

Minutes of Governance Committee Meeting
Legendary Hills Homeowners Association
August 27, 2003

Meeting held at 5:30 p.m. at 2150 Legendary Drive. Present were Susan Leonard (chair), Larry Patrick, Tim Spears, David Sutherlin, Steve Leonard (ex. officio), and Rod Bray, (attorney).

The meeting began with a discussion and sharing of information re: Rockmakers, Inc. and the proposed gravel operation on the Ellis farm. Rod Bray, attorney for the HOA, stated that in the future, if the judge (acting in an appellate capacity) reverses the Board of Zoning Appeals' decision, the city will have to decide what to do. LHHOA will have to pursue the matter on its own if the city decides not to. He believes that guidelines we heard at the hearing are clear, and that this is a matter of jurisdiction. Part of the area is clearly too close to Legendary Hills. The rest is questionable. But loss for Rockmakers would just mean they have to jump through more hoops. The judge can uphold or overturn the BZA. It is not likely that he would send it back to the BZA with further instructions, but not likely. He advised LHHOA to get another attorney, who could have a voice before Judge Gray on behalf of LHHOA. Since Mr. Bray is attorney for the bZA, he could not represent us, also.

Asked if he had any "feel" for how far things could go, Mr. Bray said that Rockmakers would probably continue to pursue the matter, even if Judge Gray decides against them, because of the money involved and the fact that case law exists. Case law exists for both positions, LHHOA and RMI. To get any restrictions placed on the operation if it does succeed, we would need an attorney.

Governance agenda:

The following agenda items were presented by Susan Leonard, as requested by the Finance Committee: 1) amendment to change the percentage of LHHOA members required to change the Covenants; 2) amendment to change the amount of Homeowner dues; 3) amendment to provide for Special Assessments; and 4) amendment to specify payment of dues by owners of unimproved lots.

1) Responding to questions sent to him earlier, Rod Bray stated that the first vote must be on changing the % required to amend the covenants, and that this change would have to be recorded at the Morgan County Recorder's office prior to any other votes being taken. Thus, not everything can be done in one meeting. We must have actual signatures of 90% (including signed proxies) of the members, which will necessitate going door to door. Some signatures can be obtained at a meeting, but not enough members will come. The signatures themselves will have to be kept on file. This could be done by having several petitions, or by printing a separate form for each member to sign. Asked if the voting % we proposed is reasonable, Mr. Bray said about 66% is good. A smaller number could cause problems later. There would be no need to have a meeting for members to vote on this amendment, but the matter is best explained at a meeting, where we can get as many signatures as possible. The Board could then call a second meeting to make the other changes to the covenants.

Discussion came up as to “lot owners” vs. “residents.” Rod Bray said that usually the voting % refers to all lot owners. Committee members were concerned about what happens if we don’t get enough people to vote “yea” on the % amendment, and the response was that the HOA will go “belly up.” Tim Spears suggested that people should be approached with the simple question of whether they want the trash collected and the snow removed – or not -- since these services cannot continue if dues are not increased.

2) The actual amount of homeowners dues could appear in the by-laws, rather than in the covenants, but the current by-laws are probably not valid. New by-laws can be created by the Board. The normal built-in annual increase is 15%.

Items 3 and 4 were not discussed specifically.

Mr. Bray had brought a document suggesting amendments for voting percentage, special assessments, and penalties for non-payment of assessments. As a result, the matter of liens was discussed. Mr. Bray suggested sending a letter after 30 days’ non-payment of dues and filing a lien after 60 days.

Procedurally, the group decided to create a “lined-out” version of the proposed changes for the Board’s and committee’s use, with a clean copy provided to the members.

Mr. Bray brought up the matter of “resident agent” specified in the Articles of Incorporation. He can prepare and file a document that will list Steve Leonard as that person. Until a new name is filed, all official correspondence relating to LHHA will continue to go to Mike Wolff.

Next meeting of the Governance Committee will be Wednesday, September 3, at 5:30 p.m. at 2150 Legendary Drive.

Following the Governance meeting, the Board of Directors held the following discussion:

Tim Spears reported on Gary Jensen’s meeting, held on August 26, to discuss retaining an attorney in the Rockmakers lawsuit. 15-20 people were present. Gary requested \$50 checks, made out to him, to pay for an attorney from Franklin whose name was not mentioned. Gary also contacted Heidi Wolff, realtor, to ask her for \$300, based on the unsold lots belonging to Mike Wolff. The Board members, Steve Leonard, Larry Patrick, and Tim Spears, discussed the matter and decided to try to share their concerns with Gary Jensen to make him understand that 1) this should be an HOA matter; and 2) the Board plans to take action re: Rockmakers, Inc. Tim will talk with Gary. They also decided to draft a letter to the members of the HOA explaining that they will hire an attorney and that Gary Jensen has no standing as an officer, etc.

Minutes prepared by Susan Leonard