

Executive Session called to order at 12:30pm with all Directors in attendance:

Jen Barbieri, Gene Niederkleine, Dennis Robertson, Matthew Kifer, & Lacy Smay

Also present: Mike Maurer of Lukins & Annis, Gil Pierce & Melissa Owens of Rockwood PM.

Attorney Mike Maurer provided an overview of the suit thus far and where the Association stands today. 1 of 3 claims are left to defend: tortious interference with business practices.

The Board asked questions of the attorney and discussed options at length. When finished, Executive Session adjourned at 1:10pm. Followed by a short recess, the open session Board Meeting was called to order at 1:12pm.

Gil explained that the Board met in executive session with the Association's attorney, Mike Maurer, to review possible actions in Case No. CV28-23-6373. Options include:

- 1) Accept the settlement offer from the complainant.
- 2) Counter the settlement offer.
- 3) Proceed with the defense.

As of today, attorney fees total \$25k. Options for repayment include:

- 1) One-time special assessment, calculated by dividing the entire balance by the number of homes.
- 2) Borrow from the reserve account then pay back over time through steady assessment increase over the next few years.
- 3) Collect from the complainant if/when attorneys fees are awarded at resolution of the suit.

HOMEOWNER FORUM:

Prior to deciding, the Board welcomed feedback and/or questions from the Members present.

Members provided questions regarding the nature of the complaint, timeline and actions taken by the Association prior to the suit. Here is a timeline of events:

Last year, the Board became aware of a potential use violation in a home within Montrose. A notice was sent to the homeowner advising of the potential violation and requested a response or compliance. The homeowner responded that his business falls under State of Idaho protections and therefore is not in violation of the Association's use restrictions. After review and upon advice from RPM, the Board sought legal advice that confirmed the homeowner's contest. Upon receipt of this information, the Board took no further action on the alleged violation. A short time later, RPM was served with Case No. CV28-23-6373.

At the hearing last week, 2 of 3 claims were dismissed. This meeting was called to consider the Association's next steps: accept the settlement proposed by the claimant, counter the settlement offer or proceed with the defense.

Several more questions were raised by the Members, including what transpired that resulted in allegations of tortious interference. A portion of the complaint was read aloud so Members understand the claims and the Association's position regarding the same. In conclusion, the Board polled the



Members present as to if they would prefer to settle, counter or proceed with the defense. The response was overwhelming support to further defend against the remaining claim.

It was mentioned that another home that's attempting to create a similar recovery home within Montrose. Gil reminded that this meeting is reserved for discussion on the current suit.

Upon a motion duly made and seconded, by unanimous vote the Board rejected the settlement offered in Case No CV28-23-6373 and authorized the Association's legal counsel to proceed with the defense.

The meeting was adjourned at 1:44pm.

Respectfully submitted,
Melissa Owens, CMCA, AMS
Association Admin, Rockwood PM