

## Legal Expenditure Report 5/5/19

Recently there have been some unfortunate unforeseen legal expenditures we want to make the membership aware of.

The Board of Directors has a legal responsibility to reasonably uphold the Covenants, Conditions, and Restrictions (CC&Rs). In carrying forward that responsibility, last fall the Board unanimously agreed as a first step that Board member compliance with the CC&Rs comes first. Two of our Board members – father & daughter on one Lot – are not in compliance, operating a prohibited business. These two Board members refused to comply, and informed the Board that any further communication must go through their attorney. During this process they also helped create a campaign attempting to dissolve the HOA. This campaign, supported by false and slanderous claims, also suggested having all Board members removed *except themselves*. Their legal claim to justify their non-compliance with the CC&Rs alleges that the CC&Rs have been abandoned, thus unenforceable. We and our HOA attorney believe that records clearly show no abandonment and that the offending members are indeed a violation of their own making and are not ‘victims of abandoned rules’. The issue is not yet resolved, but we are making sound progress. The Board is seeking to have all HOA attorney fees reimbursed by the offending members, approximately \$3,000 so far. Hopefully these members will choose to comply and end the issue there, however, we will keep you updated as events unfold.

In April one of these two Board members filed a restraining order against a Board member based on false claims alleging assault against her at the January Board meeting in executive session. In her affidavit with the court she named all other (6) Board members who were present at that meeting as assaulting her as well. The day before the court hearing she dropped the case, but not before costing the Association \$1,500 in attorney fees to defend the falsely accused Board member (our HOA Bylaws and Articles of Incorporation require the HOA to indemnify all Board members). We are working with the HOA insurance company to hopefully have our costs reimbursed.

Again, we regret having to inform you of these details, but we feel you should know the circumstances behind these expenses. If you have any questions or require more detailed information, please contact us through the HOA website [9mileranchhoa.org](http://9mileranchhoa.org).