

## Settlement Memorandum

This is a Settlement Memorandum (Memo) between the Plaintiffs in Moffat County District Court Case No. 16 CV 2 (the action) and the Defendant, the Baker's Peak Landowners' Association, Inc. (Association), collectively referred to in this Memo as "the parties."

The parties participated in mediation with the Hon. Thomas Ossola on July 21, 2017, and agreed to settle the action on the terms set forth in this Memo. The parties agree as follows:

1. The Association is a voluntary membership association and, as such, speaks only for the members thereof, except as specified herein.

2. The Plaintiffs shall not contest the Association's existing agreement with the BLM.

3. The parties agree that the cattle lease for 2014-2019 was terminated.

4. The Association shall facilitate and/or coordinate grazing within the Baker's Peak subdivision (subdivision) only consistent with this Memo.

5. In 2018, the Association may facilitate and/or coordinate grazing of sheep on a pilot program. Thereafter, in subsequent years, the grazing plan may include cattle as set forth in this Memo.

6. On or before January 1 of each year, the Association shall submit to Plaintiffs a suggested set of desired outcomes with respect to the range management program, requesting Plaintiffs' input with their response due by February 1. On or before March 1, of each year, the Association shall send to the landowners a request for approval of the proposed lease to execute the range management program for that year, by sending a copy of the proposed lease. The range management program and the submissions discussed herein are at the Association's expense.

7. Each year, the following conditions apply:

a. Prior to any grazing, the Association must secure the written approval in the form of a written ballot of the proposed lease by 51% of the landowners that responded to the request for approval. After the vote, no substantive change may be made to the lease as approved.

b. Before livestock are allowed to graze, the Association shall distribute to all landowners a copy of the signed lease.

c. Any grazing lease must require the lessee to obtain liability insurance in the amount of not less than \$2,000,000 per incident. The Association must obtain proof of such insurance and distribute it to all owners before it allows any livestock to graze.

d. Any grazing lease must contain stocking parameters consistent with the range management plan. The count of livestock shall be verified in writing at offloading onto the range.

Plaintiffs are invited to attend such count. Lessee shall provide to the Association a list of all ear tag numbers by color of tag for ear tagged cattle at the time of offloading.

e. The Association will use due care to enforce the terms of this Memo and/or any grazing lease.

f. The Association agrees to investigate the availability and cost of liability and/or E&O coverage in the amount of \$2,000,000 per incident pertaining to its role related to this Memo and any grazing lease. In the event adequate or affordable insurance coverage is not available, the Association shall obtain a bond in the amount of \$100,000.00. The Association shall provide proof of such insurance or bond to Plaintiffs by January 1<sup>st</sup> of each year.

g. Any lease must contain the following provision:

**NOTICE TO LESSEE: Section 35-46-102(2), C.R.S., provides: Whenever any person stocks land, not enclosed by a lawful fence, on which such person has a lawful right to pasture or forage livestock, with a greater number of livestock than such land can properly support or water and any of such livestock pasture, forage, or water on the lands of another person, in order to obtain the proper amount of pasture, forage, or water OR whenever any person stocks with livestock land on which such person has no lawful right to pasture or forage livestock and such livestock pasture, forage, or water on such land or on other land on which such person has no right to pasture or forage livestock, he shall be deemed a trespasser and shall be liable in damages and subject to injunction.**

8. The Association maintains a website or electronic bulletin board. This serves a useful function for all owners, even those that opt not to join the Association. The Association shall provide access to the website to all owners, whether or not they are members.

9. The parties agree to ask the Court to postpone the trial of this matter for 90 days.

10. The parties shall execute a formal settlement agreement within 60 days. The parties authorize their respective counsel to move to dismiss the pending suit with prejudice, within 7 days after the formal settlement agreement is signed, each party to pay their own costs and attorney's fees.

11. In any dispute arising out of this Memo or the formal settlement agreement and in any such dispute the Court shall award to the prevailing party its attorney's fees and costs.

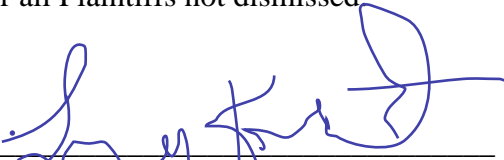
Dated this 21 day of July 2017.

Baker's Peak Landowners' Association, Inc.

By \_\_\_\_\_

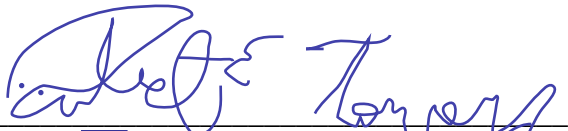


For all Plaintiffs not dismissed:



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Larry G. Kokernot



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Robert E. Towery

Approved as form:



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Kathie Troudt Riley



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Mark Cohen