

Tuesday, June 4, 2019

Dear Roosevelt Ridge Lot Owners

It's been quite an interesting look into our neighborhood over the past few weeks. I haven't engaged yet but since I've been referenced multiple times via email, I'm engaging now. I'm a big believer in accountability, and many are focused on my accountability and actions, and I'm happy to respond. It seems appropriate to share accountability across the board.

In the following, I attempt to provide the community the responses that I feel the community is asking for. I've tried to cross-reference everything but am sure that I have missed something from the 100s of emails.

I haven't hidden from any of my accountability on these topics. Other than annexation and Lot 25 issues referenced later, none of these questions have surfaced earlier. I am happy to address any questions from the owners and HOA members- perhaps we need a call to answer questions vs. these emails.

We don't have to like each other. But it would be in our best interest to work with each other and the soon to be elected board to sort issues out in a balanced manner that benefits us all. I am going to raise some issues that have not been raised yet in the hopes of providing a balanced response or initiating discussion on other matters material to the entire community. Again, it is likely that I missed something or did not wordsmith things correctly. I apologize in advance for that and am happy to address any questions live.

I am also responding to the unwarranted and unsupported personal attacks on me, my character, on Jessica, the Board and Ted. Before you reply to the below, take a deep breath. Did I manufacture issues and accuse you of anything? No. Does everyone need to hear what you think? No. It's your prerogative to reply, but some of these emails are bordering on crazy.

Finally, we all have a choice re how we deal with community / HOA issues moving forward. Help. If you don't like the results, what have you done to produce better ones? Every one of you was asked to help in any way that suited you. Did you? The Board is not perfect, and some results were not perfect, but on the balance, they have done an amazing job, picked up the pace of activity for all our benefit. These are uncompensated positions, and they (Mike, Jeff, Ted) have accomplished a lot on our behalf. I'm not sure that has come through loud and clear through the escalating emails. If you wished to be elected to the Board, is this how you would like to be treated?

We all have a choice. You can sit back and snipe away while not assisting in any way. You can continue, causing issues for a variety of conformance issues associated with the houses on Roosevelt Ridge that did not follow the Design Covenants, or you can do something to help. Your actions more than your words will determine how useful your contributions will be.

- My actions as Declarant have come under attack. I say attack because any one of you could have asked me if I had done anything that has been alleged. I would have, as I have always done, responded quickly and truthfully. No one ever asked me about any of the items other

than Charlie asking about annexation, Raj asking about Lone Pine misappropriating HOA funds. On our call, I responded somewhat emotionally, but I was at a funeral for a close family member, it was then 10PM EST, and I couldn't understand why we were having that discussion when that wasn't the topic of the call (and anyone interested in the answer to these questions could have asked me at any time prior to the call).

- Along the way I and Jessica have been accused of theft and misuse of HOA funds; she has been accused of malpractice that would lead to her disbarment if even remotely true; and Ted and I have been accused of colluding for some nefarious purpose and our mutual benefit.
- The people asking these questions must know what they are insinuating with these questions:
 - That I've stolen HOA money and used it for Lone Pine purposes
 - I've conspired with Jessica to do so
 - Jessica has acted in conflict and is incompetent
 - Ted and I have conspired to misuse HOA funds and for me to gain some illegal or improper advantage, and that I am paying Ted for this privilege
 - Did I miss anything?
- You must know that if you ask a question a certain way, you are stating something. And repeating the wrong thing repeatedly doesn't make it true.
- If you don't understand this, you should simply stop with the emails and stop with your attempts to be some community organizer. Let's get this Board elected and support them.

Do you really think it is acceptable to attack someone's character without any basis? In case you don't know the answer to this question, it is definitely not. If you want to preserve some shred of credibility, please immediately provide the factual basis upon which you based your attacks. Otherwise, we are left to assume that you literally manufacturing all your slanderous accusations from whole cloth.

Responses:

- Did I ever use a single dollar of HOA funds for Lone Pine / Declarant purposes?
 - NO!
 - In fact, I have spent thousands of dollars on HOA business without charging the HOA
 - I have spent my entire life operating with unimpeachable integrity and do not take a direct assault on my integrity lightly, especially when there is no evidence suggesting that I have acted so.
 - I expect an audit will confirm that
 - All HOA funds have been deployed correctly and accounted for correctly.
 - And that Lone Pine has spent money enforcing HOA access rights (detail on Lot 24 access / Bramante follows).
 - It may be that the HOA currently owes Lone Pine for its enforcement of HOA access rights.
- Did Jessica Miller (HOA Attorney) perform work on behalf of Lone Pine / Declarant?
 - NO, as evidenced by the letter she provided.
 - Doing so would have violated her ethical commitments and exposed her to being disbarred.
 - Furthermore, that would also mean that I/Lone Pine/Declarant willfully stole HOA resources to pay for non HOA activities. I am not a thief, and I have not stolen HOA money.
- Did Ted Bertele act in a conflicted manner to benefit Lone Pine/Declarant/himself?
 - NO.
 - Having a stated conflict of interest (he is my brother in law) does not legally equate to causing issues or creating illegal benefit.
 - Simply suspecting this without any shred of proof (or actual underlying action) does not make it an issue.
 - The entire argument for this seems to be based on the Lot 25 annexation issue.
- Did Lone Pine / Declarant leverage some Board / Ted conflict of interest to improperly annex Lot 25?
 - NO.
 - Lot 25 was legally annexed by Lone Pine without HOA Board input or consent.
 - The entire argument that Lot 25 annexation somehow benefitted from an improper HOA Board consent is based on a series of inaccurate conclusions and thoughts. There is no linkage at all between Lot 25 approval, the Board, Ted, or Lone Pine / Declarant. This entire issue has been manufactured.
 - Letter from Lone Pine attorney (attachment 1) and Dan Horn from Gilpin County (attachment 2) attached lay out the basis for this action and statement.
- Did the recent annexation process cost the HOA anything?
 - NO.
- Cisterns- is Lone Pine responsible for the cisterns, or should Lone Pine have installed them?
 - NO.
 - The Declarant rights are clearly spelled out. Expenses like this are spelled out as at the discretion of the Declarant.

- History (more on this under lot values)
 - We sold our first 8 lots for >\$400k each in 2005 after working for 2 years to gain Gilpin County approvals.
 - The 2009 Global Financial Crisis (GFC) radically/negatively/permanently altered the financial trajectory of this development.
 - If we had continued to sell at the pace and pricing of the 2005 lots, Lone Pine most likely would have exercised Declarant discretion to install cisterns to increase potential future sales. Based on the much lower pricing starting in 2010, that investment did not make sense. The Declarant is under no obligation to provide this amenity.
 - We have discussed cisterns multiple times at the HOA level, but had not yet decided to put them in. Part of that was that the Fire District had not required a cistern, and part of it was to defer expenses until needed.
 - You can't have it both ways. If you bought a lot at \$150k or less, that is relatively low pricing. You don't get a cistern for buying a lot at those prices, but you do get a very low entry price into the community.
- HOA history and actions
 - A lot has been said about what "should have happened" in the past, mistakes, omissions, etc. That is not a fair characterization of the facts.
 - The earlier owners have each participated in almost every HOA call (or if missed, via email) and we almost always achieved unanimous consent for decisions we made and budgetary & development activities (I can't remember when we did not achieve unanimous consent, but there could be one or two).
 - The HOA decided to the best of its ability at the time decisions were made. Everyone had input, and I don't recall a lot of disagreement.
 - In the beginning before there were more houses than the Kaisers (now Sharmas), the goal of the community was to minimize costs for those not there at the property. The needs of the community have obviously evolved as more houses have been built.
 - The current "acting" Board has acted in a transparent manner. That doesn't mean that you as owners are going to know everything that happens exactly when it happens. For example, the comment was made at one point about the Board not informing the community about the purchase of Lot 25. We have never sent a community notice when a lot has been sold. We generally always introduced the new owners at the next HOA meeting. Now we could introduce a bulletin board on SharePoint or something where ideas, updates, questions, etc. could be posted, but it's not like the Board has been hiding things as alleged. You all certainly could know more though; every one of you were asked to get involved in a manner that suited you. You certainly can choose not to help and then sit back and snipe at those delivering results for the outcomes they are delivering, but that doesn't seem like how this community should operate. It's certainly not how it used to operate.

Now, I enjoy the fluffy bunny Roosevelt Ridge sunset poems as much as anyone. I have been visiting RR longer than any of you. I fell in love with the place for many of the same reasons you all cite in the various haikus floating around. I have spent more money on this project than any 5 (or probably 10) of you have or will.

You can't use these nice little poems and observations to distract from some terrible behavior in these e-mails. I have built my entire life on unimpeachable integrity and honesty, and I will vigorously protect my reputation. The next time you come at me without a single shred of factual support for your allegations I will seek the counsel of litigators with whose firm I work (spending millions a year- we are a public company), and who would be more than happy to represent me at no cost in this matter.

I haven't heard anyone say anything positive about the significant work and improvements by the new board over the past year +. They've done an amazing job. You have all benefitted from their very hard work, and I don't think anyone understands how much effort and time they have put in.

If you are seeking election, you have very clearly laid out in your communications how you would like to be treated on this Board if you are elected. I would advocate for a more grateful and constructive approach with past and future Directors and not one where individuals are attacked and maligned by people who have done nothing for our community and in some cases have harmed our collective resale value by building non-conforming houses.

You have opened my eyes to some Declarant rights that have previously been unexercised. I will be seeking to exercise those rights for the good of the entire community. Thank you for engaging me on these actions; further communications will be forthcoming after the election.

Final point- all I've done is respond to unsubstantiated constant attacks on me and my character as well as those who have worked on our behalf. I've shared some information and called out some serious hypocrisy while holding others accountable as I am being held accountable. What I haven't done is manufactured issues without any factual support and conducted character attacks on any of you. That is what has been done to Jessica, Ted, the Board, and me. In fact, I've dealt with numerous issues and not shared the issues with the community in the hopes of maintaining civil behavior and not inflaming anything. I'm feeling pretty good about how I've handled things.

Now if you really care about the community, support whatever the new Board is, do some actual work yourself / help, stop sending so many silly emails, and follow the design guidelines so that your house can be counted as a positive addition to our community and overall value.

See you up at Roosevelt Ridge

Peace & Love

Scott

In no particular order, I will attempt to address a number of issues in the following with support from the attachments cited.

Summary questions:

- 1) Raj, please provide examples of actual facts that led you to question whether I was using HOA funds for Lone Pine purposes, that Jessica was conflicted and conducting work on Lone Pine's behalf, that Ted was receiving improper benefit and the exact nature of his conflict/alleged improper benefit.
- 2) Building owners- for the sake of transparency and our collective lot value, what are you planning to do to bring your houses into compliance? Please be specific re actions and timing.
- 3) Charlie- can you explain how you felt justified in your unilateral approach to working with the Fire District? A committee was set up to deal with this- did you assist or work with the committee? How can we be sure that a less expensive outcome could not have been achieved? (I believe the cost for a 30k gallon cistern is ~\$100k). What are your plans to pay for this development?
- 4) Dorinda- your building has significant nonconformances with the DC. How do plan to address these issues? What have you contributed to the HOA in terms of time and work effort? Please tell us how you expect us to work on the community's behalf when you have been a source of noncompliance especially if you have also chosen not to work on our community's behalf to date?

Lot Value

There are many aspects that drive lot value, and many opinions on the topic. My personal view is that the lot size of Lot 25 is being manipulated to create issues as part of this election discussion. The very simple test of that will be to see if any of the owners who have built houses with significant quality issues, lacking a fit in the character of the community and causing view issues for others, and/or significant non-conformances with the Design Covenants will be willing to come forward and address these issues with their house and those of others. These issues in those structures create a much more material impact on lot value than the nominal size difference in Lot 25.

External and historical factors

Roosevelt Ridge lot sales exceeded \$400k in 2005. In hindsight, 2005 represented the high-water mark of pre-GFC real estate pricing in the US. We sold what we could at the time and we have a few original buyers still here.

The GFC radically affected lot pricing. Since most prospective buyers were focused on a RR lot as a second home or investment property, and since 2009 caused significant liquidity issues, we experienced a significant downturn in lot sales volume and pricing then and afterwards.

We sold 6 lots prior to the end of 2010 to an amazing neighborhood of ex-pats in Nigeria; two owners wired their money weeks ahead of their signed contracts based on bank timing, a huge storm sweeping through Nigeria preventing any transmission of documents, and trust. These folks helped save RR from a bank takeover and I am forever grateful for their involvement in our development. Afterwards, I was also forced to sell several lots under duress since 2010 to pay property taxes.

Many of you have been the beneficiaries of the extremely low and generous pricing. I am not complaining. I'm a big boy and have taken a serious financial bath on this property, and on the flip side, we attracted some great people who were able to buy into RR at significantly reduced prices and I'm pleased to call many of you neighbors. Many of you own lots purchased at very low \$/acre rates and benefitted from these external market dynamics.

Internal factors

Probably the largest contributors to lot resale value (and therefore the impact on others' lot resale value) are:

- Lot size and quality
- Building size and quality
- Shared resources / amenities

Lot size and quality

Each lot contains a 2-acre build envelop, with the remainder being "buffer space" (my own term). Each lot's remaining acreage is less material to the overall lot resale value than the quality of the construction of the building on the lot. More on this later.

Building size and quality

We have historically maintained no minimum building size within the community, unlike some others (Paradise Valley I believe has a minimum). This keeps with my original philosophy of allowing people to find their own way to enjoy the property, and not impose unreasonable restrictions or be overly intrusive. From our conversations on multiple HOA calls, other than one or two dissenters, it seems that the owners appreciated this approach.

Regarding the quality of construction and the specific design of each house, if you speak to any real estate professional, the direct impact of poor construction quality, or a house which is grossly out of character with its surroundings is far greater than one lot out of 20+ that has less buffer space.

As an aside, there is only one remaining lot to be created that will include Parcel C. I am working to make that as large as possible. There should be no other new lots created after that. If I am going to be peppered with questions about lot size, I am happy to take them after the owners of houses that did not follow Design Covenants share their plans to address them. Fundamentally I will exercise my rights as Declarant and create the last lot, and it may be < 17.5 acres.

Shared resources and amenities

As a community, we have always biased our small budget towards improvement and maintenance of our shared amenities. We have also attempted to spend every dollar carefully and minimize external costs. We have relied on our community members to do the work at no labor cost where possible. Ted and I put significant effort into personally building the railroad ties that form the entry and cleaning up numerous issues by hand over the years (and enjoyed it- no complaints), and I know many of you have also worked hard to improve community resources and not simply focus on your own lots.

Jeff Keicher put in significant work over many years as the lone other Director. His knowledge of construction and contractor management was indispensable, and he was able to be on site for much of our early contractor management.

The HOA expenses and focus on shared resources / amenities have been largely focused on the road and entryway. You can work through past budgets to see where we deployed capital. We tried to minimize legal cost and worked as a community to deal with issues as they were identified. We also lowered the monthly HOA bill for a period at the request of the owners. Certainly, if earlier owner groups had pushed / voted for higher dues, we could have spent more on these projects.

In my opinion, supported by numerous discussions with real estate professionals, the largest single factor impacting our lot resale value is the poor construction quality and lack of adherence to the Design Covenants. The only house built at Roosevelt Ridge that followed the design review process was the Kaisers' house (now owned by the Sharmas).

We all should know that John Kennedy had issues with the quality of his buildings. At least one of our current owners successfully litigated against Kennedy based on poor construction quality (as I understand it. if you anyone would like to clarify in the spirit of openness, please do so).

I found it impossible to compel Kennedy to communicate or follow the DCs. When the new board was voted in, I handed over a summary of just a portion of my attempts to get Kennedy to follow the DCs (attachment 3). In my opinion, he was intentionally subverting them and avoiding communication. The HOA Board not even know that some of the houses were being constructed until they were well under construction.

In following the spirit of openness that is so important now, I am attaching these design reviews that were shared with the owners, listing the numerous non-compliance matters in these buildings. These are the only partial reviews that were completed. The generally incomplete plans were submitted well after construction was underway, making it very difficult to address:

- Summary letter of issues from the attorney hired to support the design review process- attachment 4.
- Graff review- attachment 5.
- Keller review- attachment 6.
- Wiatrowski review- attachment 7.

The primary responsibility for following the DCs rests with the lot owner. Ignorance of the DCs is no excuse. Failure to follow the DCs rests solely in the hands of the owners who built their houses and ignored them. The liability associated with the failure to comply with the DCs rests solely on the individual owners.

The existing houses share many issues. I suggest we hire an independent auditor and review the houses and share the results in the spirit of transparency. I would then expect the owners of those houses to immediately remedy those issues in the spirit of lot resale value for themselves and for the community.

If you want to salvage any modicum of credibility here and avoid a potential "serious hypocrite" label, I suggest you immediately communicate your plans to bring your house into compliance with the spirit and intent of the DC. Otherwise, you personally are responsible for what is arguably the greatest negative internal impact on lot value in our community.

Lot 25 lot size

The voluminous emails regarding lot 25 are simply wrong and based on incomplete, inaccurate, or incompetent assessment of the law. Just because you can find something that supports the conclusion you are trying to reach does not make your analysis correct. Yet the closet attorneys out there continue to misquote and misinterpret information and are creating a hostile environment for the new owners of Lot 25, who should be welcomed not harassed. You are harassing the Burnsteins, and you are harassing me, and you need to stop.

I have spent time revisiting conversations with the county (attachment 2) and analysis with Lone Pine attorney (attachment 1), spending additional thousands of dollars in the process dealing with your continued unwillingness to acquaint yourself with the facts and continued misplaced harassment.

If you continue to persist, I will immediately engage legal counsel to deal with your ongoing harassment which is causing material harm to the reputation, operations and business prospects of me personally, Lone Pine, LLC and the Roosevelt Ridge community.

Lot 25 annexation process

The Board was not involved in the approval process for the annexation of Lot 25. Lone Pine exercised its unilateral rights as Declarant to annex Lot 25. The entire argument that I conspired with the Board, and particularly with my brother in law Ted to somehow subvert process and gain financial advantage that both he and I benefitted from is spurious and completely without foundation.

Seriously people, you have to know something about the process before you start accusing people of abusing/misusing it. You are reading and misinterpreting outdated or irrelevant documents. Since none of you are CO real estate attorneys, and since I have employed multiple CO real estate attorneys who disagree with you, I am going to go out on a limb and side with my attorneys. If you disagree, you can always pursue legal action on your own behalf. If you do, please know that I will be counting prior and future legal expenses and damages to my reputation and to the development as part of a counter-claim focused on your ongoing harassment.

The entire argument that there is some linkage with Ted or some benefit Lone Pine is deriving is laughable and without any foundation in reality. That linkage has been used in recent emails to insinuate accusations against Ted's behavior and character, and my behavior and character.

This entire issue is manufactured (like many things that have transpired recently) without basis in fact and without support in any legal manner.

Lot 25 size impact on overall resale value of lots at Roosevelt Ridge

Lot Size: each lot is comprised of a 2-acre build envelop with the remainder being unbuildable, due to the conservation easement deeded to the County (other than a cabin). I loosely and informally dubbed the balance of lot acreage outside of the 2-acre BE as "Buffer Space" or BS. In speaking with real estate agents, the size of the buffer space has limited impact on lot value. So, if we sell an 11-acre lot and a 17-acre lot, both with 2-acre build envelopes, they have a 9- and 15-acre buffer space. If you have more BS, that does not mean that your lot is worth more,

especially if you have a highly nonconforming building on it. In other words, more BS doesn't necessarily equate to more value (which is also true in real life.). Yes, that was an attempt at humor.

Lot 25 further benefits from being adjacent to ~1m acres of Roosevelt National forest and has no neighbors on >50% of its property. Therefore, the buffer space could be seen to be focused on the remaining 50% of the lot, as the buffer space on the other 50% of the lot is provided by national forest land. At the ratio of buffer space in this example, the 9 acres is equivalent to 18 acres of buffer space, which exceeds that of typical 17 acre lots. In other words, the size of Lot 25 does not affect your lot resale value.

But candidly the whole lot size issue feels like a smoke screen to stir up issues. If it is not a smoke screen, then the current owners who have built houses with significant nonconformances should immediately lay out their plans to bring their houses into compliance with the DCs.

It would be nice to hear from you - please let us know how you plan to bring your houses into conformance with the DCs. Failure to do so will: a) expose your behavior as completely hypocritical; and b) continue to cause significant negative impact on everyone else's lot prices.

Again, since I suspect that this issue was manufactured to create noise during this period, I expect a deafening silence from owners of buildings who ignored the spirit and letter of the Design Covenants. I think we would all be delighted to receive a list of immediate actions you will take to improve this situation you caused but remain pessimistic that this will occur.

Transparency and use of external resources for Lone Pine purposes

I've dealt with several issues at RR. My philosophy has been to deal with each issue and not overly expose the community to these issues. I didn't want to introduce an element of discord into the community and hoped to let each issue lie. I've also worked through individual issues and resolved them and did not want to put those in the view of the community so as not to affect anyone's perception of each other, again in the spirit of community harmony.

Lone Pine has also paid its own legal, survey, accounting, and tax fees independent of the HOA. Securing access rights for Lot 24 and Lot 25 are explained herein to help explain that point.

The constant use of the word "transparency" in an environment that was already transparent can mean only one thing. You want even more transparency. So, I am changing my personal policy, and will be sharing all individual issues with the community so you can understand what is happening, with whom, and hopefully why.

Bramante attempts to block Lot 24 access to San Juan Heights

Shortly after the Bramantes bought their property, they sent me the attached letter (attachment 8).

It basically states their intent to block access to Lot 24 down San Juan Heights and led to them continuing to illegally lock the gate to San Juan Heights, barring access and causing issues with the pending sale to the Luries.

I spoke with Andy extensively to try to change his opinion, but ultimately had to hire an attorney, spend over \$4k dealing with this situation, and as noted by the Luries- delay the closing of their lot sale by months.

My interpretation-

Andy apparently thought he had found an interpretation in the law that would allow him to block access. It seems clear that he purchased his lot (not directly from Lone Pine) fully believing that there was an issue that he could exploit, since the attached letter was sent very soon after he purchased his lot.

If there had been a legitimate concern, why did he not attempt to clear this up prior to purchasing his lot? That's what I've always done, and what contributed to delays in closing Lot 24 and Lot 25- I needed to provide ironclad access rights to the new buyers.

My opinion, supported by Lone Pine attorney and conversations with the County, was that Andy's interpretation runs counter to the letter and spirit of the law which generally prohibits landlocking a property and blocking access to it.

My legal experts disagreed with Andy, as his point was simply not supported by law (i.e., it was wrong). However, in desiring to close the sale of Lot 24, and wanting to clean up any access issues prior to the sale, I moved to settle with Andy. I made the whole point moot by offering him a choice- either he grants access down San Juan Heights (that was not really his to give, but we didn't want to have issues for Lot 24), or we would change the access to Lot 25 and provide access down Conservation Way. Andy chose San Juan Heights and signed the easement. We

settled and that was that, but not before Lone Pine spent over \$4k in legal fees dealing with Andy's baseless claims and delaying the sale of Lot 24 for months.

Since Andy wanted to run for HOA Board, I told him that I would not tell anyone about what had transpired, as I did not affect his ability to run for the HOA Board. In addition, I did not go into details with the Luries (owners of Lot 24) other than that I was working to secure access for them as part of their purchase. I didn't want to negatively affect their ability to work with Andy as friendly neighbors. So, I paid for the legal work, signed the deal with Andy, and sold the lot without mentioning it to anyone.

I expect that I could have litigated this matter and won, but that would have delayed the closing of the sale of Lot 24. Finally, Andy, if your attempt to illegally block access to San Juan Heights for Lot 24 had resulted in the loss of that lot sale, I would have immediately held you legally and financially responsible. For your sake, I am glad that your efforts ultimately failed.

As an FYI, the Lone Pine attorney stated at the time that at least 50% of the >\$4k expenditures were simply enforcing HOA access rights on behalf of the community and should be paid by the HOA. Since this money was not in the budget, and since I didn't want to put the new Board in the difficult position of spending ~2k on an unbudgeted legal item, I simply paid it out of Lone Pine. Asking for HOA payment for actions that Lone Pine had taken on behalf of the HOA (protecting legal access to lots) also would have exposed this entire episode to the Luries and the community, which I did not want to do.

So... I'm feeling pretty good about how I handled this. It is so ironic that I and the Board are accused of misuse of HOA capital, and conflict of interest when in fact the opposite occurred- Lone Pine took care of everything on its/my own, not exposing the HOA or the owners to any of this.

For Lot 25 access- it was also complicated as there were multiple easements required. In this case, some delays occurred as Lone Pine sorted them out. This was an expensive process, paid for by Lone Pine and did not cost the HOA anything.

Charlie Nolan

Initially it seemed like Charlie would be a community asset. Charlie seemed to have some extensive knowledge about how HOAs worked. Initially he identified a few helpful issues that the Board worked to address. The Board asked him to join on a more formal basis (as secretary, Charlie declined), and to help in any way.

I sincerely appreciate Charlie identifying the annexation issue of the Phase II lots, and on my part and once I understood the issue, moved to communicate with the owners to resolve the issue. The omission was clearly not intentional, and the resolution of it has not cost the HOA anything.

Charlie also offered to help pay the Parcel C taxes which was very kind. In the end, Ted loaned Lone Pine the money to pay the taxes, which was subsequently repaid with no interest (Ted lost money on this transaction relative to market terms).

Along the way, the communications became combative, and started looking like litigation proceedings. Still, from what I heard, the board remained patient, and kept working with Charlie to figure out what his numerous points were, and how to best address them. You can ascertain for yourself from the attached letters, which I was provided by our Board when I requested them in the spirit of transparency.

If the Board had followed every issue to conclusion with an attorney, the actions of one owner would have cost thousands of dollars (that were unbudgeted and would detract from community focused maintenance and improvement projects). Instead, it appears that the Board attempted to work with Charlie to resolve your issues and attempted to do so without spending thousands of unbudgeted dollars towards legal costs.

The "Continued Breach of Lot 25" communications are simply not accurate based on multiple analyses and conversations with counsel and the County.

The "Ted Conflict of Interest" thread was not really that helpful, as Ted and I both had disclosed the brother in law relationship from the beginning, since Lone Pine never received favorable treatment from the Board, and Ted never received any economics from Lone Pine. Much of the Ted COI thread is based on the incorrect conclusions re Lot 25 activities, which are simply inaccurate.

In the spirit of transparency, I requested the communications that Charlie sent to the Board so that I could share them with the owners so that you can read and decide for yourself (attachment 10). As I said, I am not attacking Charlie, and some of his suggestions are useful and appreciated. Some are not, but no one here is perfect. I believe that Jessica has reviewed many of these items described by Charlie.

In addition, in the spirit of transparency, Charlie should have disclosed that he bid on Lot 25 but did not win the bidding process. Charlie has also made numerous backup offers to buy Lot 25. I hope that Charlie is not creating a toxic environment for the Burnsteins to encourage them to sell their property. Along the way, through numerous backup offers, Charlie never mentioned his now current concern about lot size, which seems curious. Also, the fact that Charlie made

numerous offers on the 11-acre lot 25 seems antithetical to the point that the size of the lot is affecting everyone's resale value.

Finally, I am concerned that Charlie's unilateral approach with the Fire District has caused significant liability for the community. We need to understand better how this can be best addressed and deal with it as a community vs. individually.

I hope we can find a place to work together on behalf of all HOA members. I'm happy to do my part but will not be that open to working in an environment under constant threat of litigation, which is what the situation appears to be now based on the tone of the communications.