

Governing Documents Committee Meeting Minutes 2/3/17

Attending: Leo K., Committee Chair, Dan K. Board Member

Also Attending: Claudette D., Ia W., Linda U., Regina W. Dan K., Leo Keeler, Dorothy K.

Meeting Called to Order at 7:00 p.m.

State Law on interest rates:

Montana laws: 28-2-2104 Contracts – Law set at charging 18%; 31-1-107, Loans – allows variable rates and sets maximum at 15%; 31-1-501 Retail Sales – Law set at charging 18%;

Attorney Hess advising contract law allows 18% and need to ask him what specific law applies. .

Need GLA attorney (Landers) advice:

Does contract law interest rate apply to GLA for providing road maintenance?

Inform Landers of Hesse letter and Alanah response with information on interest rates.

Which of the three laws have been used in court cases that would be similar to GLA.

Ask why Assessments are viewed as “Loans” and not addressed under contract law.

Clarify if covenants are a contract and GLA is providing services.

Provide a court case that can be shared with Landowners.

Leo & Dan to develop questions and make contact.

Proposal to the Board:

Discussed having a percentage number vs maximum by law – recommend maximum by law

Discussed retroactive – recommend not being retroactive:

Considered: 1. Landowners rejecting applying retroactive in last year's vote to change the covenants to 12% retroactive. 2. Change on high accounts (\$10,000) interest due is only \$1,200 or less; 3. Of 60 Accounts being late there are only 30 above \$1,000 and only 16 above \$ 5,000; 4. A change in interest rate will require some accounting work and may be expensive.

Timeline for voting:

Discussed obtaining \$170+ votes needed as unlikely unless voted on at annual member meeting.

How to make Landowners “WANT TO VOTE” - i.e develop the framework of a “SALES PITCH”

Benefits to landowners:

Simple system may increase land values;

Save money on accounting/administration costs

Clarify only simple interest is charged by GLA.

Benefits to GLA/Association

Updates covenant and clarifies the language.

Same money on keeping books and accounting;

Discussed timing and method to present Pro’s and Con’s and need to disseminate that to all Landowners.

Election Committee assistance:

Election committee may recommend Bylaw changes

Governing Documents Committee will be tasked to process

To effect 2017 voting changes must be voted on by/in July

Meeting Adjourned: 8:50 p.m.