

GLASTONBURY LANDOWNERS ASSOCIATION, INC.

P.O. Box 1862, Bozeman, Montana 59771

October 18, 2013

Dear GLA Members:

As many of you know, I have decided not to run for another term on the Board after six years of service. The time has come for me to step aside and allow others to serve.

As I step down from my position of leadership I am proud to say that I leave the Association in better shape than I found it. Yet I do not intend it to be inferred that the improvements are due solely to me, but to a Board who worked together as a team with spirited debate to reach agreements on issues which have improved the overall efficiency and effectiveness of the Association.

So I will be covering several topics in this letter to let you know where we are and what can be anticipated for the coming year.

LITIGATION

As mentioned in the July 2013 Newsletter regarding the latest 2 lawsuits, summary judgment was granted in favor of the GLA on all issues, specifically, 1) the hiring of Minnick Management; 2) Erickson's Residential Building Project; 3) Guest House Assessments; and 4) Voting procedures used by the Association. The O'Connells then appealed to the Supreme Court. Their brief and our reply brief have both been filed with the Court.

Our intention on the board has been to continually improve and clarify procedures and actions so they are in complete compliance with the governing documents and the law. In order to keep you better informed, the Board has decided to post litigation documents on the GLA website to make it convenient for the membership to view these documents and understand the issues. There will also be a binder at Board meetings to view.

Keeping in mind that since we were not able to receive coverage from our liability insurance carrier for the first two lawsuits, the ongoing litigation has now cost the association over \$39,000, and the liability insurance company has now paid over \$45,000. And as many of you have heard for yourselves, the O'Connell's have vowed to continue suing the Board.

As you will see from the 2014 Draft Budget that was enclosed with your voting information, not only are we keeping assessments at the same level, but more money than ever before is being allocated to the roads.

However, we do want to bring to your attention that due to the litigation costs, our liability insurance premium will most likely increase for this coming June, 2014. For this reason, the board discussed raising the assessments by 10 percent to build a reserve to help toward our legal costs, but, after a spirited and thoughtful discussion, the motion to increase assessments did not pass. We intend to discuss this idea at the annual meeting and would like your input on this matter.

MINNICK MANAGEMENT

Ongoing business for the GLA involves everything from processing mail, phone calls, written inquiries, e-mail communication, accounting, reporting, copying, monthly preparation of board meeting materials, handling project review documentation, to quarterly mailings, surveys, tracking of information, and handling the annual meeting, just to name a few of the many tasks necessary for the association. The central "office" hub provided to us by Minnick Management has been extremely helpful in keeping things together and allowing a smooth workflow.

In the six years that I have served on the board, I guided the board toward professional management, and away from handling the "doing" of by volunteers. Volunteer help is welcome, yet due to our many years of experience, we are mindful that volunteer help is not always dependable or consistent, and as such, has created more work from lack of continuity. It is

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extremely gratifying to watch professional administration happening in this past year, which amplifies our volunteer efforts. The board continues to oversee, plan and direct, which is the most effective use of volunteer resources. Minnick is now handling the work that several part-time contractors were previously doing in the past, but in a reliable and consistent manner.

ACCOUNTING

Excellent progress has been made in restructuring the Association's accounting system in order to bring our methods into compliance with more clear and effective, easy-to-understand accounting principles.

There has not been any misuse or missing funds in the handling of the Association's money, but due to our accounting system having been set by volunteers many years ago, things were not as clear as they should be according to accounting standards. Similar to how we have made the change to professional management of our administrative functions through Minnick Management, we have now addressed the restructuring of the accounting under the guidance of a professional, Certified Public Accountant (CPA), Bob Story. Minnick has put in the extra time required at no additional cost to implement the new accounting structure under Bob Story's guidance. CPA expenses were generously funded by South Glastonbury residents Walter and Regina Wunsch, and all are pleased with the results.

WEBSITE

The GLA is pursuing two different web-based solutions at this time. We continue to maintain the GLA-MT.org website which has basic information. In addition, Kenneth Haug has been developing a platform called Sharepoint that is designed to provide a central storage location for the board and landowners to access a greater body of information. This software also allows a login system to be administered in a feasible way. Although the structure of this system has been setup, it is not being utilized until the GLA's documents have been organized and digitized, which is another current project underway. Ken has conducted training for board members for the initial phase, and we are grateful to him for his volunteer work.

GOVERNING DOCUMENT COMMITTEE

The Governing Document Committee is being formed to review the governing documents and to gather ideas from landowners about possible amendments. The majority of members on the committee are to be landowners, with some board members as well. Under attorney guidance and landowner support, the documents could be amended to simplify them for future ease of implementation as well as clearing up ambiguities. Any changes would have to be ratified by a vote in favor by at least 51 percent of the membership.

To the new Board for 2014, I wish you great success. And to the membership of the Association, I invite you to become involved. Attend Board meetings, become a Board member or volunteer to serve on a committee. After all, this is your Association.

Sincerely,



H. Richard Bolen
President

cc: file