

SETTLEMENT AGREEMENT

This Settlement Agreement is made and entered into, subject to Court approval, this 4th day of January, 2024 (“Effective Date”) on behalf of the proposed Settlement Class (as defined below) and the Carolina Shores North Homeowners’ Association, Inc. (“the HOA”) in *Atrium Homes, Inc., Daniel S. Baldwin, Pamela Baldwin, and Grand Strand Contracting, Inc. v. Carolina Shores North Homeowners’ Association, Inc.*, pending in the General Court of Justice, Superior Court Division, Brunswick County, North Carolina, Case Number 22-CVS-411 (the “Class Action”),

WHEREAS, on March 4, 2022, Plaintiffs, through the undersigned Class Counsel, commenced a putative class action lawsuit against the HOA in the Superior Court of Brunswick County through the filing of a Complaint, seeking relief under a cause of action for a declaration that the HOA’s collection of “road impact fees” “adherence to requirements deposits,” and fines were unlawful and exceeded the HOA’s authority under North Carolina law, and also that the “road impact fees” were not spent by the HOA for the improvement of the roads in the Carolina Shores North subdivision; and

WHEREAS, the HOA’s Answer was filed on May 23, 2022, with the HOA denying each one of the Plaintiffs’ allegations of unlawful conduct and damages; and

WHEREAS, a preliminary injunction was entered by the Court on November 16, 2022, enjoining the HOA from collecting Road Impact Fees and Adherence to Requirements Deposits; and

WHEREAS, an all-day formal mediation session on November 9, 2023, conducted by certified mediator Bonnie Weyher, a Class Action Settlement Agreement was reached by Plaintiffs and the HOA, as set forth herein; and

WHEREAS, Counsel for the proposed Settlement Class have thoroughly investigated the facts and claims of the remaining claims of this class action lawsuit and have concluded that it

would be in the best interest of the proposed Settlement Class to enter into this Settlement Agreement as it relates the resolution of this lawsuit. Counsel for the proposed Settlement Class consider the settlement as set forth below to be fair, reasonable, adequate, and in the best interests of the proposed Settlement Class, subject to Court approval; and

WHEREAS, Christopher M. Theriault, Theriault Law, P.C., and James R. DeMay and J. Hunter Bryson, Milberg Coleman Bryson Phillips Grossman, LLC, are fully authorized to enter into this Settlement Agreement on behalf of the proposed Settlement Class; and

WHEREAS, the HOA has concluded (despite its belief that it is not liable for the claims asserted) that, it will enter into this Settlement Agreement in order to, among other things, avoid the further expense, inconvenience, burden, and risk of further litigation.

NOW, THEREFORE, it is agreed by the undersigned, subject to Court approval, on behalf of the proposed Settlement Class and the HOA, that All Claims (as defined below) of the proposed Settlement Class against the HOA be dismissed with prejudice, without costs to any party (except as provided below), on the following terms and conditions:

DEFINITIONS

For purposes of this Settlement Agreement, the following terms shall have the meanings set forth below.

“Adherence to Requirements Deposits” shall be defined to include all adherence to requirements deposits assessed and collected by the HOA from March 4, 2012, through the Effective Date.

“Administration Costs” shall mean any and all costs associated with the administration of the benefits under this Settlement Agreement, including the fees and the expenses of the Settlement Administrator, and any expenses of mailing notices, and paying Settlement Benefits and expenses.

“All Claims” shall mean any and all claims, demands, actions, suits and causes of action against the HOA and/or its board members, directors, officers, employees, attorneys, insurers, agents or successors whether known or unknown, asserted or unasserted, that any member of the proposed Settlement Class ever had, or could have had, now has or hereafter can, shall or may have, relating in any way to any conduct, acts or omissions which were or could have been alleged by any or all members of the proposed Settlement Class only arising out of or relating to the payment of Road Impact Fees, Adherence to Requirements Deposits, Tree Policy Fees, or Fines assessed by the HOA from March 4, 2012 through the Effective Date. These claims include claims for refunds, damages or remedies of every kind or character (including, without limitation, actual, compensatory, punitive, or exemplary), known or unknown, or for compensation of any type or for accounting or reconciliation, reimbursement or statutory remedies or for pre- or post-judgment interest, or for other damages arising from or relating to the Class Member’s claims for damages that were asserted or that could have been asserted in the Class Action Litigation, including claims for the HOA’s assessment of Road Impact Fees, Adherence to Requirements Deposits, Tree Policy Fees, or Fines from March 4, 2012 through the Effective Date.

“Proposed Class Action” or “Proposed Class Action Litigation” shall be the class-action litigation bearing the following caption: *Atrium Homes, Inc., Daniel S. Baldwin, Pamela Baldwin, and Grand Strand Contracting, Inc. v. Carolina Shores North Homeowners’ Association, Inc.*, pending in the General Court of Justice, Superior Court Division, Brunswick County, North Carolina, Case Number 22-CVS-411.

“Proposed Class Counsel” or “Proposed Counsel for the Settlement Class” shall mean Christopher M. Theriault, Theriault Law, P.C., and James R. DeMay and J. Hunter Bryson, Milberg Coleman Bryson Phillips Grossman, LLC.

“Proposed Class Members” shall mean members of the Settlement Class.

“Proposed Class Representatives” shall mean Atrium Homes, Inc., Daniel S. Baldwin, and Pamela Baldwin.

“Court” or “Trial Court” means the General Court of Justice, Superior Court Division of Brunswick County, North Carolina.

“Fairness Hearing” shall be the hearing set for a definite date by the Court at the Preliminary Approval Hearing, which will be conducted by the Court to determine the fairness, adequacy and reasonableness of this Settlement Agreement under North Carolina Rules of Civil Procedure and North Carolina law, at which time the Court may issue a Final Order and Judgment.

“Final Judicial Approval” means the occurrence of all the following events:

This settlement is approved in all respects by the Court;

The Court enters a Final Order and Judgment as provided below;

The time to appeal or seek permission to appeal from the Court’s Final Order and Judgment has expired, or, if appealed, the Final Order and Judgment have been affirmed in their entirety by the court of last resort to which such appeal has been taken and such affirmance has become no longer subject to further appeal or review.

“Final Order and Judgment” shall be the order and judgment entered in the Proposed Settlement Class Action that approves the Settlement Agreement and dismisses the Proposed Class Action with prejudice following the Fairness Hearing.

“Fines” shall be defined to include all fines assessed and collected by the HOA from March 4, 2012 through the Effective Date.

“HOA” means the Carolina Shores North Homeowners’ Association, Inc.

“Opt-Out Date” means the last day of the Opt-Out Period and the postmark date by which members of the Proposed Settlement Class must mail their request to be excluded from the Proposed Settlement Class in order for that request to be considered timely.

“Opt-Out Period” shall mean a period of thirty (30) days after mailing of initial notice of settlement during which Proposed Class Members may exercise the right to opt out of the settlement.

“Parties” shall mean the HOA, the Proposed Class Representatives, and all Proposed Class Members who do not timely and properly exclude themselves from the settlement as provided herein.

“Preliminary Approval Hearing” shall mean the hearing upon motion for an Order Granting Preliminary Approval of the Settlement Agreement as specified herein.

“Road Impact Fees” shall be defined to include all road impact fees assessed and collected by the HOA from March 4, 2012 through the Effective Date.

“Settlement Agreement,” or “this Agreement” shall be this Agreement of Settlement between the Proposed Settlement Class and the HOA, the attached exhibits, and any subsequent amendments thereto and any exhibits to such amendments.

“Proposed Settlement Class” is defined as “All individuals, proprietorships, partnerships, corporations, and other entities who (a) from March 4, 2012 through the Effective Date (b) paid Road Impact Fees, Adherence to Requirements Deposits, Tree Policy Fees, or Fines assessed by the Carolina Shores North Homeowners’ Association, Inc.”

“Tree Policy Fees” shall be defined to include all fees assessed and collected by the HOA pursuant to its “tree policy” from March 4, 2012 through the Effective Date.

COURT APPROVAL AND CLASS NOTICE

Best Efforts: Proposed Class Counsel and counsel for HOA agree to recommend approval of this Settlement Agreement to the Court. Proposed Class Counsel and counsel for the HOA also agree to use their best efforts to obtain approval of the Settlement Agreement and to carry out the terms thereof.

Certification of Settlement Class

For settlement purposes only, Proposed Class Counsel will request, as part of the Order for Preliminary Approval and Conditional Certification of Class, that the Court make preliminary findings and enter an Order granting provisional certification of the Proposed Settlement Class subject to final findings and ratification in the Final Order and Judgment, and appointing Atrium Homes, Inc., Daniel S. Baldwin, and Pamela Baldwin, and Proposed Class Counsel, as representatives of the Proposed Settlement Class.

The HOA does not consent to the certification of the Proposed Settlement Class for any purpose other than to effectuate this Settlement Agreement and the resolution of claims relating to Road Impact Fees, Adherence to Requirements Deposits, Tree Policy Fees, or Fines assessed by the HOA from March 4, 2012 through the Effective Date. In the event the Settlement Agreement is declared null and void for any reason, or in the event the Court fails to approve the Settlement Agreement or certify the Proposed Settlement Class, the order conditionally certifying the Proposed Settlement Class shall be automatically vacated upon notice to the Court of the termination of the Settlement Agreement and the matter shall proceed as though the Proposed Settlement Class had never been conditionally

certified and such finding had never been made, without prejudice to the ability of any party thereafter to request or oppose class certification on any basis.

Approval by The Court

Proposed Class Counsel shall submit to the Court on or before January 15, 2024, a motion for preliminary approval of the Settlement Agreement on behalf of the Proposed Settlement Class. The motion for preliminary approval shall seek: (i) certification of the Proposed Settlement Class (for settlement purposes only); (ii) appointment of Atrium Homes, Inc., Daniel S. Baldwin, and Pamela Baldwin, and Class Counsel as the representatives of and counsel for the Proposed Settlement Class; (iii) preliminary approval of the terms of the Settlement Agreement as fair, adequate, and reasonable; and (iv) approval of the form and manner of notice and opt-out procedures as set forth in the Settlement Agreement. The motion for preliminary approval shall also ask the Court to schedule a hearing date for final approval of the Settlement Agreement. If the settlement is terminated or does not obtain Final Approval, then the status of class certification in this litigation shall be as it existed prior to the execution of the Settlement Agreement.

Within 30 days after the Opt-Out Date, Proposed Class Counsel shall file a motion seeking entry by the Court of a Final Order and Judgment, in a form mutually agreeable to the Parties:

Certifying the Proposed Settlement Class and appointing the plaintiffs, Atrium Homes, Inc., Daniel S. Baldwin, and Pamela Baldwin, and Proposed Class Counsel as representatives of the Settlement Class;

Determining that the HOA and the Proposed Settlement Class have submitted to the jurisdiction of the Court for purposes of this Settlement, that the Court has personal jurisdiction over the HOA and all members of the Proposed Settlement Class and that the Court has jurisdiction to approve this Settlement Agreement as fair, reasonable and adequate under North Carolina Rule of Civil Procedure 23;

Finding that the notice provided for in the Settlement Agreement constitutes reasonable and the best practicable notice; constitutes notice that is reasonably calculated, under the circumstances, to apprise members of the Proposed Settlement Class of the pendency of this action, the terms of this Settlement Agreement, the right to object or exclude themselves from this Settlement and to appear at the hearing on final approval; constitutes due, adequate, and sufficient notice to all persons or entities entitled to receive such notice; and meets the requirements of due process, the North Carolina Rules of Civil Procedure and any other applicable law or rules of the Court;

Reserving for the Court exclusive jurisdiction over this Settlement, including the administration, consummation, and enforcement of this Settlement Agreement;

Determining that there is no just reason for delay and directing that the Final Order and Judgment shall be final and appealable;

Directing that for a period of four years from the Effective Date of the Settlement, the Clerk of Court shall maintain the record of those members of the Proposed Settlement Class who have timely excluded themselves from the Proposed Settlement Class; and

Incorporating the release set forth in the Settlement Agreement and forever discharging the HOA from All Claims.

If the Court for any reason: (1) determines not to approve the Settlement Agreement; (2) does not enter the Final Order and Judgment substantially in the form described in the Settlement Agreement; or (3) if the Court's approval is modified, reversed, or set aside on appeal, then the Settlement Agreement terminates and becomes null and void except as otherwise provided herein.

Upon final approval of this Settlement Agreement, Proposed Class Counsel and counsel for the HOA shall join in seeking dismissal with prejudice of the claims in the Class Action Litigation only as they relate to the HOA's collection of Road Impact Fees, Adherence to Requirements Deposits, Tree Policy Fees, or Fines from March 4, 2012 through the Effective Date, to the extent that the Court does not otherwise dismiss those claims with prejudice in its Final Order and Judgment.

Notice

Through a motion styled Motion for Preliminary Approval of Class Action Settlement, Proposed Class Counsel shall apply to the Court for an order authorizing notice to the Proposed Settlement Class substantially in the form to be agreed upon by the parties, and as approved by the Court. Such notice shall inform the Proposed Settlement Class of the conditional certification of the Proposed Settlement Class and the terms of the Settlement Agreement, advise of the right to request exclusion from the Proposed Settlement Class, and state the date scheduled by the Court for the hearing on final approval of the settlement.

Proposed Class Counsel and counsel for the HOA agree that under the circumstances, the best practicable means of notice to the Proposed Settlement Class is notice by direct mail notice.

The Settlement Administrator will provide notice to all identifiable members of the Proposed Settlement Class by United States Mail by mailing notice, in the form agreed upon by the parties and as approved by the Court, to the last known address of each member of the Proposed Settlement Class. The cost of such notice and all other Administration Costs will be paid from the Settlement Fund.

A copy of the direct mail notice will also be posted on an Internet web site during the entire Opt-Out Period. Proposed Class Counsel and counsel for the HOA shall agree on an Internet web site address. The Settlement Administrator will manage the Internet web site. The Notice shall identify Class Counsel's phone number and web site which shall provide an opportunity for Class

Members to demonstrate their eligibility to participate in the Proposed Settlement Class. The Internet website shall post copies of the Complaint, the Settlement Agreement, the Orders Granting Preliminary Approval of the Settlement, the Class Notice, and Frequently Asked Questions. Additionally, the Internet website will have a Change of Address Form available for Potential Class Members that want to notify the Settlement Administrator of a change of address. The notice by direct mail will direct the Proposed Settlement Class to the Internet web site and to Proposed Class Counsels' telephone number from which additional information may be obtained.

A copy of the notice by direct mail will all be available upon request from the Settlement Administrator.

The written notice shall be mailed no later than thirty (30) days after the Court enters an order preliminarily approving the Settlement Agreement. Proposed Class Counsel and counsel for the HOA shall use all reasonable efforts to ensure that notice is completed in a timely fashion.

REQUESTS TO OPT OUT OF THE SETTLEMENT CLASS AND OBJECTIONS TO THE SETTLEMENT AGREEMENT

Opt-Out Procedures

Proposed Class Counsel and counsel for the HOA will recommend that the Court approve an Opt-Out Date that is thirty (30) days after the mailing of the written Notice. Any member of the Proposed Settlement Class may request exclusion from ("opt- out" of) the settlement on or before the Opt-Out Date

through the method described below. Except as authorized by law, no person may opt-out on behalf of any other person, class, or sub-class.

Each member of the Proposed Settlement Class wishing to opt out of the Proposed Settlement Class must individually sign and submit timely written notice to an address designated by the Settlement Administrator. This written notice must contain the name, address and valid telephone number of the Class Member wishing to opt out of the Proposed Settlement Class. This written notice must clearly manifest an intent to be excluded from the Proposed Settlement Class. To be considered timely, written notice must be postmarked for mailing to the Settlement Administrator on or before the Opt-Out Date.

The Settlement Administrator shall promptly forward copies of any Opt-Out letter that it receives to Proposed Class Counsel and counsel for the HOA, and the Settlement Administrator shall file a list of all such Class Members who exercise an Opt-Out Right with the Court not later than fourteen (14) days prior to the Fairness Hearing.

If a Proposed Class Member exercises an Opt-Out Right pursuant to this section, such opt-out shall only be effective at the conclusion of the Opt-Out Period and upon Final Judicial Approval of the Settlement Agreement; unless otherwise ordered by the Court.

Objections To Class Action Settlement Agreement

Subject to Court approval, any member of the Proposed Settlement Class who intends to object to the fairness of the Settlement Agreement must file

objections to the Settlement Agreement in writing and prior to the Opt-Out Date, and serve the same upon the Settlement Administrator, Proposed Class Counsel, and Counsel for the HOA.

Objections to the Settlement Agreement must: (a) contain a caption or title that identifies it as “Objection to Proposed Class Settlement in *Atrium Homes, Inc., Daniel S. Baldwin, Pamela Baldwin, and Grand Strand Contracting, Inc. v. Carolina Shores North Homeowners’ Association, Inc.*, pending in the General Court of Justice, Superior Court Division, Brunswick County, North Carolina, Case Number 22-CVS-411 (the “Class Action”);” (b) identify whether the objection is to the Proposed Settlement Class; (c) set forth the specific reason(s), if any, for each objection, including all legal support the Proposed Settlement Class Member wishes to bring to the Court’s attention and all factual evidence the Proposed Settlement Class Member wishes to offer in support of the objection; (d) include the name and address of the Proposed Settlement Class Member; (e) be personally signed by the Proposed Settlement Class Member; (f) include an identification, by case style and number, of any other class settlements the objector or the objector’s attorney(s) have asserted an objection; and (g) include an identification of all attorneys having a financial interest or stake in the objection.

Proposed Class Members submitting proper objections to the Settlement Agreement may also file a statement of intent to appear at the Fairness Hearing, either personally or through their counsel. The statement of intent

to appear at the Fairness Hearing must be filed with the Brunswick County Clerk of Superior Court in *Atrium Homes, Inc., Daniel S. Baldwin, Pamela Baldwin, and Grand Strand Contracting, Inc. v. Carolina Shores North Homeowners' Association, Inc.*, pending in the General Court of Justice, Superior Court Division, Brunswick County, North Carolina, Case Number 22-CVS-411 (the "Class Action"), and served upon Class Counsel in the manner provided by Rule 5 of the North Carolina Rules of Civil Procedure by the Opt-Out Date.

Any Proposed Class Member who does not raise an objection to the Proposed Settlement Agreement shall be foreclosed from seeking review of the Settlement Agreement by appeal or otherwise without Court approval.

The Settlement Administrator will provide a summary chart and file all original opt-out notices and objections with the Court, along with copies to Proposed Class Counsel and Counsel for the HOA.

CLASS SETTLEMENT & BENEFITS

Proposed Class Settlement Amount & Payments from the Common Fund:

The Settlement Fund (or Common Fund) shall be payable by the HOA pursuant to the terms contained herein. Within ten (10) days after Final Judicial Approval of the Class Action Settlement as defined herein, the HOA shall pay \$335,000, and CNA shall pay \$15,000 (for reimbursement of Third-Party Administrator expenses) for a total of \$350,000 (with HOA's position being that the allocation thereof is \$164,294.00 of allegedly inappropriate collection of Road Impact Fees and Fines and \$170,706 in previously earmarked road improvement funding) directly to the Settlement Administrator for the Common Fund.

From the Common Fund, the Settlement Administrator shall issue the court ordered Proposed Class Representative Incentive awards, Proposed Class Counsel's Attorney fee and expense award, and Class Notice and Claims administration expenses.

The Common Fund shall be used to pay costs associated with the improvement of the HOA's roads and drainage systems. These costs shall be established pursuant to the report ("Engineer Report") of a mutually-agreed upon engineer (or if any engineer cannot be agreed upon, as selected by the Court), who shall evaluate the conditions of the roads and drainage systems throughout the HOA and who shall thereafter outline and prioritize a plan for the improvement of the roads and drainage systems. The costs of the engineer shall be paid from the Common Fund.

After the exhaustion of the Common Fund, the HOA shall use its best efforts to complete the entire scope of work established by the Engineer Report, including through special assessments. The special assessments will not exceed \$500 per lot, per assessment, per year. Until the scope of work outlined by the Engineer Report is completed, the proposed special assessment shall be voted on at each annual meeting with notice thereof being provided along with each annual meeting notice. The engineer shall supervise the remaining scope of work and the funds will be managed by the Settlement Administrator (or an escrow agent) until the funds are exhausted. Notwithstanding the above, in the event of a casualty or other reasonably necessary capital improvement in any year that is not able to be addressed at an annual meeting due to timing or otherwise, the HOA Board shall call a special meeting of its members to vote on whether the proposed special assessment for such year should be allocated to (i) road and/or drainage improvements, (ii) casualty repairs and/or other reasonably necessary capital improvements, or (iii) a combination of (i) and (ii) in an amount to be determined by a vote of the members. In

accordance with the members' vote, another vote shall then be held on whether to approve the special assessment.

Injunctive Relief.

The HOA shall no longer collect Road Impact Fees or Adherence to Requirements Deposits unless otherwise authorized by a proper amendment to the HOA's governing documents. Further, all fines imposed by the HOA shall be assessed in the manner authorized by the HOA's governing documents and in compliance with applicable law.

RELEASE

Upon Final Approval, each member of the Proposed Settlement Class hereby expressly and irrevocably waives and fully, finally and forever settles and releases any and all claims, demands, actions, suits and causes of action against the HOA and/or their respective officers, employees, attorneys, insurers or agents, whether known or unknown, asserted or unasserted, that any member of the Proposed Settlement Class ever had, or could have had, now has or hereafter can, shall or may have, relating in any way to any conduct, act or omission which was or could have been alleged by any or all members of the Proposed Settlement Class arising out of or relating to the payment to the HOA of Road Impact Fees, Adherence to Requirements Deposits, Tree Policy Fees, or Fines assessed by the HOA from March 4, 2012 through the Effective Date. These claims include claims for damages or remedies of every kind or character (including without limitation actual, compensatory, punitive, or exemplary), known or unknown, or for compensation of any type or for accounting or reconciliation, reimbursement or statutory remedies or for pre- or post-judgment interest, or for other damages arising from or relating to the Proposed Class Member's claims for damages that were asserted or that could have been asserted in the Class Action Litigation, including all claims related to refunds, damages, etc., only as it relates to Road Impact

Fees, Adherence to Requirements Deposits, Tree Policy Fees, or Fines assessed by the HOA from March 4, 2012 through the Effective Date.

In addition to the provisions above, each member of the Proposed Settlement Class hereby expressly and irrevocably waives and fully, finally, and forever settles and releases, upon Final Approval, any and all defenses, rights and benefits that said class member may have or that may be derived from the provisions of applicable law which, absent such waiver, may limit the extent or effect of the release contained above.

Consideration: As part of the consideration for the agreement to dismiss All Claims with prejudice, and for entry of the final judgment as provided for in the Settlement Agreement, on the Effective Date of the Settlement, the HOA shall comply with all terms of this Settlement Agreement.

THE SETTLEMENT ADMINISTRATION PROCESS

Settlement Notice and Benefit Administration:

The cost of Notice of the settlement and issuing and mailing settlement benefit checks shall be paid to the Settlement Administrator out of the Common Settlement Fund.

The HOA shall pay to the Settlement Administrator the total amount of \$350,000.00 within 10 days after Final Judicial Approval, as detailed above.

One hundred and eighty (180) days following Final Judicial Approval, the Settlement Administrator shall provide Proposed Class Counsel and the HOA with an update on the balance of the Common Settlement Fund.

Thereafter, the Settlement Administrator shall provide an update every 180 days until the Common Settlement Fund is exhausted.

ATTORNEYS' FEES, COSTS AND EXPENSES

Proposed Class Counsel may apply to the Court for an award of reasonable attorneys' fees, costs and/or expenses for professional services rendered on behalf of the Proposed Settlement Class relating to the claims settled, released, and discharged by the Settlement Agreement. Proposed Class Counsel agrees not to seek an award of fees and costs from the Court of more than 33.33% of the Common Settlement Fund.

Proposed Class Counsel shall apply for an award of attorneys' fees, costs and/or expenses to the Court no later than fourteen (14) days before the Fairness Hearing Date.

Attorneys' fees and costs shall be paid from the Common Fund within fourteen (14) days of Final Judicial Approval. Upon payment of the amount awarded by the court, Proposed Class Counsel shall release all claims for fees, expenses, and costs for all work on the Class Action.

INCENTIVE AWARD

The HOA agrees to pay, subject to Court approval, and will not challenge Proposed Class Counsel's request for an incentive award to Atrium Homes, Inc. in the amount of \$5,000, and to Daniel S. Baldwin and Pamela Baldwin in the amount of \$2,500 each. The Class Representative Incentive Award shall be paid from the Common Settlement Fund.

OTHER PROVISIONS

No Admission: By entering into this Settlement Agreement, the HOA does not admit any liability or wrongdoing or the truth of any of the claims or allegations asserted in the Class Action Litigation. To the contrary, the HOA specifically denies each one of the allegations of unlawful conduct and damages. It is expressly understood and agreed that this Settlement Agreement is being entered into solely for the purpose of amicably resolving All Claims between the HOA and

the Settlement Class: Proposed Class Counsel agree not to represent, publicly or otherwise, that the settlement in any way embodies, reflects, implies or can be used to infer any culpability by the HOA or any of its Board Members, officers, employees, attorneys, insurers or agents.

Binding Effect: This Settlement Agreement shall be binding on and inure to the benefit of each member of the Proposed Settlement Class, the HOA and their respective successors and assigns.

Choice of Law: This Settlement Agreement shall be construed under and governed by the laws of the State of North Carolina without regard to its choice of law or conflict of laws principles.

Integrated Agreement: The Settlement Agreement and its attached exhibits shall constitute the entire agreement, complete and integrated statement of each and every term and provision agreed to by Proposed Class Counsel and counsel for the HOA and is not subject to any condition not provided for herein. The Settlement Agreement shall not be subject to any change, modification, amendment, or addition without the express written consent of all signatories hereto. The parties expressly acknowledge that no other agreements, arrangements, or understandings not expressed in this Settlement Agreement exist among or between them.

Jurisdiction: The Court shall retain continuing and exclusive jurisdiction over all provisions of the Settlement Agreement and over all disputes of any kind relating in any way to, or arising in any way out of, the Settlement Agreement.

Notice: Any notice, request, instruction, or other document to be given by the HOA to Proposed Class Counsel, or vice versa, shall be in writing and (a) delivered personally, or (b) sent by Federal Express and facsimile.

If to the HOA:

Ryan Bostic
Cranfill Sumner LLP

5535 Currituck Drive, Suite 210
Wilmington, NC 28403
Fax: (910) 777-6146

If to the Settlement Class:

Christopher M. Theriault
Theriault Law, P.C.
P.O. Box 430
Oak Island, NC 28465
Fax: (910) 208-6475

James R. DeMay
J. Hunter Bryson
Milberg, Coleman, Bryson, Phillips, Grossman, LLC
900 West Morgan St.
Raleigh, NC 27603
Fax: (919) 600-5000

Electronic Execution in Counterparts: The Settlement Agreement may be executed with an electronic or facsimile signature and be executed in counterparts by the parties hereto, each of which shall constitute a duplicate original.

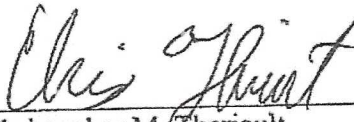
IN WITNESS WHEREOF, the parties have duly executed this Settlement Agreement as of the date(s) set forth below.

[SIGNATURES ON FOLLOWING PAGES]

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APPROVED BY CLASS COUNSEL AND CLASS PLAINTIFFS:


Dated: January 10, 2024



Christopher M. Theriault
Theriault Law, P.C.
P.O. Box 430
Oak Island, NC 28465

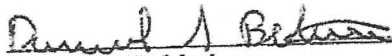
James R. DeMay
J. Hunter Bryson
Milberg Coleman Bryson Phillips Grossman, LLC
900 West Morgan St.
Raleigh, NC 27603

Dated: 1/10/24



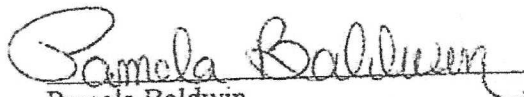
Atrium Homes, Inc.
By: Michael R. Blackburn
Its: Vice President

Dated: 1-10-2024



Daniel S. Baldwin


Dated: 1-10-2024



Pamela Baldwin

APPROVED ON BEHALF OF CAROLINA SHORES NORTH HOMEOWNERS' ASSOCIATION, INC.:

Dated: 1-11-24



Ryan Bostic
Cranfill Sumner LLP
5535 Currituck Drive, Suite 210
Wilmington, NC 28403

Dated: 1-8-24

Carolina Shores North Homeowners' Association, Inc.
By: _____
Its: _____





