

**IN THE CIRCUIT COURT FOR ANNE ARUNDEL COUNTY**

Robynn D. Squires et al	*	
Plaintiffs	*	
v.	*	Case No. 02-C-08-131337
Riverbea Corporation et al	*	
Defendants	*	
* * * * *	* * * * *	

**STIPULATION TO SETTLE LITIGATION (JULY 16 2008)**

The Parties hereto by their undersigned counsel hereby stipulate to the following terms of a Settlement of this Case. All terms are interdependent and there will not be a final settlement until all matters set forth herein are resolved. The Parties will request that the Court enter a Final Order adopting these provisions of the Settlement:

The Proposed Settlement is as follows:

1. The Tiernan deed to the Triangle will be rescinded and restitution of \$152,900.00 will be paid to Tiernan to complete the rescission. The restitution funds will come from Riverbea’s accounts, and the balance (“Shortfall”) will be paid by Riviera Community Improvement Association (“RCIA”) as soon as RCIA is reasonably able to raise the funds. The Shortfall in payment must be paid by RCIA to Tiernan before rescission is complete, and must be guaranteed with collateral from RCIA or one of the Plaintiffs.
2. Riverbea’s current accounts contain approximately \$135,000.00, a portion of which will be used to pay reasonable legal fees to complete this Settlement, and final bills of Riverbea, including a fine assessed against Riverbea of \$2,000.00 in February of 2008 for the bayfront shoreline project and \$1,000 in accounting fees for FY 2008 and FY 2009 corporate income tax filings. The estimated shortfall is approximately \$23,000.00 to \$25,000.00 which must be raised by RCIA as soon as RCIA is reasonably able to raise the funds.
3. Riverbea will be merged in to RCIA by Articles of Merger (which will cost \$150.00 to file and about \$750.00 to prepare). As a result of the merger RCIA will become responsible for payment of the last expenses of Riverbea.

4. All current Riverbea directors will be dismissed with prejudice from the lawsuit, and Riverbea's final reasonable legal fees to current counsel will be paid as part of this Settlement Agreement. All current Riverbea directors will resign as part of the merger, such resignations to be accepted and effective upon execution and filing of the Articles of Merger. Upon completion of this Settlement Agreement, merger of Riverbea into RCIA and dismissal of the directors and the lawsuit, RCIA will retain its own counsel (if necessary) to handle the Riviera Beach Community Property and payment of the Shortfall to Tiernan.

5. Upon the merger of Riverbea in to RCIA all property of Riverbea will automatically become the property of RCIA, and RCIA will be responsible for supervision and maintenance of all Riviera Beach Community Property, and payment of all expenses of the Riviera Beach Community Property.

6. RCIA will be asked to join in this Settlement Agreement and agree to the terms of dismissal of the directors and the merger of Riverbea in to RCIA. RCIA will vote to approve this Settlement and the commitment to pay the Shortfall to Tiernan. The Shortfall will have to be raised and paid to Tiernan in not less than four (4) months. If it takes RCIA longer to raise the funds to pay the Shortfall, then one or more of the Plaintiffs will loan the remaining Shortfall to RCIA to pay to Tiernan.

7. This is intended to be a global settlement agreement that settles all pending disputes between all Plaintiffs and all Defendants and RCIA. All Plaintiffs and RCIA covenant to dismiss with prejudice all of the Riverbea Defendants, and further covenant not to sue them in the future for any reason associated with their service as officers and directors of Riverbea.

8. As part of this Settlement Agreement, all parties agree that the Riviera Beach Community Property includes the Boat Ramp and the Riviera Beach Yacht Club pier and slips.

Dated: July \_\_, 2008

---

Daniel J. Mellin (djm@hbdlaw.com)  
Hillman, Brown & Darrow, P. A.  
221 Duke of Gloucester Street  
Annapolis, Maryland 21401-2582  
410-263-3131 FAX 410-269-7912  
Attorney for Plaintiffs 15630/280302

Dated: July \_\_, 2008

---

Linda M. Schuett, Esq.  
Linowes and Blocher, LLP  
145 Main Street  
Annapolis, Maryland 21401  
Attorney for Defendants Riverbea and all Directors

Dated: July \_\_, 2008

---

Henry D. McGlade, Esq.  
1460 Governor Ritchie Highway, Suite 207  
Arnold, Maryland 21012  
Attorney for Defendant John Tiernan

Riviera Community Improvement Association  
("RCIA").

Dated: July \_\_, 2008

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_