

**SUNCADIA RESIDENTIAL OWNERS ASSOCIATION
141 FIREHOUSE ROAD
CLE ELUM, WASHINGTON**

**MINUTES OF THE SPECIAL BOARD OF DIRECTORS MEETING
HELD AT 3600 SUNCADIA TRAIL
MAY 22, 2026, 9:00 A.M.**

MEMBERS:

Mark Thorne	President
Bruce Chattin	Secretary/Treasurer
Tucker Stevens	Director
Doug Beck	Director
Lathan Wedin	Director

GUESTS:

Tom Shipley	Recording Secretary, Minutes Solutions Inc. (via teleconference)
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David Angrove, Owner
JP Perugini, Owner
Jason and Lindsey Fay, Owners
Fred Corrententi, Owner
Ira Astachan, Owner
Dave Fox, Owner
Carla Vail, Owner
Charlie Griffes, Owner
Jane Dorn, Owner

STAFF:

Edward Simpkins, Director of Community Associations
Jennifer Kramer, Deputy Director of Community Associations
Cody Martz, Director of Operations
Brandi Darnall, Owner Relations Manager
Annalisa Johnson, CFO
Angela Crawford, Owner Experience Manager

1. CALL TO ORDER

There being a quorum present, and adequate and proper notice of the meeting having been given, the meeting was called to order at 9:00 a.m.

2. APPROVAL OF AGENDA

The agenda was approved.

3. APPROVAL OF PREVIOUS MINUTES

This item was not discussed.

4. DISCUSS, DELIBERATE, AND ACT ON SETTLEMENT AGREEMENT

On a motion made by Tucker Stevens, seconded by Bruce Chattin, it was resolved to approve Settlement Agreement Option A: Accept the red lines to the settlement agreement provided by SROA and SCC legal counsel (Peryea, Silver, Taylor) and accept the counteroffer recommended by legal counsel for reimbursement of \$341,851, plus 4% interest. Motion carried.

The purpose of the meeting was to discuss reviews of proposed settlement agreements with AIG, Lowe's corporate liability insurance provider. The Suncadia Community Council (SCC) and Tumble Creek Village Association (TCVA) boards already voted to accept the agreement for a 4% interest rate, calculated from June 1, 2024, through May 15, 2026. The 4% interest rate would total about \$30,260 for Suncadia Residential Owners Association (SROA), in addition to the \$341,851 principal settlement. Total anticipated settlement amount; \$372,111.

Pres. Thorne provided an overview of the discovery and timeline of the overbilling error, brief summary of the Ankura forensic audit, and the actions taken by the SROA to initiate repayment remedy including two demand letters to Suncadia Management Company (SMC) in April and December 2025. This is in addition to direct conversations with SMC to achieve a settlement with AIG. The overbilling error was made by SMC with prior Ownership groups and discovered by the current Declarant, RCS. The settlement agreement offer was received in May 2026.

Pres. Thorne indicated today's meeting is a live meeting with the Board and Homeowners and an Owner's forum will be conducted. Today's discussion is intended to discuss settlement agreements as provided by SROA legal counsel; Alison Peryea and the analysis of alternative settlement agreement options provided by the law firm of VF Law; Anthony Rafel, independent legal counsel as requested by homeowners.

Today's meeting would not be a discussion or determination of what to do with the settlement agreement funds. The Board would make a determination once feedback and input with homeowners has taken place.

Board Member Doug Beck provided a brief overview of the independent analysis conducted by VF Law; Anthony Rafel.

The analysis identified the following alternate settlement options;

- Right to Interest and Interest Calculation- Settlement with Interest a preferred approach.
 - Breach of Contract / Negligent Misrepresentation: These options limits the statute of limitations to 6 years and 3 years respectively.
 - Independent Duty / Breach of Fiduciary Duty: Has a limited statute of limitations of 3 years and without a case decided to date in Washington, there is no guarantee SROA would prevail on the claim.
 - Adverse Domination- not a likely option.
 - Attorney's Fees and Costs: Recovery of might be an exception, not the rule. SROA legal costs incurred are approx. \$6,000. SCC and TCVA did not pursue attorney costs and if SROA pursued separately, may likely be rejected in a settlement agreement.
1. Anthony Rafel final conclusions: Counter SA offer at the higher interest rate and challenge the full settlement timeline back to 2009. If rejected, could negotiate a reduced interest amount.
 2. "Make Whole" recovery: Much less certain outcomes in Court management litigations with a real risk the outcome could be worse than achieved in the current SA offer.

Board members were asked for their perspectives on the redlined settlement agreement by Alison Peryea and the alternative settlement analysis options and noted the following points;

- Board recognizes per SROA legal counsel, this full settlement offer plus interest is highly unusual and should not be taken for granted. The SA requires a release of future claims and can be disclosed to homeowners. Settlement funds could be deposited into a fund or trust accounts until distribution is determined and accrue additional interest. Provides a consistent settlement among the three Associations. Funds to be released within 30 days.
- The Association could attempt to negotiate the interest rate up to 12%, but any such action would carry the SMC or AIG would cite the statute of limitations to reduce the amount of principal to be settled. This would certainly risk the current SROA settlement agreement to be withdrawn and jeopardize a settlement agreement with no certainty of a negotiated amount SROA chose to pursue full interest over the period of 2009-2021, which could be as much as \$449,000. The total amount plus principle of \$341,851 could be \$791,308.
- It is not advisable to attempt to obtain the full principal, plus full statutory interest, through litigation, though this may be achievable through negotiation. Not preferred.
- Alternate approaches provide risk to the settlement agreement in hand and in most cases have reduced statute of limitations.
- While doing nothing is an option, this would expose the Board to litigation for failing to fulfill its fiduciary responsibilities.
- It was emphasized that the Board would prefer to avoid arbitration or negotiation because of the extended time delay and additional legal fees. Further, in addition to the risks inherent to pursuing a 12% rate, being inconsistent with the other two associations could be problematic. It was noted the current offer is reasonable, and that accepting it and putting the funds into an interest-bearing account would fulfill the Board's fiduciary duty and Duty of Care to the Association.
- The Board clarified that the independent review is not recommending additional arbitration, but that it is an option that carries some risk. It was noted that the Board is over a week behind the other boards in making a decision, which runs the risk of the offer being withdrawn, and further delays are not desirable.
- Consensus of Board members is to move forward with and counter to accept the redlined settlement agreement w/ 4% interest version by Peryea, Silver and Taylor.

5. OPEN FORUM

Owner:

Q- Does Lowe's or AIG conduct negotiations on interest?

Board: Lowe's punts interest discussion to us

Owner:

Shared his opinion that the Board should accept the proposed settlement (Option A). He asked who would own the proposed settlement money: the owners or the Association?

The Board:

Stated that the Association would control the settlement money.

Owner:

Settlement funds belong to the 3 Associations. Asked if there was a discussion on whether there was consideration of a “fraud situation” / was a case of fraud and not a mistake.

The Board:

Noted the word “fraudulent” was never a word heard used in the process.

Owner:

Why limit the request for interest recovery if statutorily valid? T Bill rate plus 2% = 6%. Opportunity to test the waters.

Board: We should be asking for interest recovery.

Owner:

Asked if there are Board members who would have an economic interest in settling for a lower amount.

The Board:

Advised that the Board has clearly stated it is committed to acting in the owners’ interest in the most ethical manner possible. They clarified that it is not Suncadia or a majority investor paying the Board members in question, but a different entity. There is no direct economic benefit.

Owner:

Asked about how settlement funds would be distributed.

The Board:

Confirmed that a settlement would go back to the Association as an entity, and not directly to affected owners due to the complexity of tracing payments back to owners who may no longer live in the Community. The Board will consider owners’ input when deciding how to use the settlement payment. Funds if paid to homeowners estimated to be approx. \$300/ homeowner.

Owner:

Asked the Board to reiterate its feeling about the SCC portion.

The Board:

Clarified that they control all three seats of the SCC, which constitutes the largest amount. The SCC will follow the direction of the SROA and TCVA.

Owner:

- Homeowners overcharged by Suncadia, Audits should have been conducted by SMC,
- Alleges a SMC cover up, Homeowners pay 78-80% into SCC, SCC funds should go to SROA,
- TCVA pays into SCC, Can we spend SCC money ?
- Tony is truly independent , hire Tony to represent SROA,

Board; Indicated there will be feedback regarding the settlement and interest discussions.

Owner:

Asked about funds applied to homeowners in the form of a prorated credit, vs. putting into reserves: new owners would get less / year, longer homeowners would get more / year,

Owner:

Previous concept of a homeowner center was premised on use by book clubs, wine clubs, card playing etc. What if some folks weren’t interested in that type of amenity?

Owner:

- Suggested that the Association could, instead of pursuing additional money in the settlement, ask the Declarant to build a community center for the Association in addition to the settlement payment.

- Supports the use of a Homeowner Community Center to play cards (Bridge) and separate meeting rooms...

The Board;

Pres. Thorne cut off further discussion of suggested uses for funds as this is not a consideration in this meeting.

Owner: Could support options A or B knowing in most negotiations both sides ask for more, anticipate getting less and meeting in the middle.

Owner:

Shared that she would like to see some money go back to the owners, if possible.

Owner:

Suggested money returned to owners does not have to be a check or cash payment; it could take the form of reduced or credited amounts due to affected owners. He shared that the reserve fund is healthy and that the settlement would be better served by being returned to affected owners.

Owner:

Expressed a preference for attempting to negotiate a higher settlement payment, and suggested that the minutes clearly record how each Board member voted on the issue, in case there is future litigation alleging that the Board did not fulfill its fiduciary duty.

Owner:

Asked about a previous mention of indemnification of the Board, and if they could elaborate on the additional terms of the offer that would speak to the Board or Suncadia Management Company's actions related to this subject.

The Board:

Shared that that the management company would be protected from future action to seek additional compensation from the Association, including the Board of Directors, if they choose to accept the settlement offer.

Owner:

Asked if there is a way for her to review the agreement.

The Board:

Said that the settlement agreement will be made available to all owners once it is finalized.

6. NEXT MEETING

The date of the next Board of Directors meeting was not scheduled.

7. ADJOURNMENT

The meeting closed at 9:51 a.m.

DISCLAIMER

The above document should be used as a summary of the motions passed and issues discussed at the meeting. This document shall not be considered a verbatim copy of every word spoken at the meeting.

Director

Director

Date

Date

DRAFT