

MEDIATED SETTLEMENT AGREEMENT

Re: Spokane County Superior Court Cause Nos. 20-2- 03213-32 and 20-2-03199-32

Effective Date: November 9, 2021

This Mediated Settlement Agreement ("Agreement") is entered into by Robert Lee, James Powers, Susan Emery, Neal Kimball and Russ Bishop, ("Plaintiffs"), and Reflection Lake Community Association ("RLCA"), Rick Smith, Joe Dickinson, James Boothby, and Charlie Bennett, ("Defendants").

A. East Side Road Maintenance

1. Pursuant to the existing RLCA covenants (§4.2.3), assessments for maintenance of the private roads on the east side of the lake shall be allocated evenly among those lots fronting on the private roads (including those lots owned by RLCA).

2. Road maintenance will be overseen by a RLCA Road Committee, which shall be chaired and consist of RLCA members residing on the east side of the lake. Assessments raised for road maintenance will be held in a separate account, and expenditures shall require the approval of the Road Committee and the RLCA Board.

3. The RLCA bylaws shall be amended as necessary to clarify RLCA's obligation to provide for necessary maintenance of the roads.

B. Governance

1. RLCA shall be transparent to RLCA members concerning all financial matters. RLCA will post on the Reflection Lake website the Treasurer's Report and all receipts for expenses over \$100 on a monthly basis. If a member requests hard copies of any receipts or other documents, said documents will be made available at the RLCA office within 14 days for inspection and reproduction at the Member's expense. In maintaining its books and records, RLCA shall follow generally acceptable accounting principles.

2. All RLCA Board meetings will be recorded by audio and shall be made available to the membership monthly and the recordings shall be kept in archive for two (2) years. If a copy is requested, it will be made available at the RLCA office at the Member's expense. Members may arrange for video recording of RLCA Board meetings at their own initiative and expense.

3. Notwithstanding any contrary term of this Agreement, RLCA's Board and RLCA members will strictly follow the bylaws as currently comprised and as amended.

4. There will be complete transparency by RLCA in all RLCA elections and votes. Proxy ballots are not required for any vote unless an individual member requests a proxy ballot. Proxies may be allowed as provided by the Bylaws. Any RLCA member shall be allowed to review election ballots that have been cast upon request unless prohibited by law or the Bylaws.

5. RLCA shall obtain and maintain D&O insurance to cover, among other things, breach of fiduciary duties by RLCA Board members.

C. General Provisions

1. The parties agree to make a good faith effort to resolve by mediation any subsequent dispute over the meaning of, or a party's compliance with, this Agreement, including the preparation and interpretation of final settlement documents as provided below. The parties will share the costs of mediation. If litigation proves necessary following mediation, the generally prevailing party shall be entitled to its reasonable attorney's fees and costs associated with enforcing the Settlement Agreement. Each party hereto agrees to refrain from making critical or disparaging public statements about the other parties or about the terms of this Settlement Agreement.

2. The RLCA Board has represented that individual members covered the RLCA's legal fees to McNeice Wheeler, PLLC through July 9, 2021. Those fees will not be reimbursed by RLCA. The RLCA made its first payment to McNeice Wheeler on July 24, 2021, and will cover its further attorney's fees until the dismissal of the lawsuits with prejudice.

3. The parties agree to stay the current lawsuits between the parties until such time as RLCA and the Reflection Water Association successfully transfer ownership or operation of the Reflection Lake eastside water system to a third party, at which time the parties hereto agree to execute appropriate full and final releases, settlement documents and other necessary confirming documents, and to enter an Order of Dismissal with Prejudice and Without Costs in Spokane County Superior Court Cause No. 20-2-03213-32 and dismiss the appeal of summary judgment granted in Spokane County Superior Court Cause No. 20-2-03199-32.


4. The RLCA Board has authorized this Agreement by a formal resolution attached hereto. The Agreement shall become effective upon signing by the parties below, without the need for an approving vote by the RLCA general membership.

Signed:

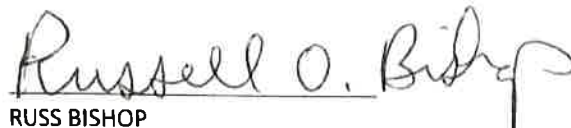
PLAINTIFFS:


ROBERT LEE


JAMES POWERS

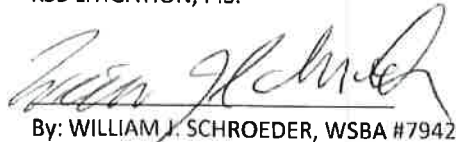

SUSAN EMERY *EMERY*


NEAL KIMBALL


RUSS BISHOP

ATTORNEY FOR PLAINTIFFS:

KSB LITIGATION, P.S.


By: WILLIAM J. SCHROEDER, WSBA #7942

DEFENDANTS:

REFLECTION LAKE COMMUNITY ASSOC.

By: CHARLIE BENNETT

GARY LONG

SANDI BENNETT


JOE DICKINSON

JAMES BOOTHBY

CHARLIE BENNETT

ATTORNEY FOR DEFENDANTS

GRAVIS LAW, PLLC



By: TYLER LLOYD, WSBA #50748

RUSS BISHOP

DEFENDANTS:

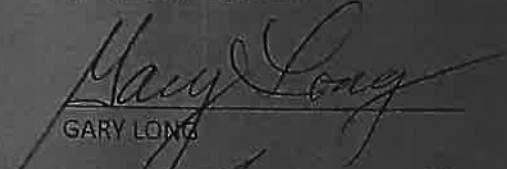
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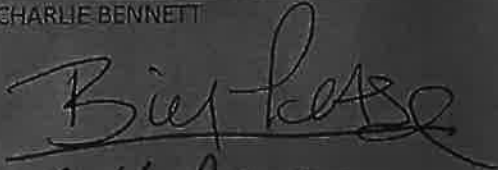

GARY LONG


SANDI BENNETT


JOE DICKINSON


JAMES BOOTHBY


CHARLIE BENNETT


Bill Pease