

**NOTICE: THIS CONTRACT IS SUBJECT TO ARBITRATION PURSUANT TO TITLE 27, OF CHAPTER 5, MONTANA CODE ANNOTATED, THE "UNIFORM ARBITRATION ACT" OF MONTANA.**

**SETTLEMENT AGREEMENT**

THIS SETTLEMENT AGREEMENT dated as of <sup>August 15</sup> ~~June~~, 1998, is made by and between CHURCH UNIVERSAL AND TRIUMPHANT, INC., a Montana nonprofit corporation (the "Church"), and GLASTONBURY LANDOWNERS ASSOCIATION, INC., a Montana nonprofit corporation (the "Association"). *PU R.E. Smith*

WHEREAS, an Assignment of Declaration of Covenants executed by the Church and the Association on June 16, 1997 specifically provided that the Association "shall not assume any uncompleted obligations of the Church or its predecessor-in-interest as of April 30, 1997, including, but not limited to, uncompleted road construction work (but not including road maintenance and improvement work)"; and

WHEREAS, the Restated Declaration of Covenants for the Community of Glastonbury (the "Glastonbury Covenants") specifies the property and road easements which are subject to the Glastonbury Covenants and which are currently under the jurisdiction of the Association; and

WHEREAS, the Association has asserted claims against the Church for uncompleted road construction work and other matters in the Community of Glastonbury; and

WHEREAS, representatives of the Church and the Association have met to discuss and agree upon the extent of the Church's obligations to complete any road construction work ~~or other uncompleted obligations~~ in the Community of Glastonbury; and

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WHEREAS, the Church affirms that it is responsible for the cost of the original construction of the Glastonbury roads to a reasonable standard, including, where applicable, the cost of upgrading certain previously constructed roads to an adequate standard and the cost of constructing any additional platted community roads which have not yet been developed to existing parcels which have not yet been sold or offered for sale; and

WHEREAS, the Association has obtained contractor bids for the cost of upgrading previously constructed roads to an adequate standard and the parties have agreed upon the work and the costs thereof; and

WHEREAS, the Church and the Association have agreed to certain terms and conditions for the resolution of the Church's outstanding obligations pertaining to uncompleted road construction work ~~and any other uncompleted obligations~~ in the Community of Glastonbury, and desire to set forth such provisions herein; and

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WHEREAS, the parties have also agreed that the Church is not responsible for the cost of periodic maintenance or special improvements (such as guardrails) that were intended to be funded from the proceeds of annual community assessments payable by landowners in the community;

NOW, THEREFORE, in consideration of the mutual agreements and understandings set forth herein and for the other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Church and the Association hereby agree as follows:

A. The Church will pay the liquidated cash sum of \$24,325 to the Association in full satisfaction of all outstanding road construction obligations for the existing segments of the platted community roads in Glastonbury North and Glastonbury South which have been put into service, as follows:

1. One-half (\$12,162.50) at the time of execution of this Settlement Agreement; and
2. The remaining balance (\$12,162.50) upon completion of all road construction work itemized below:

## GLASTONBURY NORTH

1. Capricorn Drive/Aquarius Lane Intersection: Construct a water catch basin on the left side of the road.
2. Pisces Way: Bring the road up to standard.
3. Capricorn Drive: Construct a catch basin and install culvert in front of Fred Morsell's parcel.
4. Capricorn Drive and Aries Drive intersection: Construct a catch basin and install one culvert.
5. Capricorn Drive (across from parcel marker #215 and #217): Create proper drainage, elevate road and install culvert and catch basin.
6. Venus Way: Complete the cul-de-sac and widen the road to county standards for approximately 200 yards and install one culvert.
7. Mercury Lane: Widen the road and complete the cul-de-sac.
8. Gemini Road: Widen the road, unplug and extend the culvert and adjust the slope of the shoulder.
9. Orion Way: Complete the cul-de-sac.
10. Sirius Drive: Repair damaged culvert pipe and backfill and repair washout.

## GLASTONBURY SOUTH

11. Virgo Way from Dry Creek Road to northeast end of "Brailsford Driveway": Widen the road and apply top coating.
12. Leo Lane: Complete the cul-de-sac.
13. Hercules Road/Scorpio Way intersection to Skyway Drive: Build road up along Goldmeyer Creek, and construct ditches to prevent the creek from running down the road.

14. Scorpio Way: Widen road, construct ditches and remove trees.
15. Polaris Way: Install a culvert.
16. High South: Dispose of 4 slash piles from the original road construction.

B. The Church shall not be responsible to pay for the cost of any periodic maintenance or special improvements which may be needed for any of the existing Glastonbury roads, including the installation of any guardrails. The Church shall not upgrade Avalon Lane at this time, since it is only an interior parcel driveway and not a platted community road, and also since the parcel has not been subjected to the Glastonbury Covenants. Likewise, the Church does not expect the Association to maintain this road. Should the parcel be developed or subdivided in the future, the location, status and quality of the road would have to be addressed by the owner at that time in accordance with the existing standards or requirements of the Association and/or Park County.

C. Certain segments of the platted community roads in Glastonbury North and Glastonbury South have never been constructed or put into service and are not included in the costs set forth above. Similarly, the parcels to be served by these segments of road have not been sold or offered for sale by the Church and/or the parcels and roads have not been subjected to the Glastonbury Covenants. These road segments include the following:

<u>ROAD SEGMENT</u>	<u>PARCELS SERVED</u>
a. Pisces Way from Parcel 41 to end	Parcel Nos. 54, 55 and 56/ Glastonbury North
b. Jupiter Way from Parcel 22 to end	Reserved Land/Glastonbury North
c. Gemini Road and spur road from Parcel 66 to end	Parcel Nos. 60, 63, 64, 65, 68, 69 and 70/Glastonbury North
d. Virgo Way from Parcel 17 across Dry Creek (including bridge or culvert) to NE end of "Brailsford driveway"	Parcel Nos. 9 and 17/ Glastonbury South

e. Chalice Well Way

Parcel Nos. 4-11 and Reserved  
Land/Glastonbury South

f. Cancer Road

Parcel Nos. 12-17/  
Glastonbury South

Contingent upon the addition of these areas to the Glastonbury Covenants, the Church, and/or its successors and assigns as the developer, agrees to accept responsibility for the cost of the original construction of these segments of road at least to the standard of community roads as contained in the Specifications and Standards for Gravel Road Construction, Rev. 87-2 or any subsequent amendments thereto, and for the cost of providing backbone electric and telephone systems prior to selling individual parcels which are served by these roads. Once the original construction of any of these roads has been completed to the applicable standard, electric and telephone systems have been installed to any affected parcels and they have been subjected to the Glastonbury Covenants, the Association agrees to accept responsibility for the maintenance of such roads in accordance with the Glastonbury Covenants.

D. Except as set forth in "C" above, the Association agrees to accept responsibility for all of the other existing community roads within the platted or recorded easements subjected to the Glastonbury Covenants in Glastonbury North and Glastonbury South, as well as for Aries Drive and Sirius Drive in Glastonbury North (which are not within a platted or recorded easement), and to complete the work identified in "A" above within one (1) year from the date the first one-half payment is made by the Church.

E. Concerning Aries Drive and Sirius Drive in Glastonbury North, the Church agrees to revise a portion of Certificate of Survey No. 615A or to provide a new survey in the context of the comprehensive land use master plan to plat these roads as private access and public utility easements (community roads) pursuant to Section 8 of the Glastonbury Covenants.

~~F. The parties agree that the roads within the Golden Age Village mobile home park, including those roads referred to as Helios Way, Vesta Lane, Helios Circle and Vesta Circle, are part of the platted community roads in the Community of Glastonbury which have been subjected to the Glastonbury Covenants and that they have been constructed to an adequate standard.~~

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G. In consideration of the payment made herein by the Church and the other terms and agreements between the parties contained herein, the Association hereby releases, acquits and discharges the Church from any and all additional claims for uncompleted road construction obligations ~~or any other uncompleted obligations in the Community of Glastonbury which might or could be owing from the Church to the Association, except as set forth herein, or in any other written agreements between the parties not relating to roads.~~

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H. The terms of this Agreement are intended by the parties to be the final expression of their Agreement with respect to any of the Church's uncompleted obligations in the Community of Glastonbury ~~including, but not limited to,~~ "uncompleted road construction work" and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative or other legal proceeding involving this Agreement.

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I. Time is of the essence as to all the terms and conditions contained in this Agreement.

J. If any provision of this Agreement, or the application thereof to any person, place or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

K. The validity, interpretation, enforceability and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of Montana.

L. Any controversy between the Association and the Church involving the construction or application of any of the terms, provisions or conditions of this Agreement or otherwise arising out of or related to this Agreement, shall be settled by arbitration in accordance with the then current commercial arbitration rules of the American Arbitration Association, and judgment on the award rendered by the arbitrator may be entered by any Court having jurisdiction thereof. The location of the arbitration shall be a mutually agreeable place in Park County or Gallatin County, Montana.

The parties have duly executed this Agreement as of the date first hereinabove written.

CHURCH UNIVERSAL AND TRIUMPHANT, INC.

By: Richard E. Smith  
Richard E. Smith, Vice President Community Operations

GLASTONBURY LANDOWNERS ASSOCIATION, INC.

By: Patrick M. Wolberd  
Patrick M. Wolberd, President