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January 17, 2012
VIA EMAIL

Our File No.
CO75-003
Nic1201171

Lindsey Nicholson
Goldman, Robbins and Nicholson
PO Box 2270
Durango, CO 81302

Re: Colorado Timber Ridge HOA -- Jody McAlister

Dear Ms. Nicholson:

In this letter, I am responding to your letter of December 19, 2011. In your letter you propose a settlement which contains five points. You also state that the Board's decision in this matter can be challenged under CRCP 57 and cite *Good v. Bear Creek Ranch Ass'n, Inc.* (I could not find this case by either citation or name.) While the Board appreciates the effort by Ms. McAlister to resolve this matter, that offer is not acceptable.

As I stated in my prior letter, "the HOA has several competing interests in matters like these. First, it has an obligation to consider claims by its members that other members are violating the Declaration or the rules and regulations and to enforce compliance where appropriate. Second, the HOA has an interest in enforcing the rules and regulations on behalf of all of its members. Finally, the HOA has an interest in providing a fair hearing to members who are accused of violations." The HOA must take all of these factors into account.

For instance, after he had seen your letter, George Dougherty, the owner of Lot No. 120 sent the attached email to the HOA president protesting your proposed settlement. It appears to me that it would be a violation of Mr. Dougherty's rights as a member of the HOA to agree to a settlement without either a rehearing or a mediation where all parties could reach agreement. If you have any legal authority that provides that the HOA can ignore Mr. Dougherty's objections, please let me know.

In my letter of September 25, 2011, I asked you if you were requesting a rehearing, noted that CRS §38-33.3-124 encourages alternate dispute resolution and attached a copy of the HOA's dispute resolution policy. The Board offered to meet with you and your client along with the complaining

parties in an attempt to work out a solution to this matter and the Board also offered to agree to mediation. All of these overtures toward resolution have apparently been rebuffed by your client.

The most that the Board would be able to do in response to your offer which would be consistent to its obligations to Mr. Dougherty and other members and without ignoring its obligations to uphold the Declaration and other HOA policies is the following.

1. The HOA would suspend the fines indefinitely as long as Ms. McAlister abides by the terms of this settlement.
2. The HOA would extend the deadline from December 31, 2011, until July 31, 2012, to comply with the requirements of the original ruling including the removal of the building materials, both buildings and the fence.
3. The HOA will not agree to either rescind the Notice of Violation or to pay Ms. McAlister's attorney fees in this matter.

The Board still feels that its decision was correct, but would like to resolve this matter without litigation if it can be done in a way that is consistent with the rights of all interested persons. I previously asked you to call me to discuss this and the offer is still open. Also, please let me know if you have any questions about this letter.

Sincerely,



WILLIAM J. DARLING

WJD/

cc: Bob Milford