

Legal Committee Meeting

March 31, 2017

Phone Meeting Started 2:05 PM, Ended 2:45 PM

Attending: Dennis R., Leo K., Dan K., Attorney Rick Landers

Purpose: Obtaining attorney advice on collection procedures and changing covenant 11.06

Topics Discussed and to be included in written attorney advice:

1. Montana law addressing assessments as “Accounts under 31-1-107” or “Contracts under 28-2-2104”
 - a. Email follow up from Rick Landers: I believe the GLA can continue to charge 18% interest on the past due amounts as well as a 5% late payment fee. Therefore, if you wish to keep charging these amounts, no amendment of the Covenants is necessary.
 - i. Attached and highlighted Supreme court case NO. 83-272 supports GLA 18% interest rate and the 5% penalty.

Action required: None, no change needed for Covenant 11.06

2. Processing collections against all recorded landowners
 - a. Action recommended: Update assessment billing to list all parties holding an interest in the lands.
 - b. Process collections with notification to all holding an interest in the lands.
3. Board powers to act under advice of attorney to change the assessments due.
4. Need to bring accounts into line with applicable law “31-1-107, with penalties dropped and processing charges added.
 - a. Action Recommended: Propose Board action to conduct account recalculation.
 - i. Allow 30-day landowner notification of process.

Additional Topics discussed, not to be included in attorney letter:

1. Ownership of NG 39 & 65.
2. GLA including all parties with a recorded interest in the lands in all communications.
3. Estate for years as unusual, no longer used, land title process.
 - a. Negligible value if received through foreclosure.