dissolved Colorado Corporation, KAREN L. BLACKWOOD and PATRICK B. SANDERS (collectively "Defendants").

1. Plaintiffs brought suit in the action entitled Pueblo City-County Library District, Roxie Frank and Charles Burns v. Colorado City Improvements Corporation, Karen L. Blackwood and Patrick B. Sanders in the District Court in and for the County of Pueblo, State of Colorado, Civil Action No. 2011 CV 423 (hereinafter, the "Civil Action"), against Defendants.

2. On June 11, 2013, the Court entered its Order With Respect to Motion for Summary Judgment and Motion for Determination of Questions of Law ("Order"). The Order included various factual findings and conclusions of law respecting the dissolution process and plans at issue in these proceedings. These findings and conclusions included a finding that refunds to the members in contemplation of dissolution were not permitted, and that the PCCLD was not entitled to the assets of CCIC pursuant to the modified termination agreement. The Order also determined that certain issues remained disputed issues of fact for an upcoming trial scheduled to commence July 9, 2013.

3. In view of these various findings and conclusions set forth in the Order, and in view of the delay, expense and uncertainty of proceeding to trial, the parties entered into negotiations to compromise and resolve their disputes, subject however, to prior approval by the Pueblo County District Court of this Mutual Release and Settlement Agreement.

4. The parties have agreed to resolve the Civil Action and forever settle any and all claims that may exist between them, after Court approval of the following terms and conditions:

5. Colorado City Improvements Corporation ("CCIC") shall pay the sum of One Hundred Thirty-Six Thousand Seven Hundred Twenty-Nine Dollars and Forty-Nine Cents (\$136,729.49) to Pueblo City-County Library District ("PCCLD") ten (10) business days after Court approval of this Agreement and receipt of fully executed copies of this Agreement from Plaintiffs.

6. In consideration of the foregoing payment, prior Court approval of this Agreement, the mutual release of one another and, after Court approval and the payment set forth above, the dismissal with prejudice of all claims and defenses asserted by both parties in the Civil Action, the sufficiency and receipt of which is

hereby mutually acknowledged, the parties hereto, for themselves and for their respective heirs, personal representatives, administrators, attorneys, successors and assigns, do hereby release and forever discharge and covenant to hold harmless one another and their respective agents, representatives, employees, directors, officers, 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, liabilities, claims, damage to property, bodily, personal and psychological injuries, breaches of contract and the consequences thereof, which the parties each may now or have, resulting or which may or will result from the disputes and events giving rise to the above-referenced Civil Action, and any and all matters relating thereto, and any and all consequences thereof for which the parties claimed or could have claimed against one another arising from such events, liability for which is expressly denied by each of the parties.

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7. ~~CCIC agrees to release all of the liens it has filed against members~~  
without using any of the assets of CCIC to do so.

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8. Although CCIC is not required to communicate with its members by the terms of this Agreement, any communication from CCIC to its members with respect to this matter will include the following: "The Pueblo City-County Library District is grateful to be the beneficiary of the funds of Colorado City Improvements Corporation and has committed to use those funds to enhance the branch library to be built in Colorado City, Colorado. Construction of the branch library is scheduled to begin in the summer of 2013." The PCCLD represents and warrants that it will utilize \$100,000 to enhance the library to be built in Colorado City. PCCLD recognizes that CCIC has relied upon the accuracy of the foregoing statement in agreeing to this settlement.

9. PCCLD will be provided (via a copy to its undersigned legal counsel) a copy of any communication made by CCIC to its members.

10. Court approval of the terms of this settlement is necessary before this Agreement or any of its terms are binding or enforceable.

11. The parties expressly state that the settlement underlying the execution of 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 the parties or currently exist, but which may arise or become known to them in the future, and the parties do fully intend to release one another and their respective agents, representatives, employees, directors, officers, successors, assigns, heirs, personal representatives, administrators, attorneys, and insurers from any and all liability for any and all such potentially unknown damages.

12. The parties further expressly state that each is fully informed as to the nature, extent and character of their respective claimed damages, and that the parties each have been advised of their right to consult additional professionals of their choice, including accountants, lawyers and appraisers, at their own expense, regarding any and all known and unknown claimed damage.

13. The parties further expressly understand and agree that after Court approval and the subsequent signing of this Agreement, the terms and conditions 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.

14. The parties each 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.

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15. The parties also warrant that each is 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.

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16. The parties each hereby declare and represent that no other person, firm or corporation has received any assignment, subrogation or other right of substitution to the claim or claims made or which could have been asserted in Civil Action, and that 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 right of substitution, the parties will hold the person or parties released harmless from any such claims.

17. The parties each expressly understand 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 by either of the parties.

18. Finally, the parties each understand and agree that all agreements and understandings between them are embodied and expressed herein, and that the terms of this Agreement are contractual and not mere recitals.

19. The parties have each carefully read the above and foregoing Mutual Release and know and understand the contents thereof, and have signed the same as their own free and voluntary act after having the same explained to them by counsel.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this \_\_\_\_ day of July, 2013.

CAUTION: READ BEFORE SIGNING

PUEBLO CITY-COUNTY LIBRARY DISTRICT

By: \_\_\_\_\_  
Jon Walker, Executive Director

STATE OF COLORADO    )  
                                  ) ss.  
COUNTY OF PUEBLO    )

Subscribed and sworn to before me by Jon Walker, Executive Director of Pueblo City-County Library District, this \_\_\_\_ day of July, 2013.

Witness my hand and official seal.

[SEAL]

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

CAUTION: READ BEFORE SIGNING

Charles A. Burns  
Charles Burns

STATE OF COLORADO    )  
                                  ) ss.  
COUNTY OF PUEBLO    )

Subscribed and sworn to before me by Charles Burns, this 6<sup>th</sup> day of July, 2013.

Witness my hand and official seal.

[SEAL]



Janet M. Sullivan  
Notary Public  
My Commission Expires: 10-19-2014

CAUTION: READ BEFORE SIGNING

COLORADO CITY IMPROVEMENTS  
CORPORATION, a dissolved Colorado  
corporation

By: \_\_\_\_\_  
Karen Blackwood, President

STATE OF COLORADO    )  
                                  ) ss.  
COUNTY OF ADAMS     )

Subscribed and sworn to before me by Karen Blackwood, President of Colorado City  
Improvements Corporation, a dissolved Colorado corporation this \_\_\_\_\_ day of July,  
2013.

\_\_\_\_\_  
Witness my hand and official seal.

[SEAL]

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

CAUTION: READ BEFORE SIGNING

\_\_\_\_\_  
Karen Blackwood, individually

STATE OF COLORADO    )  
                                  ) ss.  
COUNTY OF ADAMS     )

Subscribed and sworn to before me by Karen Blackwood, individually, this \_\_\_\_\_  
day of July, 2013.

\_\_\_\_\_  
Witness my hand and official seal.

[SEAL]

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

CAUTION: READ BEFORE SIGNING

\_\_\_\_\_  
Patrick B. Sanders, individually

STATE OF ILLINOIS       )  
                                      ) ss.  
COUNTY OF TAZEWELL )

Subscribed and sworn to before me by Patrick B. Sanders, individually, this  
\_\_\_\_\_ day of July, 2013.

Witness my hand and official seal.

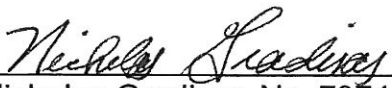
[SEAL]

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

APPROVED AS TO FORM:

**GRADISAR, TRECHTER, RIPPERGER & HINDMANSANCHEZ P.C.**  
**ROTH**



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