

AI's analysis of the Appellate Court Ruling

Here's the short version and then the legal implications:

Summary of the Appellate Ruling (July 24, 2025)

- The Court of Appeals **affirmed** Judge Shamis's finding that the HOA (2001 Beaver Creek Point Association) acted **arbitrarily and capriciously** in rejecting Malahide's project proposals.
- The appellate court said the trial court's factual findings on the HOA's misconduct were well-supported: repeated denials without reviewing plans, shifting/pretextual reasons, no attempt to resolve concerns, and unreasonable demands.
- However, the trial court **never explained** why Malahide supposedly lost *all* its counterclaims despite those same findings that aligned with the counter claims. The appellate court said this lack of explanation violates Rule 52 and **reversed** that part, sending it back for specific findings on each counterclaim and defense.
- Because the "prevailing party" ruling depends on who wins on significant issues, the appellate court also **reversed** the "neither party prevailed" decision. On remand, the trial court must decide who actually prevailed and award **reasonable attorney fees and costs** (both trial and appellate) to that party under CCIOA § 38-33.3-123(1)(c)(I).

Does the ruling suggest the appellate court thinks Malahide "actually won" on several crossclaims?

- Yes — *indirectly*. The appellate court highlighted that Judge Shamis's own findings supported Malahide's allegations of:
 - **Breach of covenant** (non-uniform enforcement)
 - **Breach of good faith and implied covenant of good faith and fair dealing**
 - **Breach of fiduciary duty** because the Association acted arbitrarily and capriciously and enforced rules inconsistently.
- But since the trial court did not separately address each claim or explain why Malahide lost them, the appellate court could not formally declare Malahide the winner — it must be re-decided on remand.

- The appellate panel made it clear that if the trial court's own factual findings support these claims, **Malahide could be the prevailing party**, triggering entitlement to **attorney fees and possibly damages** under the statute.

In short, the appellate court did not outright award Malahide fees or declare it won the crossclaims, but it strongly hinted that Judge Shamis's own findings already support several of them — and instructed him to go back, make proper findings, and then determine fees and costs.