

November 1, 2019

RE: Rockery Wall Lawsuit

Dear Somerset Homeowner:

On October 2nd, 2019, Judge Elliott Sattler ruled against the Somerset Owners Association on the Rockery Wall lawsuit. On October 21st, 2019, the Board met with Michael Schulman and Bradley Schragger from Wolf, Rifkin, Shapiro, Schulman & Rabkin, LLP to discuss the judge's ruling and options available moving forward. The following are bullet points of some of the key items discussed and the responses provided by counsel.

- Cost to Appeal – Wolf Rifkin has agreed to charge the Association a flat fee for the Appeal Process of \$15,000.00 plus nominal court costs. This is a heavily discounted cost provided by our law firm. In the event the Association would prevail and the case be remanded to district court, the Board would be able to negotiate a hybrid contingency fee structure that would limit out of pocket costs for the Association in the future.
- The Notice of Appeal was filed within the 30 days required after the early-October court ruling. It was noted that filing the Notice of Appeal reserves the Association's right to appeal, however we are not locked into the appeal and could withdraw from the process at several junctures in the future.
- The expected timeline for the appeal process is anticipated to be 18 to 24 months. The first step would be the Supreme Court Mediation process which come at no cost to the Association. In the event mediation is unsuccessful, briefing would commence at regular intervals for the parties, and we would expect oral argument and a decision to take somewhere in the neighborhood of two years.
- Bradley Schragger would represent the Association in this appeal. He has handled many Nevada Supreme Court appeals and has argued before the justices on more than a dozen occasions

Taking into consideration the aforementioned information, the Board feels spending \$15,000.00 to possibly win millions, or at least to avoid millions in rockery wall repair costs, is worth the risk, and therefore voted to move forward with the appeal process. Michael Schulman, the Association's lead attorney, will be available to answer questions at the Board of Directors meeting on December 12th. The meeting will take place at 5:30 pm at The Club at Town Center.

Thank you,

The Management Team

