906442 1 of 3

4/8/2005 1:30 PM ORD R\$16.00 D\$0.00 Linda Daley
Laplata County Clerk
FILED
IN COMBINED COURT
IA HATA COUNTY, COLORADO

DISTRICT COURT, LA PLATA COUNTY, COLORADO

Court address: 1060 E. 2nd Ave., Durango, CO 81301 Phone Number: (970) 247-2304

Plaintiff(s): FOREST LAKES PROPERTY OWNERS, ASSOCIATION, INC., a Colorado nonprofit corporation

Defendant(s): MYRON E. TOLF and LOUSE C. TOLF

Third-Party Defendants: CASEY COOK, CINDY SCHWARTZKOPF, ANNE SCHRIER, BILL MORLONG and ARRON JOHNSON, in their individual capacities,

JAN 2 0 2004

DEPUTY CLERK

□COURT USE ONLY□

Case Number: 03CV154 Division: 4

,

ORDER REGARDING MOTION FOR SUMMARY JUDGMENT

The case comes before the Court upon the Defendants' Motion for Summary Judgment.

After listening to the arguments and reviewing the briefs of the parties, the Court finds as follows:

The parties agree that the Plaintiff, the Forest Lakes Property Owners, Association, Inc., (hereinafter "FLPOA") have brought this lawsuit against the Defendants, Myron and Louise Tolf, (hereinafter the "Tolfs"), based upon the 1998 covenants that FLPOA had recorded with the clerk and recorder on October 29, 1998. The Tolfs argue that the 1998 amended covenants are not effective because they were not properly adopted, and even if they were properly adopted, they were adopted too late to prevent the automatic renewal provision of the 1973 covenants to engage.

1

Low office Don't When G79 E. Zus Ave, Swille Dungo, (08130)

The Court shall enter summary judgment when the record shows that "there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." Continental Air Lines, Inc. v. Keenan, 731 P.2d 708, 712 (Colo. 1987); C.R.C.P. 56(c). However, "all doubts concerning summary judgment should be resolved against the moving party." Dominguez v. Babcock, 727 P.2d 362, 365 (Colo. 1986). Additionally, the moving party bears the initial responsibility to inform the court of its basis for summary judgment and to identify those portions of the record which demonstrate the absence of a genuine factual issue.

Celotex Corp. v. Catrett, 477 U.S. 317, 323; Continental Airlines, Inc., 731 P.2d at 712.

The material facts in this case are not in dispute. The 1973 covenants were filed with the La Plata County Clerk and Recorder of April 10, 1973. The covenants had a duration of 25 years and were to be automatically extended for successive periods of ten years from the anniversary of their being recorded "... unless an instrument signed by a majority of the owners of the lots has been recorded agreeing to change the covenants. .." 1973 covenants, VIII, 1., p. 29. In 1998 FLPOA held a vote concerning amending the covenants. While the Tolfs have some questions about validity of this election, FLPOA records indicate that the majority of the voters approved the changes. The FLPOA caused the amended covenants to be filed with the clerk and recorder on October 29, 1998. There has never been a written instrument filed in with the La Plata County Clerk and Recorders Office signed by the lot owners agreeing to implement the 1998 amended covenants.

The Court agrees with the Tolf's that because the covenants contain a specific procedure for their modification, that procedure must be strictly followed. See *Dunne v. Shenandoah*, 12 P3d 340, 343-344, (Colo. App. 2000). The Court cannot substitute the recording of a vote for the

requirement of the filing of an instrument that is signed by a majority of the lot owners. In addition, the failure of FLPOA to record the 1998 amended covenants prior to the anniversary date of automatic extension of the 1973 covenants voids any amendment even had it been properly adopted. See Mauldin v. Panella, 17 P.3d 837, (Colo App. 2000).

The Court therefore Orders that the 1998 covenants are void and cannot be enforced in this action. This Order does not preclude the FLPOA from enforcing any previous covenants that have not been abandoned and were properly adopted and recorded. The Court further Orders the attorneys for the parties to schedule with the Court a 15 minute status conference to discuss whether the FLPOA wishes to amend the complaint and the likelihood the parties will be ready for trial on February 10, 2004.

Done and signed this 2 day of TAN

XC:

Rasure

Liberman