

Pines Condominiums Phase II

C/o Henning Schwarzkopf PO Box 160099 Big Sky, MT 59716

Annual Membership Meeting
September 2, 2010, @ 9 am

MINUTES

I: Call to order:

The meeting was called to order by President Walter Kobin at 9:05 am. In attendance were Walter and Peg Kobin (I2), Doug and Sarah Crowther (J1), Jana Butler (J3), Kathy Rude (J4), Victor and Irena Sniecinski (K-4), Mike Schwarzkopf, Scott Hammond, Beth Hickey and Alison Gregory. A quorum was established with 100% of the membership represented via presence or proxy.

II: Approval of the minutes of the 2009 Annual Meeting:

The minutes of the 2009 annual meeting were reviewed. Doug Crowther made a motion to approve the minutes as recorded. Jana Butler seconded the motion. All in favor; Motion passed.

III: Financial Review: (See Exhibit A)

Mike Schwarzkopf reviewed the financial information. Mr. Schwarzkopf explained that Pines had a yearend ending 9/30/10. He was pleased to report that the complex is doing quite well. Total operating budget is in good condition. The Association has not had to spend any reserves this year. With only about one month until year end, the complex will most likely have a surplus at the end of their year. The Association has roughly \$23,762 to last the rest of the year. This should be well over a sufficient amount as the Association should have a huge amount of expenses coming in. Fire suppression annual inspection cost will be incurred the month of September as well as some outstanding landscaping invoices. There should not be any insurance and/or administrative expenses left.

Mr. Schwarzkopf continued to the second page of financials. He explained this represented the complex's financial health. The fund balance sheet explains where money is put aside for the makeup of the Association. All dues have been paid and there have been no foreclosures or delinquencies. All the reserves ("savings" accounts for the Association) have about \$4,000 in each, which is great for the complex! No expenses have had to be taken out of the reserves this year. The assessments have covered all expenses.

The third page of financials, the balance sheet, was discussed. The balance sheet describes what is in the bank currently for the Association. Currently, the Association has \$28,546.72 in the bank.

Next, Mr. Schwarzkopf and Mr. Kobin discussed the proposed 2011 budget. You can view this on the first page of the financials in the last column. Overall, the proposed budget for 2011 compares to 2010's budget. Insurance costs did increase by about \$500.00. Also, the fire suppression system line item for 2011 reflects what annually the inspections should cost. Since the Association has done so well on its operating expenses, the Board increased the reserves to \$1,500.00 from the \$1,000.00. This will allow the Association to have a larger savings account for long term projects.

Discussion took place regarding the Association's current insurance policy. Currently, the Association carries State Farm. Mr. Hammond was asked to research the following for the ownership: 1) clarification on replacement cost of buildings (per unit) with State Farm; 2) clarification on earthquake insurance with State Farm; and 3) bids for Pines Phase II with other insurance companies to compare price. Once Mr. Hammond receives information regarding the above 3 items, he will email the ownership with an insurance update.

Finally, a motion was made by Mr. Crowther to approve the proposed 2011 budget and dues with projected costs as presented. Ms. Rude seconded the motion. All in favor; motion passed.

IV: Manager's Report: (See Exhibit B)

Mr. Hammond discussed the Manager's Report. The ownership did comment on Montana Steamworks roof shoveling services. They asked that a better job be performed with regard to clearing the snow that the crew cleared off the roof. Mr. Hammond apologized for the miscommunication last year with the crew not clearing snow off the decks that had been on the roofs. This year that will not be the case. As requested by the BOD and ownership in general, Mr. Hammond will ensure that the crew for Montana Steamworks will remove snow dumped onto decks from the roof shoveling/steaming.

Mr. Hammond then continued the highlights on his report. He did explain that he changed some internal management responsibilities this year and now has a point field representative for Pines Phase II. Beth Hickey is Pines Phase II field representative.

Discussion regarding landscaping in general at the complex took place. Those present feels the landscaping needs improvement. One of the concerns is the area that is still currently owned by the developer (Raddick). The owners feel this area is an eyesore and needs some cleaning up and landscape attention. After much discussion on that topic, it was decided that Mr. Hammond will meet with the BOD and Raddick (developer) regarding his property adjacent to the complex that is in need of some cleaning up.

The second concern is for the areas of land that are on the backside and the sides of units that also need attention. Complaints of dry areas and overall dissatisfaction with the way the landscape looks were stressed. Mr. Hammond explained that the Association has roughly \$4,000 for landscaping needs. That \$4,000 will get eaten up quickly with landscaping improvements, especially if the ownership wants to install an irrigation system. Mr. Hammond's suggestion was to have the owners put together a landscape committee and appoint those who could produce a "dream" landscape plan for Mr. Hammond to take to landscape companies. Then, Mr. Hammond will obtain several different bids for what the ownership wants at the complex.

The following owners volunteered to be on the Landscape Committee and work with Mr. Hammond on a plan: Sarah Crowther (J-1); Jana Butler (J-3); Kathy Rude (J-4); and Irena Sniecinski (K-4). It was determined at the meeting that Mr. Hammond will set up the first meeting with a landscape company called 46 North the week after the annual meeting with the Landscape Committee. After that meeting, 46 North will then submit a design estimate to Hammond Property Management. Then, Mr. Hammond, the BOD, and the Landscape Committee can discuss options.

Finally, Mr. Hammond agreed to also have Northwest Management (consulting foresters) take a look at the Lodge Pole Pine Trees on the campus to determine those trees, if any, affected by the pine beetle infestation.

Mr. Hammond concluded the Manager's Report. Mr. Kobin thanked HPM for all the work that has been done at the complex and with the Association.

V: Old Business:

There was no old business to discuss.

VI: New Business:

Ms. Butler asked what the rules/regulations were on parking at the complex. Mr. Hammond explained that there was not any assigned or designated parking. The entire paved area at Pines Phase II is all common area. Everyone at the meeting agreed that spaces/areas beyond the apron's and down alongside the road into Pines Phase II was an open area for parking. ***However, it was asked to remind all owners and their guests to please be conscientious and use common sense and respect when parking in the narrow areas at the complex.***

Mr. Hammond was asked by the owners present to request that the snow plow contractor come earlier this winter when shoveling complex. Also requested was that the contractor do a better job of plowing the aprons. Last year, "snow humps" were left along the aprons. Mr. Hammond agreed to discuss both concerns with the snow plow contractor.

VII: Board Member Election:

The Pines Phase II Bylaws state that the Board of Directors is reelected every year. Currently, Walter Kobin, Jana Butler, and Doug Crowther are on the BOD. All three have agreed to continue on the BOD if no other owner is interested. Ms. Rude made a motion to accept Walter Kobin, Jana Butler, and Doug Crowther to remain on the BOD. Ms. Sniecinski seconded the motion. All in favor; motion passed.

VIII: Questions/Answer Section:

Ms. Crowther asked for permission to install a privacy wall on their deck between J-1 and J-2. The Crowther's did have this privacy wall left out at new construction. The Crowther's would like to have the privacy wall installed and will construct it like all other privacy walls at the complex.

Ms. Sniecinski (K-4) also asked if she could lower her privacy wall by 6-12 inches so that she could view the mountains and Lone Peak.

Therefore, Mr. Kobin made a motion to allow both owners the following: for Ms. Crowther: to add privacy wall that was originally taken out at new construction and allow wall to wrap around (for privacy with hot tub); and for Ms. Sniecinski: to lower current privacy wall by 6-12 inches. Both projects must be completed with same materials and like all other privacy walls. Ms. Butler seconded the motion. All in favor; motion passed.

IX: Adjournment:

Mr. Crowther made a motion to adjourn the meeting at 10:45 am. Ms. Sniecinski seconded the motion. All in favor; motion passed. The meeting was adjourned.

EXHIBIT A

Pines Condominium Phase II 2009/2010 Budget to Actual

	10 Units Approved Budget 2009/2010	Actual 8/23/2010	(Over)/ Under	10 Units Proposed Budget 2010/2011
Administrative				
Accounting	1,975	1,352	623	1,975
Insurance	9,000	9,107	(107)	9,500
Miscellaneous	325	0	325	325
Office Expense	200	99	101	200
Total	<u>11,500</u>	<u>10,558</u>	<u>942</u>	<u>12,000</u>
Maintenance & Services				
Building Maint	500	805	(305)	500
Chimney Maintenance	500	425	75	500
Fire Suppression Maint	6,000	192	5,808	3,500
Garbage	3,500	2,641	859	3,500
Landscaping	2,000	75	1,925	2,000
Management	4,800	4,400	400	4,800
Snowplowing	1,800	1,800	0	1,800
Snow Removal - Roofs	3,500	2,866	634	3,500
Contingency	1,900	0	1,900	1,900
Total	<u>24,500</u>	<u>13,204</u>	<u>11,296</u>	<u>22,000</u>
Total Operating Budget	<u>36,000</u>	<u>23,762</u>	<u>12,238</u>	<u>34,000</u>
Reserves				
Betterments	1,000	0	1,000	1,500
Driveway/Roads	1,000	0	1,000	1,500
Roofs	1,000	0	1,000	1,500
Siding/Staining	1,000	0	1,000	1,500
Total	<u>4,000</u>	<u>0</u>	<u>4,000</u>	<u>6,000</u>
Total Budget	<u>40,000</u>	<u>23,762</u>	<u>16,238</u>	<u>40,000</u>
Annual dues per unit	\$4,000 00			\$4,000 00
Dues Per Unit Per Quarter	\$1,000 00			\$1,000 00

Pines Condominium Phase II
Statement of Revenues Expenses and Changes in Members' Equity
For the Period Ending August 23, 2010
For the Year Ending September 30, 2010

	Operating Fund	Betterment Reserve	Driveway Reserve	Siding/Staining Reserve	Roof Reserve	<u>Total</u>
Revenues						
Assessments	36 000	1 000	1 000	1 000	1 000	40 000
Total Revenues	<u>36 000</u>	<u>1 000</u>	<u>1 000</u>	<u>1 000</u>	<u>1 000</u>	<u>40 000</u>
Expenses						
Administrative						
Accounting	1 352					1 352
Insurance	9 107					9 107
Office/Postage	99					99
Maintenance						
Building Maintenance	805					805
Chimney Maintenance	425					425
Fire Sprinkler Maintenance	192					192
Garbage	2,641					2 641
Landscaping	75					75
Management	4 400					4 400
Contingency	0					0
Snow Plow	1,800					1 800
Snow Removal - Roofs	2,866					2 866
Reserves						
Betterments						0
Driveway/Road						0
Roofs						0
Siding/Staining						0
Total Expenses	<u>23 762</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>23 762</u>
Revenues in Excess of Expenses	<u>12 238</u>	<u>1 000</u>	<u>1 000</u>	<u>1 000</u>	<u>1 000</u>	<u>16 238</u>
Members' Equity September 30, 2009	305	3 001	3 001	3 001	3 001	12 309
Members' Equity, August 23, 2010	<u>12,543</u>	<u>4,001</u>	<u>4,001</u>	<u>4,001</u>	<u>4,001</u>	<u>28 547</u>

For Management Discussion Only

Pines Condominiums Phase II
Balance Sheet
As of August 23, 2010

	Aug 23, 10
ASSETS	
Current Assets	
Checking/Savings	
BSWB Operating	28,546.72
Total Checking/Savings	28,546.72
Total Current Assets	28,546.72
TOTAL ASSETS	<u>28,546.72</u>
LIABILITIES & EQUITY	
Equity	
Retained Assessments	12,308.56
Net Income	16,238.16
Total Equity	28,546.72
TOTAL LIABILITIES & EQUITY	<u>28,546.72</u>



Pines Phase II
Annual Meeting
September 2, 2010 @ 9:00 AM

Manager's Report

Hammond Property Management has enjoyed our year of service at Pines Phase II. The following is a list of projects completed outside of the normal maintenance and tours at the complex:

➤ **Fall/Winter 2009:**

- Ⓢ Set traps around J building to eliminate mice problems.
- Ⓢ Supervised TCI Wildlife's work drilling holes and installing camera at the J building to help find mice; placed poison in J building to kill mice.
- Ⓢ Supervised concrete and stone work to divert water from eroding at the rock wall surrounding J building.
- Ⓢ Repaired leaky sewer vent in attic at unit K-4.

➤ **Winter 2010:**

- Ⓢ Monitored walkways for snow/ice buildup.
- Ⓢ Montana Steamworks managed roof shoveling services throughout the winter.
- Ⓢ Checked light bulbs and inside switches throughout complex.

➤ **Spring 2010:**

- Ⓢ Dismantled old irrigation system as requested by the BOD and Skip Raddick.
- Ⓢ Checked gutters for any necessary repair work; performed some repair work on gutters at K-2/1-1/1-2.
- Ⓢ Initiated weeding with HPM landscaping crew.
- Ⓢ Resealed building from holes that were drilled for mice problem.

Summer 2010:

- Ⓢ Reseeded rough areas around complex.
- Ⓢ Continued to weed whip throughout complex.

- Ⓢ Scheduled weed spraying for noxious weeds.
- Ⓢ Monitored sub contracted work being done at unit #1-2.
- Ⓢ Hauled away debris in front of unit #1-2.
- Ⓢ Completed chimney inspection and cleans with Canyon Chimney.
- Ⓢ Pruned trees throughout complex.
- Ⓢ Checked all light bulbs and inside switches.
- Ⓢ Scheduled annual inspection of fire suppression system.
- Ⓢ Scheduled annual fire extinguisher checks for each unit.

Thank you,

Hammond Property Management