

AYERSVILLE WATER & SEWER DISTRICT

RESOLUTION: 1: 2 :16 (Month/ Number/Year)

A RESOLUTION APPROVING THE RELEASE, SETTLEMENT, AND ASSIGNMENT OF CLAIM/S WITH AMERICAN ALTERNATIVE INSURANCE COMPANY BASED ON THE OHIO AUDITOR'S FINDING FOR RECOVERY.

WHEREAS, the Board of Trustees for the Ayersville Water and Sewer District, Defiance County, Ohio ("Board") has received a Finding of Recovery from the Ohio Auditor against its former employee; and

WHEREAS, the Board has diligently pursued all potentially available avenues for the recovery of public money; and

WHEREAS, the District's insurer has agreed to provide the policy limits of \$25,000.00, payable through the Ohio Attorney General's Office, in exchange for a release, settlement, and assignment of any and all of the District's claim against the insurer according to the terms and conditions set forth in the "Release and Assignment" agreement attached hereto as Exhibit A; and

WHEREAS, the Board, having reviewed the "Release and Assignment" agreement finds that the agreement is in the best interests of the District and desires to approve the agreement on its terms.

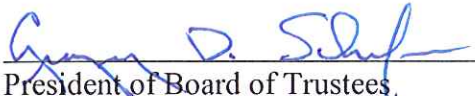
NOW THEREFORE, BE IT RESOLVED by the Board of Trustees of Ayersville Water & Sewer District, that:

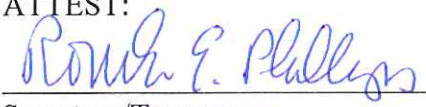
The Release and Assignment agreement attached hereto is hereby approved and the District shall release and assign American Alternative Insurance Company on the terms offered therein in exchange for the payment of \$25,000.00.

Trustees Voting Yes: John Miller, John Ehinger, Robert Cooper, Joann Tutobene, Ronda Phillips, Frank D'Abrosia

Trustees Voting No: None

Passed this 21st day of January, 2016.


President of Board of Trustees

ATTEST:

Secretary/Treasurer

RELEASE & ASSIGNMENT

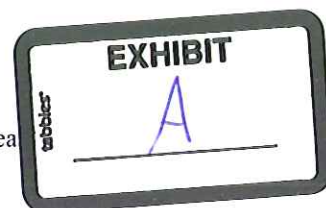
This RELEASE & ASSIGNMENT is given by Ayersville Water & Sewer District, on behalf of itself and its directors, officers, employees, agents, trustees, parent company, subsidiaries and assigns to American Alternative Insurance Corporation, its directors, officers, employees, parent companies, affiliates, subsidiaries, predecessors, successors, agents, assigns, reinsurers and insurers.

FOR AND IN CONSIDERATION OF THE SUM OF Twenty Five Thousand Dollars and Zero Cents (\$25,000.00), receipt of which is hereby acknowledged, Ayersville Water & Sewer District agrees as follows.

1. Representations

- a) Ayersville Water & Sewer District affirms that it has asserted a claim alleging that it suffered a loss due to the dishonesty or lack of faithful performance of its former Clerk, Hope Okuly, who was acting alone or in collusion with others while employed by Ayersville Water & Sewer District as a Clerk, as stated in its proof of loss dated May 1, 2015, and
- b) Ayersville Water & Sewer District affirms that it is the sole owner of the property enumerated in the PROOF OF LOSS and that it has not sold, assigned or hypothecated its interest in the property, and
- c) For purposes of settlement, only, American Alternative Insurance Corporation is hereby agreeing to pay to Ayersville Water & Sewer District the sum of Twenty Five Thousand and no/100 Dollars (\$25,000.00), which payment shall not be construed as an admission of liability, and
- d) Ayersville Water & Sewer District affirms that the Limit of Liability under Policy Number GPPA-PF-6051978-04 **Government Crime Coverage Form (Loss Sustained Form)** for losses it allegedly sustained by reason of the unfaithful and/or dishonest acts of Hope Okuly is Twenty Five Thousand and no/100 Dollars (\$25,000.00).
- e) Ayersville Water & Sewer District affirms that it is the proper party to present this claim and receive payment.

2. Release



- a) Ayersville Water & Sewer District, for the payment stated herein, releases and forever discharges American Alternative Insurance Corporation from any and all claims, demands, payments, rights, obligations, loss, judgments, awards, attorneys' fees, costs, fees, interest, damages, liabilities or causes of action of whatever kind or character that it has asserted or might have asserted, that are known or unknown, accrued or not, from the beginning of time to the present, and that arise or could have arisen directly or indirectly out of or in any way relating to lack of faithful performance, unlawful taking or other dishonesty committed by Hope Okuly, whether acting alone or in collusion with others, through her employment services or otherwise, and
- b) Ayersville Water & Sewer District acknowledges that claims or facts in addition to or different from those which are known or believed to exist may hereafter be discovered, but it is the intention of Ayersville Water & Sewer District to fully and forever settle and release all claims, known or unknown, suspected or unsuspected, which Ayersville Water & Sewer District may have against American Alternative Insurance Corporation arising directly or indirectly out of or in any way relating to Hope Okuly, whether acting alone or in collusion with others, through his/her employment or otherwise.
- c) Ayersville Water & Sewer District acknowledges that claims for indirect loss, including the costs of audits, document preparation, and any payments made by Ayersville Water & Sewer District for fees incurred to establish the existence or the amount of the loss, as well as any legal expenses are not included in this payment. Ayersville Water & Sewer District acknowledges that the recovery of any indirect loss and/or legal fees from Hope Okuly will be at the sole cost and responsibility of Ayersville Water & Sewer District.

3. Assignment

Ayersville Water & Sewer District does hereby assign to American Alternative Insurance Corporation to the extent of its payment hereunder, its right, title and interest in the property enumerated in the PROOF OF LOSS and subject to the policy provisions, any claim it has or may have against the Estate of Hope Okuly, for the loss claimed, and does appoint American Alternative Insurance Corporation as its attorney-in-fact to sue, compromise and release the Estate of Hope Okuly for the loss in the name of Ayersville Water & Sewer District or American Alternative Insurance Corporation, at the exclusive option and sole expense of

American Alternative Insurance Corporation. In the event that Ayersville Water & Sewer District initiates any claim or legal actions against other individuals and/or their insurer/surety, or initiates such actions following the execution of this Release & Assignment Ayersville Water & Sewer District shall have the right to continue or prosecute such actions, and will in such event keep American Alternative Insurance Corporation informed of the status and progress of any such actions and obtain the consent of American Alternative Insurance Corporation to settle, compromise, resolve or dismiss such actions until Ayersville Water & Sewer District recovers its loss in excess of the Limit of Insurance as described in paragraph 3(b) below at which time Ayersville Water & Sewer District shall relinquish control of such actions to American Alternative Insurance Corporation.

- b) Ayersville Water & Sewer District specifically retains its rights in the first **\$10,930.00** recovered by Ayersville Water & Sewer District (this number is the amount of loss in excess of the payment made by the surety for Hope Okuly, Auto Owners Insurance Co. and the payment made hereunder).
- c) Ayersville Water & Sewer District agrees to cooperate with American Alternative Insurance Corporation in all matters necessary to effect the rights of American Alternative Insurance Corporation under this RELEASE & ASSIGNMENT and to preserve, protect and produce such records, and to produce its employees and agents to appear and testify at such times and places as may reasonably be necessary to recover the loss.

4. Entire Agreement

Ayersville Water & Sewer District agrees that this RELEASE & ASSIGNMENT incorporates the entire understanding between it and American Alternative Insurance Corporation

This RELEASE & ASSIGNMENT may be executed in several counterparts and all such counterparts when so executed shall together be deemed to constitute a single agreement.

STATUTORY NOTICE

Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

