

August 12, 2021

Dear Fellow Landowners,

I first purchased my lots in Eagle Canyon Ranch in 2008. For the first ten years I had no complaints as to the running of the Landowner's Corporation. I gladly paid my association dues feeling those involved were doing their best to serve us all to the best of their abilities. Having spent years volunteering in a similar capacity I appreciated their efforts and planned on volunteering myself once I became a full time resident.

My complacency came to a screeching halt when I read the 2018 minutes of the annual meeting. The board announced the resignation of DeeDee Lane and the board's intent to "work with Mark Pieloch, a majority landowner, and his representatives to ensure the course taken is good for all involved. We are hoping for clarification on his long term intentions and/or what needs to be done to clear his concerns about the LOC validity and financial stability... Mike Jowders voiced concern that a majority land owner could potentially dictate the direction of the entire ranch, Wade (Crittenden) and Don Woody clarified plans to meet with Pieloch and his lawyers in hopes of better clarifying his intentions.... Landowners indicate they would like such a meeting to be available to all landowners". As we all know this did not happen. Rumors circled that Pieloch flew key people to Florida and that Pieloch had threatened to file a lawsuit against the corporation and the Lanes for failing to maintain the LOC and enforce its covenants. (Actually he did file a lawsuit but never served it.) When I called the Secretary of State's Office and discovered that the Eagle Canyon Ranch Landowners Corporation had been involuntarily dissolved in 1996 I realized Pieloch probably had a valid threat, after all hadn't we all in the ECR been paying money to an organization that didn't exist? No wonder no one enforced covenants or collected unpaid dues- they had no legal authority to do so at least for Eagle Canyon Ranch. Personally I don't think this was done with any illegal intent, just a willingness to step in and get it done regardless of the circumstances. I certainly would never hold anyone accountable for doing a good job however the red flag had been waived and now I was concerned.

In March 2019 the board announced the first fee increase from \$80 to \$100 per year with the first year only seeing a \$10 increase. "The board hopes that this staggered increase will allow landowners to ease into the change without difficulty." Again the board showed constraint almost apologizing for the increase and we probably all accepted the increase as fair and necessary.

In April I received a letter from Sharon LeFaver with an offer from Mark Pieloch to buy my property. Others received one as well and it was obvious to many of us he was making a run to increase his majority. In July the board sent out a letter- "Mr. Pieloch's legal team reached out to us in hopes of assisting us in correcting past concerns regarding the MRR/ECR merger without conflict or legal issues. We have been working, with their assistance, on reviewing and rewriting portions of the By-laws to ensure ECR landowners are protected by those By-laws in the same manner MRR landowners are, Mr. Pieloch and his team requested a change to the annual meeting date to allow them to be present for this year's very important meeting. After a random poll of various landowners, the Board voted to change the meeting date to accommodate their presence."

Did you catch that phrase- a random poll- hmm which randomizing algorithm did they use? As for their presence- they showed up in force, legal team and all. Pieloch was elected to the board and the changes to the MMR Landowners Corporation name and by-laws to include ECR were voted in. Landowners in attendance stated that the vote was by show of hands. (Perhaps we should demand a precise accounting of the vote more attune to the one the board did after the 2020 vote when they nullified the count for David Allen.)

In February of 2020 with Pieloch on the board we received the expanded budget and a fee increase from \$100/ lot to \$400/lot. The rumor I heard from several individuals was that Pieloch wanted it at \$1000/ lot to drive the undesirables off their lots. Suddenly we have need for an accountant

rather than seeing a check by check expense ledger, a lawyer on retainer?, a web site who publishes only letters favorable to certain landowners? People started receiving threatening letters to clean up their lots or face legal action. The community responded by banding together and electing two of our own (Roy McFarlane and David Allen) to the board in September of 2020. Unfortunately a later examination of the votes by the existing chairman of the board unseated Allen. (just on his say so) The Lanes, not happy with the way things were going, appointed Mark Belew, one of us, to the board. I spoke to Mr. Lane late in 2020 about what was going on and he said it was out of his hands. He was dying of cancer and didn't have any fight left. He didn't want to spend his remaining days in a legal battle. He passed away early in 2021.

With Mr. Lane's passing the rumor mill has again started: What happens if Mrs. Lane sells her remaining lots to Pieloch, what happens to the developer's seat on the board if she no longer maintains the 10% holding, what happens if she sells the Contracts for Deed to Pieloch if people can't get bank financing. Good questions I didn't know the answers to.

Since I was able to get into the Montana Legal Aid cue and get an appointment to talk to one of their lawyers, I did ask those questions and many others. I am afraid, however, the questions were not easily answered. Like most legal issues "It depends" is the common qualifier. Ed Higgins, was the lawyer I spoke to and he will probably be the attorney you speak to if you get into the system. His main intent was to give advice as most of what I brought up would have to be decided in a court of law- in other words -nothing is cut and dry. He stated that HOA's and LOA's seem attractive but frequently fail to protect and serve their members. In our situation, where you have someone with a majority or close to it, they are indeed as one of our members called it "the stick with which he will beat us to death". He could not emphasize it enough- members must organize as soon as possible and use what rights they have to change the by-laws to check the abuse of power. I assured him that we were attempting this very thing. If you haven't already given your support to Mark Belew and Roy MacFarlane, please do not hesitate. They are the bulwark we have erected against this imminent threat. If we do not band together behind people with no personal agenda other than to live in peace with their neighbors we risk losing our small piece of Montana as we know it.

While some board members are trying to assure you that they are just protecting your property values and provide you with quality roads. I would like to point out that their 2018 annual report states that "the MRR and ECR roads are in the best condition ever" and this was under the old fee structure. "Good Roads" is a subjective term. If you are referring to roads that your Air B& B clientele or paid hunting parties can traverse in their BMW's then I do not believe the landowners should have to pay for your infrastructure. In fact this is one of the few questions the lawyer stated was an absolute- no commercial use of the property as stated in the covenants. As to property values, let me assure you that in the current real estate market even the state of your own property let alone your neighbors makes little difference in the marketable value of the property. People are in bidding wars and buying property sight unseen. Montanans are having a harder and harder time purchasing property in our own state. The working homeless are becoming the norm. If you think you can just sell and buy somewhere else think again. If you've got it, hang on for dear life it's probably your last chance to own anything. If you don't believe me just check the web or ask me for my own examples. Why do you think land developers are so interested in buying up land? Also do you really want your property values to go up as the million dollar homes sell in your development. I have seen numerous people lose their property because they could no longer afford their property taxes. Again this is an issue faced by many Montanans and made the news just this last week with officials decrying the need to set limits on tax increases for fear of locals being driven off their properties.

Board members keep asking for our trust but in reading through the minutes (some of which seem to have disappeared) it is apparent that much is said and done behind closed doors. If you are truly acting in our interests all minutes should be posted and kept up indefinitely. Not only do we need to know what was decided but the real reasons the decision was made. I felt much better with a board who muddled through than one run by a man backed by his own legal team. If Mr. Pieloch is the decent man he purports to be then he will understand our distrust and resign his position and allow us to repeal and/or rewrite the by-laws to protect all landowners in the development whether they own one lot or the majority.

If anyone has questions or concerns please call me at 406-880-3324. I will be happy to listen and record any of your grievances for future consideration. Like Mike at our last meeting I believe the way through is by supporting community first. Anyone in for a fall potluck? I'll be happy to organize one. We don't all have to agree but we do need to stick together for the common good.

Sincerely,

Kim Wells