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October 14, 2026

VIA ELECTRONIC MAIL (kschuehler@driggsidaho.org)
AND CERTIFIED MAIL

Kreslyn Schuehler, City Clerk
CITY OF DRIGGS
60 South Main Street
P.O. Box 48
Driggs, Idaho 83422

Re: Notice of Claim Against City of Driggs

Dear Ms. Schuehler:

This firm represents Teton Rock Gym, Inc. ("TRG") in connection with its claim for damages against the City of Driggs (the "City") and its officers and employees acting in the course and scope of City business. We are providing this formal notice of TRG's claims against the City in compliance with the Idaho Tort Claims Act. (Idaho Code §§ 50-219 and 6-906–6-907)

Conduct or circumstances that brought about the injury or damage.

For approximately 11 years, TRG leased space from the City at the Driggs Recreation Center ("DRC"). TRG operated a climbing gym at the DRC. By the end of 2025, the parties' last written lease had expired, and TRG continued in holdover status while negotiating a new lease. Negotiations continued for several months, from late 2025 through May 2026.

In or about August 2025, TRG suspended several people from its gym. Some of those suspended lobbied the City in 2025, asking the City to require TRG to reinstate them as a condition of a lease renewal. At one point, the City required that the suspended individuals be reinstated as a condition of the lease renewal, but after TRG complained that the City should not insert itself into TRG's affairs, the City withdrew the reinstatement requirement in late 2025.

One of the suspended people was Sarah Johnston, who became a member of the Driggs City Council (the "Council") in January 2026. Shortly thereafter, the City created new DRC access policies, advanced through Ms. Johnston, which addressed the same suspension dispute and were targeted at TRG. The City informed TRG that it would have to comply with the new access policies in order to receive a lease renewal. While TRG disagreed with the City's decision

to involve itself in TRG's internal affairs, TRG agreed to comply with the new policies. On multiple occasions, TRG requested that Ms. Johnston be recused from participating in any Council decisions involving TRG and the lease renewal. TRG believed that Ms. Johnston's personal animosity toward TRG would influence her and the City's decisions.

On May 13, 2026, Community Development Director Doug Self advised TRG that the lease extension would be on the Council agenda for its meeting on May 19, at which time the Council would also address TRG's concerns about Ms. Johnston's participation. The parties also worked on a draft lease, which was nearly final before the May 19 meeting.

On May 19, during its meeting at City Hall in Driggs, the Council voted to not renew TRG's lease and instead terminated TRG's tenancy and required it to vacate in approximately 30 days, despite being informed of TRG's commitments to families and partners through summer 2026. The Council had no public discussion regarding TRG's request for Ms. Johnston to be recused.

TRG contends that Ms. Johnston's personal interests improperly influenced the City's decisions, and that the City treated TRG differently from other DRC tenants. TRG further contends that the City acted in retaliation for TRG's request that Ms. Johnston not participate in the lease matter.

Following the City's decision, TRG dismantled its specialized walls and removed equipment and improvements from the DRC. On or about June 19, 2026, with removal substantially complete, the City directed TRG to pause demolition. The City later said it would give TRG additional time to vacate the premises.

TRG claims the City's conduct, including and especially the decision to terminate TRG's tenancy and refuse a new lease, caused damage to TRG's operations and property.

Description of the injury or damage.

TRG claims lost revenue, costs of winding down and relocating operations, labor and contractor expenses for dismantling and removing its personal property, loss or diminution in the value of improvements and equipment, and other consequential losses caused by the conduct described above. TRG demands payment of $1.39 million in damages based on information now available, subject to amendment as the losses are documented.

Names of all known persons involved.

Persons involved, to the extent presently known, include Mayor August Christensen; Council members Sarah Johnston, Jason Popilsky, Alison Michalski and Miles Knowles;

Community Development Director Doug Self; the City Attorney; TRG Board President Patrick Hertz; TRG Executive Director Jacob Yufa, and Jansen Gunderson, who was suspended from TRG and was an IT contractor for the City. Other participants may be determined from City records.

Address for claimant.

For the six months immediately before the claim arose, TRG's address was 60 S. Main St. #350, Driggs, ID 83422, while its mailing address was PO Box 1165, Driggs, ID 83422. Since June 2026, TRG's mailing address has been 495 N 4th St., Driggs, ID 83422. All correspondence in this matter should be directed to TRG's counsel.

Thank you for your attention to this matter. Please feel free to contact me if there is anything you wish to discuss.

Sincerely,

Nathaniel Wadsworth