

SETTLEMENT AGREEMENT AND PARTIAL RELEASE

This Agreement is made by and between the Apple Valley Property Owners Association ("AVPOA" or the "Association") and Kathryn Elliott Pullins ("Pullins") and Judy Fagert ("Fagert").

WHEREAS, on November 10, 2008, Pullins, Fagert, and Stephen Elliott ("Elliott") filed their First Amended Derivative Complaint in Case No. 07OT12-0697 which is currently pending in the Court of Common Pleas for Knox County, Ohio ("the Lawsuit"); and

WHEREAS, on November 26, 2008, AVPOA moved for partial dismissal and/or to strike the First Amended Derivative Complaint; and

WHEREAS, the motion for partial dismissal did not seek the dismissal of Count IV of the First Amended Derivative Complaint because Count IV was identical to the claim asserted in Count II of the original Derivative Complaint which had been remanded back to the trial court for determination; and

WHEREAS, following motion practice and appeals, the sole count which remains pending before the Court is Count IV of the First Amended Derivative Complaint and;

WHEREAS, in an effort to resolve their dispute regarding Count IV, now and for all time, and without the admission of fault or liability by any of the parties to the Lawsuit, and to facilitate the entry of a final appealable order in Case No. 07OT12-0697 which is currently pending in the Court of Common Pleas for Knox County, the parties have reached an agreement and settlement of Count IV of the First Amended Derivative Complaint.

NOW, THEREFORE, in consideration of the promises, covenants and agreements set forth herein, it is hereby agreed as follows:

1. AVPOA will make available to Fagert the records she requested and which she alleges in Count IV were wrongfully denied her, namely the General Manager's contract for Jeff Harmer which was in effect on August 30, 2006, and the job descriptions for the General Manager, Office Manager, Operations Supervisor/Building Supervisor, Administrative Assistant and Compliance Administrator employed by AVPOA which were in effect on September 26, 2007.

2. In consideration for making the aforementioned contract and job descriptions available to Fagert, Fagert agrees not to disclose these documents or the information contained in them to others whether they are members of the Association or not.

3. AVPOA will provide written confirmation from First Knox National Bank that the transaction identified on AVPOA's bank statement as loan number 272392499

is not a loan and that no loan was extended to AVPOA by First Knox National Bank in the amount of \$250,000.00 which was to be repaid by April 2008.

4. In further consideration for this Agreement, Pullins and Fagert agree to dismiss Count IV of the First Amended Derivative Complaint with prejudice and to file a notice of dismissal within three (3) days of the execution of this Agreement.

5. Pullins and Fagert expressly waive any right or claim that they may have which relates to any previous requests for records maintained by AVPOA. This Agreement does not extend to future requests for information by Pullins or Fagert and any such future requests shall be addressed in accordance with the AVPOA by-laws.

6. Pullins and Fagert further release any and all claims, causes of action or demands of any kind which they may have against AVPOA or its officers, directors, employees or agents (including all those named as Defendants in the First Amended Derivative Complaint) which arise out of or are related in any way to the allegations or claims asserted in Count IV of the First Amended Derivative Complaint.

7. This Agreement represents the entire agreement of the parties as to the resolution of Count IV of the First Amended Derivative Complaint and all prior negotiations, discussions or agreements are merged into and superseded by this Agreement.

Date

Kathryn Elliott Pullins
Kathryn Elliott Pullins

9-22-09
Date

Judy Fagert
Judy Fagert

Apple Valley Property Owners Association

9-28-09
Date

By: Jackie Pirics
Jackie Pirics, President