

Sunridge at Avon II
Special Board of Directors Meeting
Online Meeting via Zoom Call-In
September 21st, 2023 at 6:00 PM

MINUTES

1. Call to Order at 6:05 PM
2. Roll Call - Verification of Quorum established with Jonathan, Aaron, Aisha, Mike, and Steve in attendance.
3. Sunridge 2 HOA Board held a meeting on 21 September to allow the Litigation Committee (Mike, Jonathan and Aaron) to provide an update to the broader Board. Steve kicked off the meeting recognizing the work of the board and e-mails provided previously.
4. Mike provided an update on the Litigation Committee efforts and discussions with outside counsel (Patrick). His summary followed the previous e-mails and addressed potential costs and process (left out of the minutes per Patrick's concern around protecting Attorney Client Privilege):

Item	Worst Case - Lose at Litigation	Anticipated - Win at Litigation/Settle	Best Case	Notes
Out of Pocket Costs	(60,000.00)	(60,000.00)	???	Spread over litigation 2.5 - 3.5 years
Amount Rewarded (Settlement/Litigation)	-	516,000.00	???	Assume HOA Settles/Wins on Litigation
Attorney's Fees	-	(206,400.00)	???	
Payment to Insurance Co.	(60,000.00)	-	???	A loss in litigation may require Insurance Co.
Net received/(paid) by HOA	(120,000.00)	249,600.00	???	

* The absolute best case would be to win attorney fees and additional damages in litigation. It may be unreasonable to put numbers and set too high of expectations.

5. The group discussed the status of the litigation as well as what was filed and when insurance company may be aware. Steve reconfirmed that there was discussion with insurance company prior to initial court filing (made to protect HOA from losing opportunity). Additional discussion around strategy for litigation as well as protecting Attorney Client Privilege, specifically that the Board cannot share certain information about the litigation outside the Board or an attorney representing the HOA. Aaron provided a general overview around potential costs and approach to discussions with HOA/Owners. Steve provided a very high-level overview of reserves, finances and reminded the team that our fiscal year is ending and we will have good numbers in the coming 4-6 weeks. Discussion was had around when the Board should vote, on this meeting or on the next meeting (next week) with Patrick so other Board members could ask questions. Jonathan made motion to move forward with litigation (with the understanding Board could revoke that position at any time). Mike seconded the motion and all attendees approved. Steve will schedule a next meeting for the upcoming Wednesday at 6pm for an hour. Aaron will coordinate with Patrick to attend the first session.
6. Adjournment at 7:10 PM