

<p>DISTRICT COURT, EAGLE COUNTY, COLORADO  Court Address: 885 Chambers Avenue  Eagle, Colorado 81631  (970) 328-8554</p> <hr/> <p><b>Plaintiffs:</b> CORDILLERA GOLF CLUB, LLC a Delaware limited liability company; CORDILLERA GOLF HOLDINGS, LLC a Delaware limited liability company; WFP CORDILLERA, LLC a Delaware limited liability company; and DAVID A. WILHELM, individually</p> <p>v.</p> <p><b>Defendants:</b> CORDILLERA TRANSITION CORPORATION, INC., a Colorado not for profit corporation; CORDILLERA PROPERTY OWNERS ASSOCIATION, INC., a Colorado not for profit corporation; CORDILLERA VALLEY CLUB PROPERTY OWNERS ASSOCIATION, INC., a Colorado not for profit corporation; TIMBER SPRINGS PROPERTY OWNERS ASSOCIATION, INC., a Colorado not for profit corporation; ROBERT VANOUREK, individually; DENISE DELANY, individually; GARY EDWARDS, individually; RAYMOND OGLETHORPE, individually; DAVID TEMIN, individually; SARAH BAKER, individually; NELSON SIMS, individually; DICK ROTHKOPF, individually; DAVID BENTLEY, individually; ELISE MICATI, individually; RICK SMITH, individually; GLENN BOURLAND, individually; LOUISE VAN DUSEN, individually; and ROGER MAGID, individually</p>	<p style="text-align: center;">Δ COURT USE ONLY Δ</p>
<p>Attorney: Peter W. Thomas  Atty. Reg. No.: 27657  Firm Name: <b>THOMAS   GENSHAFT, LLP</b>  Address: Aspen Highlands  0039 Boomerang Road, Suite 8130  Aspen, Colorado 81611  Phone Number: (970) 544-5900  Fax Number: (970) 544-4849  E-Mail: <a href="mailto:peter@thomasgenshaft.com">peter@thomasgenshaft.com</a></p>	<p>Case No: 2011 CV - -  Division: Courtroom:</p>
<p><b>COMPLAINT</b></p>	

Plaintiffs, by and through their counsel, THOMAS | GENSHAFT, LLP, for their Complaint, aver and allege as follows:

**I. THE PARTIES**

1. Plaintiff Cordillera Golf Club, LLC is a Delaware limited liability company registered to transact business in the State of Colorado with its principal place of business located at 97 Main Street, Suite E-202, Edwards, CO 81632.

2. Plaintiff Cordillera Golf Holdings, LLC is a Delaware limited liability company registered to transact business in the State of Colorado with its principal place of business located at 97 Main Street, Suite E-202, Edwards, CO 81632.

3. Plaintiff WFP Cordillera, LLC is a Delaware limited liability company registered to transact business in the State of Colorado with its principal place of business located at 97 Main Street, Suite E-202, Edwards, CO 81632.

4. Plaintiff David A. Wilhelm is an adult individual residing in Basalt, Colorado.

5. Defendant Cordillera Transition Corporation, Inc. (“CTC”) is a Colorado nonprofit corporation with its principal place of business at 0408 Carterville Road, Edwards, Colorado 81623.

6. Defendant Cordillera Property Owners Association, Inc. (“CPOA”) is a Colorado nonprofit corporation with its principal place of business at 0408 Carterville Road, Edwards, Colorado 81632.

7. Defendant Cordillera Valley Club Property Owners Association, Inc. (“CVCPOA”) is a Colorado nonprofit corporation with its principal place of business at 28 Second Street, Suite 213, Edwards, Colorado 81632.

8. Defendant Timber Springs Property Owners Association (“TSPOA”) is a Colorado nonprofit corporation with its principal place of business at 28 Second Street, Suite 213, Edwards, Colorado 81632.

9. Defendants Elise Micati, Rick Smith, Glenn Bourland, Louise Van Dusen and Roger Magid are adult individuals residing, upon information and belief, in Edwards, Colorado (the “CPOA Conspirators”). The CPOA Conspirators were at all times pertinent to this Complaint acting in their representative and individual capacities as members of boards or committees of CPOA.

10. Sarah Baker, David Bentley, Denise Delany, Gary Edwards, Raymond Oglethorpe, David Temin, Robert Vanourek, Nelson Sims, and Dick Rothkopf (the “CTC Conspirators”) are adult individuals residing, upon information and belief, in Edwards, Colorado. The CTC Conspirators were at all times pertinent to this Complaint acting in their representative and individual capacities as members of boards and/or committees of CTC and CPOA.

**II. JURISDICTION AND VENUE**

11. Venue is proper in this Court pursuant to Rule 98(c), C.R.C.P

12. This Court properly may exercise personal jurisdiction over any non-resident Defendants predicated upon Colorado's long-arm statute, C.R.S. § 13-1-124(1), *et. seq.* This Court may further exercise jurisdiction pursuant to 18 U.S.C. § 1964(c).

**III. NATURE OF THE LAWSUIT**

13. This action involves a coordinated campaign by a group of disgruntled members and homeowners (the CTC Conspirators and the CPOA Conspirators), as well as various property owner associations and related entities, to position themselves to acquire the Cordillera Club at a substantially reduced market value by financially squeezing out the current owner.

14. In furtherance of this scheme, Defendants have engaged in a strategic and systematic use of coercive pressures and other generally oppressive conduct and tactics designed to induce Club Members to stop paying dues, stop patronizing Club Facilities, and stop honoring their membership contracts with the Cordillera Club. By organizing and inciting a group boycott of the Cordillera Club, the Defendants are intentionally and wrongfully causing the dilution of the fair market value of the Cordillera Club and Plaintiffs' financial interests therein. Moreover, the Defendants' conduct is causing direct financial and other harm to all Club Members, property owners, and employees of the Cordillera Club.

**IV. GENERAL ALLEGATIONS**

**a. History of Cordillera**

15. Cordillera is a renowned and exclusive residential golf community located in Edwards, Colorado. Initially conceived in the early nineties, Cordillera today has burgeoned into a sprawling development spanning approximately 7,000 acres.

16. Cordillera is comprised of four distinct residential neighborhoods known as the Divide, the Ranch, the Summit, and the Cordillera Valley Club which collectively consist of 1087 residential lots, over half of which are improved with custom and semi-custom single family homes.

17. Governance of the neighborhoods and properties within Cordillera is centralized with the Cordillera Property Owners Association ("CPOA").

18. CPOA is subject to and governed by the terms and conditions of the Declaration of Protective Covenants, Conditions and Restrictions for Cordillera recorded in the real property records of the Eagle County Clerk and Recorder's office in Book 608 at Page 785. On May 12, 1993, the Declarant recorded against the Properties in Cordillera that certain Amended and Restated Declaration of Protective Covenants, Conditions, and Restrictions for Cordillera in the Eagle County Clerk and Recorder's Office at Reception No. 504866 ("Declaration")

19. CPOA also is subject to and governed by the terms and conditions of the Bylaws of Cordillera Property Owners Association recorded in the Eagle County Clerk and Recorder's Office on May 12, 1993 at Reception No. 504867 (the "Bylaws").

20. Pursuant to their respective Declarations, all officers, directors and committee members of CPOA, CVCPOA and TSPOA are individually liable for their own willful misfeasance, malfeasance, misconduct or bad faith.

#### **b. The Cordillera Club**

21. The Cordillera lifestyle and experience are punctuated by private amenities and facilities available to members ("Club Members") who join the exclusive Club at Cordillera (hereinafter the "Cordillera Club").

22. The Cordillera Club boasts of three signature golf courses, a Dave Pelz designed short course, three tennis centers and fitness facilities, five indoor and outdoor pools, a summer camp with Trailhead clubhouse for children, and miles of maintained riding, hiking and Nordic ski trails (the "Private Amenities" or "Club Facilities").

23. The Cordillera Club offers its members year-round opportunities to participate in clubs, classes, parties, events, outings and tournaments. In addition, Club Members can purchase memberships granting direct access to alpine skiing through affiliation with the Cordillera Vail Club.

24. Each property owner within Cordillera is a voting member of the CPOA and pays dues and assessments to CPOA.

25. Ownership of property at Cordillera with the concomitant membership in CPOA does not include a right of access to or use of the Private Amenities offered by the Cordillera Club.

26. The Cordillera Club sells non-equity and non-voting memberships to the Cordillera Club ("Club Memberships") by which its' Club Members may access and use the Private Amenities.

27. The Cordillera Club Membership Plan ("Membership Plan") currently provides that there shall be no more than 1085 golf memberships and up to 100 social memberships. Approximately one half of all property owners within Cordillera are Club Members.

28. The primary source of revenue to fund the operations and management of the extensive Cordillera Club Facilities is derived from membership deposits, initiation fees and annual membership dues. Other sources of revenue include transfer fees, golf fees, guest fees, pro shop revenue, food and beverage revenues and operating department revenues.

**c. The Membership Plan**

29. Membership at the Cordillera Club is governed by the terms and conditions of the Membership Plan and the particular Membership classification selected by any individual. The primary difference between the various Club Membership classifications is related to rights, benefits, privileges, transferability, reissue priorities and financial obligations.

30. The Membership Plan provides for different rights, privileges and obligations based upon designated categories of Club Memberships.

31. Initiation fees, membership deposits and membership dues at the Cordillera Club are commensurate with the offerings of comparable private resort golf clubs and are generally lower than comparable clubs in the geographic region with only one golf course.

32. The Membership Plan, which may be revised from time to time, grants the Cordillera Club broad discretion in determining the annual dues, minimums, fees and other charges to be paid by Club Members.

33. The Membership Plan grants the Cordillera Club discretion to control the use of Club Facilities.

34. The Membership Plan does not obligate the Cordillera Club to make Club Facilities available for use on any given date.

35. The Membership Plan does not obligate the Cordillera Club to make Club Facilities available for use during any given hours.

36. The Membership Plan is consistent with Article 2.3 of the Declaration which provides, in pertinent part, that rights to use the Private Amenities shall be granted to persons on such terms and conditions as determined by the owners of the Private Amenities.

37. Article 2.3 of the Declaration further provides that the owners of the Private Amenities have the right, in their sole and exclusive discretion, to amend the terms and conditions of use and to terminate use rights altogether.

**d. Plaintiffs' Acquisition of the Cordillera Club**

38. In June 2009, Plaintiffs acquired the Cordillera Club including all of its facilities, improvements and the approximate 730 acres of real property.

39. An independent appraisal report dated as of May 1, 2009 prepared for Plaintiffs' lender valued the Cordillera Club Facilities and property at approximately \$50,000,000.00.

40. As part of Plaintiffs' acquisition of the Cordillera Club, Plaintiffs borrowed \$13.7 million from Alpine Bank and secured the loan with a deed of trust against the Cordillera Club's real property, facilities and improvements.

41. Plaintiffs envisioned transforming the Cordillera Club into one of the premier private golfing and residential clubs in the country, hoping to further enhance the value of the property and brand that Plaintiffs had acquired.

42. Plaintiffs and their respective affiliates had developed an innovative and proprietary business model known as the Wind Rose Collection of Private Clubs (including the Wind Rose Lodging Club). Plaintiffs' business strategy was to create a new paradigm in the way in which members of exclusive private clubs acquire and utilize second homes and vacation properties, essentially providing reciprocal membership privileges and lodging options across the collection of private clubs owned and operated by affiliates of the Plaintiffs.

43. The Wind Rose Lodging Club model is visionary in its unique approach that sets it apart from the high end hotel, fractional, destination clubs and private residence clubs.

44. Cordillera is one of few properties in North America that provided the size, zoning, infrastructure, cachet, seasons and amenities required of Plaintiffs' business model. Plaintiffs thereby invested in and acquired Cordillera as the cornerstone property to their planned Wind Rose Collection of Private Clubs.

45. In furtherance of their vision, Plaintiffs introduced two new categories of membership (Premier and Charter) and invested substantial sums of money into improving the Cordillera Club Facilities, services and operations for its Club Members.

46. Approximately 161 Club Members upgraded to the new Premier Memberships, validating the widespread interest in and viability of the Wind Rose Lodging Club model.

47. Plaintiffs' 2010 budget estimated 50 additional Club Membership sales in 2010, well within statistical membership absorption and matriculation rates in comparable markets.

48. Due to economic, industry and other circumstances beyond Plaintiffs' control, however, Club Membership sales for 2010 were not as robust as forecast. By mid-2010, it was clear that the Cordillera Club lacked the critical mass of Club Members necessary to maintain the high level of services and operations at the Club Facilities required by the Club Members. Plaintiffs believed it was important to communicate this information to Club Members in the spirit of honesty and transparency, with the hope of working hand in hand with the Cordillera community to explore possible solutions to the financial challenges facing the Cordillera Club.

49. On July 30, 2010, Plaintiffs thereby wrote a letter to Club Members informing them that the Cordillera Club had sustained an operating deficit in 2009 of \$1.8 million with a 2010 deficit forecast to approach \$6 million. Plaintiffs informed Club Members that commencing August 1, 2010, consistent with prudent business practices, the Cordillera Club had no choice but to implement certain operational and management changes to stem the anticipated shortfall.

**e. The Formation and Mission of CTC**

50. The reaction by the CPOA Conspirators and CTC Conspirators was swift and harsh. Defendants organized a series of town hall meetings at which Plaintiffs were verbally assaulted and accused of myriad financial and ethical improprieties.

51. On Friday, October 8, 2010, the CPOA, CPOA Conspirators and CTC Conspirators met to discuss the CCAC Report. CPOA and the Individual Conspirators published a Power Point slide show summarizing the CCAC Report. The power point presentation represents that “potential litigation [is] pending” by Premier Members and others against Plaintiffs, thereby insinuating that Plaintiffs had engaged in some culpable conduct. The power point presentation goes on to state that the initiation of litigation by CTC against Plaintiffs would be one of the likely issues for the CTC Board to address.

52. Following the CCAC presentation by the CTC Conspirators, CPOA passed a Resolution “to express unanimous support for the Cordillera Club Advisory Committee (CCAC) Report and its key recommendations” including the formation of CTC. The Resolution goes on to provide that “all stakeholders, whether property owners, club members, or both, should contribute to the funding of the CTC recognizing that ultimately the expenses of the CTC should be borne by the party or parties benefiting from the CTC's efforts.”

53. CPOA, the CPOA Conspirators and the CTC Conspirators proceeded to form the Cordillera Club Advisory Committee (“CCAC”) and immediately demanded that Plaintiffs produce certain highly confidential financial and accounting information pertaining to Club operations, revenues and expenses.

54. Despite Defendants’ public efforts to sully and tarnish Plaintiffs’ reputation, Plaintiffs remained committed to working in the best interests of Cordillera and thereby agreed to produce all private financial data demanded by CCAC. Plaintiffs reasonably requested a Confidentiality and Non-Disclosure Agreement in order to guard against the widespread public dissemination of its internal financials and accounting.

55. CCAC refused to execute a Confidentiality and Non Disclosure Agreement and then spun the false and misleading story that Plaintiffs refused to disclose any financial data.

56. On September 30, 2010, CCAC then issued a detailed Report to CPOA in which it outlined various strategies on how Defendants might take over ownership and control of the Cordillera Club.

57. CCAC concluded its Report by recommending that a new entity be established to pursue strategic and tactical alternatives directed towards the acquisition of the Cordillera Club.

58. CCAC further recommended that CPOA appoint a seven member board of the new entity and fund that entity with a \$1 million line of credit sufficient to “vigorously pursue the strategic alternatives” against Plaintiffs. CCAC explained that the powers of the new entity should

include “initiating appropriate legal action” to carry out its objectives.

59. On October 20, 2010, without proper notice to, meeting or vote of the property owners who comprise the membership of CPOA, the CPOA Conspirators on their own initiative caused the incorporation of the Cordillera Transition Corporation, Inc. and agreed to extend a \$1 million dollar line of credit to CTC.

60. Upon information and belief, CTC and CPOA then entered a confidential Memorandum of Understanding memorializing their conspiratorial efforts to undermine and financially bleed Plaintiffs.

61. CPOA and the CPOA Conspirators appointed five of the CCAC members to the newly formed CTC Board.

62. By forming and funding a separate entity, CPOA enabled a select handpicked minority “to act with a minimum of red tape” and essentially circumvent the vote and voice of multiple homeowner associations and property owners who “may have divergent views” than that of CTC and the CTC Conspirators.

63. CCAC itself acknowledges that this “independence...from any Club or community elected body will give it the flexibility and authority to act promptly and decisively” according to the whim of its seven board members.

64. CPOA’s attempt to delegate to and empower CTC with certain rights, powers and duties that CPOA does not itself possess was an ultra vires act and void ab initio.

65. Armed with the substantial financial backing, and unconstrained by typical checks and balances imposed by Colorado law upon homeowner associations, CTC and the CTC Conspirators have proceeded to carry out with impunity the scheme they hatched during their brief tenure as appointees on the CCAC.

66. Notwithstanding the so-called “independence” of CTC, the corporation is directly funded by CPOA through dues and assessments that CPOA levies upon property owners within Cordillera.

67. CTC, moreover, is substantially controlled by and a mere instrumentality of CPOA. Specifically, and upon information and belief:

- a. The entities commingle funds and assets;
- b. CPOA finances and capitalizes CTC;
- c. CPOA owns or controls a majority of the interest in CTC;
- d. CTC has substantially no business except with and through CPOA;

- e. CTC does not act independently, but takes direction from CPOA as the parent corporation without any notice, meeting, vote or approval by CPOA members.

68. CTC thereby is an alter ego entity of CPOA for whose acts and omissions CPOA and the CPOA Conspirators are jointly and severally liable.

69. Likewise, CVCPOA has directly funded 13% of CTC's expenses which funding comes from dues and assessments that CVCPOA levies upon its member property owners until March 2011.

70. Upon information and belief, TSPOA similarly funds a percentage of CTC's expenses which funding comes from dues and assessments that TSPOA levies upon its member property owners.

71. As a result, every property owner at Cordillera, knowingly or not, is funding CTC and is thereby liable, directly or indirectly, for Defendants' acts and omissions.

#### **f. The Squeeze Play**

72. Defendants have engaged in a carefully orchestrated and pervasive pattern of conduct and activities designed to financially squeeze out Plaintiffs in order to enable Defendants to seize ownership and control of the Cordillera Club.

73. Specifically, Defendants have intentionally interfered with the Cordillera Club's contractual relations with its Club Members, inciting Club Members to resign *en masse* from the Cordillera Club, and to boycott the Club Facilities which, in turn, has resulted in:

- a. a decrease in annual dues and similar revenue from Club Members; and
- b. a decrease in revenue from pro shop sales, food and beverage sales, guest fees, golf fees, special events, tournaments, banquets and other events

all of which are vital to sustain and support the operations and the Club Facilities at the Cordillera Club.

74. CTC and the CTC Conspirators have pursued a multifaceted communications and outreach program consisting of a direct email campaign, distributing weekly electronic newsletters, establishing a "CTC Hotline" for Club Members to call, hosting a CTC website for distributing CTC's propaganda over the internet, making direct personal contact with Club Members, issuing community-wide surveys, organizing large town hall meetings accompanied by interstate webinar broadcasts, and stumping against Plaintiffs at the Cordillera post office and other public places.

75. Defendants have caused and induced approximately 180 Club Members to resign or otherwise terminate their contractual relations with the Cordillera Club.

76. This considerable reduction in Club Memberships and boycott of the Club Facilities

has resulted in a commensurate reduction in revenues critical and necessary to maintain the level of Club operations and services being demanded by Defendants.

77. Defendants purposefully are inciting and causing Club Member resignations by, among other things:

*i. Levying False Accusations of Financial Improprieties*

78. Immediately upon receipt of Plaintiffs' July 30, 2010 correspondence advising Club Members of the financial shortfalls, Defendants publicly and falsely alleged that Plaintiffs were misappropriating funds by diverting Cordillera Club monies to non-Cordillera entities and purposes.

79. Despite the seriousness of Defendants' false allegations of financial improprieties, Plaintiffs believed it important to work with CPOA and CTC in a cooperative spirit so as to advance the best interests of the Cordillera community as a whole.

80. To that end, Plaintiffs agreed to retain the accounting firm of Ehrhardt Keefe Steiner & Hottman ("EKS&H") to conduct a forensic audit of Plaintiffs' books and records. Plaintiffs further agreed to authorize EKS&H to share Plaintiffs' confidential financial data with an independent accounting firm to be hired by Defendants. CTC and CPOA designated their own auditor, Hein & Associates, who worked in concert with EKS&H in conducting the audit of Plaintiffs' accounting records.

81. Neither EKS&H nor Hein & Associates found any evidence supporting Defendants' accusations that Plaintiffs had diverted monies to other entities or purposes. To the contrary, both accounting firms concluded that Plaintiffs' internal accounting controls are sound and that all receipts and expenses were properly booked and utilized solely for operations of Cordillera Club.

82. The audit further confirmed that David Wilhelm personally contributed \$6.1 million in cash so that the Cordillera Club could cover operational deficits in 2009 and 2010.

83. Despite the positive findings of the auditors and the substantial financial investments and efforts by Plaintiffs to support the Cordillera Club, rumor and innuendo continued unabated.

84. Upon information and belief, these actions are in furtherance of Defendants' orchestrated scheme to discredit Plaintiffs, incite Club Member resignations, boycott the Club Facilities squeeze out Plaintiffs, and seize ownership of the Cordillera Club at a substantially discounted valuation.

*ii. Falsifying the Dues Disbursement Escrow Agreement*

85. Defendants' failed bid to cast Plaintiffs as thieves was but the first phase of their strategy to undermine and sabotage Plaintiffs' investment interests in the Cordillera Club.

86. CTC next sought to force Plaintiffs to execute a Dues Disbursement and Escrow Agreement (“Dues Disbursement Agreement”) which would require all Club Membership dues to be deposited with and disbursed by a third party who would assume primary control of all Cordillera Club revenues and expenses.

87. Although CTC lacked any legal basis for insisting upon such a Dues Disbursement Agreement, Plaintiffs again attempted to work in good faith with CTC towards a mutually acceptable Agreement, believing that complete transparency would help unify the Cordillera community. The parties agreed that Alpine Bank would serve as Escrow Agent.

88. On or about December 17, 2010, Plaintiffs executed what they believed was the final version of the Dues Disbursement Agreement. As it turned out, however, the document Plaintiffs executed was not the final version. CTC still had changes the CPA wished to make, and did make, to the Dues Disbursement Agreement. Plaintiffs never signed this “final” version of the Dues Disbursement Agreement.

89. Yet on January 11, 2011, CTC and the CTC Conspirators sent their “final” version of the Dues Disbursement Agreement to Alpine Bank and falsely represented to Alpine Bank that the Dues Disbursement Agreement had been duly executed by all parties. Although the CPA never signed this version the Plaintiffs executed of the Dues Disbursement Agreement, CTC and the CTC Conspirators produced to the bank a document purporting to bear all parties’ signatures.

90. CTC and the CTC Conspirators had swapped out signature pages without Plaintiffs’ knowledge or consent, attaching the CPA’s signature from the “final” version of the Dues Disbursement Agreement to the last version of the Dues Disbursement Agreement the Plaintiffs executed without the CPA’s revisions.

91. Defendants have actual knowledge that Plaintiffs did not sign the “final” Dues Disbursement Agreement, yet intentionally and falsely represented to Alpine Bank that the Dues Disbursement Agreement was fully executed, valid and effective.

92. When Plaintiffs discovered CTC’s fraud upon them, Plaintiffs refused to continue discussions with CTC and immediately reported CTC’s fraud to Alpine Bank.

93. CTC retaliated by publishing a copy of the forged Dues Disbursement Agreement on its website, accusing Plaintiffs of being “in breach of the Dues Disbursement and Escrow Agreement” despite knowing that the Dues Disbursement Agreement bears only a substituted signature that CTC and the CTC Conspirators fraudulently attached to the Dues Disbursement Agreement.

94. On February 23, 2011, Alpine Bank issued a written Notice of Resignation and formally withdrew as Escrow Agent in light of the dispute between the parties. These actions by CTC and the CTC Conspirators have caused serious and irreparable harm to the relationship between Plaintiffs and their lender.

95. Upon information and belief, these actions are in furtherance of Defendants' orchestrated scheme to discredit Plaintiffs, incite member resignations, boycott of the Club Facilities, squeeze out Plaintiffs, and seize ownership of the Cordillera Club at a discounted valuation.

*iii. Demanding Letters of Assurance*

96. Defendants simultaneously began to demand that Plaintiffs deliver letters of assurance contractually committing to fund any operating deficits in order to ensure that the Cordillera Club's services and operations would not be cut.

97. Despite the discretion vested in Plaintiffs by both the Declaration and the Membership Plan to establish the hours, dates, terms and other conditions governing the use of Club Facilities, Defendants alleged that Plaintiffs would be breaching contractual obligations and engaging in other illegal conduct if Plaintiffs reduced or limited the operations of Club Facilities.

98. Defendants openly solicited and encouraged Club Members to write to Plaintiffs demanding letters of assurance that all Club Facilities would be operational in 2011.

99. Upon information and belief, many of the Club Members' letters were secretly authored or edited by Defendants in order to ensure a consistent theme and message that Defendants themselves wished to communicate.

100. Defendants expressly and implicitly represented that they would support Plaintiffs and cease their efforts to organize a group boycott of the Cordillera Club, so long as Plaintiffs promised to maintain the level of services and operations demanded by Defendants.

101. Defendants knew that Plaintiffs' decision and ability to issue the Member Assurance Letter (defined below) depended upon Club Members timely paying their dues, sponsoring Club Facilities, and remaining as active Club Members, and that without that budgeted revenue from Club Members, Plaintiffs could not pledge to provide the level of services and operations demanded by Defendants.

102. Plaintiffs believed that the Defendants were acting in good faith. Unbeknownst to Plaintiffs, the Defendants were encouraging Club Members to demand letters of assurance while at the same time secretly orchestrating a boycott and mass exodus from the Cordillera Club by the Club Members, thereby putting further financial pressure on the Plaintiffs.

103. On January 10, 2011, Plaintiffs issued a written letter of assurance reaffirming their commitment to operate the Club Facilities throughout 2011 ("Member Assurance Letter"). Despite providing the precise assurances that Defendants and certain Club Members had been demanding, nearly eighty percent of the 178 Club Members who have resigned did so after Plaintiffs issued the Member Assurance Letter. Plaintiffs would never have issued the Member Assurance Letter had they known of Defendant's false and misleading assurances and secret plan.

104. Upon information and belief, these actions are in furtherance of Defendants' orchestrated scheme to discredit Plaintiffs, incite Club Member resignations, boycott the Club Facilities, squeeze out Plaintiffs, and seize ownership of the Cordillera Club at a substantially discounted valuation.

*iv. Publishing Defamatory Content on its Website*

105. To facilitate its campaign against Plaintiffs, CTC created an internet webpage, through which it publishes statements concerning the Cordillera Club to third parties.

106. CTC encourages and facilitates the public posting on its website of openly hostile and inflammatory comments and letters directed against Plaintiffs.

107. Certain content that is either authored or published by CTC on its website is patently defamatory. By way of example, CTC has authored or published communications falsely alleging that:

- a. Plaintiffs have engaged in an illegal diversion of funds;
- b. The Cordillera Club is charging late fees that dramatically exceed legally allowed rates; and,
- c. The Cordillera Club is engaging in blackmail of its Club Members.

108. CTC permits such content to be authored and/or published by it despite knowing that the accusations and statements are false and libelous.

109. CTC seeks through such defamatory postings to induce Club Members to terminate membership contracts with Plaintiffs and further pressure Plaintiffs into selling the Cordillera Club at a substantial discount.

110. CTC also publishes other content on its website purposefully designed to undermine and sabotage Plaintiffs. As but one example, CTC posted an open survey asking Club Members whether they intended to pay their dues and/or resign from the Cordillera Club.

111. Defendants' defamatory actions are not limited to the internet. They have engaged in an openly hostile effort to publicly vilify and denigrate Plaintiffs in the press and community. As but one example, Defendants hosted a recent town hall meeting at which they placed a poster-sized caricature of David Wilhelm on the wall, depicting him as the gun slinging Looney Tunes cartoon character Yosemite Sam, complete with sound effects playing in the background.

112. Upon information and belief, these actions are in furtherance of Defendants' orchestrated scheme to discredit Plaintiffs, incite Club Member resignations, boycott the Club Facilities, squeeze out Plaintiffs, and seize ownership of the Cordillera Club at a substantially discounted valuation.

v. *Interfering with Plaintiffs' Debt Instruments*

113. Defendants actively are seeking to purchase the \$12.7 million note made between Plaintiffs and Alpine Bank.

114. CPOA has boldly admitted in writing that "we have analyzed the Deed of Trust with a view towards finding a 'Default' or a breach which would give the Bank the right to accelerate the loan."

115. CPOA has falsely alleged in writing that "a number of technical defaults [under the note] may have occurred" despite the fact that Alpine Bank has not issued notice of any default by Plaintiffs.

116. CPOA has advised its members in writing that if the property owners will finance the purchase of the note from Alpine Bank, this would allow CPOA to accelerate the debt upon an event of default and then foreclose on Plaintiffs' assets that Defendants seek to control for themselves.

117. In furtherance of that objective, CPOA has encouraged property owners and Club Members who may have any clout or relationships with Alpine Bank to contact Plaintiffs' lender with the apparent purpose of disparaging Plaintiffs and damaging their relationship with their lender.

118. On May 20, 2011, Alpine Bank announced that it is auctioning the \$12.7 million note despite the fact that the loan is performing, in good standing, and secured with \$50 million in collateral.

119. In their May 20, 2011 newsletter, CTC and the CTC Conspirators acknowledge that "CTC has been aware of this development for some time" suggesting that they have been communicating with Plaintiffs' lender and are responsible, directly or indirectly, for causing or substantially influencing Alpine Bank's decision to sell the loan.

120. Upon information and belief, these actions are in furtherance of Defendants' orchestrated scheme to discredit Plaintiffs, incite Club Member resignations, boycott the Club Facilities, squeeze out Plaintiffs, and seize ownership of the Cordillera Club at a substantially discounted valuation.

vi. *Attempting to Eliminate Declarant's Development Rights*

121. Defendants also have been engaged in an active campaign to extinguish or eliminate valuable development rights owned by Plaintiffs, with the direct and consequential effect of diminishing the value of the Cordillera Club and Plaintiffs' investment backed expectations.

122. Specifically, the Declaration provides for a reservation of future development rights that may be exercised by the Declarant or the Declarant's lawful assignees or beneficiaries. Plaintiffs are the Declarant or the Declarant's lawful assignee or beneficiary and are entitled to exercise and enjoy all rights lawfully reserved under the Declaration.

123. The Declaration expressly provides for Declarants' right to develop certain identified Expansion Property in accordance with the provisions of C.R.S. § 38-33.3-205.

124. The Declaration expressly provides for Declarants' right to develop the identified Expansion Property for fractional or timeshare uses. Plaintiffs therefore are entitled to develop seventeen additional lots or units, equating to 68 fractional interests that conservatively would produce an estimated net cash flow of \$10,200,000.00.

125. Despite Plaintiffs contractual and statutory rights provided by C.R.S. § 38-33.3-210, Defendants have begun to solicit proxy ballots from CVC property owners based on the false representations that the owners may and should vote to amend the Declaration to prevent Plaintiffs from exercising these development rights.

126. The Declaration may be amended with the affirmative vote and agreement of sixty-seven percent of all property owners, but no amendment of the Declaration may create, alter, or limit any specially reserved Declarant rights without the written consent and approval of the Declarant. C.R.S. § 38-33.3-217.

127. Upon information and belief, these actions are in furtherance of Defendants' orchestrated scheme to discredit Plaintiffs, incite Club Member resignations, boycott the Club Facilities, squeeze out Plaintiffs, and seize ownership of the Cordillera Club at a substantially discounted valuation.

*vii. Threatening Litigation against Plaintiffs*

128. From the very inception of CCAC, Defendants have been preparing for and threatening litigation as yet another avenue to achieve their objectives.

129. CCAC in its 2010 Report to CPOA makes clear that a substantial portion of the \$1,000,000.00 funding it sought for CTC would be allocated and reserved for future litigation, despite the fact that the Declaration prohibits CPOA itself from initiating such litigation without the majority vote and approval of all property owners.

130. Defendants have made overt and repeated references to litigation that they may initiate against Plaintiffs.

131. As one specific example, Defendants have made repeated written references to following the lead and lessons from the Bonita Bay Club, a nationally publicized class action lawsuit brought by a homeowner association's "Turnover Committee" that sought to force the club owner to disgorge \$100 million in member deposits with one stated objective of forcing the Club into bankruptcy where the owners could then acquire the Club for pennies on the dollar.

132. Defendants also have published statements and discussions regarding a high profile lawsuit involving the Country Club at Castle Pines.

133. On October 8, 2010, CPOA and the Individual Conspirators published a Power Point slide show summarizing the CCAC Report. The power point presentation represents that “potential litigation [is] pending” by Premier Members and others against Plaintiffs, thereby insinuating that Plaintiffs had engaged in some culpable conduct. The power point presentation goes on to state that the initiation of litigation by CTC against Plaintiffs would be one of the likely issues for the CTC Board to address.

134. Defendants’ overt suggestions of actionable misfeasance by Plaintiffs coupled with express references to several notorious lawsuits filed against other club developers are intended to influence Club Members and instill further distrust, discord and uncertainty around the future of the Cordillera Club.

135. Upon information and belief, these actions are in furtherance of Defendants’ orchestrated scheme to discredit Plaintiffs, incite Club Member resignations, boycott the Club Facilities, squeeze out Plaintiffs, and seize ownership of the Cordillera Club at a substantially discounted valuation.

*viii. Influencing the Brokerage Community*

136. The private residential properties within the Cordillera community have an aggregate fair market value in excess of \$2 billion. Plaintiffs, Club Members and property owners alike have an enormous financial interest in the vitality of the local real estate market.

137. Upon information and belief, Defendants purposefully have sought to negatively influence the local real estate market by disseminating to realtors false and unfounded information relating to the Cordillera Club and Plaintiffs.

138. Local real estate agents will attest that the rumors, press and accusations propagated by Defendants have depressed property values and are inhibiting sales of homes and Club Memberships.

139. The Cordillera Club has sold only 1 Club Membership since CTC and the CTC Conspirators began their campaign to boycott and discredit the Cordillera Club. Meanwhile, CTC and the CTC Conspirators have convinced nearly 180 Club Members to resign from the Cordillera Club.

140. These malicious actions by Defendants have depressed property values throughout Cordillera and effectively brought all residential sales activity to a halt. Hundreds of innocent property owners who are not even Club Members are suffering severe financial losses as a direct result of Defendants’ self-serving efforts to seize control of the Cordillera Club.

141. CTC and the CTC Conspirators advocate short term pain for long term gain.

142. Upon information and belief, these actions are in furtherance of Defendants' orchestrated scheme to discredit Plaintiffs, incite Club Member resignations, boycott the Club Facilities, squeeze out Plaintiffs, and seize ownership of the Cordillera Club at a substantially discounted valuation.

*ix. Scuttling Capital Acquisitions*

143. Meanwhile, Defendants' actions have resulted in widespread ripple effects reaching beyond Cordillera and the Vail valley.

144. Specifically, in June of 2010, an affiliate of Plaintiffs announced its intent to acquire the Golf Club of Scottsdale ("GCS").

145. The planned acquisition and addition of the Golf Club of Scottsdale was of enormous economic value and would have substantially bolstered the Cordillera brand name. The pro forma and financial projections conservatively estimated the Golf Club at Scottsdale would generate total net cash flow before equity of in excess of \$60 million

146. Of even greater value, however, was the planned integration of GCS into the Wind Rose Collection of Private clubs available for use by Premier Members.

147. On August 17, 2010, the day after the formation of CCAC, counsel for the GCS Members wrote to the seller of GCS and threatened legal action if the seller proceeded with the sale of the golf club to the affiliate of Plaintiffs. The letter cites as one of the GCS Members' primary concerns certain reports they had received regarding Plaintiffs' alleged mismanagement of the Cordillera Club.

148. Upon information and belief, certain Defendants directly or indirectly reported to, spoke to or provided information to the GCS Members with the intent of interfering with and preventing Plaintiffs' acquisition of the Golf Club of Scottsdale.

149. Upon information and belief, these actions are in furtherance of Defendants' orchestrated scheme to discredit Plaintiffs, incite Club Member resignations, boycott the Club Facilities, squeeze out Plaintiffs, and seize ownership of the Cordillera Club at a substantially discounted valuation.

*x. Utilizing Interstate Mails and Wires to Facilitate their Scheme*

150. Defendants' conduct is fraudulent in that it involves an attempt to gain an undue advantage or to inflict harm through misrepresentation or breach of duty, and conduct that is inconsistent with recognized moral standards, fundamental honesty, fair play and right dealing in the general and business life of members of society.

151. Defendants CPOA, CTC, the CPOA Conspirators and CTC Conspirators used the instrumentalities of interstate commerce and facilities of the United States mail service and

interstate wires to further and advance their scheme. Specifically:

- a. On October 1, 2010, CTC and the CTC Conspirators distributed the CCAC Report to all property owners and Club Members via electronic mail. The newsletter characterizes the 86 page missive as "Cordillera's War and Peace" in plain reference to Tolstoy's graphic depiction of the French invasion of Russia and the impact of the Napoleonic era on Tsarist society, all as viewed through the eyes of five Russian aristocratic families.
- b. On October 12, 2010, CTC and the CTC Conspirators distributed a newsletter to property owners and Club Members via electronic mail. CTC and the CTC Conspirators represent in this newsletter that "Members of the corporation are, basically, without all the legalese, all the property owners of Cordillera plus the club members who are not property owners" thereby falsely suggesting that CTC somehow speaks for and represents every property owner in a united front against Plaintiffs, when in fact CTC is comprised of but an outspoken minority whose actions are harming every property owner and Club Member. CTC and the CTC Conspirators suggest in this newsletter that Plaintiffs cannot be trusted.
- c. On October 29, 2010, CTC and the CTC Conspirators distributed a newsletter to property owners and Club Members via electronic mail. CTC and the CTC Conspirators represent in this newsletter that "CTC represents the interests of all Cordillera stakeholders" and actively is seeking to protect the rights of property owners and Club Members by forcing Plaintiffs to enter the Dues Disbursement and Escrow Agreement, with the inference that Plaintiffs had violated the legal rights of Club Members. CTC and the CTC Conspirators further represent in this newsletter that they hope to force Plaintiffs to provide "Financial visibility into [Plaintiffs'] revenues and expenditures" for 2009, 2010 and 2011 – data which CTC ultimately will utilize in furtherance of its squeeze out of Plaintiffs.
- d. On November 6, 2010, CTC and the CTC Conspirators distributed a newsletter to property owners and Club Members via electronic mail. CTC and the CTC Conspirators represent in this newsletter that they will be obtaining a detailed "Sources and Uses of Cash report covering the time that the Wilhelm Family Partnership has owned the Club" and will be hiring an independent accounting firm to audit Plaintiffs' records, plainly implying to Club Members that Plaintiffs had engaged in some financial impropriety. CTC and the CTC Conspirators include a link to an article lauding the many enhancements to the Bonita Bay Club after the homeowners forced out the owner of that club, with the intent of encouraging Club Members to support CTC's efforts to seize ownership of the Cordillera Club from Plaintiffs in similar fashion as occurred in Bonita Bay.
- e. On December 17, 2010, CTC and the CTC Conspirators distributed a newsletter to property owners and Club Members via electronic mail. CTC and the CTC Conspirators falsely represent in this newsletter that Plaintiffs refused to provide financial data to Defendants. CTC and the CTC Conspirators state throughout

the newsletter that any Club Member who pays dues does so at their risk, thereby instilling fear and instigating Club Members to withhold timely payment of dues.

- f. On December 17, 2010, CTC and the CTC Conspirators distributed a newsletter to property owners and Club Members via electronic mail. CTC and the CTC Conspirators in the newsletter falsely state that Plaintiffs are withholding information and explanation regarding golf course schedules for 2011 and encourage Club Members to demand letters of assurance from Plaintiffs before paying their dues. CTC and CTC Conspirators provide links to two sample letters that they posted on their website and suggest Club Members model their own demands upon.
- g. On January 17, 2011, CTC and the CTC Conspirators distributed a newsletter to property owners and Club Members via electronic mail. CTC and the CTC Conspirators represent in this newsletter that Club Members “may have legal remedies they may enforce” against Plaintiffs associated with any reduction to the 2011 golf course schedule and services. CTC and the CTC Conspirators accuse Plaintiffs of “trying to divide the community” while promoting themselves as the unifying nucleus of the community. CTC and the CTC Conspirators further accuse Plaintiffs of being in breach of the Dues Disbursement and Escrow Agreement and advise that they are reserving all rights and will litigate if Plaintiffs do not honor the [unexecuted] Agreement. CTC and the CTC Conspirators state that any Club Member who pays dues for 2011 can merely “hope” for the best.
- h. On January 23, 2011, CTC and the CTC Conspirators distributed a newsletter to property owners and Club Members via electronic mail. CTC and the CTC Conspirators provide a list of “FAQS” in which they provide detailed advice to Club Members on how to resign from the Cordillera Club, how to avoid or delay paying their 2011 dues, how Club Members can recover their initiation deposits, and concluding that CTC will recommend all resigned Club Members be welcomed back to the Cordillera Club after Plaintiffs are driven out, because CTC “will need all the dues paying members it can source in order to make it a financially viable club.”
- i. On January 29, 2011, CTC and the CTC Conspirators distributed a newsletter to property owners and Club Members via electronic mail. CTC and the CTC Conspirators provide yet more questions and answers this time directed at inciting Premier Club Members to resign from the Cordillera Club. The newsletter contains a link to a power point presentation with charts entitled “Should I Pay My Dues” and slides designed to encourage Club Members not to pay their dues.

152. All of the foregoing electronic communications have been issued in furtherance of a concerted effort by CTC and CTC Conspirators to foment dissention in Club Members and instigate a group boycott of Club Facilities and otherwise engaging in a continuing and open-ended

pattern of racketeering activity involving the same scheme and enterprise directed against Plaintiffs, all in violation of the Colorado Organized Crime Control Act, C.R.S. § 18-17-104.

153. CTC and the CTC Conspirators also have hosted countless meetings at which they invite persons who are out of state to participate telephonically or via an internet webinar presentation. Several of such meetings have occurred on December 17, 20, 21, 23, 28, 29, 30. As soon as CTC produces the recordings of these meetings known to be in their possession, Plaintiffs will amend and restate with particularity all allegations of how CTC utilized interstate wires in the course of these meetings to further and advance their scheme.

154. Upon information and belief, these actions are in furtherance of Defendants' orchestrated scheme to discredit Plaintiffs, incite Club Member resignations, squeeze out Plaintiffs, and seize ownership of the Cordillera Club at a substantially discounted valuation.

*xi. Refusing to Negotiate in Good Faith*

155. Plaintiffs are anxious to restore and reposition Cordillera and the Cordillera Club as one of the premier residential communities and private golf clubs in the country. In furtherance of their ongoing commitment to Cordillera, Plaintiffs have presented CTC and the CTC Conspirators with numerous ideas and suggestions likely to produce substantial revenues for the Cordillera Club.

156. CTC and the CTC Conspirators have given repeated assurances that they would negotiate and discuss these proposals in good faith and work with Plaintiffs in a cooperative spirit towards a solution that benefits the entire Cordillera community. Those representations were false and misleading and were made with the intention of stalling or delaying Plaintiffs and draining the financial resources of the Cordillera Club.

157. It is apparent now from recent discussions that Defendants' never intended to pursue any constructive dialogue with Plaintiffs. Upon information and belief, Defendants' unspoken agenda always has been to string Plaintiffs out until the Cordillera Club runs out of money, even if it comes at the expense of the very property owners and Club Members whose interests CTC professes to represent.

158. Upon information and belief, CTC and the CTC Conspirators are opposed to any idea or solution that might tend to stimulate Club Membership sales, because the resulting cash flow would enable Plaintiffs to continue operating the Cordillera Club, would restore Plaintiffs' reputation within the community, and would thwart Defendants' underlying objective of financially bleeding Plaintiffs and acquiring the Cordillera Club at a substantial discount as a "fire sale."

159. Upon information and belief, these actions are in furtherance of Defendants' orchestrated scheme to discredit Plaintiffs, incite Club Member resignations, boycott the Club Facilities, squeeze out Plaintiffs, and seize ownership of the Cordillera Club at a substantially discounted valuation.

**g. The Fallout**

160. The insidious nature of Defendants' actions is harming not only Plaintiffs, but also the hundreds of innocent property owners, Club Members, employees, and others who are falling victim to Defendants' self-serving motives and illegal objectives.

161. By inducing Club Members to terminate membership contracts with the Cordillera Club and boycott the Club Facilities, while simultaneously demanding that Plaintiffs fund operational deficits necessary to maintain a consistent level of services and operations, Defendants have substantially and intentionally diminished the value of the Cordillera Club and its assets.

162. These and other oppressive actions taken by Defendants are purposefully designed to decrease Cordillera Club's revenues and devalue the Cordillera Club in the short term in order to financially squeeze Plaintiffs into an improvident and inequitable sale of the Cordillera Club.

163. Defendants presently are seeking to force Plaintiffs' sale of the Cordillera Club at a distressed sales price, all of which was caused by Defendants' intentional and tortious conduct and actions.

164. Defendants are acting in a manner that is adverse, hostile and inconsistent with recognition of Plaintiffs' financial interests in the Club at Cordillera. These actions by Defendants are self-serving and contrary to the best interests of both Plaintiffs and the Cordillera Club.

165. Defendants' actions as detailed herein have damaged Plaintiffs' reasonable investment backed expectations and constitute an illegal freeze-out of their rights and interests.

166. Plaintiffs have and will continue to suffer damages resulting from Defendants' actions, including loss of income, loss of revenue from the Club Facilities, loss of Club Memberships, loss of good will, reputation and standing in the community, loss of existing and prospective business opportunities, loss of investment backed expectations, diminution in value to real property, and other actual, special and consequential damages in amounts to be proven at trial, but not less than \$ \$96,500,000.00.

167. Plaintiffs have and will continue to suffer other irreparable injury proximately resulting from Defendants' wrongful actions, which injuries and damages cannot be wholly compensated through a pecuniary award. Plaintiffs have suffered further damages in the form of costs, expenses and attorneys' fees associated with this action to enforce their rights as set forth herein.

**V. CAUSES OF ACTION**

**FIRST CLAIM FOR RELIEF**  
**(Tortious Interference with Contract)**

168. Plaintiffs incorporate the allegations of the above paragraphs as if fully restated herein.

169. Plaintiffs enjoyed existing contractual relationships with members of the Cordillera Club.

170. Defendants knew that Plaintiffs enjoyed existing contractual relations with members of the Cordillera Club.

171. Plaintiffs' contractual relations were of pecuniary value.

172. Defendants intentionally and tortiously interfered with Plaintiffs' contractual relations as detailed herein, intending to induce Club Members to breach, terminate or otherwise not renew their membership contracts with the Cordillera Club and boycott the Club Facilities

173. Numerous Club Members in fact breached, terminated or elected not to renew their Club Memberships and have boycotted the Club Facilities as a direct and proximate result of Defendants' actions.

174. Plaintiffs have and will continue to suffer damages resulting from Defendants' actions, including loss of income, loss of revenues from the Club Facilities, loss of existing Club Memberships, loss of future Club Memberships, loss of good will, reputation and standing in the community, loss of existing and prospective business opportunities, loss of investment backed expectations, diminution in value to real property, and other actual, special and consequential damages in amounts to be proven at trial.

**SECOND CLAIM FOR RELIEF**  
**(Tortious Interference with Prospective Business and Economic Advantage)**

175. Plaintiffs incorporate the allegations of the above paragraphs as if fully restated herein.

176. Plaintiffs' investment backed expectations included prospective business and contractual relations with existing and new Club Members of the Cordillera Club.

177. The prospective business and contractual relations with existing and new Club Members of the Cordillera Club was of pecuniary value to Plaintiffs in the form of reasonably anticipated initiation fees, recurring annual revenues from membership dues and recurring revenues from pro-shop sales, food and beverage sales, guest fees, golf fees, tournaments, banquets and other events.

178. Defendants had actual knowledge that Plaintiffs' investment backed expectations included prospective business and contractual relations with existing and new Club Members of the Cordillera Club.

179. Defendants had actual knowledge that the loss of existing and future memberships and the boycott of Club Facilities would financially harm Plaintiffs and defeat Plaintiffs' business expectancy.

180. Defendants intentional and tortious conduct as detailed herein was gauged to and in fact did interfere with Plaintiffs' existing and future contractual relations and business expectancies.

181. Defendants acted with malice.

182. It is reasonably certain that but for Defendants' malicious and intentional conduct, Plaintiffs would have recognized and enjoyed the prospective business and economic advantages to which they were entitled.

183. Plaintiffs have and will continue to suffer damages resulting from Defendants' actions, including loss of income, loss of revenues from the Club Facilities, loss of existing Club Memberships, loss of future Club Memberships, loss of good will, reputation and standing in the community, loss of existing and prospective business opportunities, loss of investment backed expectations, diminution in value to real property, and other actual, special and consequential damages in amounts to be proven at trial.

**THIRD CLAIM FOR RELIEF**  
**(Colorado Organized Crime Control Act, C.R.S. § 18-17-104)**

184. Plaintiffs incorporate by reference all of the above paragraphs as if fully set forth herein.

185. The Cordillera Club is an enterprise engaged in activities which affect interstate commerce.

186. CTC is an enterprise engaged in activities which affect interstate commerce.

187. CTC and the CTC Conspirators are a group of persons associated in fact who conspired together towards a common plan or enterprise pursuant to the scheme as described with particularity herein.

188. CTC and the CTC Conspirators, as persons within the meaning of 18 U.S.C. § 1961(3), received income derived, directly or indirectly, from a pattern of racketeering activity which is being used in an effort to acquire an interest in Plaintiffs' business interests in violation of 18 U.S.C.A. § 1962(a).

189. CTC and the CTC Conspirators, as persons within the meaning of 18 U.S.C.A. § 1961(3), through a pattern of racketeering activity, are seeking to acquire, directly or indirectly, an interest in and control of the Cordillera Club in violation of 18 U.S.C. § 1962(b).

190. CTC and the CTC Conspirators as persons within the meaning of 18 U.S.C. § 1961(3) and as persons associated with said enterprise, conducted and participated, directly and indirectly, in the conduct of the affairs of said enterprise through a pattern of racketeering activity in violation of 18 U.S.C. § 1962(c).

191. The predicate acts which constitute this pattern of racketeering activity are set out in detail above. These acts of racketeering, occurring within ten years of one another, constitute a pattern of racketeering activity within the meaning of 18 U.S.C. § 1961(5).

192. CTC and the CTC Conspirators utilized computers and multiple electronic communications to facilitate that scheme, engaging in a continuing and open-ended pattern of racketeering activity involving the same enterprise directed against Plaintiffs.

193. CTC and the CTC Conspirators utilized federal mail and wires to facilitate their scheme in violation of 18 U.S.C. §§ 1341 and 1346. Their use of interstate mails and wires was incident to an essential part of their scheme.

194. CPOA and the CPOA Conspirators are secondarily liable as controlling persons.

195. CPOA and the CPOA Conspirators provided substantial assistance to CTC and the CTC Conspirators by recklessly or purposefully participating in CTC's actions by aiding, abetting, counseling, inducing or procuring CTC's wrongful conduct.

196. These actions by CPOA and the CPOA Conspirators constitute aiding and abetting mail fraud and wire fraud, all in violation of 18 U.S.C. § 1962 and the Colorado Organized Crime Control Act.

197. Plaintiffs have been injured in their business and property by reason of these Defendants' violation of 18 U.S.C. § 1962, in that, as a direct and proximate result of these Defendants' complained of acts, Plaintiffs suffered damages including loss of income, loss of existing club memberships, loss of future club memberships, loss of good will, reputation and standing in the community, loss of existing and prospective business opportunities, loss of investment backed expectations, diminution in value to real property, and other actual, special and consequential damages in amounts to be proven at trial.

198. By reason of these Defendants' violation of 18 U.S.C. § 1962 and the Colorado Organized Crime Control Act, Plaintiffs are entitled to threefold the actual damages sustained together with Plaintiffs' attorney's fees incurred in connection herewith.

**FOURTH CLAIM FOR RELIEF**  
**(Fraud – as against CTC and the CTC Conspirators)**

199. Plaintiffs incorporate by reference the allegations of all the above paragraphs as if fully restated herein.

200. CTC and the CTC Conspirators fraudulently attached Plaintiffs' signature to the "final" Dues Disbursement Agreement without Plaintiffs' consent or knowledge.

201. CTC and the CTC Conspirators had actual knowledge that Plaintiffs did not sign the "final" Dues Disbursement Agreement.

202. CTC and the CTC Conspirators fraudulently represented to members of the public that Plaintiffs had executed the final Dues Disbursement Agreement and are in breach of the Dues Disbursement Agreement.

203. CTC and the CTC Conspirators submitted the falsified and altered the Dues Disbursement Agreement to a financial institution in an effort to deprive Plaintiffs of valuable revenues from Club Membership deposits, initiation fees and annual membership dues.

204. Plaintiffs have and will continue to suffer damages resulting from Defendants' actions, including loss of income, loss of revenues from the Club Facilities, loss of existing Club Memberships, loss of future Club Memberships, loss of good will, reputation and standing in the community, loss of existing and prospective business opportunities, loss of investment backed expectations, diminution in value to real property, and other actual, special and consequential damages in amounts to be proven at trial.

**FIFTH CLAIM FOR RELIEF**  
**(Fraud in the Inducement)**

205. Plaintiffs incorporate the allegations of the above paragraphs as if fully restated herein.

206. Prior to and in connection with the Member Assurance Letter, Defendants expressly and implicitly represented that they would support Plaintiffs and cease their efforts to organize a mass resignation of Club Members and a group boycott of the Cordillera Club, so long as Plaintiffs promised to maintain the level of services and operations demanded by Defendants.

207. Defendants knew that Plaintiffs' decision and ability to issue the Member Assurance Letter depended upon Club Members timely paying their dues, sponsoring Club Facilities, and remaining as active Club Members, and that without that budgeted revenue from Club Members, Plaintiffs could not pledge to provide the level of services and operations demanded by Defendants.

208. Defendants knew these facts were material to Plaintiffs' decision and ability to issue the Member Assurance Letter.

209. Upon information and belief, Defendants never intended to cease their efforts to organize a mass resignation of Club Members and a group boycott of the Cordillera Club. To the contrary, Defendants purposefully sought to induce Plaintiffs to enter the Member Assurance Letter intending that afterwards, Defendants could financially squeeze Plaintiffs by encouraging and causing Club Members to boycott the Cordillera Club.

210. Plaintiffs would not have agreed to issue the Member Assurance Letter had Defendants disclosed their true intentions and secret plan.

211. Plaintiffs are entitled to rescind the Member Assurance Letter and have it declared voidable or void *ab initio*.

212. Plaintiffs have and will continue to suffer damages resulting from Defendants' actions, including loss of income, loss of revenues from the Club Facilities, loss of existing Club Memberships, loss of future Club Memberships, loss of good will, reputation and standing in the community, loss of existing and prospective business opportunities, loss of investment backed expectations, diminution in value to real property, and other actual, special and consequential damages in amounts to be proven at trial.

**SIXTH CLAIM FOR RELIEF**  
**(Civil Conspiracy/Collusion)**

213. Plaintiffs incorporate the allegations of the above paragraphs as if fully restated herein.

214. Defendants knowingly and voluntarily participated in a common scheme to commit an unlawful act or a lawful act in an unlawful manner.

215. Defendants conspired and agreed, by words or conduct, to accomplish an unlawful goal or accomplish a goal through unlawful means, specifically conspiring and colluding between themselves to advance the joint objective of forcing Plaintiffs to sell the Cordillera Club at substantially depressed sales price below its fair market value.

216. One or more unlawful acts were performed to accomplish the goal or one or more acts were performed to accomplish the unlawful goal as detailed herein.

217. Plaintiffs have and will continue to suffer damages resulting from Defendants' actions, including loss of income, loss of revenues from the Club Facilities, loss of existing Club Memberships, loss of future Club Memberships, loss of good will, reputation and standing in the community, loss of existing and prospective business opportunities, loss of investment backed expectations, diminution in value to real property, and other actual, special and consequential damages in amounts to be proven at trial.

**SEVENTH CLAIM FOR RELIEF**  
**(Defamation)**

218. Plaintiffs incorporate the allegations of the above paragraphs as if fully restated herein.

219. Defendants recklessly or intentionally published untrue statements of fact regarding Plaintiffs and the Cordillera Club to third parties.

220. Defendants knew or reasonably should have known that statements authored and or published by them were false.

221. Defendants acted with malice and ulterior purpose.

222. Defendants acted without right of qualified privilege.

223. Plaintiffs have and will continue to suffer damages resulting from Defendants' actions, including loss of income, loss of revenues from the Club Facilities, loss of existing Club Memberships, loss of future Club Memberships, loss of good will, reputation and standing in the community, loss of existing and prospective business opportunities, loss of investment backed expectations, diminution in value to real property, and other actual, special and consequential damages in amounts to be proven at trial.

**Reservation of Rights**

Plaintiffs expressly reserve all rights accorded under Colorado law, including, but not limited to, the right to amend this pleading as may be necessary in light of new or additional factual information gathered throughout the disclosure and discovery phases of the litigation and the right to plead exemplary damages in accordance with C.R.S. § 13-21-102(1)(a).

WHEREFORE, Plaintiffs respectfully request judgment in their favor and against Defendants as follows:

- A. For actual damages in a sum not less than \$ 96,500,000.00;
- B. For treble of all actual damages pursuant to C.R.S. § 18-17-106(7), together with statutory prejudgment and post judgment interest thereon, together with;
- C. An Order pursuant to C.R.S. § 18-17-106(1)(a) divesting Defendants of any and all enterprises or real property to satisfy an award of treble damages;
- D. An Order pursuant to C.R.S. § 18-17-106(1)(b) enjoining Defendants from engaging in the pattern of conduct and activities giving rise to this action;
- E. An Order of Dissolution pursuant to C.R.S. § 18-17-106(1)(c-e).
- F. Attorneys' Fees pursuant to C.R.S. § 13-17-102 and § 18-17-106(7);
- G. Plaintiffs' costs and expenses pursuant to C.R.S. § 11-51-604; and
- H. Such other and further relief as may be appropriate under the circumstances.

**PLAINTIFFS DEMAND TRIAL BY JURY ON ALL ISSUES**

EAGLE COUNTY DISTRICT COURT, Case No. 2011 CV --  
*Cordillera Golf Club et al. v. Cordillera Transition Corporation, et al.*  
**Complaint and Jury Demand**

Dated: May 24, 2011.

THOMAS | GENSHAFT, LLP



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By: Peter W. Thomas, No. 27657  
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In accordance with C.R.C.P. 121, §1-26(9), a printed copy of this document with original signatures is being maintained by the filing party and will be made available for inspection by other parties or the court upon request.