

REHBERG'S HISTORY OF LAWSUITS

After Dennis Rehberg subdivided his family ranch into a high-end real estate development, Rehberg Ranch Estates was party to three different lawsuits.

Rehberg sued the City of Billings and the Billings Fire Department for monetary damages after a brush fire on undeveloped land, Rehberg was sued by his real estate business partner for violating a business contract, and Rehberg was even sued by a coalition of homeowners in his own real estate development.

REHBERG SUED CITY OF BILLINGS AND BILLINGS FIRE DEPARTMENT

REHBERG SUED THE CITY OF BILLINGS AND FIRE DEPARTMENT FOR DAMAGES AFTER FIRE ON HIS PROPERTY

Rehberg Filed A Lawsuit Against The City Of Billings Over The Way Firefighters Dealt With 2008 Blaze That Damaged Land Developed By His Company. In February 2011, the AP reported, "Rehberg also faced sharp criticism for filing a lawsuit against the city of Billings over the way firefighters dealt with a 2008 blaze that damaged subdivision land developed by his company." [AP, 2/02/11]

July 2, 2010: Rehberg Ranch, LLC Filed Complaint Against City Of Billings And Billings Fire Department In Montana District Court. In July 2010, Rehberg Ranch, LLC filed a complaint and demand for jury trial against The City of Billings and The City of Billings Fire Department in Montana Thirteenth District Court, Yellowstone County. [DV-10-1163, Complaint and Demand for Jury Trial, Montana Thirteenth Judicial District Court, Yellowstone County, 7/02/10]

- **Rehberg Ranch Claimed They Are Owed Monetary Damages Due To The Fire Department's "Negligence."** In July 2010, Rehberg Ranch, LLC filed a complaint and demand for jury trial against the City of Billings and the City of Billings Fire Department in Montana Thirteenth District Court that alleged, "Due to the negligence of the Billings Fire Department, as well as the City of Billings, Defendants are liable in monetary damages to Plaintiff." [DV-10-1163, Complaint and Demand for Jury Trial, Montana Thirteenth Judicial District Court, Yellowstone County, 7/02/10]
- **As A Result Of "Wrongful Actions" Taken By Fire Department, Rehberg Ranch Alleged They "Suffered Serious And Extensive Damage To Its Personal Property."** In July 2010, Rehberg Ranch, LLC filed a complaint and demand for jury trial against the City of Billings and the City of Billings Fire Department in Montana Thirteenth District Court that alleged, "As a result of the wrongful actions taken by the Billings Fire Department as described above, Plaintiff suffered serious and extensive damage to its personal property." [DV-10-1163, Complaint and Demand for Jury Trial, Montana Thirteenth Judicial District Court, Yellowstone County, 7/02/10]
- **Rehberg's Lawsuit Alleged That "Billings Firefighters Breached Their Duty In July 2008 By Failing To Protect The Rehberg Ranch Estates Subdivision After A Wildfire Scorched About 1,200 Acres."** In July 2010, the Billings Gazette reported that "On July 2, Rehberg's lawyer filed the suit in District Court alleging that Billings' firefighters breached their duty in July 2008 by failing to protect the Rehberg Ranch Estates subdivision after a wildfire scorched about 1,200 acres." [Billings Gazette, [7/13/10](#)]

FIRE ONLY BURNED UNDEVELOPED LAND—NO ONE WAS HURT, NO HOMES WERE LOST

Fire On Rehberg Ranch Only Damaged Undeveloped Property. In July 2010, the [Billings Gazette](#) reported: “The owner and developer of the subdivision, U.S. Rep. Denny Rehberg, recently filed a lawsuit against the city of Billings for failing to protect the subdivision. Rehberg claims that his undeveloped property was damaged because the city failed to stay on the scene to watch an earlier wildfire that started a few days before.” [[Billings Gazette, 7/17/10](#)]

City Of Billings Attorney: “Notwithstanding The Extreme Conditions” Of Rehberg Ranch Fire, “Not One Person Was Injured” And “Not A Single Billings’ Home Was Lost.” In November 2011, Michele L. Braukmann, who was representing the City of Billings in *Rehberg Ranch v. City Of Billings, et al.*, said in a letter to the Rehberg’s attorneys: “Notwithstanding the extreme conditions that the Billings’ firefighters—and, for that matter, numerous other mutual aid agencies—found the fire under, the City was able to prevent any loss of life or the loss of a single home. In fact, not one person was injured as a result of the fire, and not a single Billings’ home was lost.” [Letter from Michele L. Braukmann, Moulton Bellingham, to Clifford and John W. Edwards, Edwards Frickle & Culver, 11/7/11]

City Of Billings Argued Fire At Rehbergs Came Amid Several Blazes In Area And That Firefighters Worked Hard To Prevent It From Reaching Rehberg Ranch Homes. In June 2011, the [AP](#) reported that, discussing Rehberg Ranch’s lawsuit against Billings, “The city has argued that the fire from the Fourth of July holiday came during 100-degree heat and amid several blazes in the area. City leaders have said firefighters were working very hard on that fire and prevented it from reaching any Rehberg Ranch homes.” [[AP, 6/03/11](#)]

- **July 4, 2008: Temperature In Billings Reached 102 Degrees; Wind Gusts Topped 20 Miles Per Hour.** According to the [Old Farmer’s Almanac](#), on July 4, 2008, at Billings Logan International Airport, the high temperature for the day was 102.0 Fahrenheit with maximum wind gusts of 21.86 mph. [Weather History for Billings, Montana, [Old Farmer’s Almanac](#), Accessed, [6/23/11](#)]

City Of Billings Said Rehbergs Are The Only Landowners Affected By The Wildfire Who Filed A Lawsuit. In June 2011, the [AP](#) reported, regarding Rehberg’s lawsuit against the City of Billings which claims firefighters were pulled too quickly from a wildfire that damaged some of Rehberg’s land, the city has argued that the fire came during 100-degree heat and amid several fires in the area. The city also pointed out that no other landowners affected by the fire are suing the city. [[AP, 6/03/11](#)]

BILLINGS ATTORNEY: REHBERG’S LAWSUIT AGAINST THE CITY “MERITLESS LITIGATION” AND “NOT PROVABLE”

City of Billings Attorney: We Appeared Voluntarily “Not Because We Believe The City Should Have To Expend Its Limited Resources In Defending Meritless Litigation,” But Because Rehbergs’ Claims Are “Not Provable.” In November 2011, Michele L. Braukmann, who was representing the City of Billings in *Rehberg Ranch v. City Of Billings, et al.*, said in a letter to the Rehberg’s attorneys: “As you know, the City has not had the same ‘information sharing’ advantage that the Rehbergs have had this past year—either to discover information related to your client’s claims or their purported damages. That is one of several reasons that we made the decision to move this litigation forward by voluntarily appearing. It is not because we believe that the City should have to expend its limited resources in defending meritless litigation.” She went on to say: “It is because we believe that your client’s claims in this case are not provable.” [Letter from Michele L. Braukmann, Moulton Bellingham, to Clifford and John W. Edwards, Edwards Frickle & Culver, 11/7/11]

City of Billings Attorney: City Will Prove That Rehbergs’ Claim Is Not Sustainable “Through Actual Testimony” of Firefighters. In November 2011, Michele L. Braukmann, who was representing the City of Billings in *Rehberg Ranch v. City Of Billings, et al.*, said in a letter to the Rehberg’s attorneys that they appeared voluntarily “because we believe that your client’s claims in this case are not provable, they are not legally sustainable, and they do not accurately reflect the real and significant work of the Billings Fire Department. The City is completely

prepared to present that evidence through actual testimony of the firefighters who fought the Rehberg Ranch Fire, through actual testimony of the Fire Chiefs and Battalion Chiefs who successfully led the containment and suppression of this fire, and through the actual testimony from the many mutual aid agencies who responded to this fire.” [Letter from Michele L. Braukmann, Moulton Bellingham, to Clifford and John W. Edwards, Edwards Frickle & Culver, 11/7/11]

City of Billings Attorney: If The Rehbergs “Took The Time To Talk To The Firefighters That Fought So Hard” To Fight Their Ranch Fire, They’d Realize Firefighters Used All Their Resources. In November 2011, Michele L. Braukmann, who was representing the City of Billings in *Rehberg Ranch v. City Of Billings, et al.*, said in a letter to the Rehberg’s attorneys: “The Department stands ready to use its resources to prevent the loss of life and property, just as it did with the Rehberg Ranch Fire, notwithstanding the danger and challenges that its firefighters face in these circumstances. I would hope that, if your clients took the time to talk to the firefighters that fought so hard to prevent and suppress this fire, they would realize the same thing.” [Letter from Michele L. Braukmann, Moulton Bellingham, to Clifford and John W. Edwards, Edwards Frickle & Culver, 11/7/11]

City of Billings Attorney: If Rehbergs “Actually Take The Time To Review The Documents,” They Will “Congratulate” Firefighters Rather Than Condemn Them. In November 2011, Michele L. Braukmann, who was representing the City of Billings in *Rehberg Ranch v. City Of Billings, et al.*, said in a letter to the Rehberg’s attorneys: “I would hope that, if your clients actually take the time to review the documents that I have provided you, including the incident report forms, the detailed timelines, the dispatch records, and the other documentation—they will—rather than condemning the firefighters, congratulate them for a job well done.” [Letter from Michele L. Braukmann, Moulton Bellingham, to Clifford and John W. Edwards, Edwards Frickle & Culver, 11/7/11]

REHBERG COST BILLINGS TAXPAYERS \$21,000

HEADLINE: “City Spent Nearly \$21,000 Defending Against Rehberg Suit.” [[Billings Gazette, 3/6/12](#)]

Billings Spent \$20,761 Defending Itself Against Rehberg Lawsuit. In March 2012, the [Billings Gazette](#) reported: “The city of Billings spent \$20,761 defending itself against a lawsuit filed by Rep. Denny Rehberg, R-Mont. That information was released by the city Tuesday in response to a records request from the campaign of Sen. Jon Tester, D-Mont., who is being challenged by Rehberg in this election year. Rehberg and his wife, Jan Rehberg, sued the city over a wildfire at the Rehberg Ranch Estates subdivision in 2008, alleging that negligence on the part of the Billings Fire Department added to damage they suffered.” [[Billings Gazette, 3/6/12](#)]

Billings Spent \$20,761 In Lawyers’ Fees And Costs Defending Itself Against Rehberg Lawsuit. In March 2012, the [Billings Gazette](#) reported: “Christie Roberts of Billings, research director for Montanans for Tester, filed a records request with the city of Billings on Monday. On Tuesday, Deputy City Attorney Craig Hensel responded by fax, saying the city spent \$20,761.60 defending the case. Hensel explained that the lawsuit was forwarded to the city’s insurance pool, the Montana Municipal Interlocal Authority, which hired Michele Braukmann, of the Moulton Bellingham law firm, to defend the city. Hensel said the city was billed for 151.80 hours of Braukmann’s time, for a total of \$20,638.50, plus \$123.10 in costs.” [[Billings Gazette, 3/6/12](#)]

HEADLINE: “Rehberg Lawsuit Costly For Billings Taxpayers.” [[KTVQ, 3/6/12](#)]

Rehbergs’ Lawsuit Against City Of Billings Cost Taxpayers More Than \$20,000. In March 2012, [KTVQ](#) reported: “The lawsuit against the City of Billings by Congressman Denny Rehberg and his wife Jan over how city fire crews fought a wildfire burning near the Rehberg Ranch subdivision four years ago, cost Billings taxpayers more than \$20-thousand dollars.” [[KTVQ, 3/6/12](#)]

Rehbergs “Alleged Negligence” By Billings Fire Department; Cost City \$20,761. In March 2012, [KTVQ](#) reported: “The Rehbergs alleged negligence on the part of the City Fire Department, after fire bosses ordered crews

off the fire lines, only to see the Rehberg Ranch fire blow up just a short time later. The Rehbergs claimed that action caused additional damage to their property.” According to the report, “Deputy City attorney Craig Hensel released documents Tuesday indicating the law firm of Moulton Bellingham billed the city for 151.8 hours of work by attorney Michelle Braukmann, at a cost to the city of \$20,761.70 (\$136.77/hour).” [KTVQ, [3/6/12](#)]

Report: “Billings’ Big Bill” Came From Rehberg’s Lawsuit Against The City. In March 2012, in a blurb titled “Billings’ Big Bill,” the National Journal reported: “The city of Billings ‘says it spent nearly’ \$21K defending itself against a lawsuit filed by Rehberg and his wife ‘that alleged negligence by the city’s fire department in 2008 led to more damage after a wildfire at the Rehberg Ranch Estates subdivision.’ The city released the information on March 6 at the request of Sen. Jon Tester’s (D) campaign. The Rehbergs ‘dropped the lawsuit’ in Nov (AP, 3/7).” [National Journal, 3/9/12]

HEADLINE: “Billings Spent \$21K Defending Against Rehberg Suit.” [Helena Independent-Record, [3/7/12](#)]

HEADLINE: “Rehberg Lawsuit Cost City Thousands Of Dollars.” [KULR8, [3/8/12](#)]

DEVELOPER SUED REHBERG RANCH LLC FOR \$1.37 MILLION

April 26, 2004: Thomas Llewellyn Filed Complaint For Declaratory Judgment Against Rehberg Ranch, LLC In Montana District Court. According to the case register reported, Thomas H. Llewellyn filed a complaint for declaratory judgment against Rehberg Ranch, LLC in the Montana Thirteenth Judicial District Court, Yellowstone County. [DV-56-2004-464, Case Register Report, Montana Thirteenth Judicial District Court, Yellowstone County, 4/26/04]

- **Llewellyn Sought Judgment In The Amount Of \$1,373,200 Plus Fees.** According to the amended complaint filed by Thomas Llewellyn on May 13, 2004 for declaratory judgment against Rehberg Ranch, LLC in Montana District Court, Llewellyn sought judgment in the amount of \$1,373,200.00 together with prejudgment interest thereon and for costs and reasonable attorneys fees. [DV-56-2004-464, Amended Complaint, Montana Thirteenth Judicial District Court, 5/13/04]

Tom Llewellyn Sued Rehberg Ranch Estates LLC For \$1.37 Million Plus Fees And Damages. In June 2004, the Billings Gazette reported that Tom Llewellyn, the developer who was working with the Rehberg’s on the subdivision, sued Rehberg Ranch Estates, LLC for \$1.37 million, plus attorney’s fees and damages. [Billings Gazette, 6/14/04]

- **Llewellyn: “During My 36 Years In Business In Billings, I’ve Never Sued Anybody. Ever.”** In June 2003, the Billings Gazette reported, discussing his decision to sue Rehberg Ranch Estates, Llewellyn said, “During[sic] my 36 years in business in Billings, I’ve never sued anybody. Ever.” He continued, “So I couldn’t be more surprised at the way I’ve been treated.” [Billings Gazette, 6/14/04]

Llewellyn Worked With Rehbergs Shepherding Subdivision Through Annexation; Marketed The Property And Sold Lots. In June 2004, the Associated Press reported, “Llewellyn was paid to shepherd the [Rehberg Ranch Estates] subdivision through city processes that included annexation, granted two years ago. After that, he said, he was to market the property and sell the lots.” [AP, 6/13/04]

Llewellyn Claimed That Rehberg Ranch Estates Breached His Contract To Exclusively Sell Lots In The Subdivision. In June 2003, the Billings Gazette reported that Llewellyn claimed that Rehberg Ranch estates breached his contract to exclusively sell lots in the subdivision. According to the Gazette, “Llewellyn said he has sold lots in the area’s second largest subdivision faster than any other development. ‘I just ask to be paid for what I would have sold in the next three years,’ Llewellyn said... Llewellyn said his contract runs through Dec. 31, 2007, and gives him a 10 percent commission for selling the lots. These range from 9,000 to 21,000 square feet and initially were priced between \$35,000 and \$60,000.” [Billings Gazette, 6/14/04]

Llewellyn Said In November 2002 Jan Rehberg Proposed Changing Their Working Agreement And Terminating His Exclusive Listing Agreement; He Refused. In June 2003, the Billings Gazette reported that both parties agree that their relationship was fine until mid-2002, when in November “Llewellyn said Rehberg gave him an 11-page letter proposing changes to their working agreement. She asked him among other things, to move his office to the Rehberg Estates and proposed terminating his exclusive listing agreement. Llewellyn called the letter an ‘epistle’ and refused to sign it. ‘She kept telling me what I was going to do,’ he said.” [Billings Gazette, 6/14/04]

- **Llewellyn: “She Can Sell Her Own Property, But There Is A Contract.”** In June 2003, the Billings Gazette reported that after receiving the letter proposing changes to their working agreement from Jan Rehberg, Llewellyn continued to sell lots and enforce the original exclusive listing agreement. “She can sell her own property, but there is a contract,” Llewellyn said. “Even if she sells a lot, I should get my 10 percent commission.” [Billings Gazette, 6/14/04]

Rehberg Started To Require Llewellyn To Sign An Addendum To All Agreements Before He Could Close; He Signed One, Refused To Sign Anymore So His Commission Were Frozen And He Sued. In June 2003, the Billings Gazette reported, “On March 29, the Rehbergs required Llewellyn to sign an addendum to all listing agreements before he could close any more sales. He signed one addendum to let a pending sale close[sic], but refused to sign any more. So, his commissions were frozen and he sued.” [Billings Gazette, 6/14/04]

Jan Rehberg Said Llewellyn Broke The Contract; Said He Disregarded Instructions And At Times Failed To Represent Current Prices. In June 2003, the Billings Gazette reported, responding to Llewellyn’s suit, Jan Rehberg said Llewellyn broke the contract to market and sell subdivision lots. According to the Gazette, “The Rehberg’s legal response to Llewellyn’s lawsuit alleges conflicts of interest due to his outside relationships with certain builders. It also says he disregarded instructions and sometimes failed to represent current prices... Keeping track of the information Llewellyn provided to buyers about subdivision covenants is another complaint, Rehberg said. ‘It’s so hard to know what they have been told,’ [Jan Rehberg] said. ‘People hear half a sentence and they don’t hear the rest.’” [Billings Gazette, 6/14/04]

September 2004: Court Ruled That Llewellyn Required To Sign Addendum To Receive Commissions; Listing Agreement Between Parties Only Governed Property In Phase I. On September 15, 2004, Montana District Court Judge Gregory R. Todd ruled only Phase I of the Rehberg Ranch Estates Subdivision is the real property governed by the listing agreement agreed to between Llewellyn and Rehberg Ranch Estates, LLC, and that all subsequent transactions between Thomas Llewellyn and Rehberg Ranch, LLC required a signed addendum between the parties. The court also

ruled that Llewellyn was required to execute agreed upon addendum to receive commissions on transactions.[DV-04-0464, Final Declaratory Judgment, Montana Thirteenth Judicial District Court, Yellowstone County, 9/21/04]

- **\$1,050,000 In Commissions Sought By Llewellyn Was On Property Not Part Of Phase I.** According to the amended complaint filed by Thomas Llewellyn on May 13, 2004 for declaratory judgment against Rehberg Ranch, LLC in Montana District Court, out of the \$1,373,200.00 total judgment Llewellyn sought, \$1,050,000.00 was seeking commission on property not part of Phase I of the Rehberg Ranch Estates Subdivision. [DV-56-2004-464, Amended Complaint, Montana Thirteenth Judicial District Court, 5/13/04]

October 2004: At The Request Of Both Parties, Court Dismissed Action. On October 21, 2004, Montana District Court Judge Gregory R. Todd signed an order dismissing the case, with prejudice and with each party to bear its own costs and fees, between Thomas Llewellyn and Rehberg Ranch, LLC. Both parties signed a stipulation requesting that the court dismiss the action. [DV-04-0464, Stipulation and Order for Dismissal with Prejudice, Montana Thirteenth Judicial District Court, 10/21/04]

HOMEOWNERS SUED REHBERG RANCH MARKETING OVER CHANGES TO COVENANTS

Three Of The Earliest Eight Buyers Filed Suit Over Changes To Covenants. In November 2005, the Associated Press reported, “The homeowners filed suit in September over the developer’s decision to change some of the subdivision covenants. Mark Wilson, along with retired Shepherd dairy farmer Joseph ‘Dick’ Montoya and his wife, Retha, and Pam Capp and her husband, Raymond Capp, sued Rehberg Ranch Marketing Inc. and the community association. As three of eight of the earliest buyers in the subdivision, the plaintiffs claim they bought their lots and built custom homes believing that the 14 pages of subdivision covenants were the rules they had to live by. In May 2003, those rules were substituted with 92 pages of covenants, more than 20 pages of bylaws and another 60 pages of design rules. ‘If we’d known that the covenants were a book, we’d never have bought here,’ Retha Montoya said.” [AP, 11/21/05]

- **Capps, Montoyas And Wilson All Said That This Was Their First Lawsuit.** In November 2005, the Billings Gazette reported that the Capps, the Montoyas and Wilson all said that the lawsuit against Rehberg Ranch Estates was their first and that if a settlement can be reached, all three homeowners will sell and move on. “I’ll just be glad when this is over because none of us moved up here looking for trouble,” said Mark Wilson. [Billings Gazette, 11/20/05]

Attorney For The Plaintiffs Said The Heart Of The Lawsuit Is Whether The Covenant Changes Were Reasonable And Foreseeable To The Buyers. In November 2005, the Billings Gazette reported that the attorney for the plaintiffs, George Radovich, said that the heart of the lawsuit is whether the covenant changes were reasonable and foreseeable to the buyers. “The original covenants said they could be altered or amended,” said Radovich. “Instead, they’ve been replaced and superseded, which is a whole different deal.” [Billings Gazette, 11/20/05]

September 22, 2005: Montoyas, Capps, And Wilson Filed Complaint Against Rehberg Ranch Marketing, Inc. And Rehberg Ranch Community Association, Inc. In Montana District Court.

According to a September 22, 2005 Complaint and Jury Demand filed with the Montana Thirteenth Judicial District Court, Joseph Montaya, Retha Montoya, Raymond M. Capp, Pamela, J. Capp, and Mark D. Wilson filed a complaint against Rehberg Ranch Estates Marketing, Inc. and Rehberg Ranch Community Association, Inc. [DV-05-1060, Complaint and Jury Demand, Montana Thirteenth Judicial District Court, Yellowstone County, 9/22/05]

Lawsuit Alleged New Covenants Would Leave Rehbergs With “Absolute Control” Over Subdivision. According to the September 22, 2005 Complaint and Jury Demand filed with the Montana Thirteenth Judicial District Court, the Plaintiffs alleged that the effect of the new covenants and governing documents if ruled valid “would be to leave the REHBERG RANCH ESTATES MARKETING, INC., its successors, assigns or designees, in absolute control over the use of the property conveyed to the Plaintiffs, as well as over the land conveyed to other parties in the Subdivision. This control includes but is not limited to, the ability to assess fees against homeowners while remaining immune from such assessments, the power to spend the fees so collected for any purpose within or outside of the Subdivision, the power to retain and/or transfer easement rights covering the entire Subdivision, the power to refuse to allow purchasers access to state lands (notwithstanding repeated assurances that such access was allowed), the right to absolutely prohibit sales of lots within the Subdivision, the power to require homeowners within the Subdivision to contract for internet, intranet, security and cable television services (as well as other utility services in the discretion of Rehberg), the right to move over and across all land within the Subdivision, and the power to alter or amend any of the covenants, building restrictions and other terms and conditions of all of any of all of the Governing Documents in Rehberg’s absolute discretion.” [DV-05-1060, Complaint and Jury Demand, Montana Thirteenth Judicial District Court, Yellowstone County, 9/22/05]

Lawsuit Alleged “The Amended Declaration Attempts To Grant Powers To Rehberg That Are Far Beyond The Permissible Limits Provided By Law.” According to the September 22, 2005 Complaint and Jury Demand filed with the Montana Thirteenth Judicial District Court, the Plaintiffs alleged, the Amended Declaration attempts to grant powers to Rehberg that are far beyond the permissible limits provided by law.” [DV-05-1060, Complaint and Jury Demand, Montana Thirteenth Judicial District Court, Yellowstone County, 9/22/05]

Lawsuit Alleged That New Covenants Were “Unreasonable, Imposing Excessive Burdens On” Homeowners. According to the September 22, 2005 Complaint and Jury Demand filed with the Montana Thirteenth Judicial District Court, the Plaintiffs alleged that the Amended Declaration “and the terms of the Amended Covenants are unreasonable, imposing excessive burdens on the Plaintiffs and no beings related to the maintenance of common areas within the Subdivision, with the streets and other common areas being within the City of Billings, and their construction being the responsibility of Rehberg and their maintenance being the responsibility of the City of Billings.” [DV-05-1060, Complaint and Jury Demand, Montana Thirteenth Judicial District Court, Yellowstone County, 9/22/05]

Lawsuit Alleged That New Covenants Granted “Rehberg Full Control Over Setting The Fees And Assessments As Well As The Collection And Expenditure Of Those Funds.” According to the September 22, 2005 Complaint and Jury Demand filed with the Montana Thirteenth Judicial District Court, the Plaintiffs alleged that “the Amended Declaration attempts to provide that the burden for dues and assessments does not fall equally on all owners within the Subdivision but does grant Rehberg full

control over setting the fees and assessments as well as the collection and expenditure of those funds, which can be expanded inside or outside of the Subdivision and can be used to develop or maintain other property, whether adjoining the Subdivision or not and regardless of who owns or controls that property.” [DV-05-1060, Complaint and Jury Demand, Montana Thirteenth Judicial District Court, Yellowstone County, 9/22/05]

Lawsuit Alleged New Covenants Allowed Jan Rehberg To Perform Services For Association For A Charge And Only She Or Her Appointees Would Have Input On How Much She Charged.

According to the September 22, 2005 Complaint and Jury Demand filed with the Montana Thirteenth Judicial District Court, the Plaintiffs alleged that under the new covenants, Jan Rehberg retained the power to perform services for the Rehberg Ranch Community Association, and to charge a fee for those services, which would be determined by her or her appointees, and that no other homeowners had the power to resist the charges. [DV-05-1060, Complaint and Jury Demand, Montana Thirteenth Judicial District Court, Yellowstone County, 9/22/05]

Lawsuit Alleged One-Half Point Assessment On Home Sales “An Illegal Sales Tax.” According to the September 22, 2005 Complaint and Jury Demand filed with the Montana Thirteenth Judicial District Court, the Plaintiffs alleged, “the Amended Declaration provides for a ‘Community Enhancement Fee’, which consists of a fee equal to one-half of one percent of the sales price of any home sold by individual owners. This is an impermissible retention of power, an illegal sales tax and constitutes an absolute restraint on alienation.” [DV-05-1060, Complaint and Jury Demand, Montana Thirteenth Judicial District Court, Yellowstone County, 9/22/05]

Jan Rehberg Offered To Buy Out Families Suing Over Covenant Changes; Offers Rejected By All Three. In November 2005, the Associated Press reported, “Attempts to reach a settlement have been going on since late 2004 when Jan Rehberg wrote a letter offering to buy out the three families [suing over changes to the covenants] and pay moving expenses. However, terms of the buyout and the price weren’t resolved.” [AP, 11/21/05]

- **Jan Rehberg Offered Montoya’s \$341,250 When His Home Was Estimated At A Worth Of Nearly \$460,000.** In November 2005, the Associated Press reported that Jan Rehberg offered to buy out the families suing over the covenant changes. Her offers were declined by all three families. She offered the Montoya’s \$341,250. Several builders had estimated his home was worth nearly \$460,000. [AP, 11/21/05]
- **Jan Rehberg Offered The Capps \$259,350, About 19 Percent Less Than They Wanted.** In November 2005, the Associated Press reported that Jan Rehberg offered to buy out the families suing over the covenant changes. Her offers were declined by all three families. She offered the Capps \$259,350, about 19 percent less than they wanted. [AP, 11/21/05]
- **Jan Rehberg Offered Wilson \$268,450, About 17 Percent Less Than He Wanted.** In November 2005, the Associated Press reported that Jan Rehberg offered to buy out the families suing over the covenant changes. Her offers were declined by all three families. She offered Wilson \$268,450, about 17 percent less than he wanted. [AP, 11/21/05]

Attorney For Homebuyers Said Buyout Offer Was Made In “Take-It-Or-Leave-It” Letter And Ended Further Negotiations. In November 2005, the Billings Gazette reported that the attorney for the plaintiffs, George Radovich, said the buyout offer was made in a “take-it-or-leave-it” letter from Rehberg’s attorney and ended further negotiations. [Billings Gazette, 11/20/05]

December 2005-January 2006: Montoyas, Capps, And Wilson Signed Confidential Settlement Agreements. According to an Order Staying Proceedings Pursuant to Settlement Agreement Pending Performance by Plaintiffs or Motion by a Defendant and Memorandum filed in Montana District Court on January 18, 2007, and a Motion to File an Exhibit Under Seal filed on November 27, 2006, all of the parties—the Montoyas, Capps, and Wilson—signed a confidential Settlement Agreement with Rehberg Ranch Marketing, Inc. and Rehberg Ranch Community Association, Inc. in late December 2005 and early January 2006. [DV-05-1060, Order Staying Proceedings Pursuant To Settlement Agreement Pending Performance By Plaintiffs Or Motion By a Defendant and Memorandum, Montana Thirteenth Judicial Court, Yellowstone County, 1/18/07; DV-05-1060, Rehberg Ranch Community Association, Inc.’s Motion to File an Exhibit Under Seal, Montana Thirteenth Judicial Court, Yellowstone County, 11/27/06]

- **Capps And Wilson Motioned To Have Case Dismissed After Selling Lots Under Settlement Agreement.** According to an Order Dismissing filed in Montana District Court on February 13, 2007, upon motion on behalf of Raymond and Pam Capp, and Mark Wilson, the court ordered the claims against Rehberg Ranch Marketing, Inc. and Rehberg Ranch Community Association, Inc dismissed with prejudice on the grounds that the Capps and Wilson sold their lots within the scope of the Settlement Agreement. [DV-05-1060, Order Dismissing, Montana Thirteenth Judicial Court, Yellowstone County, 2/13/07]
- **Montoyas Filed Additional Motion For Partial Summary Judgment; Court Ruled Settlement Agreement Prohibited Action.** According to an Order Staying Proceedings Pursuant To Settlement Agreement Pending Performance by Plaintiffs or Motion by a Defendant and Memorandum filed in Montana District Court on January 18, 2007, the Montoyas filed a Motion for Partial Summary Judgment on November 8, 2006. Rehberg Ranch Marketing, Inc. and Rehberg Ranch Community Association, Inc. filed motions to stay the proceedings and enforce the Settlement Agreement which they argued settled all claims between the parties and that only they could lift the stay on proceedings as agreed upon in the settlement. The court ruled in favor of the Rehbergs and concluded that each of the defendants, including the Montoyas, elected their relief in the form of the confidential Settlement Agreement. [DV-05-1060, Order Staying Proceedings Pursuant To Settlement Agreement Pending Performance By Plaintiffs Or Motion By a Defendant and Memorandum, Montana Thirteenth Judicial Court, Yellowstone County, 1/18/07]