

February 2010

Dear TFC Member,

It is our duty to inform you of a serious issue which could affect your fishing rights. TFC membership voted for a \$4 dues increase at the May 2009 annual membership meeting. SOA voted not to collect the additional \$4 at their June 2009 annual membership meeting. We have received a letter from the SOA attorney stating that **"SOA will not pay funds to TFC until this matter is resolved."**

The TFC board prepared an article to inform you of the status of the \$4 TFC dues increase (Attachment 1). We sent a preview copy of the article to the SOA board letting them know that their decision not to collect the \$4 dues increase needed to be resolved by January 22, 2010, or we would have to inform the TFC membership of the situation.

The SOA board had their attorney send a letter to the TFC board (Attachment 2).

- The letter from the SOA attorney references "the TFC Board-voted dues increase" in the first paragraph. - - *TFC board wants to make it clear that the dues increase was voted on at a TFC ANNUAL MEMBERSHIP MEETING, not at a TFC board meeting.*
- The letter indicates that the timeframe for providing an answer to TFC is too short. - - *SOA has had since their June 2009 annual membership meeting to resolve this issue. It is time for the TFC to make arrangements for printing of passes, ordering of fish, etc., if that is to going to be done.*
- The letter states that SOA will not pay funds to TFC until this matter is resolved. - - *The SOA board apparently believes their bylaws and covenants "trump" those of the TFC and LPROA. TFC was incorporated to provide a forum for making joint decisions about fishing. TFC has an obligation to all its members, not just those in Stagesop.*
- The letter attempts to discourage the TFC from communicating this issue with its membership. - - *The TFC has an obligation to inform all members of a potentially serious problem and to protect the interests of all its members in both the SOA and the LPROA.*
- The letter claims SOA has every intention of resolving this with TFC and now suggests mediation with TFC. - - *The SOA board seems to have forgotten that there is another party to this matter—Lost Park Ranch.*

We've tried to do everything we can. All we want to do is give people a good fishing experience. The TFC doesn't have the money or the desire or think it is responsible to hire attorneys and waste your money. You, our members, voted to raise the dues which we would like to obtain from the SOA board. The SOA board's refusal to collect the increase in dues, voted upon by a majority TFC members present at the TFC annual meeting; and now the SOA board's refusal to transfer the TFC dues it has already collected will jeopardize the coming season. We won't have enough money to pay for fish and other normal operating expenses. What little money we have we will need to keep as an emergency fund and perhaps unwillingly pay for attorneys fees.

You TFC members and we as a TFC board are in a bind. We need the cooperation of all parties. We have provided some further details on the next page. If you want to contact one of the board members from any of the organizations, refer to contact information listed in the attached article.

Sincerely,

TFC Board

Attachments.

p.s. Watch for new TFC website - coming soon -
www.tarryallfishingclub.net

Further details on how we got to this point...

- In late 2005, the SOA board sought advice from their attorney, on ways to limit the TFC dues setting authority per a memorandum that Virginia Skeffington gave to the TFC board (Attachment 3).
- In early 2006, the SOA board pointed out that they did not think the bylaws of SOA, LPROA, and TFC were in agreement. A joint meeting of the three boards was convened.
 - A committee from the three boards compared bylaws and came up with a proposed change that would recognize the TFC annual membership meeting as the place where TFC dues are set.
 - LPROA, as a result of the recommendation by the joint committee, added a statement to their bylaws that said, "The Tarryall Fishing Club Dues Assessment shall be determined at the fishing club annual meeting and shall be passed along to the LPROA membership."
 - SOA published an article about the proposal to add a statement to their bylaws on page 2 of their August 2006 newsletter (Attachment 4).
 - The SOA board consulted with their attorney, and got advice indicating that adding a statement about passing along TFC dues or that the TFC annual membership meeting is the place where TFC dues are set, would permit TFC to circumvent SOA in decision affecting fees charged to SOA members (Attachment 5).
 - The SOA board decided against adding any statement to their bylaws about the TFC. In 2008, the bylaws of SOA underwent major changes and no longer even mention the TFC.
- The TFC voted for a \$4 dues increase at its May 2009 annual membership meeting.
- The SOA voted at its June 2009 annual membership meeting not to collect the \$4 TFC dues increase.
- When the SOA board confirmed the vote not to collect the \$4 TFC dues increase, the LPROA board informed the SOA board that this was not okay with them and sent SOA an opinion from the LPROA attorney that dues for TFC could be set at the TFC annual membership meeting as they have been in the past.
- The SOA board responded with a letter indicating that they had consulted with their lawyer about increasing what they are now calling the "TFC management fee" and quoted paragraph 15 of the SOA Covenants.¹ The SOA board states that property owners must pay fees to the SOA and the fees will be in accordance with SOA bylaws. They also state TFC is NOT authorized to set or obtain fees from Stagestop property owners (Attachment 6).
- The LPROA Board responded to the SOA board that they did not address the fact that TFC is made up of members from Lost Park Ranch as well as Stagestop, and that the TFC meeting is the proper forum for setting TFC dues (Attachment 7).
- TFC held a board meeting in September 2009. When the question of what should be done about the SOA refusal to collect the \$4 TFC dues increase came up, SOA President, Virginia Skeffington, who was in attendance, declined to discuss the point, saying it was a matter between LPROA and SOA.
- LPROA has made further attempts to contact SOA regarding how they intend to resolve the dues issue but SOA has not responded to the question.
- The TFC board decided it is time to inform membership of the problem.

¹ A comparison of paragraph 15 of the Stagestop and Lost Park Ranch covenants shows virtually no differences.

January 2010

**WILL STAGESTOP HONOR THE TARRYALL FISHING CLUB VOTE
TO RAISE DUES \$4 PER YEAR?**

In the following article, the Tarryall Fishing Club will be referred to as TFC, Stagestop Owners Association as SOA, and Lost Park Ranch Owners Association as LPROA.

The TFC, at its annual meeting on May 30, 2009, with more than 150 members present, voted, after a discussion of the rising costs of fish, the need to improve aeration, the cost of providing portable toilets at the ponds (which SOA and LPROA no longer pay for), and other maintenance costs, that, for the first time in four years, to increase annual TFC dues by \$4.00 from \$21.00 to \$25.00. The relevant attached TFC bylaws state, "TFC dues . . . may be raised only by majority vote of the members present or represented by proxy at a TFC general membership meeting, and the increase shall be no more than twenty (20) percent in a given year." The vote was 112 in favor of the proposed \$4.00 per year raise, and 45 opposed. In addition, the TFC membership agreed to raise visitor passes from \$5 to \$8 and hang tags from \$4 to \$5. There was virtually no opposition to these increases. Attendance at the meeting was a fair representation, percentage based, of both SOA and LPROA membership.

Some of you may not know that the TFC is comprised of owners from two separate associations, SOA and LPROA. The TFC was incorporated so it could function as the operator of the fishing club for both associations. It was decided at that time that TFC dues would be collected as part of the owner association dues and turned over to TFC to avoid added mailing expenses to members for the TFC.

Now to the problem at hand. As indicated above, TFC membership, at the annual meeting it is required to hold, composed of members of both SOA and LPROA, voted to increase its dues within the allowed 20% limit. However, at its annual meeting, SOA voted on whether it would collect the additional \$4.00 TFC dues. Membership present voted to allow, but the proxies held by the board overcame that vote, and SOA hence has indicated to TFC and LPROA that it will not collect the \$4 dues increase.

The bylaws of TFC state that TFC has a right to set its own dues. Because TFC meetings are composed of members from SOA and LPROA, any action it takes is thereby considered approved by members of both groups. Under the TFC bylaws, the owner associations are bound to honor the TFC vote, to collect, and to timely remit the dues, including the increase, to the TFC. TFC is bound by its bylaws to honor the vote of membership at its annual meeting. It is required to see that it receives those dues voted upon at its meeting from the boards of SOA and LPROA, and further, to honor its fiduciary duty to its membership and do what its bylaws require for nonpayment. Nonpayment of TFC dues means that no fishing passes are issued to members in default, and those who are in default cannot vote at the TFC meetings. This is clearly set out in the TFC bylaws.

If SOA follows through and does not remit the full \$25 dues to TFC, then under the TFC bylaws, no fishing passes will be issued to members in default. It's as straightforward as that. If TFC were to issues passes for payment of last year's dues amount, it would be in violation of its requirement and fiduciary duty to its total membership.

The TFC board feels it is important for Stagestop members to voice their concern about potential nonpayment of approved TFC dues. Both the TFC and LPROA boards have tried to resolve this issue with the SOA board, but so far to no avail. This issue needs to be resolved quickly so the orderly business of the TFC can continue. We ask you to contact the SOA board to help resolve this dilemma.

Respectfully,

The Tarryall Fishing Club Board

Bill Van Gundy, President, 719-836-0845
 Ken Black, Vice President, 303-665-6835 or 719-836-2095
 Rusty Scott, Secretary, 303-888-8771
 Theresa Pugh, Treasurer, 303-979-6269
 Bob Ballard, Member, 303-773-6765
 Paul Grossnickle, Member, 303-841-5206
 Marv Thompson, Member, 719-836-1941

Stagestop Owners Association Contact Information

President:	Virginia Skeffington	719-836-2805
Vice-President:	Wayne Reno	719-836-3452
Secretary:	Virginia Skeffington	719-836-2805
Treasurer:	Carol Lewis	303-426-7039
		or 719-836-1831
Member:	Skip Slaughter	719-836-3531

Lost Park Ranch Owners Association Contact Information

President: Cliff Pugh	Vice President: Randy Connett
303.979.6269	303.840.2219
Secretary: Jim Hoffmeyer	Treasurer: Gary Jasper,
303.828.5246	Judith Disch Jasper
	303.451.5982
Member: Jeannie Mellinger	Member: Elaine Tardy
303.451.8169	303.915.3407

Relevant Bylaws

BYLAWS OF THE TARRYALL FISHING CLUB, INC. (REVISED 5/20/2006)

2. **Purpose and Responsibilities.** The purpose of TFC is the organization and operation of the club, in accordance with these bylaws, in order to promote the common good and general welfare of the ownership interests in Lost Park Ranch and Stageshop subdivisions in Park County, Colorado. In carrying out this purpose, TFC shall be responsible for the administration of TFC business affairs, including receipt of dues and fees, accounting of funds, and the setting and notice of meetings. Specific responsibilities are: enforcement of fishing rules and regulations as established for TFC; acquisition of fish; maintenance of signs and entries at fishing access points; and management of fish stocking in the augmentation reservoirs and in portions of the Tarryall River under lease, and any attachments and access points clarified by Barber/Polesen, d/b/a Rawhide Co. Any other purpose and responsibilities must be approved by Lost Park Ranch Owners Association (LPROA) and Stageshop Owners Association (SOA).

3. **Membership.** Any person or entity who is a recorded owner of a fee interest in any numbered lot within Lost Park Ranch and Stageshop subdivisions automatically becomes a member of TFC. Ownership of such a fee interest is the sole requirement for TFC membership. The foregoing does not include persons or entities who hold an interest merely as security for the performance of an obligation. TFC membership is mandatory, it is appurtenant to and may not be separated from ownership of property in Lost Park Ranch and Stageshop subdivisions. One TFC membership exists for each numbered lot in Lost Park Ranch and Stageshop subdivisions, with one vote per lot and one family fishing privilege per lot (see definition of family in paragraph five). No owner shall have more than one (1) TFC membership per lot. Multiple ownership of numbered lots for the purpose of using the fishing rights is a violation of the intent and purpose of the privileged use of the fishing rights.

4. **Suspension of Voting Rights.** If a TFC member is in arrears in payment of dues and assessments levied by TFC for a period of thirty (30) days or more, that member may not vote until such assessments have been paid. Membership rights also may be suspended after notice and hearing for violation of rules and regulations, if any, established by TFC. The length of suspensions shall be determined by the TFC Board of Directors. Suspension shall not relieve a member of the duty to pay dues and assessments pertaining to that member's lot.

8. **Assessments.**

a. **Purpose.** The assessments shall be for the purposes as shown in paragraph two.

b. **Rate.** Annual dues of \$21 per lot shall be payable on January 1 of each calendar year. TFC dues may be lowered by the TFC Board of Directors but may be raised only by majority vote of the members present or represented by proxy at a TFC general membership meeting, and the increase shall be no more than twenty (20) percent in a given year. Any dues increase of more than twenty (20) percent, or any special assessment proposed for any purpose shall require that a vote be taken by ballot mailed to the individual lot owners, and only those ballots returned which indicate lot number, signature of owner(s) and a telephone number, should verification become necessary, shall be considered valid ballots.

c. **Payment of Dues.** The TFC annual dues shall be collected by LPROA and SOA and turned over to TFC pursuant to payment arrangements agreed to among TFC, LPROA, and SOA. . . . Payment

of dues and assessments to TFC, and cooperation with TFC decisions and policies, is a mandatory commitment that runs with property purchase and ownership. When lots are sold, dues and assessment shall be prorated to the date of purchase and paid at closing. LPROA and SOA shall have a lien against all lots the owners of which are delinquent in payment of dues. Continued failure to pay such liens may result in foreclosure on the property/lot in order to enforce payment. Purchasers of multiple lots will be charged dues for a maximum of two lots owned. . . .

Relevant Bylaws

BYLAWS OF THE LOST PARK RANCH OWNERS' ASSOCIATION, INC.
(August 8, 1978; Amended November 13, 1986; November 29, 1988; November 9, 1989;
November 9, 1992; January 26, 1995, January 25, 1996, January 23, 1997; August 2, 1997,
August 1, 1998, January 1, 2000, August 6, 2006, August 4, 2007)

3. Membership. . . .

Each lot in Lost Park Ranch or House Creek automatically comes with a membership in the Tarryall Fishing Club, Inc. The membership in the fishing club is subject to the Bylaws and Rules of the Tarryall Fishing Club.

8. Assessments. . . .

b. Rate. . . . The amount due to the Tarryall Fishing Club for each dues-producing lot shall (be) remitted to the Tarryall Fishing Club

c. Tarryall Fishing Club Dues Assessment. The Tarryall Fishing Club Dues Assessment shall be determined at the fishing club annual meeting and shall be passed along to the LPROA membership.

Relevant Bylaws

BYLAWS, RULES AND REGULATIONS OF THE STAGESTOP OWNERS ASSOCIATION
As accepted by General Membership June 2008

Note: There is no reference to the TFC in the SOA Bylaws. There is only a general statement regarding SOA dues.

ARTICLE FOUR: DUES AND ASSESSMENTS

Rates: The annual dues shall be \$73.00 per annum per lot due January 1st of every year unless said amount is changed at the annual membership meeting. . . .

Attorneys At Law

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Raule G. Nemer
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John D. Coaty
Jcoaty@tnclaw.com

June E. Anglin
Janglin@tnclaw.com

Attachment 2

January 21, 2010

Tarryall Fishing Club Board
BLVANGUNDY@aol.com
rscott25@gmail.com
cliffordapugh@aol.com
KenandMaryBlack@msn.com
bob@rtb-inc.com
golfpjsc@aol.com

Dear Members of the Board:

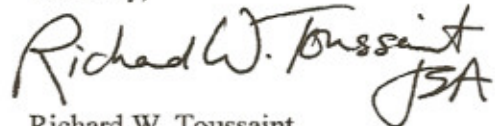
Please be advised that this firm represents the Stagesop Owners Association ("SOA") with regard to the Tarryall Fishing Club ("TFC"). Your recent communication, dated January 14, 2010, stating that a TFC letter will be sent to all SOA owners and all Lost Park Ranch Owners Association members unless the matter of the TFC Board-voted dues increase is resolved by January 22, 2010, is unreasonable.

Until this matter is resolved, SOA will not pay funds to TFC. TFC is exceeding its purposes and jurisdiction, and attempting to make its Bylaws superior to SOA Covenants and Bylaws and the Colorado Common Interest Ownership Act ("CIOA"), and that is a problem. If TFC's January 14 letter goes out to the membership, SOA will have to use its funds to cover the expense involved in responding.

Be assured that SOA has every intention of resolving this matter with TFC. SOA is willing to submit this matter to mediation either with an Office of Dispute Resolution Park County mediator, or with a private mediator. SOA is willing to engage in negotiations with TFC, and look for reasonable alternatives related to shared interests.

We urge you to slow down, take a reasoned approach, and work with SOA in resolving the related issues at stake. Please call or email the undersigned to convey your intentions in this regard, and your interest, if any, in a mediation.

Sincerely,


Richard W. Toussaint

cc: Stagesop Owners Association

T:\Stage Stop Owners Assoc., Inc\corr\TFC 012110.wpd

303.674.0800 Tel

303.674.8492 Fax

tnclaw.com Web

32065 Castle Court

Suite 150

Centerpoint I Building

Evergreen, CO 80439

MEMORANDUM - CONFIDENTIAL

To: Board of Directors
Stagestop Owners Association

From: Toussaint, Nemer & Coaty, P.C.
June E. Anglin

Re: Assessments and Dues of the Tarryall Fishing Club

Date: November 7, 2005

A. QUESTION PRESENTED

The question presented is whether Stagestop Owners Association ("SOA") can place any limits on the power of the Tarryall Fishing Club ("TFC") to increase the dues for TFC. SOA collects the TFC dues from its owners, and conveys the money to TFC. TFC proposes to remove the 20% annual increase cap from its Bylaws.

Documents reviewed include the Declaration of Protective Covenants of the Stagestop ("Stagestop Covenants"), the Bylaws of the Stagestop Owners Association, Inc. ("Stagestop Bylaws"), and the Bylaws of the Tarryall Fishing Club, Inc. ("TFC Bylaws"). Part D of this memorandum includes excerpts from these documents.

B. CONCLUSION

The answer to the question presented is yes, the SOA can place limits on TFC's dues-setting and fees-setting activities. This can be done by amending the Stagestop Covenants, which can be done before July 9, 2006, by a majority of the Stagestop owners, or it can be done by amending the Stagestop Bylaws, which may be done by the Stagestop Board of Directors, with the approval of the Stagestop owners at the next annual meeting, set for June 24, 2006.

C. ANALYSIS

The Stagestop Covenants (§15) state that all Stagestop owners are members of SOA, and receive a "free membership" in TFC. Further, owners are required to support SOA and TFC. Further, the value of the land is "closely tied" to the fishing amenity, and payment of dues to SOA is required and must be promptly paid. Non-payment of dues will cause a recorded lien to be placed against the property. Finally, and importantly, "Fees will be in accordance with SOA bylaws."

The Covenants do not state precisely how SOA and TFC should work with each other to set and collect the dues. The SOA Bylaws are silent with regard to coordinating with TFC on any fishing related dues or fees. The SOA Bylaws set the amount of the annual dues at \$48, and state that they can be lowered by the Board, but can be raised only by majority vote of the members at a general membership meeting.

The TFC Bylaws set out rules with regard to TFC dues (§8). This is where the 20% cap rule appears. Any TFC bylaw amendment by the TFC directors must be approved by the TFC members, either *before* the amendment becomes effective (in the case of an amendment that affects voting rights) or *after* the amendment becomes effective, at the next annual meeting (in the case of all other amendments).

The ultimate power behind TFC is the membership, which includes all Stagestop and Lost Park Ranch subdivision owners. Each lot gets one vote. As we understand it, there are approximately 500 lots in Stagestop and approximately 200 lots in Lost Park Ranch. In addition, as we understand it, the lot owners directly interested in fishing are a small minority in each subdivision. All owners are interested in the fishing amenity to the extent that it affects their property's value. However, many owners in Stagestop are on fixed incomes, and have an even greater interest in keeping their annual fees at a reasonable level.

It would make sense for TFC to work with SOA and LPROA to make an agreement about procedures on dues. In fact, it would be in TFC's best interests to do so. It may be inconvenient for Stagestop owners or SOA to keep a close watch on TFC at all times to prevent power grabs with regard to the dues. Consequently, even though the process is cumbersome, SOA might want to make the effort to amend the Stagestop Covenants to be clear that it is SOA, and not TFC, that sets the assessments for Stagestop and decides what portion is devoted to TFC. In place of amending the Covenants, or in addition to it, the Stagestop Directors can amend the Stagestop Bylaws in this regard, and obtain membership approval at the next annual meeting.

Possible approaches to the proposal to eliminate the 20% cap include the following:

1. Address the matter in the Stagestop Covenants by amending Section 15. A window is open for an amendment that is approved by a majority of the unit owners *before* July 9, 2006. For example, an amended Section 15 could state that SOA shall determine what amount of its annual fees will be conveyed to TFC so that it can carry out its approved purposes.

2. Address the matter in the SOA Bylaws. SOA Bylaws, like the TFC Bylaws, can be amended by the directors, as long as the amendment is approved by the membership at their next annual meeting. Prepare a specific provision with regard to the SOA collecting TFC dues from SOA members. For example, the SOA provision could prohibit the collection of TFC dues that have increased more than 20% since the prior year. Or, a new bylaw provision could state that any TFC dues in excess of a certain dollar amount must be specifically approved by a majority of SOA members.

3. Work on getting members who support the 20% cap, or otherwise support regulating or lowering the TFC dues, elected or appointed to the TFC Board.

4. Request a statement of purpose from the TFC with regard to dues, and analyze whether TFC is exceeding its express purposes and responsibilities without authority from SOA and LPROA, in violation of the TFC Bylaws.

5. When necessary, and until a longer term solution is created, mobilize the SOA (and LPROA, if possible) membership to participate in the TFC board and annual membership meetings to defeat any unacceptable fees activity and any removal of the 20% cap on dues increases.

D. APPENDIX: Covenants and Bylaws Excerpts

1. Stagesop Covenants

The Stagesop Covenants, §15, provide that purchasers of tracts in the Stagesop Subdivision automatically become members of SOA, and receive a "free membership" in the TFC. Section 15 also provides that periodic dues and/or fees to SOA will be required, and must be promptly paid, and that such fees will be "in accordance with SOA Bylaws." Examples of the SOA responsibilities include maintenance of lake and dam, and "payments to Fishing Club for stocking of lake and river with fish."

The relevant language is as follows:

Purchasers of tracts in STAGESTOP automatically become members of the Stagesop Owners Association, hereinafter referred to as SOS, and receive a free membership in the Tarryall Fishing Club. Purchasers of tracts understand that membership in and full support of SOA, and the Club are an absolute requisite for every purchaser and owner of a tract or tracts in STAGESTOP. The purpose(s) of SOA are to assume ownership and control of, and responsibility for the common areas within the subdivision; to provide surveillance over the property, to include, but not limited to maintenance of signs and enforcement of Protective Covenants; to govern STAGESTOP as required; and to attend to such other matters as may be determined necessary by the SOA Directors. THE VALUE OF THE LAND IS CLOSELY TIED TO THE FISHING AMENITY, AND TRACT PURCHASERS UNDERSTAND THAT PAYMENT OF DUES TO SOA AND FULL COOPERATION WITH SOA DECISIONS AND POLICIES IS A REQUIREMENT CONCOMITANT WITH TRACT PURCHASE AND OWNERSHIP, THAT PERIODIC DUES, AND/OR FEES WILL BE REQUIRED WHICH MUST BE PROMPTLY PAID, AND THAT NON-PAYMENT OF SUCH DUES OR FEES WILL CAUSE A RECORDED LIEN TO BE PLACED AGAINST THE DEFAULTING MEMBER'S TRACT OR



THE STAGESTOP GAZETTE

August 2006

Stagestop owners association

493 Stagestop Rd. Jefferson Co, 80456

ITEMS

New board members -- clean up day -- Repair of the firehouse -- Covenant changes

The Board Members

President	Virginia Skeffington	719-836-2805	The S.O.A. has a website for those of you who want to contact the board via e-mail .
Vice president	Wayne Reno	719-836-3452	
Secretary	Trish Lane	719-836-3671	Website www.soanews.org e-mail info@soanews.org
Treasurer	Carol Lewis	303-426-7039	
Member at large	Connie Iverson	719-836-0316	

ACC Board members

Connie Iverson 719-836-0316—Carol Lewis 303-426-7039—Robert Hanson 303-838-6721

If you are adding on, building new, painting, or just plain changing things around, please check with one of the ACC board members to get approval in writing . We are not hard to get along with so don't be reluctant to call. We just want to keep things within covenant rules so as not to have any problems later. The ACC is attempting to contact home owners who have not contacted them..

The annual dues for the 2007 year are \$73.00 per lot. Multiple lot owners only pay for two lots. SOA receives \$52.00 and the TFC takes \$21.00 from your dues.

All changes to the covenants and by-laws are on the SOA website you can read them and download them. If you don't have a computer or a friend who can download them for you, a copy can be obtained from Virginia.

We will have a clean-up day again this year over the Labor day weekend. When the dumpster is full it will be taken out so don't wait until the last minute or you will miss out. It usually fills up fast!

The damaged doors, broken water pipe, and damaged storage cabinets at the firehouse were repaired. All records were gone through to make sure there was nothing left down there that could be used by another thief.

*

Over the last few years there has been a running argument between the SOA and the fishing club. SOA contended that any increase in its dues should be approved by its members. The fishing club contended that since membership from both SOA and LOPRA was included and admitted to the annual fishing club meetings that any decisions or raises voted for at their meetings had to be passed on to the SOA and LOPRA memberships and that no further voting or approval is necessary. The three boards SOA, TFC, and LOPRA had a meeting to discuss the differences in their by-laws and this is what came from that meeting.

It was stated that the TFC was incorporated as a separate entity to enable the two developments to manage the fishing.

The TFC annual meeting provides a forum for all the members of SOA and LOPRA to come together to decide matters related to fishing. The policies and the dues for fishing are set at the TFC annual meeting and become binding on the two homeowners associations.

At the next annual fishing club meeting they will be asking for that to be added into their by-laws. This was mentioned in the May TFC newsletter.

If anyone has an opinion on this you need to write the SOA and express your thoughts otherwise this will also be added to our by-laws. Basically what that means is that you will need to go to the annual fishing club meeting and vote or give your proxy to someone to vote for you or you will have no recourse but to pay any increase voted in at their meeting. Let us know your feelings on this.

There have been several reports of dead fish in the pond at Stagestop. A large number of fish including some as big as 5 pounds have been lost. It is thought that the cause was a lack of oxygen in the water. The water is being tested and we should know for sure soon, but in the meantime, I would suggest that the fish not be eaten until we know for sure. The fish in the two small ponds over in Lost Park are doing fine with no die off over there. Those ponds have fresh water flowing into them from House Creek and would receive oxygen from the fresh water running into them.

The Stagestop hand pump down at the corner near the entrance to Stagestop is broken again. We will get Mr. Kessler out here to fix it as soon as possible. Until then if you don't have a working well on your lot, you will need to bring water from town when you come up.

TOUSSAINT, NEMER & COATY, P.C.
A T T O R N E Y S A T L A W

3081 BERGEN PEAK DRIVE
SUITE 210
EVERGREEN, COLORADO 80439

TELEPHONE (303) 674-0800
FAX (303) 674-8492

ntoussaint@tncolaw.com

September 25, 2006

Sent via Mail

Board of Directors
Stagestop Owners Association
493 Stagestop Road SSD-5
Jefferson, Colorado 80456

Re: Amending Bylaws Pursuant to Tarryall Fishing Club Request

Dear Board:

We have been asked to determine whether the Tarryall Fishing Club ("TFC") proposed changes to the Bylaws ("TFC Modifications") should be incorporated into the Association's Bylaws. For the following reasons, it is our opinion that the TFC Modifications should not be incorporated into the Association's existing Bylaws:

As acknowledged by TFC, the Association has the fishing rights to the Tarryall River. See September 17, 2006 email ("Email"), No. 3, enclosed herein. TFC was incorporated to assist the Association in managing fishing on the Tarryall River. See Email, No. 4. However, although TFC was only established to assist in the management aspects of the Tarryall River, the TFC Modifications would essentially grant TFC broad authority to regulate the fees collected from the Association's members without final approval of fee changes by the Association. Specifically, the TFC Modifications include a provision that states: "When the TFC makes a decision at its annual meeting no further voting of approval is necessary at the SOA . . . annual meeting . . ." See Email, No. 7. TFC attempts to justify this change to the Bylaws by stating that "membership from both associations is included in the TFC annual meeting." Id. Thus, adoption of the TFC Modifications would permit TFC to circumvent the Association in decisions affecting the fees charged to Association members.

After reviewing the Association's Bylaws, it is clear that the Bylaws do not grant TFC the type of broad authority it seeks. To the contrary, the Bylaws place the responsibility of "organiz[ing] and operat[ing]" the "recreational and social facilities and activities exclusively for members of The Stagestop Owners Association, their families and Guests." See Association Bylaws, Section 2.

Moreover, the Association's Declaration does not provide a basis for TFC to collect fees from Association members without approval by the Association or its Board of Directors. In referencing TFC, the Association's Declaration states:

Board of Directors

Stagestop Owners Association

Re: Amending Bylaws Pursuant to Tarryall Fishing Club Request

"Purchasers of tracts in STAGESTOP automatically become members of the [Association] . . . and receive a free membership in [TFC]. Purchasers of tracts understand that membership in and full support of [the Association], and [TFC] are an absolute requisite for every purchaser and owner of a tract . . . in STAGESTOP."

See Association Declaration, Section 15.

The foregoing language requires Association members to support TFC. However, it does not grant TFC power to collect fees itself or to determine the amount of fees the Association collects on behalf of TFC.

Further, TFC's own bylaws do not grant it the power to determine the amount of fees that will be charged to the Association's members. Section 2 of TFC's bylaws explain TFC's purpose and responsibilities:

TFC shall be responsible for the administration of TFC business affairs, including receipt of dues and fees, accounting of funds, and the setting and notice of minutes. Specific responsibilities are: enforcement of fishing rules and regulations as established for TFC; acquisition of fish; maintenance of signs and entries at fishing access points; and management of fish stocking in the augmentation reservoirs and in portions of the Tarryall River under lease . . . **Any other purpose and responsibilities must be approved by Lost Park Ranch Owners Association (LPROA) and [the Association].**

See TFC bylaws, Section 2 (emphasis added).

From the foregoing section it is apparent that while TFC may receive dues and fees collected from the Association, TFC does not have the authority to decide the amount of those dues and fees. TFC cannot obtain such authority to regulate the amount of fees charged to the Association's membership without approval of the Association.

That TFC cannot unilaterally decide fee increases is also shown by Section 8 of TFC's bylaws. This section makes clear that the Association is to collect fees "and turn over" those fees "to TFC pursuant to payment arrangements agreed to among TFC, LPROA, and [the Association]." See TFC bylaws, Section 8(c). As reflected by the foregoing, TFC may only charge those fees agreed to among TFC, LPROA and the Association; it may not unilaterally raise fees of its own volition.

TFC is really only a management company. It was established to assist the Association and LPROA in managing fishing at the Tarryall River. Apparently, the Association has the fishing rights in the Tarryall River, not TFC. Although the Association has agreed to assist TFC in collecting fees, such past fee collection activity by the Association does not mean that the Association has given TFC authority to decide how much fees members will be charged in conjunction with the Tarryall River.

Board of Directors
 Stagestop Owners Association

Re: Amending Bylaws Pursuant to Tarryall Fishing Club Request

TFC does not now have authority to increase fees unilaterally. But, if the Association incorporates the TFC Modifications into its Bylaws then TFC would be given the authority to make decisions regarding the fees, without the Association's consent. Permitting TFC to make decisions affecting the Association, without the approval of the Association, would transform TFC from a mere management agent for the Association to an organization that in effect can dictate policies to the Association and its members, including dues.

For these reasons, the Association should not adopt the TFC Modifications as part of its Bylaws. In fact, it appears that the two Owners Associations should meet to clarify the roles and responsibilities of those organizations as they pertain to TFC.

Sincerely,



Richard W. Toussaint
 Brent D. Quist

**Stagestop Owners Association
493 Stagestop Road SS D-5
Jefferson CO. 80456**

TO: Board of Directors
Lost Park Ranch Owners Association
From: Board of Directors
Stagestop Owners Association
RE: Tarryall Fishing Club
Date: August 15, 2009

The Stagestop Board has consulted with their lawyer Richard Toussaint about the question of increasing the TFC management fee. According to our lawyer we are legally bound to follow our covenants.

In paragraph 15 of the Declaration of Protective Covenants for Stagestop the rights are stated that each owner "automatically becomes a member of the "SOA, and "receives a Free membership in the TFC. "The value of the land is closely tied to the fishing amenity, and tract purchasers understand that payment of Dues to SOA and Full cooperation with SOA decisions and Policies is a requirement concomitant with tract purchase and ownership..."

After our lawyer reviewed the rights and responsibilities of the owners he referred back to paragraph 15 of the Covenants regarding this issue. As stated above, the property owners must pay fees to the SOA. But those fees "will be in accordance with SOA bylaws". Nowhere is there mention of TFC bylaws or of the TFC setting fees. An important inclusion in paragraph 15 requires that "SOA will not create unreasonable burden, requirements, or costs upon property owners of Stagestop." This means that SOA property owners must pay fees and the Board of Directors determines the amount of those fees, (including fees to be paid to the TFC) under the specific restriction that no unreasonable burdens or costs are to be placed upon the property owners.

Clearly it was meant for the SOA to set the fees that would flow to the TFC and that the SOA would pay them. The following is included in paragraph 15: "Examples of SOA responsibilities are...payment to Fishing Club for stocking of lake and river with fish..." Since the SOA through the Board of Directors is to determine, collect (including liens on lots if necessary) and receive all of the revenue from fees charged to the property owners, the TFC is NOT authorized to set or obtain fees from Stagestop property owners. There is no provision in the Covenants or in any other document governing the SOA that gives the TFC a right to be able to demand fees from the SOA. The TFC only has the right to receive from Stagestop what is paid by the SOA, and solely the Board of Directors of SOA determines that amount.

So according to the covenant SOA only has to pay for the stocking of the ponds and river, however SOA realizes that there are other expenses in order to maintain a good fishing environment, which the SOA supports, and will continue to support as long as it is not a burden on our property owners.

The Stagestop Board of Directors

To : Stagestop Board of Directors

August 31, 2009

From : Lost Park Ranch Board of Directors

Your letter dated August 15, 2009, does not address the fact that the Tarryall Fishing Club (TFC) is made up of members from Lost Park Ranch as well as Stagestop.

The Tarryall Fishing Club was incorporated to address issues related to the fishing club, such as setting of dues. The annual TFC meeting consists of all of the membership from both developments. Stagestop cannot set the dues any more than Lost Park Ranch can set the dues. The TFC dues have been determined at the annual fishing club meeting since the TFC was incorporated.

After our Joint Boards meeting 3 years ago, Lost Park Ranch added a statement to our bylaws that says "the TFC Dues will be set at the Annual TFC meeting and no further voting will be required", per our agreement at the joint boards meeting.

There is a limit on the amount that dues can be raised in the TFC bylaws, and in general the dues have been raised only every five years or so. The TFC Board has had to reduce the amount of fish stocked from 5000 lbs. per year to 3000 lbs. per year and costs have gone up much more than the dues increase.

The vote at the TFC Annual meeting to raise the dues by \$4 per year was not close (116 for and 42 against) and 2/3 of the people at the meeting were from Stagestop.

After review of the relevant covenants and bylaws, our attorney advises us that the TFC Annual meeting is the proper forum to set TFC dues.

If this issue cannot be resolved between our HOAs, we will be forced to file a court action to resolve the question of setting TFC dues.

Lost Park Ranch Board of Directors