

Association members,

As you know, BSHWUA has been in an ongoing lawsuit pertaining to a well and water right dispute that involved an agreement made in 2008-2009 by a previous board member and a neighboring land owner.

To refresh everyone's memory in 2008-2009 a previous board member made a deal with a neighboring land owner to transfer a well and water rights for that well, in exchange, easement access across and along that neighboring property boundary was traded to BSHWUA. At the time of the agreement both parties neglected to follow through and file the proper paperwork with the DNRC that would legally transfer that water right.

The current board was approached and asked to sign a document that would transfer the water right to our neighbor, and fulfill that agreement. Since the current board had no knowledge of the agreement, and was unable to find any record in support of the agreement, the board refused to sign the transfer document, and as a result is being sued.

Under our property Insurance policy, State Farm initially decided to hire an attorney, and assist BSHWUA with the pending lawsuit. State Farm hired Gary Walton, with Gary Walton PLLC to handle the case. After a detailed review, State Farm determined that they were not liable, and terminated their association with the case, at which time, the BSHWUA board decided to retain Gary Walton as our legal counsel.

After determining the damages incurred by our neighbor as a result of the agreement, Gary Walton has negotiated on behalf of BSHWUA, and reached a settlement of \$10,000. To be clear, BSHWUA will pay a \$10,000 dollar settlement to Tina and Al Arnold to avoid taking this case to court. As a result, BSHWUA will retain the well, easement to the well, and all water rights associated with said well. With legal fees for this type of case averaging between forty and sixty thousand dollars, and the possibility of losing a much needed water right, the BSHWUA board feels like this settlement is in the associations best interest, as well as an honest and fair way to bring this lawsuit to an end.

I would like to first of all thank Gary Walton for always keeping BSHWUA best interest at heart during the duration of this case. Secondly I would like to thank the association for being patient and allowing the process to work its self out.

If you have any questions or concerns please feel free to call Ty Walker, BSHWUA board president, at 307-438-0991.

Sincerely,

BSHWUA Board Members

