

**PARTIAL SETTLEMENT AGREEMENT FOR  
CONFESSION OF JUDGMENT**

This Partial Settlement Agreement for a Confession of Judgment is made between Independent School District No. 709, the Duluth Public Schools, ("ISD 709") and Timber Systems, LLC, ("Timber Systems") a Michigan Limited Liability Company.

Timber Systems has a Contract with ISD 709 relating to timber trusses for the new Lincoln Park school in Duluth, Minnesota. A dispute has arisen regarding those timber trusses, claimed defects in those timber trusses and defects in their design, responsibility for correcting claimed defects in the trusses and responsibility for additional costs relating to the claimed necessity of correcting defects in those trusses and costs associated therewith. A partial settlement has been reached between ISD 709 and Timber Systems. Except as specifically settled herein, both ISD 709, and Timber Systems, and all other parties, retain all rights and defenses which they may have. ISD 709 has a claim for additional costs relating to claimed defects and failures of those trusses. The total amount of those claims is not presently known and additional costs will not be known until the corrective work is completed. The amount of the claims of ISD 709 exceed the amount of \$40,667.00.

Timber Systems has agreed that it will perform corrective work on those trusses, which work will be completed by August 15, 2014.

Timber Systems denies liability for any sums in excess of \$40,667.00, which are being claimed by ISD 709.

ISD 709 and Timber Systems had agreed to a Zero Cost Change Order between the parties whereby Timber Systems will perform corrective work and that it will be satisfactorily completed by August 15, 2014, and that the other provisions of that Zero Cost Change Order will be complied with.

ISD 709 agrees that, if Timber Systems pays ISD 709 the sum of \$40,667.00 on or before January 15, 2016, that ISD 709 will not pursue collection proceedings against Timber Systems for that sum. If all or part of that sum has not been paid by January 15, 2016, then Timber Systems agrees that it confesses judgment to ISD 709 for that remaining balance. That remaining balance shall include interest on the principal sum of \$40,667.00, computed at 4% simple interest per year, and commencing on August 1, 2014. Both the full amount of principal and interest must be paid by January 15, 2016.

ISD 709 specifically retains all claims which it has for additional sums in every kind of nature from Timber Systems. Timber Systems retains all defenses of every kind which it has against all other claims by ISD 709.

Insofar as other parties may have been involved in the design or supervision or installation of the

trusses, or are otherwise involved in this dispute regarding the trusses, those other parties will retain all of their rights for recovery or contribution regarding their damages. Timber Systems retains all of its rights to claim recovery or contribution from other parties and it retains all defenses which it has regarding the claims of all parties.

Timber Systems agrees that, if it has not paid the sum of \$40,667.00 together with accumulated interest by January 15, 2016, that ISD 709 can file a Confession of Judgment for the unpaid balance and unpaid interest pursuant to this Agreement by filing such a Confession of Judgment with the District Court of the State of Minnesota for St. Louis County. Timber Systems agrees that it is subject to the personal and subject matter jurisdiction of that Court and waives any defenses regarding the jurisdiction of that Court. The work that is the subject of this dispute is performed pursuant to a Minnesota Contract that was performed in Duluth, St. Louis County, Minnesota. Timber Systems agrees that, if ISD 709 files the Confession of Judgment for unpaid balance of the principal and unpaid interest, with an affidavit detailing any payments and the remaining unpaid principal and interest, serving a copy on Timber Systems at the time of that filing, and if Timber Systems does not file an objection with the Court within ten (10) calendar days of that filing with the Court, that the Court shall enter judgment in favor of ISD 709 in the amount of the unpaid principal and the unpaid interest, together with Court filing fees and other proper costs and disbursements. *ISD 709 AND TIMBER SYSTEMS AGREE THAT THE CONFESSION OF JUDGEMENT WILL NOT BE FILED WITH ANY COURT UNLESS TIMBER SYSTEMS DEFAULTS UPON ITS AGREEMENT TO PAY THE \$40,667.00*

DATED at \_\_\_\_\_, \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2014. *RLH*

INDEPENDENT SCHOOL  
DISTRICT NO. 709

By: \_\_\_\_\_  
Its: \_\_\_\_\_

DATED at Lapeer, Michigan this 8th day of July, 2014.



TIMBER SYSTEMS, LLC,  
A MICHIGAN LIMITED  
LIABILITY COMPANY

By: Roger Harris  
Its: President

STATE OF MINNESOTA  
COUNTY OF ST. LOUIS

DISTRICT COURT  
3. Contract  
SIXTH JUDICIAL DISTRICT

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Independent School District No. 709, the Duluth Public Schools,

Plaintiff,

vs.

Court File No.

Timber Systems, LLC, a Michigan Limited Liability Company,

Defendant.  
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**CONFESSION OF JUDGMENT**  
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This Confession of Judgment is made this 8th day of July, 2014. This Confession of Judgment is made by Timber Systems, LLC, a Michigan Limited Liability Company, and in favor of Independent School District No. 709.

Timber Systems, LLC hereby stipulates and agrees that Independent School District No. 709, the Duluth Public Schools can obtain a Judgment against Timber Systems, LLC in the amount of \$40,667.00. <sup>LESS AMOUNTS ALREADY PAID</sup> This sum includes all interest due to the date of this Confession of Judgment. RLH

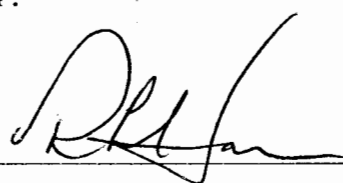
Pursuant to Minn. Stat. §548.22, Defendant does hereby confess judgment in favor of Plaintiff in the amount of \$40,667.00, <sup>LESS AMOUNTS ALREADY PAID</sup> for sums due Plaintiff and in consideration of the agreement by Timber Systems, LLC to perform the work to make corrections on the Timber Systems, LLC trusses, as identified on the attached plans and specifications (See Exhibit "A"). Timber Systems, LLC RLH

agrees that its corrective work must be satisfactorily completed by August 15, 2014, and which sum is justly due and owing by Defendant to Plaintiff.

Such judgment is confessed in accordance with the terms of that certain Stipulation and Zero Cost Change Order between the parties dated JUNE 27, 2014, the terms of which are incorporated by reference thereto.

The District Court Administrator is hereby authorized and directed to enter judgment for the amount specified as in other cases, in accordance with Minn. Stat. §548.22.

DATED at hapeer, Michigan this 9th day of July, 2014.

  
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TIMBER SYSTEMS, LLC,  
A MICHIGAN LIMITED

LIABILITY

COMPANY  
Defendant  
By: Roger Harris  
Its: President

STATE OF Michigan )  
COUNTY OF hapeer ) SS

Roger Harris, being first duly sworn on oath, states that he is the President of Timber Systems, LLC, a Michigan Limited Liability Company, the Judgment Debtor names in the foregoing statement of Confession of

Judgment; that he has read the foregoing statement and that the matters set forth therein are true and correct; and that the Confession of Judgment is entered as the free act and deed of the corporation, and that he executed the foregoing instrument with full power and authority to bind the Corporation.

Roger Harris

Subscribed and sworn to before me this  
9 day of July, 2014.

*Charmaine H. Buchanan*  
Notary Public

CHARMAINE H BUCHANAN  
NOTARY PUBLIC - STATE OF MICHIGAN  
COUNTY OF LAPEER  
My Commission expires May 26, 2017  
Acting in the County of Lapeer