

**Minutes of the Board of Directors Meeting  
For the Association of Unit Owners of  
Firelight Meadows  
March 30, 2010**

**Call to Order**

President Jack Eakman called the meeting to order at 6:01 pm.

Directors in attendance were President Jack Eakman, Garrett Baldensperger, Sam Geppart, Scott O'Conner (via conference call), Amy Ronnigen Free (via conference call), Twila Moon (via conference call).

Also in attendance were guests Jose Morales and Markus Kirchmayr of Alpine Property Management, Accountant Doug Shanley, Ed Mulcher of Mulcher Agency representing Farmers Insurance Group, Dick Hovde representing Hovde Property Maintenance, Sam Reznicek of unit 2D, Jim Dolan of unit C10 also representing Opticom, Steve Cherne of unit 73 and Chris Moon of Unit 103.

(All Directors will be identified by their last names from hereafter in the minutes.)

**Resignations and Nominations to the Board of Directors**

Eakman brought the Board's attention to the resignation of Stuart Koch on March 9, 2010. He added that the board can appoint someone to fill his vacancy until the annual meeting. Baldensperger motioned to appoint Sam Reznicek. Geppert seconded the motion. Reznicek accepted the position and joined the Board Members at the table.

**Additions/Deletions to the Agenda**

Eakman lists three changes to the Agenda

1. Insurance update for the Board
2. Hardy Plank Repair Authorization
3. Alligator in Chalet #8 incident

**Insurance Update**

Ed Mulcher of Farmers Insurance provided some new options for a change in the policy that would allow for a lower premium insurance rate for unit owners. Mulcher began by expressing his appreciation for Markus Kirchmayr's professionalism regarding the matter. Mulcher provided an option called a Loss Assessment buy back. Eakman noted that the current insurance policy has Firelight Meadows insured for far under the value of the property. He expressed the need for a policy worth 100% of the value. Accountant Shanley asked Mulcher how much this would cost, pointing out that the HOA budgeted \$51,000 for insurance. Mulcher replied that it would cost around \$41,000. Baldensperger motioned to increase coverage to \$59,000,000 (\$150/sq. ft.) with a \$2,500 deductible, noting the \$10,000 reduction from budget. Geppert seconded the motion. The motion passed unanimously. The new policy will take place as of today March 30, 2010.

**Minutes of Last Meeting**

Moon requested a change to the February 2010 Minutes. At the bottom of page two, the sentence stating: "Moon expressed her belief that it should be the job of the neighbors to communicate the rules and regulations to those who are unaware, rather than leaving it to the board to continually enforce rules." Will now be changed to "Moon suggested that the board members and other residents can help with improving awareness of rules and regulations by simply letting their neighbors know about the rules and telling them when they are or may be in violations. In some cases, this neighborly interaction may be more effective than notices from the Association." She reasoned that "My main reason in correcting this

is that I did not mean to imply in any way (as suggested by the original) that I think the board should take a lesser role in enforcing rules and regulations.” Baldensperger motioned to approve the minutes with the requested change. Moon and Free both seconded the motion.

### **Financial Report**

Accountant Doug Shanley presented his report with a financial statement and a March Budget Overview for both the Condominiums and the Chalets. As of March 30, the Checking Account Balance was \$119,682, a Certificate of Deposit at Big Sky Western Bank was worth \$27,563, and there was an accounts receivable balance of \$60,283. Twenty seven accounts are delinquent. Liens have been placed on these accounts to a total of \$50,677.37. Two units are currently in foreclosure and five units have been foreclosed. Bar JP owes the Association for two invoices from last year for a total of \$1918. Income raised from parking this year is at \$1,505. Fines assessed this year total at \$1000. New membership dues total \$2000. He also lists four new unit owners. Propane accounts receivable are at \$757.37. We are still collecting on three accounts. One of these three accounts is Randi Coleman from the 27 accounts listed as delinquent; her balance of this amount is \$673.16.

Doug Shanley explained the Chalet Budget Overview. The total income of the Proposed 2010 Budget was \$2697 x 136 Chalet units or \$366,792 per year, equaling \$91,698 per quarter. The actual total for the quarter is \$109,829.15. The difference in totals comes from having \$456 less from the unit owners saving \$12 per quarter for opting into paperless email notification, and additional \$1000 in fines, interest income from the Certificate of Deposit added \$47.52, parking income added \$1505, insurance claim income added \$7641.17 to the total and because of the sale of two Condo's \$1000 in membership dues (\$500 each) are added to the total. The total expenses proposed for the 2010 Chalet budget was \$333,472. Through March, the 2010 expenses were budgeted for \$102,714. The actual amount of money spent through March has come to \$62,234.53 which is \$40,479.47 under budget.

Shanley noted that the total Chalet expenses are significantly less than what has been budgeted due to the Board of Directors working so hard to keep spending at a minimum.

Doug Shanley then explained the Condominium Budget Overview. The total income of the Proposed 2010 Budget was \$2785 x 80 Condo's or \$222,800 per year. This equals \$55,700 per quarter. The actual total for the quarter was \$55,412 making a difference of \$288 less than proposed. The reason cited for this was the amount of money saved by unit owners by opting into email notification. The total expenses proposed for the 2010 budget was \$208,640. Through March, the 2010 expenses have been budgeted for \$59,040. March's actual expenses came to \$42,439 which was \$16,600.79 under budget.

Eakman proposed always sending out Shanley's Financial Report with the Minutes after each meeting.

The following is Accountant Shanley's explanation of the necessity of "Writing-Off" bad accounts:  
*"Write-offs are an accounting strategy that allows for the reduction in value of an asset or as a means of removing bad debt from the financial records of the business. The use of a write-off is a task that can help a company maintain a more accurate inventory of the worth of current assets. This includes the amount of funds currently residing in the Accounts Receivable section of the financial records"*

*From time to time, a company may encounter a situation where a client (our home owners) encounters financial hardship, and is unable to pay for goods or services rendered (the Home Owners Dues Assessed). This creates a situation where the invoice for the services continues to remain on the books of the company as an asset. When it becomes clear that there is no chance*

*(or little chance) of collecting on the outstanding invoice, it is advantageous for the company to choose to write off the amount of the invoice as a bad debt.*

*An account write-off is not something that a company usually does without making reasonable attempts to collect the outstanding debt. Once all reasonable efforts have taken place and the debt remains unpaid, the company may determine that continuing to carry the debt on the books will ultimately cost more in legal and accounting fees than the total amount of the debt. When this is the case, the company will opt for enacting a write-off.*

*We want our financial position to more accurately reflect what is actually occurring. When we do not write off an account balance as bad debt, we are poorly reflecting the amount of accounts receivable that can actually be collected. In our instance, if we had not written off the accounts as bad debt last year, we would essentially be overstating our accounts receivable when in fact we are more than likely not going to be able to collect any more fees.”*

Shanley noted that Eakman, Kirchmeyr, Baldensperger all met earlier to discuss savings in 2010. In particular he noted six items that have been budgeted for but could be eliminated.

These items are:

1. Board Member travel expenses to and from the Annual Meetings for \$800.
2. Soffit Repairs and Replacements for \$3,500.
3. Mitigation of mold in Chalet crawl spaces for \$10,000.
4. Seal Coat roads and driveways for \$18,000.
5. Dryer Vent cleaning and maintenance \$5,400
6. Carpet cleaning in the Condos \$3,440

O'Connor added that since he is the only Board Member that should be traveling a long distance to the 2010 Annual Board Meeting, he has no objection to saving the Association \$800 in fees to travel.

Shanley also said that this is an ongoing assessment and input is recommended.

### **Property Manager Report**

Markus Kirchmayr and Jose Morales of Alpine Property Management (APM) presented the Manager's Report. Chalets 37, 49, 106, 2 & 76 were issued warnings for various reasons. Chalets 2, 50 & 135 were each issued \$100 fines for parking violations. Two vehicles were towed away from Chalet 94 and the tow truck was called on three separate occasions. APM issued a \$500 fine for having renters with an alligator. The fine was suspended by Eakman until further discussion with the Board allowed them to research the rules regarding the matter.

APM heard a rumor that an alligator was being kept in Chalet 8 and it was being fed live chickens. APM sent an email to the property management company asking if the rumor was true and if they could get it out. The property management confirmed that the rumor was true and insisted that it was only there for a short time. Eakman asked the Board how to handle the issue of an alligator being fed live chickens in Chalet 8. Moon did not believe that the correct procedure was followed in handling the incident and it does not make sense to act retroactively. APM contacted the property management company of the unit rather than contacting the unit owner directly. O'Connor agreed. Eakman noted that there has only been one rule with renters and it is that no pets are allowed in the units. Baldensperger mentioned that the owner was not contacted and he expressed the necessity of following procedure and contacting the owner.

Eakman proposed passing a new policy, Policy 2010.4 regarding the relationship of Firelight Meadows Unit Owners Association to Owner Members. Free and Moon both agreed. O'Connor said that the Association needs to speak directly to an owner. Baldensperger added that the owners need to know what

is going on in their units. O'Connor moved to approve Policy 2010.4. Baldensperger seconds the motion. Reznicek opposes the motion, mentioning that dealing with the property manager could be useful at times when an owner is not available or does not care to be reached. That is why many people hire the property manager, he adds. Kirchmayr asked for clarification, and wanted to know if an email was good enough for a warning. Reznicek and O'Connor both suggested they contact the property manager if the owner cannot be contacted first. Eakman claimed that Policy 2010.4 is to stop excluding the owners and communicate directly with them.

Eakman asked again what they should do about the alligator. Baldensperger said that the issue was mishandled. O'Connor, Moon and Free agree. Kirchmayr defended APM by saying that they only knew it as a rumor and that they do not have the authority to enter a unit without the owner's permission. Reznicek moves to fine them \$100. Geppert seconds the motion.

### **Snow Removal and Landscaping Report**

Dick Hovde provided the Snow Removal and Landscaping Report. Due to a lack of snow, there was little snow removed. He estimated that they are \$1,500 under budget for roof snow removal. Eakman stated that they were extending the current landscaping contract with Hovde through this season, but his efforts will be closely monitored. Eakman also nominated Reznicek to the Landscaping Portfolio due to his experience as the current Assistant Superintendent of Moonlight Basin Golf Course. Reznicek accepted the nomination and made some recommendations for the season's landscaping efforts.

### **Utilities Portfolio Report**

Baldensperger began by reviewing the minutes from the PSC Hearing. He then presented the Satellite Dish contracts with Bling and Opticom.

The Bling installation of the dish and unit would come down the side of the building; they would disconnect the current cable. The contract with Bling is between the unit owners themselves and Bling. The Association would be completely out of the agreement. Owners can only use Bling as a provider and they must contact APM for installation prior to set up.

Opticom will run a fiber optic cable to Firelight Meadows; they will purchase West Fork Utilities (HLH, LLC) cable contract and infrastructure. Opticom also provides telephone and internet service. The fiber optic cable will connect to existing copper cable from the outside of each unit. They will connect to every unit, so service is available whether the unit owner chooses to use it or not. There is no dish necessary with Opticom. Opticom intends to acquire HLH, LLC cable contract by May 1, 2010 making the existing cable contract and obligations to HLH, LLC null and void. Opticom will not charge for past cable services the way West Fork Utilities has. Installation of the fiber optic cable is contingent on the weather since digging is necessary and the ground cannot be frozen. Opticom has agreed to clean up and repair all damage to the landscape that may be caused from digging. Opticom has a four year contract with the Firelight Meadows Unit Owners Association where they are the exclusive provider of service, unless the quality and service is deemed unsatisfactory. Opticom will cover the cost of running the fiber optic cable to Firelight Meadows. Phone and internet service will be billed by Opticom as well. O'Connor asked if the Board has assurance that Opticom will not charge for past cable debts incurred from HLH, LLC's. Baldensperger responded that Opticom's purchase of HLH, LLC's cable contract and infrastructure will eliminate the past fees and fines assessed by HLH, LLC.

Eakman asked the Board how it would like to vote on the issue. Reznicek thinks that Opticom sounds like the best option, but admits that his experience in the matter is new and limited. He asks to hear the opinions of the other board members. O'Connor likes the idea of fiber optics, likes getting HLH, LLC "out of their hair", and has viewed a television with fiber optic service through Opticom and liked the clarity of the picture. Moon likes Opticom for the same reasons O'Connor stated as well as having the phone and internet options. Eakman counters that the Bling agreement has no strings attached whereas

the Association is bound with a contract for four years as a third party. Free agrees with Eakman's concern with regard to the contract. Geppert agrees with Eakman and Free but adds that they both sound like good options. Dolan explains that the only reason the contract is necessary is to make it legal to provide service and continue to provide service. Eakman notes that the Association will be blamed if owners do not like the service or options. Moon adds that it will be more of a "hassle" by going with Opticom, but blame will be placed on the Association regardless of which company is chosen. Eakman stated that he believes the Association will be making a bad contract (contract with HLH, LLC) legal by going with Opticom. Baldensperger expressed that initially he was for Bling because it was easy and clean; however, on the surface fiber optics looks better and there is a performance clause with Opticom that Bling does not have. Reznicek motions to accept the Opticom Term Sheet & Letter of Intent. O'Connor and Moon second the motion. Reznicek, Geppert, O'Connor and Moon are all in favor of the motion passing. Baldensperger abstains from voting. Free and Eakman are opposed. The motion passes. The proposed Opticom agreement will now be sent to the Association's attorney for review, comment, and any recommended additions or deletions, after which, if accepted by Opticom, Opticom will be able to provide DBS TV service, and other utility-related services to FLM.

### **Master Key Policy**

Kirchmayr reported that the keys are being cut. He asked for clarification if the keys go to the unit owners or to their property managers. Eakman replies that the keys will go to the owners and they will be sent one month prior to the locks being changed.

### **Guidelines for Boardmembers**

Moon reported that she had not yet completed a final Policy of Guidelines for Boardmembers.

### **Rules for Renters**

Eakman asked if there is a motion to approve the Rules for Renters, Policy 2010.3. Moon motioned to approve the new policy. Free seconded the motion. Geppert asked the board to change the quiet hours from 11 pm – 7 am to 10 pm – 10 am. Eakman replied that if this is to change, then the quiet hours will have to change on the source document which is Policy 2010.1. The Board makes a note to change the quiet hours on both Policies 2010.1 and 2010.3. Once amended, it is to be sent out to all unit owners. O'Connor asked about the use of Temporary Passes adding that the current system has been working well for him. Moon agreed. Geppert suggested changing the wording to include user owner "or their agent". Moon motions to approve the amendment. Free seconds the motion. All are in favor.

### **Hardy Plank Repair Authorization**

Eakman signed the Hardy Plank Repair Authorization.

### **Communications from Unit Owners**

Smith presented the long list of communications from unit owners, many in response to Shanley's Financial Report sent out with the list of current delinquent accounts. O'Connor claimed that it was nice to receive the two positive emails from unit owners.

### **Old Business**

There was no old business

### **New Business**

Geppert asked Hovde how long before the speed bumps go up. Noting a recent vehicle accident in the neighborhood leaving at least two cars damaged. Hovde responded that the speed bumps could go up by the end of June or July. There was no other new business.

### **Schedule Next Meeting**

The next meeting is scheduled for May 11, 2010 at the Big Sky Water & Sewage Conference room at 6:00 pm. Baldensperger has agreed to chair the meeting as Eakman will be out of town and joining via conference call. Geppert will be out of the country on his honeymoon.

**Adjournment**

Meeting adjourned at 9:09 pm.

Minutes submitted by Bethany Smith, Communications Coordinator.

**Minutes of the Board of Directors Meeting  
For the Association of Unit Owners of  
Firelight Meadows  
June 22, 2010  
*Revised August 11, 2010***

**Call to Order**

President Jack Eakman called the meeting to order at 6:01 pm.

Directors in attendance were Presiding officer Jack Eakman of unit V96, Garrett Baldensperger of unit C95, Twila Moon of unit V103, Sam Geppert of unit C1, Sam Reznicek of unit D2, Amy Ronnigen Free of unit D17 (via conference call), Scott O'Connor of unit D6 (via conference call).

There were no absent directors.

Also in attendance were guests Dick Hovde of Hovde Property Maintenance, Jose Morales and Markus Kirchmayr of Alpine Property Management, Accountant Doug Shanley (via conference call) and unit owners Bonnie Wolff of unit C14, Ruby Delzer of unit V58, Chris Moon of unit V103, and Communications Coordinator Bethany Smith.

(All Directors will be identified by their last names from hereafter in the minutes.)

**Additions/Deletions to the Agenda**

There were no additions or deletions to the Agenda.

**Welcome**

Eakman welcomed all the unit owners and thanked them for attending the meeting. He asked them to save their questions until the end.

**Minutes of Last Meeting**

There were no changes to the May 11, 2010 minutes. Moon moved to approve the minutes. O'Connor seconded the motion. All were in favor. None opposed.

**Financial Report**

Accountant Doug Shanley presented his report with a financial statement and a June Budget Overview for both the Condominiums and the Chalets. As of June 22, 2010 the Checking Account Balance was \$76,114, a Certificate of Deposit at Big Sky Western Bank was worth 127, 606 and there was an accounts receivable balance of \$80, 538. Twenty five accounts have been late in the past. Liens have been placed on these accounts to a total of \$69,554.94. Five units are currently in foreclosure and three units are bank owned, meaning the HOA will eventually receive money. Bar JP owes the Association for two invoices from last year for a total of \$2063.97, this amount reflects the interest accrued to the account. Parking income total this year is \$1,790. Fines assessed this year total \$3,300. New membership dues total \$3,500. Propane accounts receivable are at \$757.37. We are still collecting on three accounts. One of these three accounts is Randi Coleman from the 27 accounts listed as delinquent; her balance of this amount is \$673.16

There are three new owners this month, Annette Stone of unit B12, Daniel and Ami Lakatos of V67 and Michael Macisso of unit C11.

Doug Shanley explained the Chalet Budget Overview. The total income of the Proposed 2010 Budget was \$2697 x 136 Chalet units or \$366,792 per year, equaling \$183,396 for two quarters. The actual total for June is \$181,800. The difference in totals comes to \$1,596 under budget. Shanley notes that this is from the unit owners saving \$12 per quarter for opting into paperless email notification. Additional income for June included \$17,355.17 from Finance Charges and Late Fees, \$3,300 in Fines, interest income from Certificate of Deposit added \$91.03, parking income added \$1,550, insurance claim income added \$7,641.17 to the total and new membership dues add \$2,000. This brings the total income to \$213,997.37 which is \$30,581.37 over budget for June. The total expenses proposed for the 2010 Chalet budget was \$333,472. Through June, the 2010 expenses were budgeted for \$170,045.33. The actual amount of money spent through June has come to \$111,279.54 which is \$58,765.79 under budget.

Shanley commended the board for keeping costs down.

Doug Shanley then explained the Condominium Budget Overview. The total income of the Proposed 2010 Budget was \$2785 x 80 Condo's or \$222,800 per year. This equals \$111,400 for two quarters. The actual total for the June was \$110,524 making a difference of \$876 less than proposed. The reason cited for this was the amount of money saved by unit owners by opting into email notification. The total expenses proposed for the 2010 budget was \$208,640. Through June, the 2010 expenses have been budgeted for \$93,813.33. June's actual expenses came to \$77,003.12 which was \$29,503.55 under budget.

Eakman asked Shanley to comment on his findings of Collection agencies for the delinquent accounts. Shanley found Cbo Collections Inc. out of Bozeman. If an owner is from Montana, the HOA would get 100% of the dues owed to them. If an owner is from out of state, the HOA will get a 50/50 split due to state regulations. Cbo Collections Inc. can put black marks on credit reports and wages can be garnished. Shanley recommended Cbo Collections Inc. over all other collections agencies because they are local and have the lowest rates. O'Connor liked the idea of Cbo Collections and asked that the HOA turn in all delinquent Montana owners for 100% return. Reznicek asked what the fees were. Shanley replied that they tack the legal fees onto the owners. Eakman asked that the board start by turning in all the delinquent unit owners that have been written off (both in state and out of state owners), he recommended that they focus on a set dollar amount or delinquency amount. Moon asked that the HOA contact the owners first to work out a negotiation. Shanley responded noting that, Cbo Collections Inc. will first contact the delinquent homeowner giving thirty days notice to set up a payment plan at no charge to the HOA. Eakman asked the board if they should start by reporting all unit owners that owe \$3,000 or more. Reznicek requested reporting all unit owners that owe \$2,000 or more. Moon agreed, recommending they add the amount that Randi Coleman owes the HOA for propane to the collection as well. Reznicek motioned to turn over all individual unit owners that are written off at \$2,000 or more to Cbo Collections Inc., including Randi Coleman's propane dues, but not including bank owned properties, as the HOA will be receiving money owed from banks. Baldensperger seconded the motion. All were in favor. The motion passed. None opposed. Eakman warned the HOA directors that unit owners will be upset and comments will be forthcoming.

Baldensperger motioned that the FLM HOA use the Attorney and Accountant recommended, Cbo Collections Inc. as the collections agency responsible for collecting past dues. Moon and Free both seconded the motion. All were in favor. None opposed. The motion passed.

O'Connor moved to include the delinquent Bar JP invoice into the reported collections. Baldensperger seconded the motion. All were in favor. None opposed. The motion passed.

In looking at the financial report and the efforts made by the HOA board of directors to save money, Eakman advised that a special assessment will not be needed this year.



Markus Kirchmayr of Alpine Property Management recommended the HOA look into a second savings account as they are reaching their limit set by the FDIC. Shanley replied that he has been looking into a second bank account.

### **Legal Report**

Eakman provided the legal report. Eakman commended Attorney Jennifer Farve and everyone at Moore, O'Connell & Refling for doing an outstanding job of helping with FLM HOA legal matters.

Eakman noted that Jennifer Farve was in contact with Amerigas today. Unit owners have complained of charges from Amerigas after requesting their gas be turned off. Amerigas has insisted that these units have had their gas turned back on. In the next newsletter, Eakman will provide the Association's recommendations to unit owners on matters of how to communicate with Amerigas regarding unsubstantiated charges. As a Big Sky Firefighter, Chris Moon was asked if he knew how the gas could be turned back on. Chris Moon noted that anyone can go out and turn on a secondary regulator unless they are under lock and key. He insisted that the regulators need to be locked.

After thorough investigation to the county court house, Accountant Doug Shanley discovered that there has been a transfer of Chalet 76 from Grant and Becky Fry to Carol Joy Anderson. The Fry's have been delinquent on payment for some time and have not responded to mail or phone calls. Shanley has no information on Carol Joy Anderson and has not found how to contact her as of yet. Eakman emphasized that the HOA has no knowledge of who Carol Joy Anderson is. Moon asked if it would be possible to contact the Fry's to ask them who Carol Joy Anderson is. Shanley replied that he has not been able to contact the Fry's either. Eakman added that no legitimate title company would have allowed this sale to take place. The HOA does not know who the owner is and therefore cannot bill them.

### **Property Manager Report**

Jose Morales and Markus Kirchmayr of Alpine Property Management provided the Property Manager Report. Morales was happy to report that the rekeying is complete with no problems. Speed bumps have been installed and various other minor repairs have been made. The owner of Chalet 11 received a \$300 fine for a dog in the unit. Think Big Sky paid two \$100 fines for Chalet #8 and #12. New sod was put in areas where West Fork Utility repaired underground broken pipes to units 133, 107 and 34. Unit 45 had chimney issues from melting snow and rain leaking into the unit. Mill Works fixed this by using rubber cement. Chalet 114 reported water damage inside owner's locker from ice dam and lack of flashing; they had the very same problem two years ago. A hole in the bottom corner of a window frame of Condo unit C-8 led to water leaking onto the bedroom floor due to strong winds and lots of rain; the hole was repaired and the carpet was dried. New siding is being put into place on all Condo units. During the process of removing the old siding, it has been discovered that there is not the necessary 2" by 6" studs in place to attach the hold downs for earthquake protection. APM recommended flashing be continued past the gutter in order to protect the wall from water or ice dams. The roof off the back side overhanging of Building A, shows damage due to falling ice.

Upcoming projects include: Painting 41 Chalet vent covers; the installation of Sump Pumps for units 64, 56, 126, 128 & 131; the cleaning of dryer vents, replacing garage panel doors in units 2, 99, 100 and 133; installation of new street signs and Chalet siding repairs.

Eakman requested that a working committee be established to look into potential problems with Chalet's that may be found while the old siding is being torn off before the new siding is put into place. Kirchmayr advised that while the siding is down and the chimney's are exposed, problems such as standing water damage to the chimney and siding can be prevented if addressed before the new siding is put into place. Moon agreed that this matter is certainly worth looking into. Kirchmayr warned that the

invoice dollar amounts are large: \$594/wall for flashing and \$845/chimney. Moon, Geppert, Reznicek, and Baldensperger agreed to join Eakman on a working committee to look into solving these potential problems and have a resolution within a couple of weeks. Kirchmayr will set up the meeting.

Eakman asked that APM replace street signs with metal street signs on an as needed basis. As metal signs are, less expensive, much more durable and last much longer than the current foam signs.

### **Landscaping Report**

Dick Hovde of Hovde Property Maintenance provided the Landscaping Report. He began by announcing that the sprinklers are on and repairs have been made. Spot spraying has been applied to broad leaved weeds like dandelions and roundup has been applied to lawn edges. They have begun tearing up the edging on the walking path and they are half way finished. Moon thanked Hovde for not turning on the sprinklers while it is raining. She requested that the lawnmowers slow down and take their time so as not to miss sections of grass and she asked that the lawnmowers not hook their wheels on the trees. Moon also asked if they could cut the grass shorter. Hovde replied that longer grass grows better in our arid climate and requires less water. He agreed to ask his lawnmowers to slow down and not hook their tires on the trees.

Baldensperger motioned to accept the proposal that Dick Hovde provided for the installation of Sump Pumps for a significant fraction of the cost requested by all other estimates. Reznicek and Geppert both seconded the motion. All were in favor. None opposed. The motion passed. Dick Hovde and Eakman signed the proposal allowing Hovde Property Maintenance permission to install the Sump Pumps.

### **Utility Report**

Baldensperger provided the utility report. The following is the information Baldensperger presented for the directors of the FLM HOA regarding his communications with Leroy Beeby of Montana Public Service Commission:

“Spoke with Leroy this morning. No decision as of yet. He has had another pressing project that took him out of state along with the individual at the Montana Consumer Counsel who will review Leroy’s assessment. (Believe this is Frank Buckley, as he was the initial analyst assigned to the HLH, LLC request.)

Leroy stated that his figures do not justify the rate increase as set for in the proposed MCC Stipulation, and he would therefore not recommend the Stipulation’s approval. His assessment is based on taking the figures presented by HLH, LLC as submitted; i.e., he is not questioning the validity of the figures, merely running them as is. He has asked HLH, LLC for their 2010 Annual Report in order to incorporate current operating expenses in his evaluation, but to date he has not receive it. Basically, before Leroy makes a recommendation to reject the Stipulation he wants the MCC to look at his analysis and tell him where he is wrong, rather than him embarrassing himself for having missed something.

Leroy stated that he hopes to have this completed by the second week of July.”

Baldensperger also reported on the Opticom agreement. He noted that the HOA has not received a final signed copy of the contract from Opticom. Jim Dolan of Opticom was asked to submit the official agreement to Eakman for his signature. Dolan did send these documents to Eakman and Eakman did sign. However, Eakman found a typo in the agreement. As per the Attorney’s request Eakman corrected the typo and provided his initials to the crossed out and corrected portion of the agreement. Eakman then mailed the documents back to Dolan, requested Dolan’s initials to the corrected typo and submit the signed documents back to the FLM HOA. Throughout the past month Baldensperger has been requesting Dolan’s signature. Dolan wrote, “We are currently awaiting on HLH to close. They have been delayed on their end with the closing thus our delay in starting work. I will let you know when it closes as we anticipate beginning work very quickly after that time. Jim”. Baldensperger responded to this by

informing Dolan that "...finalizing the HLH, LLC agreement is not a prerequisite to your signing the agreement in that you have 180 days to accomplish this." As of this meeting, no documents have been submitted to FLM HOA. Baldensperger requested the board give Opticom a deadline. Reznicek motioned to allow Dolan one week, until midnight June 29, 2010 to return the signed documents with the corrections initialed. Geppert seconded the motion. All were in favor. None opposed. The motion passed.

#### **Grounds Maintenance Portfolio**

Reznicek provided the Grounds Maintenance Report. Reznicek began by asking everyone if they are in favor of a gravel path behind property. He recommended building a path, digging out the topsoil and laying down gravel. This would require purchasing a culvert pipe to put deep into the ditch. This area can be plowed in the winter. Baldensperger and Moon agree that this would be a good use of the area. All approved the gravel path be made. Hovde noted that he may have a culvert pipe that they could use. Hovde will pursue the project. Chris Moon requested that a dead tree be removed. All were in agreement that the dead tree be removed. Eakman asked Reznicek to create a budget for next year on the amount of money needed for the purchase of new trees.

#### **Pet Policy Questionnaire**

Moon and O'Connor submitted their Pet Policy Questionnaire to the board. Baldensperger motioned to approve the questionnaire. Geppert seconded the motion. All were in favor. None opposed. The motion passed. The questionnaire is to be sent out via email to all email respondents and mailed to everyone else.

#### **Revise Quiet Hours**

Eakman asked the board to consider the request to revise the quiet hours that are currently 11:00 pm to 7:00 am. Moon noted that she thought eight hours was a sufficient amount of time for quiet hours. Eakman pointed out that the HOA has to be limited by quiet hours as well. Geppert noted that he can hear a lot from his Condo unit. Baldensperger asked the board if they think that 10:00 pm to 8:00 am is sufficient. Moon added that there are a lot of different sleeping schedules on the Firelight Campus. Geppert expressed that he feels extended quiet hours will help more people. From the unit owners in the audience, Chris Moon added that there are a lot of owners who want the Association to relax the rules. Kirchmayr added that the contractors currently replacing siding on the condos begin working at 7:00 am. O'Connor notes that 7:00 am is reasonable for contractors. O'Connor motioned to change the quiet hours to 10:00 pm to 7:00 am. Free seconded the motion. All were in favor. None opposed. The quiet hours have been changed to 10:00 pm to 7:00 am.

#### **Annual Meeting Planning**

The Annual Meeting will take place Saturday October 19, 2010 at 5:00 pm. Bethany Smith will find and reserve a conference room.

Geppert motioned to have all Proxy's notarized for all meetings. Baldensperger seconded the motion. All were in favor. None opposed. The motion passed.

#### **Communications**

Bethany Smith provided the communications from unit owners. There were some concerns about Amerigas charges and several emails regarding the Pet Policy request for change. There were also many thanks to the Board for all their hard work.

Bonnie Wolff explained to the board that Amerigas has been impossible to work with by charging \$30 late fees without allowing ample time to receive the original invoice and for charging them for gas that isn't even turned on.

Ruby Delzer complained of large amounts of siding blown onto her porch and left there by the siding contractors. She also requested that the board move the annual meeting to a seasonal time.

**Old Business**

There was no old business.

**New Business**

There was no new business.

**Schedule Next Meeting**

The next meeting is scheduled for Tuesday August 10, 2010 at 6:00 pm in the Conference Room of the Big Sky Water & Sewage Building.

**Adjournment**

The meeting was adjourned at 8:23 pm.

Minutes submitted by Bethany Smith, Communications Coordinator.

**Minutes of the Board of Directors Meeting  
For the Association of Unit Owners of  
Firelight Meadows  
August 10, 2010**

**Call to Order**

President Jack Eakman called the meeting to order at 6:00 pm.

Directors in attendance were Presiding officer Jack Eakman of unit V96, Garrett Baldensperger of unit C95, Twila Moon of unit V103, Sam Geppert of unit C1, Sam Reznicek of unit D2, Amy Ronnigen Free of unit D17 (via conference call), Scott O'Connor of unit D6 (via conference call).

There were no absent directors.

Also in attendance were guests Attorney Jennifer Farve, Dick Hovde of Hovde Property Maintenance, Jose Morales and Markus Kirchmayr of Alpine Property Management, Accountant Doug Shanley (via conference call), unit owner Jeff Grad of unit 131, and Communications Coordinator Bethany Smith.

(All Directors will be identified by their last names from hereafter in the minutes.)

**Additions/Deletions to the Agenda**

Eakman added a Budget Meeting to the Agenda

**Minutes of Last Meeting**

There were no changes to the June 22, 2010 Minutes. Moon moved to approve the minutes. Geppert and Baldensperger seconded the motion. All were in favor. None opposed.

**Financial Report**

Accountant Doug Shanley presented his report with a financial statement and a August Budget Overview for both the Condominiums and the Chalets. As of August 10, 2010 the Checking Account Balance was \$124,736, a Certificate of Deposit at Big Sky Western Bank was worth 127,606 and there was an accounts receivable balance of \$50,213. Five units are now owned by banks and are on the market to be sold. These banks are not keeping current on payment and are currently being charged interest. Eleven accounts have been late for two quarters, yet have not been turned over to Cbo Collections because they total less than \$2000. Only the owners of D6, Deaton/Jirout have submitted a payment towards the balance.

O'Connor motioned to consider any individual two quarters late be turned over to collections if they have not made a substantial payment toward the balance in those two quarters. Moon seconded the motion. All were in favor. None opposed. All accounts that are two quarters late will be turned into collections with the exception of D6, Deaton/Jirout because of their substantial effort to pay the balance.

Bar JP's accounts receivable was turned over to Cbo Collections. Bad debt turned over to Cbo Collections totals \$78,407.09. The Parking income total for this year is \$1,969. \$3,300 is the total fines assessed this year and new membership dues for 2010 total at \$4,500.

Baldensperger requested that Shanley list fines line item by line item on future reports.

There is a new owner of unit D4, Scott Swanson and Scott Neuman.

Doug Shanley explained the Chalet Budget Overview. The total income of the Proposed 2010 Budget was \$2697 x 136 Chalet units or \$366,792 per year, equaling \$275,094 for three quarters. The actual total for August is \$272,346. The difference in totals comes to \$2,748 under budget. Shanley notes that this is from

the unit owners saving \$12 per quarter for opting into paperless email notification. Additional income for August included \$18,121.03 from Finance Charges and Late Fees, \$3,300 in Fines, interest income from Certificate of Deposit added \$91.03, parking income added \$1,969, insurance claim income added \$7,641.17 to the total and new membership dues add \$2,000. This brings the total income to \$305,468.23 which is \$30,375.23 over budget for August. The total expenses proposed for the 2010 Chalet budget was \$333,472. Through August, the 2010 expenses were budgeted for \$220,184.00. The actual amount of money spent through August has come to \$193,612.71 which is \$26,571.29 under budget.

Doug Shanley then explained the Condominium Budget Overview. The total income of the Proposed 2010 Budget was \$2785 x 80 Condo's or \$222,800 per year. This equals \$167,100 for three quarters. The actual total for August was \$165,540 making a difference of \$1,560 less than proposed. The reason cited for this was the amount of money saved by unit owners by opting into email notification. The total expenses proposed for the 2010 budget was \$208,640. Through August, the 2010 expenses have been budgeted for \$138,560. August's actual expenses came to \$124,104.81 which was \$14,455.19 under budget.

### **Budget Preparation**

A Budget Meeting will be arranged in preparation for the annual meeting.

### **Legal Report**

Baldensperger and Attorney Jennifer Farve provided the Legal Report. Jennifer Farve recommends that FLM HOA intervene in the court process as a party that can request information and cross examine witnesses regarding the PSC Hearing with HLH, LLC. She also warns the HOA of the litigation costs associated. Baldensperger motioned to file as an intervener in the PSC process so that FLM HOA can have the ability to request information and cross examine witnesses. Moon seconded the motion. All were in favor. None opposed.

It is also discussed that Opticom claims that they cannot obtain the facilities from HLH, LLC. The HOA is bound by a contract to a 180 day waiting period. The board has been trying to contact Jim Dolan for more information on this matter.

### **Property Managers Report**

Jose Morales of Alpine Property Management provided the Property Managers Report. Repairs to several Chalets have been fixed. Dick Hovde of Hovde Property Maintenance completed installation of five sump pumps to Chalet's 64, 56, 126, 128, and 131. APM will continue to monitor the effectiveness of these sump pumps. Siding repair for the Condominiums have been completed. Condominium garbage pick-up has been switched back to twice a week. New metal street signs have been ordered, but are still waiting for mounting brackets. A unit owner was attacked by a cat and received medical treatment and rabies vaccinations. The cat has not been found.

Upcoming projects include: Chalet siding repairs, crawl space inspections, painting of attic vent covers, re-securing heat tape, cleaning of dryer vents, chimney inspection and cleaning, and the repair/installation of garage door panels to Chalet's 2, 99, 100 and 133.

### **Siding Repairs**

Eakman requested an Owner's Representative be hired to recognize and document construction problems as the siding is pulled from the Chalets so that repairs can be made before new siding is installed. The board agreed to find an experienced construction worker to represent the owners within the next two weeks before the siding is removed from the Chalets.

### **Snow Removal and Landscaping Report**

Dick Hovde of Hovde Property Maintenance provided the Snow Removal and Landscaping Report. Sprinkler improvements have been made. Spraying of broad-leaved weeds continues but is difficult due to

the continual thunderstorms. Sump pumps were installed over two weeks ago and are working well so far. Baldensperger requested better control of broad-leafed weeds on the manicured lawns.

### **Grounds Maintenance Portfolio**

Reznicek provided a detailed report of the Grounds Maintenance. Fertilization in June has shown improvements, but has also fed a lot of weeds. Irrigation is lacking significantly in some areas and while there are fewer overwatered, soggy areas than last year. Irrigation valve boxes and heads are still significantly unlevel and need attention. Plastic edging along rock beds needs to be removed. Weed control on both turf areas, rock areas, and on native areas needs to be much more aggressive. The native plants in the native areas are looking much better and fuller this year than last year. The playground area is full of weeds, the railroad tie edging needs reset and leveled and mulch needs to be re-leveled. A pile of siding scraps remains to be cleaned up on the north side of the D Condominiums. And the remainder of the wood edging along the mulch walking paths needs to be removed and the weeds need to be sprayed.

Eakman noted \$4,040 has been budgeting for grounds maintenance. Reznicek decided that it should be used for both fertilizer and the removal and replacement of dead or dying trees and shrubs that include: 4 European Birch trees, 6 Aspen trees, 32 Spruce trees, 8 Canada Red Cherry Trees and 18 Potentilla shrubs. Spruce trees are extremely expensive to replace, so they will be replaced with either Aspen or Canada Red Cherry.

### **Pet Policy Questionnaire**

Moon and O'Connor presented the results from the Pet Policy Questionnaire. Only 26 unit owners voted to change the pet policy to allow renters to have pets while 55 unit owners opposed the change in policy. It has been decided by the unit owners that there will not be a change in the Pet Policy for renters.

### **Communications from Unit Owners**

Bethany Smith presented the Communications from Unit Owners. There were no comments.

### **Annual Board Meeting**

Eakman announced that he will be creating the Agenda for the Annual Board Meeting shortly. The Annual Board Meeting will be held at Buck's T-4 Lodge in the Big Horn Room at 5:00 pm on October 19, 2010. All unit owners are welcome and encouraged to attend.

### **Old Business**

There was no old business.

### **New Business**

Reznicek asked about a letter received from HLH, LLC regarding their lack of required water testing for this year. Baldensperger noted that he receives this letter every year and that HLH, LLC has failed to provide the mandatory water tests every year for the past three years..

### **Schedule Next Meeting**

The next board meeting is scheduled for 6 pm on September 14 at the Big Sky Western Bank Conference Room.

### **Adjournment**

The meeting adjourned at 8:35 pm.

Minutes submitted by Bethany Smith, Communications Coordinator.

Minutes of Board of Directors Meeting  
For the Association of Unit Owners of  
Firelight Meadows  
December 21, 2010

Call to Order

President Jack Eakman calls the meeting to order at 6:01 pm.

Directors in attendance are Chair Jack Eakman of unit V96, Garrett Baldensperger of unit C95, Twila Moon of unit V103, Scott O'Connor of unit D6 (via conference call), Amy Ronnigen Free of unit D17 (via conference call).

Board members Sam Geppert of unit C1 and Sam Reznicek of unit D2 were absent.

Also in attendance are guests, Dick Hovde of Hovde Property Maintenance, Jose Morales and Markus Kirchmayr of Alpine Property Management, Accountant Doug Shanley (via conference call) and Communications Coordinator Bethany Smith. Unit owners Chris Moon of unit V103 and Robert Donner of C14 were also in attendance.

(All Directors will be identified by their last names from hereafter in the minutes.)

Changes to the Agenda

Eakman omitted the Ground Maintenance Portfolio Report; he will discuss the Propane Report. The Crawl Space Inspection will be discussed under the Property Management Report. The Holiday Decorating Guidelines will be discussed under Old Business.

Minutes of the Last Meeting

Moon moves to approve the Minutes of the last meeting. Baldensperger seconds the motion. All approve. None oppose.

Financial Report

Doug Shanley provides the Financial Report (see attachment). Another fourteen units have been written off as bad debt this month. Some of these units are in bankruptcy so there is no chance of receiving payment from them. Writing units off as bad debt was done to keep the books current and correct to finish up the year 2010. Bad debt collected that was previously written off this year totals \$1907.59. New owners this month include William Marshall Tate of unit A18 and Scott and Mary Ellen Gearhart of unit V84.

The Chalet units' Assessment is \$3,984 under budget from owners taking advantage of the \$12 per quarter savings of having information sent via email rather than through the postal service. The Chalet Expenses are over budget by \$44,982.95 from bad debt, most everything else was under budget. The subtotal for the Chalets were \$10,568.58 over budget.



The Condo units' Assessment is \$2,268 under budget again from owners taking advantage of the email notification savings. Most of the Condo Expenses are under budget, an exception being bad debt written off at \$26,405.86. Altogether the Condos are under budget by \$31,916.87.

Eakman thanked APM for keeping the trash removal under budget by \$9,250.89 for the Condominiums.

Doug Shanley recommends a special assessment for Chalet Owners at \$100 per quarter to cover the additional costs of siding issue repairs and to reassess it every quarter and charge \$100 as needed rather

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than having a large special assessment up front. One large fee could also tie up the sale of units with Real Estate Agents and Title Companies. Eakman supports the recommendation but asks for comment of other board members. Baldensperger agrees that since the chimney repairs will be expensive, we should let the owners know that this assessment is coming and it will be easier to pay \$100 per quarter rather than to receive an \$800 assessment in one quarter. Moon agrees. Eakman likes that this will not hold up any sales transfers. O'Conner wants future buyers to know that there may be assessments in the future. Eakman agrees, and adds that all we know right now is that it will be assessed during the first quarter. Baldensperger moves to make a Special Assessment for the first quarter of 2011 of \$100 to Chalet owners only. Moon seconds the motion. All are in favor. None oppose.

#### Change of Addresses

Doug Shanley provided information regarding Address Changes. The numbers that are currently being used do not correspond with what the Gallatin County GIS Office has determined. . According to the GIS Department, the developer of Firelight Meadows ignored the GIS departments request to use their numbers issued. Eakman, Moon, and APM will get the address change information to unit owners right away and they will begin ordering street signs.

#### Property Managers Report

Andy Driesbach provided the following report regarding the status of the chimney repairs: "We are rapidly gaining closure on all dormers in the entire complex. There is roughly less than 10% left to complete on dormers. The partition walls will be our next item of completion which should be completed by the end of this week. Following completion of the partition walls we will be ahead of the siders and everything completed required for the siders. Next we will start the dry in and re-pitching of the chimneys at which time we

will measure for metal but first and foremost we will re-pitch chimney caps and dry in chimneys."

APM will ask Andy Driesbach write a short paragraph similar to this one every week or two weeks from explaining the status of the chimney work and it will be posted on the FLM website.

Kirchmayr reported that the siding is from Hardy Plank is not being put up as fast as most people would like due the weather, but they have continued to work through the cold weather. He expects the chimneys to be completed by February or March of 2011. The issue is that no chimney is the same size as another. Kirchmayr asked that it be made clear in the Minutes that the CHIMNEY CAPS ARE NOT PART OF THIS PROJECT. THE CHIMNEY CAPS ARE REMOVED AND SAVED, IF SAVEABLE. THE CHIMNEY CAPS WILL BE A PROJECT IN 3 TO 5 YEARS. THE MAJORITY OF THE CAPS ARE KEPT FOR COST SAVINGS. THOSE THAT MUST BE REPLACED NOW WILL MATCH THE NEW SIDING. IN THE MEANTIME THEY ARE TOO COST PROHIBATIVE AND TOO EXPENSIVE TO BUILD. SO THIS WILL BE AN EXPENCE IN 3 TO 5 YEARS.

Kirchmayr adds that there is a lot of trash blowing around from the construction work. APM will pick up trash at no cost and Andy Driesbach will provide a truck to hold it. All FLM, HOA will have to pay for is the gas and cost of disposal. Morales will ask the contractors to be more conscientious of their trash.

Eakman announces that an insurance claim for all the siding deficiencies has been turned down by the insurance company. However, the insurance company took away the repairs of the past where they wanted a \$2,500 deductible for each claim. Kirchmayr was able to recover some money for the past few years from the insurance company. To date the total money received is \$18,455.

Moon asked APM to email out construction updates as well as any new updates to the websites.

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Morales, Hovde, Moon, and Eakman will be on a subcommittee to assess crawl space inspections. The following email from Lisa Phillips of ERA Test provides some advice for crawls space inspections.

1. "Fixing' the issues in the units with the Yellow rating is an inexpensive way to help alleviate the need for expensive mold mitigation in the future.
2. A number of units had moderate to severe mold in them this year and had no visible mold in them last year. Many of these units were adjacent to units that had moderate to severe mold last year. This could possibly be to the migration of the mold from unmitigated adjacent crawlspaces. For example during last year's inspection units 110, 112, 113, and 116 had moderate to severe mold growth. Last year nearby/adjacent units 109, 111, 114, and 115 had no visible mold growth. This year all 5 of these units that are adjacent to heavily invested units had moderate to severe mold growth on large areas of the crawlspace. It may prove to be worthwhile to mitigate some of the worst crawlspaces to prevent spread into adjacent units.

3.

There are still a majority of crawlspaces without mold. Would it be worthwhile to treat these crawlspaces that are adjacent to heavily infested units with an antimicrobial sealant to prevent the spread of mold?

4.

I think that the downspout extensions are a big help. They need to be checked, though, to make sure that they are placed properly to facilitate drainage away from the buildings. Some of the chalets still need to have these installed."

Moon asks APM if they can monitor the vehicles parked on streets. APM has tagged a lot of vehicles already.

#### Snow Removal Report

Dick Hovde provides the Snow Removal Report. Hovde has difficulty plowing around vehicles that are parked on the street. Snow removal from roof tops will continue. Moon complements Hovde on the general plowing and Eakman adds that he appreciates how wide the streets are plowed.

#### Utilities Portfolio Report

Baldensperger provides the Utilities Portfolio Report. Attorney Farve sent a letter to WFU explaining that cable television that owners have requested to be disconnected that continues to be billed will be considered fraudulent billing by FLM, HOA.

#### Propane Portfolio

Eakman has asked Geppert to be in charge of the Propane Contract and to find a new contract when the current Amerigas contract is over in March. He thanks Geppert for working on this.

#### Legal Update

Eakman read a letter from Attorney Farve: "We are in the process of preparing for intervention in the rate case before the PSC. Although the deadline has technically lapsed for intervention as a matter of right, we have a very good argument that we should be allowed to intervene, and I think the PSC will grant our request. We have a round of discovery set to go out to West Fork Utilities in the litigation. I will attempt to get this out early next week so we have it back by the end of January. At this time, not much is happening in the litigation. The scheduling conference, where deadlines are set, etc (held before the Judge's law clerk), is scheduled for January 11. Once deadlines are in place, things usually pick up speed a bit."

#### Election of Officers

For 2010, Eakman is the Chair, Moon is the Secretary and Free is the Treasurer. Baldensperger asks for nominations for the 2011 position of Chair. Moon nominates Eakman for the Chair position. O'Connor seconds the motion. All are in favor, none oppose. Eakman remains the Chair of the Board of Directors

for 2011. Moon nominates Baldensperger for Secretary. Free seconds the motion. All are in favor, none opposed. Baldensperger will be the Secretary for 2011. Baldensperger nominates Free for Treasurer. O'Connor seconds the motion. Free remains as Treasurer for 2011.

#### Old Business

Baldensperger motions that the Holiday Lighting Guidelines be made policy 2010.5. Moon seconds the motion. All are in favor. None opposed.

#### New Business

There is no new business.

#### Schedule Next Meeting

The next meeting is scheduled for January 25, 2011 at 6:00 pm in the Conference Room of the Big Sky Water and Sewer Building.

#### Adjournment

The meeting adjourns at 7:30 pm.