

APPENDIX B

From: Janet Erickson <janeterickson@bresnan.net>
Sent: Monday, January 11, 2021 12:12 PM
To: Pat Goodover
Cc: Felicity at Seeley Lake Sewer
Subject: Re: Seeley Lake Sewer District Board

Thank you for your consideration. I really hope the sewer board will be pro-active in supporting the advancement of the sewer system for Seeley Lake. It will be to everyone's benefit to have a beautiful, clean, safe lake.

On 1/10/2021 11:19 AM, Janet Erickson wrote:

Seeley Lake Sewer District Board of Directors

In appreciation of the beauty and God-given gift of Seeley Lake and as directed by the Lord to be a steward of this lake I write to you about concerns regarding your motives as members of the board.

My family has been meeting at Seeley Lake since 1969. We have raised our children and grandchildren there and have historic film footage from the 1960's of a beautiful, healthy pristine lake. Now it is dirty and full of weeds and no longer safe for our young grandchildren to swim in.

This summer I participated as a vendor at the Seeley Lake Farmer's Market on Sundays. In visiting with others at the market I heard disturbing information regarding the current sewer board. The information stated that you ran for election to put every roadblock in the way to stop the installation of the sewer system, resulting in the total loss of state and federal grant money in Spring 2021. It seems to me personally as if this board has been stalling for years and that is exactly your motive.

I would like to hear truthfully from you instead of opinions at the farmer's market what your motives and intent are for bringing about a clean, healthy alternative to the polluting use of archaic, septic systems.

I will pray for your respect of my opinions and fulfilling your duties as public servants on the sewer board for the stewardship of Seeley Lake.

Respectfully,
Janet Erickson

APPENDIX C



The Cincinnati Insurance Company ■ The Cincinnati Indemnity Company
The Cincinnati Casualty Company ■ The Cincinnati Specialty Underwriters Insurance Company
The Cincinnati Life Insurance Company

Andrew Eminger, AIC
Superintendent – Management Liability

Mailing Address: P.O. BOX 145496
CINCINNATI, OHIO 45250-5496
(513) 603-5088
(513) 371-7446 Fax
andrew_eminger@cinfin.com

SENT VIA ELECTRONIC
MAIL TO:
jcurtiss53@gmail.com

January 12, 2021

Jean Curtiss
Seeley Lake Missoula County Sewer District
P.O. Box 403
Seeley Lake MT 59868

RE: Insured: Seeley Lake Missoula County Sewer District
Policy No.: EMN0494724
Claim: 3669878

Dear Jean Curtiss:

This letter will provide you with Cincinnati Insurance Company's (CIC) position concerning coverage under the above-referenced Pillar Policy for the lawsuit filed in the in the Montana Fourth Judicial District Court Missoula County styled *Scott Smith; Michael Stock; Robert Skiles; Curtis Friede; David Steward and John Does A-z vs. Seeley Lake Sewer District; and John Does 1-1*.

We are directing this letter to you as the authorized representative of Seeley Lake Missoula County Sewer District and the individual Insureds under the above-referenced Policy. To the extent you are not acting on behalf of the Insureds for insurance coverage purposes, we request that you forward a copy of this letter to any such person or entity or their authorized representative and inform us with whom we should communicate in the future concerning this matter.

This letter sets forth CIC current analysis of coverage for the Lawsuit under CIC's PILLAR Policy No. EMO494724. If you or the Insureds disagree with this analysis, we invite you to provide us with any materials or information that you believe support a contrary conclusion. We also generally invite you to contact us with any questions you have regarding this analysis.

A. The Policy

The above-referenced Policy is a claims-made policy effective for the period from 7/1/18 to 7/1/21 (the "Policy Period"). The Insuring Agreement I.A. of the D&O Coverage Part provides that CIC will pay on behalf of the insured persons all loss which they shall be legally obligated to pay, except for such loss which the organization actually pays as indemnification, resulting from any claim first made during the policy period, or any extended reporting period included in or endorsed to the policy, for a wrongful act. CIC will have the right and duty to select counsel and defend the Insureds against any such Claim. The D&O Coverage Part of the Policy provides an aggregate limit of liability of \$1,000,000 for all Loss.

A Claim is defined in Section II – Definitions as a written demand for monetary damages or non-monetary relief. A civil proceeding commenced by the filing of a complaint or similar pleading. A formal administrative or regulatory proceeding commenced by the filing of a complaint, charge, formal investigative order or

similar document. An arbitration, mediation or similar alternative dispute resolution proceeding in which monetary damages are sought if the insured, is required to participate in such proceeding or agrees to participate in such proceeding with our written consent, such consent not to be unreasonably withheld. A criminal proceeding commenced by the return of an indictment against any organization or directors and officers or any insured person other than directors and officers. The maximum Limit of Insurance for all such criminal proceedings against any insured persons other than directors and officers in the aggregate shall be \$100,000. This sublimit shall be part of and not in addition to the Limit of Insurance set forth in the D&O Coverage Part Declarations and does not increase our maximum liability under this Coverage Part. A written request to toll or waive a statute of limitations related to a potential claim described in Definitions A.1 through A.5. above against any insured, including any appeal therefrom.

B. The Lawsuit

The Lawsuit filed alleges the following counts:

- I. Declaratory Judgement
- II. Writ of Mandate

C. Coverage Discussion

Our initial analysis of this matter, based upon our review of the Lawsuit as well as a comprehensive analysis of the policy referenced above, indicates that one or more of the allegations set forth in the Lawsuit do not fall within the coverage provided by the policy. Until the facts of the matter are further clarified by additional investigation on the part of CIC, including pretrial procedures which may take place in connection with the litigation, a final determination as to whether coverage exists for all of the claims asserted by the plaintiff cannot be concluded with certainty.

CIC believes it prudent to identify for you at this time actual and potential coverage defenses that are now known to CIC. CIC recognizes that the allegations in the Lawsuit have not been proven and you should not interpret the following discussion as a suggestion by us that any of the allegations have any legal or factual merit. The following coverage analysis is based only upon the unsubstantiated allegations in the Lawsuit.

First, Section III – Exclusions (B) of the D&O Coverage Part provides that CIC is not liable to pay, indemnify or defend any claim based upon, arising out of, or in consequence of any of the insureds or any person for whose actions the insureds are legally responsible: 1. Committing any deliberately fraudulent, dishonest, criminal or malicious act or omission; 2. Committing any willful violation of any statute, law, rule, regulation, agreement, or judicial or regulatory order; or 3. Gaining any profit, remuneration or advantage to which they were not legally entitled; if established by a final and non-appealable judgment or adjudication adverse to the insureds. With respect to determining the applicability of this exclusion, no conduct pertaining to any insured person shall be imputed to any other insured person; however, any conduct pertaining to any executive shall be imputed to the organization to determine if coverage is available.

If a final determination or final adjudication determines that any Insured or any person for whom an Insured is legally responsible, willfully violated any statute, law, rule, regulation, agreement or order, and/or actually committed any deliberately fraudulent, dishonest, criminal or malicious act or omission, no coverage would be afforded under the policy.

Second, Part II, Definition N of the D&O Coverage Part provides that "Loss" shall include defense costs and the total amount of monetary damages which the insured becomes legally obligated to pay on account of any claim for a wrongful act with respect to which coverage hereunder applies, including damages, judgments, settlements, prejudgment and post-judgment interest, and punitive or exemplary damages or the multiplied portion of any multiplied damage award if insurable under the applicable law most favorable to the insurability of punitive, exemplary or multiplied damages. However, "loss" shall not include: (a) taxes, criminal or civil fines or penalties imposed by law; (b) any restitution, disgorgement or similar sums; or (c) any matter deemed to be uninsurable under the law pursuant to which this Coverage Part shall be construed. No coverage shall be available for any sums that do not constitute covered or insurable loss under the Policy.

As cited above, CIC shall not be liable for any obligations that fall outside the definition of loss under the Policy.

Third, Section X of the Policy's General Provisions provides that this insurance is primary except when all or any part of Loss is also insured under any other prior or current policy. If any other insurance issued by another insurer (with the exception of insurance issued by CIC, any of CIC's affiliated companies, or any of CIC's predecessors or their affiliated companies) applies to any Claim, then this insurance is excess over that other insurance, whether primary, excess, contingent or on any other basis, unless that other insurance was purchased specifically to apply excess of the Policy. If you have not done so already, CIC requests that you provide notice of the Lawsuit to the insurer(s) of any other policies that may afford coverage for this matter and send to us copies of all communications with any such other insurer(s) relating to this matter.

D. Defense Arrangement

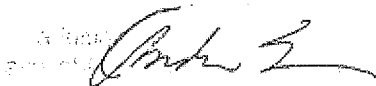
Please note the policy states CIC will have the right and duty to select counsel and defend the insureds against any claim. In accordance with our defense obligation, I have assigned the defense of this matter to Jean Faure with Faure Holden. Jean can be reached at 406-452-6500.

E. Reservation of Rights

In addition to the foregoing, CIC expressly reserves all of its rights and defenses under the Policy and available at law, including but not limited to the right to deny coverage based on any policy terms, conditions, or defenses as additional facts come to our attention with respect to any such future claim. Nothing set forth herein shall be construed as a waiver of any rights or defenses that CIC now has or hereafter may have under the Policy or at law.

Please be advised that this declination is based on information presently available to us. Should you have any additional information that you feel may impact our coverage position we would be willing to review this information to determine if it impacts our coverage position.

Sincerely,



Andrew Eminger

cc: PayneWest Insurance, Inc.