

October 15, 2012

Glastonbury Landowners Association  
Attention: President Richard Bolen  
P.O. Box 312  
Emigrant, Montana 59027

RE: Withdrawal Erickson site plan/ development  
approval for Lot 91 South Glastonbury

Dear Board Members and President Bolen:

First, we want to thank you for the diligence in reviewing our proposal to construct our family's dream on Lots 90 and 91 of South Glastonbury. We are very much aware of the difficulties that the Board and its individual members have suffered associated with our submittal. We have always and will continue to support the Board's efforts in review of development and the keen eye that the Board has used to ensure that all development is in keeping with the master plan, the covenants, and the best interests of the landowners in South Glastonbury, as well as the preservation and protection of the common lands.

At this time, we are withdrawing all submittals for development of Lot 91 with more than two dwellings. The multiple lawsuits and the most recent filed on September 24, 2012 (Park County DV12-164) by Daniel and Valery O'Connell carry the balance of the weight for our withdrawal. We simply cannot continue to bear that burden with you any longer.

Further, we understand that with the withdrawal of the site plan, we are withdrawing the variance. With the withdrawal, the conditions of approval for the variance, the road agreements and the like, are also voided. It is our intention to submit a plan for two (2) dwellings on Lot 91, (see attached), which we are told meet all of the criteria for approval. While this is not what we had dreamed of for our property, our family, and our community, we feel it is the best decision in view of the current situation.

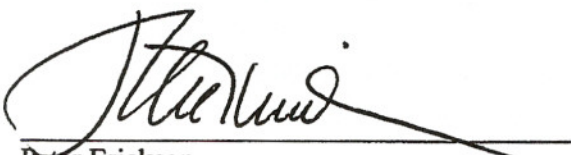
Please understand this decision is not made lightly. As you are aware, we started the vision process for the development of this land for our family in 2009, which resulted in the vision statement entitled "Bambeday" dated January 3, 2010. By May 25, 2011, we had submitted plans for our property, which met the governing documents of Glastonbury, and we met with the Review Committee. At the meeting on June 11, 2011, the O'Connells handed the attached written threat to our architect, who had voluntarily come to the meeting to answer questions from the Board and interested landowners about the vision and scope of our project. Soon after, we engaged an attorney to ensure that we and the GLA properly reviewed the application. On June 22, 2011, the O'Connells filed a lawsuit against the individual board members who found that our application met the governing document requirements. At the meeting on June 27, 2012, our architecture team heard the O'Connells say that they would sue any board member who supported our project. Daniel, as a board member, stated that he thought the project was good but that he didn't like the way it was being approved. At his request, we agreed to wait and have the GLA attorney review the process, again to ensure that the review was complete and in compliance with the governing documents. That occurred on July 14, 2011,

and the Board meticulously went through all of the criteria, added conditions to ensure all requirements were met, and approved the project with a conditional variance. For the next year we undertook the steps to meet the conditions. The last straw is the suit filed in September of 2012.

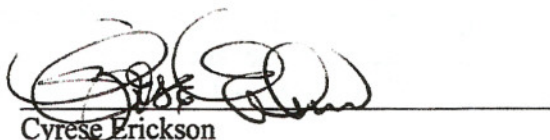
We sincerely wish to remain good neighbors and live in the harmony contemplated by the community. We are saddened by the actions of a few who disagree with the decisions of the Board and how that disagreement weighs on us and the community. We look forward to the consideration of the two dwellings - not the dream that we had intended for our family - but an avenue to become part of the community.

Again, we want to thank you for your efforts during these last two years and hope that we can now move forward with our revised project in an unhindered manner. We imagine that for similar reasons this time has been as trying for you, the Members of the Board, and we want you to know how much we appreciate your contribution of time and talent in attempting to find a workable solution. Unfortunately, it no longer appears that our dream will become a reality.

Sincerely,



Peter Erickson  
190 Sagittarius Skyway  
South Glastonbury, MT



Cyrese Erickson

Cc: Allysa Allen



# GLASTONBURY LANDOWNERS ASSOCIATION, INC.

P.O. Box 1862, Bozeman, Montana 59771

October 24, 2012

Dear GLA Members:

I am writing to provide you with an update on the legal matters for which the community has been engaged for the past year and a half, and other issues of importance.

As you may recall from previous correspondence, Valery and Daniel O'Connell have filed several lawsuits against the Board, the corporation and several individual Board members.

Beginning in June of 2011, the O'Connells filed an action, Park County DV-2011-114, requesting, among many other things, a restraining order to prohibit the Board's approval of the variance requested by the Ericksons for their building project in South Glastonbury. The O'Connells sought to obtain a default order against the corporation without the corporation having been named nor served. Our attorneys got the Court to set aside the default and to order service of process. Our attorneys then moved for a dismissal of the action and the Court granted the dismissal ordering the O'Connells to pay costs and attorney fees. The O'Connells then appealed to the Montana Supreme Court. Briefs by all parties have been filed and we are awaiting the decision of the Supreme Court. The Court could uphold the Judge's dismissal or return the matter to Park County for hearings on some of the issues. Because some of the Board was sued individually and then the corporation was added, and due to potential conflicts, we were required to employ two attorneys for the defense, Frederick Landers and Alanah Griffith, attorneys at law, both practicing in Bozeman, Montana.

In the meantime, the O'Connells filed another action against the Corporation, Park County DV-2011-193. After numerous motions, counter motions and discovery, and a request for permission to file a counter claim, mediation was ordered by the Court. Mediation is for resolution, not for determining who is right or wrong. During mediation, compromises by both parties were made and case no DV-2011-193 was dismissed with prejudice with each party bearing their portion of the costs. The term "with prejudice" means that all of the issues raised in that action are concluded and cannot be resurrected. The board agreed to what it considers a few minor concessions such as not casting proxy votes, and changing the customary practice of the president not voting at board meetings since he would be chairing the meeting, and the O'Connells dismissed their claims. Attorney Frederick Landers represented our Association in the foregoing matter.

A few weeks ago, the O'Connells filed another lawsuit, Park County DV-2012-164, challenging the legality of the Erickson project (the same project addressed in the first lawsuit, no. 114) and challenging the legality of the Board's decision to hire a professional management company to provide the necessary administrative duties for the Association, in this case Minnick Management. Our attorney in this matter, Alanah Griffith, has filed an answer on our behalf denying any validity to the claims by the O'Connells. In the meantime, the Erickson family, frustrated by the repeated lawsuits, has decided to abandon their dreams and has withdrawn their request for a variance. The letter from Pete Erickson is attached.



# GLASTONBURY LANDOWNERS ASSOCIATION, INC.

P.O. Box 1862, Bozeman, Montana 59771

As I write this report, the O'Connells have vowed to file yet another lawsuit. They have threatened a total of four new lawsuits in the last two weeks.

To date we have spent over \$26,000 in costs and attorney fees in defense of the actions brought by the O'Connells, and further bills are pending. The Association has never been a plaintiff and has never instigated any of these legal matters. Unfortunately, because Mr. O'Connell was a Board member at the time he filed the first lawsuit, insurance did not cover the fees. We are working with insurance today to see that the third lawsuit is covered by insurance.

It has also come to the Board's attention that the O'Connell's have sent out an e-mail regarding my past practice of law. The Board has requested that I also address the accusation in that e-mail that I was guilty of fraud and acting illegally. This accusation is of course, untrue.

The O'Connell's attached a "Letter of Censure" which I received from the Tennessee Board of Professional Responsibility in which I was cited for not following ethical guidelines in the administration of an escrow account. As anyone can see from that letter, I was never found "guilty of fraud" or any illegal act, only censured (as opposed to suspension or revocation of my license to practice). Censure is essentially a "slap on the wrist" when there is a technical violation of the rules of ethics. Since the letter attached by the O'Connells does not really explain what occurred, the Board has requested that I let the membership know what happened.

I was engaged in a title business. I and another attorney did title searches and closed loans and sold title insurance to the mortgagee. Upon closing of the loan, the money was held in escrow until cleared and then many checks were issued for things such as termite inspections, repair work, old liens and finally distribution to the entities such as sellers, buyers, real estate agents, title companies and so forth. Our administrative assistant was reconciling the incoming checks to each file, but unfortunately, she was not looking at the overall account when, during May and June of 1998, a group of forgers copied one of our checks with a color copy machine and wrote about \$84,000 worth of fraudulent checks on our escrow account.

In Tennessee, forged instruments must be challenged to the bank within three days after receipt of the bank statement. (Many states allow two weeks to a month to challenge). Unfortunately, several weeks elapsed before our discovery that the checks were forged. We argued with the banks, hired a banking lawyer to assist us, reported the matter to the police and FBI and tried to pull ourselves out of the hole by using other assets and our operating account. We were able to hang on for a few months, but by October of 1998, we found we could not pay some accounts.

We reported our situation to the insurance company who promptly cancelled our contract thereby ending the business. The insurance company paid \$35,000 in claims. The insurance company sought reimbursement from us but the business was wiped out without any remaining assets. The insurance company then sued us individually,

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but we were protected by the corporate shield. The insurance company then vindictively filed with the Board of Professional Responsibility.

The hearing was to be 180 miles away and I was tired and broke and decided not to fight the request for sanctions. I knew that if I had presented my side of the story and corrected certain errors in the report, the censure may not have occurred. But I was planning to retire and chose not to appear. As you know, the Board of Professional Responsibility gave me the slap on the wrist, nothing more.

The FBI caught the gang of forgers who were operating out of Salt Lake City, Utah. The gang had targeted title companies like ours as well as several banks, reaping in excess of \$2,000,000 dollars. I went to the Federal Court in Salt Lake to testify. The culprits were convicted and sentenced to Federal Prison and, of course, ordered to pay restitution. None of the proceeds were ever recovered and the money earned by the prisoners never amounted to more than a few hundred dollars.

I put the nightmare behind me, retired and moved here to enjoy living in Montana, fishing and hiking and enjoying some of the people. Unfortunately, the nightmare has been resurrected by yet another party with vindictive purpose.

I do not practice law here nor do I have any control of Association funds. I am only serving as a director because I was requested to and continue only because of repeated continued requests. I would prefer to be enjoying my retirement rather than dealing with these repeated conflicts. However, I believe in the work the Board does for the community. We do our best to preserve our property values and maintain our rural way of life.

Thank you for reading our update. We will endeavor to continue to ensure that the community is well represented. If you have any further questions about the various lawsuits or my censure, please do not hesitate to contact myself, or any other member of the Board. Ms. Griffith will be present at the annual meeting to answer any questions you may have. We look forward to a beautiful winter in our valley.

Sincerely,



H. Richard Bolen  
President

cc: file