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May 2, 2006

VIA FACSIMILE at 770 888-4988

Larry Oldham, Esq.
Oldham & Reece, LLP
416 Pirkle Ferry Rd.
Suite K-500
Cumming, GA 30040

Re: **High Gables Homeowners Assoc., Inc., v. Larry C. Oldham**

Dear Larry:

I am in receipt of your correspondence dated April 27, 2006 setting forth your proposal to settle this matter. I have met with the Board of Directors of High Gables HOA who have agreed to make the following counter proposal to bring this case to a close. Please allow this correspondence to set forth High Gables Homeowners Association's offer to compromise a disputed claim. As discussed yesterday, High Gables HOA will settle the case under the following terms:

1. Oldham will pay the HOA a fine of \$212.50 to be paid in full, payable to "High Gables Homeowners Association" with said payment postmarked within three business days of acceptance of this settlement agreement and mailed to the attention of Morris Zablotsky, Heritage Management.
2. Oldham will purchase and place an order for the installation of the conforming mailbox and post assembly from Peachtree Post & Box within three business days of acceptance of this settlement proposal.
3. Oldham will acknowledge and recognize the existence of the current Board of Directors.
4. The current Board of Directors will review the HOA By-laws, conference with counsel of their choice and make a determination on possible changes. If changes

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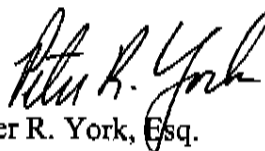
are deemed necessary, the Board of Directors will send notice to the Association members with current guidelines and procedures for a special proxy vote to incorporate said changes.

5. Oldham to write a brief apology statement.
6. Both parties will dismiss their respective claims against each other with prejudice.
7. Each party will bear its own expense of litigation and attorney's fees.
8. Oldham will forego his claims for abuse of litigation against the HOA and individual members of the HOA Board.
9. Oldham will complete his entrance landscaping on or before September 1, 2006.
10. Oldham will post a final entry to his web page concerning High Gables stating "the HOA and Larry Oldham have agreed to resolve their differences dismissing their claims with each other with prejudice". No further entries will be made and all information, documents and comments concerning High Gables HOA and this civil action will be removed from the web page by September 1, 2006.
11. The HOA will instruct Heritage Property Management to send out a letter to all Association members stating, "in order to avoid additional litigation expenses, the High Gables Homeowners Association Board of Directors and Larry Oldham have resolved this litigation and dismissed their claims against each other with prejudice".

Based upon our conversation yesterday, it is my understanding that we have a general agreement regarding the terms of the resolution of this matter although the specifics need to be ironed out. I look forward to working with you toward bringing this case to its final resolution.

Yours very truly

HAWKINS & PARNELL, LLP



Peter R. York, Esq.

PRY/bjt

cc: Jay Pontrelli, Esq.

High Gables HOA Board of Directors