

July 31, 2020

Dear Members of the HOA,

This letter is in direct response to the certain unnamed members who provided the letter dated July 25, 2020 to members of the HOA. Please note that the letter has a common theme, it is all about the caretaker that was terminated. It is also important to understand that some of the people who are part of this group are being pursued by the HOA for violations of the subdivision's CC&R.

In recent months there has been some unrest in the HOA among certain members who have overreacted to decisions made by the Board. Some of these individuals have made the inappropriate decision to act on their own on behalf of the Association. We have been in regular contact with the HOA legal counsel to make sure the HOA is operating appropriately. As a Board we have always acted in the best interest of the HOA.

The letter that was circulated recently by some of these individuals is filled with false accusations. Those authors of this letter 1) do not know the facts regarding what is happening; 2) choose not to accept legitimate answers provided to them; and 3) act outside their authority as members of the HOA. They seem to believe it is acceptable to defame those serving on the Board. The individual Board members are discussing with their own private legal counsel the pursuit of legal action against those who have defamed and committed libel against them.

#### The Employment Matter

These unnamed members falsely state that the termination of the caretaker while a Department of Labor grievance was active creates liability to all members. We have spoken with legal counsel, and this is simply not true. In fact, the Board has never been contacted by the Department with regard to any grievance having been filed. The HOA is only aware of a potential grievance being filed with the Department because it has been spread by word of mouth and online. These members are trying to scare others into acting in accordance with their agenda. Their allegation of an unknown \$2,000,000 of liability is not supported by any facts. There is no lawsuit pending. They say if a recall occurs, they can reduce this fabricated liability, but you cannot reduce liability when it does not exist.

The Board has consistently stated "we cannot discuss employer/employee matters as they are confidential." This is based on legal advice from the HOA's attorney and is why we cannot disclose the decision that was made to terminate the caretaker. The Board has not disclosed that information and any allegations of altered/fake emails that have been circulated are completely false.

#### Clubhouse Pool Project

Due to the upgrade of the pool to key fob entry, the decision was made to remove the glass doors. We found mold and requested bids to replace the doors with windows. As part of the process an elevation survey needed to be completed and provided to the City to obtain the proper building permit. We have not received that permit yet but anticipate we will receive it soon. In order to begin the process, the HOA put a deposit/down payment with the builder. That is common practice when updating or upgrading a building. Again, the Board acted in the best interest of the HOA for this project.

### Rental of Corporate Property

The most recent egregious act taken by some of these members was to block a renter from moving into the HOA owned home. Apparently, these members believe they are owners of the home merely by virtue of being a HOA member. This is not the case. The home, pool, locker room and other HOA property belong to the HOA as whole and such property is deeded in the name of the HOA, not to the members individually. In turn, the HOA holds the property for the benefit of all HOA members. These members had no authority to block the renter, his wife and young kids from moving into the home. Their unauthorized action creates potential liability for the entire HOA which all members would have to pay for if a lawsuit is brought due to the action these members.

The decision to rent out the home owned by the HOA is established in the By-laws under Section 3.2. It is also allowed under Idaho statute 30-30-302(5) which provides authority to:

“To sell, convey, mortgage, pledge, lease, exchange and otherwise dispose of all or any part of its property.”

The HOA can rent the home which generates funds for the HOA. These unnamed individuals allege we will lose our non-profit status had we rented the home. Again, this is false. Nothing the Board has done jeopardizes the non-profit status of the HOA. These members do not understand how a non-profit works. Renting the home allows the HOA to collect the rent monies and put it into the general fund that can be invested back into the HOA property. Again, we consulted with legal counsel on this matter.

### Special Meeting

The unnamed members complain that they have enough signatures to convene a special meeting to discuss the voluntary resignation or recall of the current Board of Directors. The Board questioned the validity of the petition because members of the HOA notified the Board and The HOA property management company that they believed they signed a sign-in sheet at a homeowners meeting that was not called by the Board and not a petition to call a special meeting.

The HOA attorney has been working with Ron Brown and Kathleen Stinson's attorney to resolve this issue. HOA legal counsel received affidavits from Donald Grundhauser, Olin Balch, Christine Dolan, Cindy Gillett, David Miller, Terry Owen, Kathleen Stinson, Donald Weber, Mary Wilkinson and Tracy Leinen who all swore that they told each person who signed the petition that they were obtaining signatures for a special meeting to get the Board to resign or recall the Board and that is was not a sign-in sheet for a members meeting. Although we could continue to challenge this as members have told the Board and the property management company that some who provided the affidavits told them it was a sign-in sheet, the Board will accept the petition as of the date of receipt of the affidavits which was July 28, 2020. The By-laws require a special meeting be called no sooner than 15 days but no later than 30 days from the receipt of the petition. Notice to the members must be sent out 10 days prior to that meeting.

The President will call the special meeting for August 27, 2020 at 10 am at the Pavilion. Proper notice will be sent to all members.

### No Board Appointed Secretary

A Board member can serve in more than one role and it is extremely common that a Board member takes on multiple responsibilities. The allegation that there is no Secretary is false, Ray is serving in that capacity.

### Member Requests

Some of these unnamed members state that the Board has refused, denied, or trivialized requests from some association members. Again, this is false. These unnamed members failed to tell you is that attorney for Mr. Brown and Ms. Stinson made an improper request for the membership list under the wrong Idaho statute. The denial at the time was proper by the HOA legal counsel. Upon the HOA's legal counsel pointing Brown and Stinson's attorney to the proper statute, a new request was submitted the next day and the HOA responded to the request.

The other requests made are being reviewed the HOA will respond soon.

### HOA Continuing Existence

Theses unnamed members are not attorneys and repeatedly misconstrue the law. This is why a law firm represents the HOA. As already addressed, Board actions have not jeopardized the HOA or its non-profit status. The park will continue to lawfully exist and operate as it has since 1995 when it was first created. These unnamed members are disingenuous in their attacks on the Board.

### Legal Fees

Legal fees incurred by the HOA are the responsibility of the Association and not members individually.

### In Closing

The unnamed members are not being transparent when they allege there are more grievances against this Board but due to brevity they will not say more. As a Board we have fiduciary duties, the duty to protect confidentiality, and a duty to act in the best interest of the HOA. We investigate and obtain information prior to making a decision on behalf of the HOA. Some people may disagree with the decisions made because it is unpopular. Unpopular is not the same as unlawful.

Do not let fear mongering and misinformation lead to follow their agenda. We regularly communicate with legal counsel who has provided 10 years of legal advice to our HOA and the prior owners who have served on the Board. The actions taken by the Board are consistent with the By-laws, Idaho statutes and our fiduciary duties to the HOA.

Decisions must be made on facts and not the falsehoods, innuendo, and emotions these members have shown. We will always act in the best interest of the HOA and the two newly elected members of the Board are after August 22 will be welcomed with open arms to continue to keep the HOA moving forward.

The Board of Directors

Leisuretime RV Park Subdivision Homeowners' Association, Inc.