

**Minutes of Board of Directors Meeting
For the Association of Unit Owners of
Firelight Meadows
May 22, 2012**

Call to Order

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

Directors in attendance are Jack Eakman of unit V096/441, Garrett Baldensperger of unit V095/433, Pride Fisher of unit V014/140 (via conference call), Scott O'Connor of unit V060/251 (via conference call), and Annette Stone of unit B12/155 (via conference call).

Directors Sam Geppert of unit C1/120 and Kari Gras of units V019/184, A1/85 & B1/155 are absent.

Unit owners in attendance are Dorothy and Bill Mitchell of unit V122/122 and Bob Cundey of unit V077/297.

Also in attendance are Dick Hovde of Hovde Property Maintenance, Scott Hammond, Angie Guinn and Mike Harter all of Hammond Property Management, Accountant Doug Shanley (via conference call) and Communications Coordinator Bethany Davies.

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

Minutes of the Last Meeting

Baldensperger makes a motion to approve the Minutes. O'Connor seconds the motion. All are in favor. None oppose. The Minutes of the April 24, 2012 meeting are approved.

Financial Report

Accountant Doug Shanley provides the Financial Report (see attachments or view them on the website: www.hpmmontana.com under the Firelight Meadows HOA tab, *password is FL1234*). Eakman asks Shanley to show how much money is paid for Chalet Special Assessments on a separate sheet. If a Chalet has been sold, the Special Assessment is to be paid for by the previous owner before closing. Both the Condo and Chalet's are under budget. One area worth noting on the Condo's Budget Overview, however, is under the section of Building Utilities. Some Condo owners were paying for heat tape on roofs other than their own. These owners have been reimbursed after an energy analysis displayed a noticeable difference in energy consumption of those units. These units are refunded through a credit to their association fees. This expense will be budgeted for in the future.

Eakman discusses the total Accounts Receivable by previous and delinquent owners.

“Our total Accounts Receivable since we have started is a staggering amount. \$171,671 is Accounts Receivable owed by previous and present owners that haven't been paying. Now we have collected bad debt of \$21,000 meaning the net amount that has not been paid by owners is \$150,000. Currently we have \$73,209 in receivables that you just saw. We also have 23 delinquent owners. We only have 193 paying owners out of 216. So in my way of figuring it out, we 193 owners have paid an extra \$1,159 for folks who haven't paid that amount and we've had to pay them on our behalf. And we are getting complaints about our assessments being too high. I would just like folks to know the real reason why. It's that we have 23 -- 18 current owners and five banks. The five banks will probably pay us, so there are 18 current owners not paying. I don't mean to be impolite to those 18, but I'd like every other owner to know who is not paying.”

The board agrees that this information should be shared as all unit owners are shareholders therefore they deserve to know this information. And all owners are invited to this meeting. This information is listed on the attached Financial Report and it is also listed on the website.

Property Management Report

Mike Hammond of Hammond Property Management provides the Property Management Report (see attachments or view them on the website: www.hpmmontana.com under the Firelight Meadows HOA tab, *password is FL1234*). All dryer vents have been inspected, cleaned and reconnected in the Condo buildings; it took two and a half days, six vents were disconnected and some were completely clogged.

An engineering company reviewed the mechanical aspects of the Chalet buildings to assess the air exchange. The full report can be viewed on the website.

The carpets will be replaced in Condo buildings C and D. The carpet has already been purchased. The board will budget for carpeting the other two Condo buildings next year. Eakman asks Stone, Gras and Geppert to come up with ideas of how to manage citizenship issues concerning citizen upkeep of carpets and to present these ideas at the next meeting. Stone will chair this portfolio.

Chalet Chimneys

At the last meeting, it was mentioned that there were seven Chalet units with incorrect chimney caps. These owners had installed a wood burning insert in the fireplace and the caps required a smaller diameter size pipe. They made these installations without first contacting the board for approval of the chimney cap. It was decided that all seven unit owners who have installed incorrect chimney caps replace them with the correct caps within thirty days or face a fine.

Several unit owners were concerned about the ruling of last month's meeting. Eakman asked them to send sourced documents validating their opinions. The only emails submitted to the board were opinions, not sourced documents. So Baldensperger researched the topic and provides sourced documents for the meeting. The main concerns expressed by unit owners who have installed unapproved chimney caps, were related to the downdraft backing-up exhaust and causing CO₂ in the units. After speaking with various chimney manufacturers and chimney installation websites, he found that the number one cap for keeping downdraft to a minimum is the Wind Directional cap. The second choice is the Vacu-Stack cap. All of this research can be viewed on the website (www.hpmmontana.com under the Firelight Meadows HOA tab, *password is FL1234*). The manufacturers recommended the Wind Directional Caps significantly over any others for homes in windy areas. They strongly advise the chimneys be cleaned and inspected annually and for WD40 be applied to the bearings often to eliminate squeaking. Mike Harter will ensure that when the chimneys are cleaned, the bearings will be inspected for tightness and lubricated. The manufacturers also mentioned that the critical issue for the safety of Chimneys is the burning habit of the owner: "Are they using high moisture content wood and do they damp it down a lot?" asks Baldensperger. If they damp it down a lot, he recommends a once or twice a day high intensity burn. The EPA recommends the same thing.

Bob Cundey has a pellet stove and had received a notice about having the incorrect chimney cap, he is asking the board if there will be an extension to the deadline for making the necessary changes. His pellet stove installation requires a four inch pipe and he has not found a wind directional cap to fit. He is willing to make any necessary changes the board requests. He thanks Baldensperger for researching this issue. Baldensperger responds:

"I would love to see more people with the efficient stoves and saving money. So I am all for that, now we just need to find a solution to the board, to the community, and get it

done.... I would like to table this, as far as a decision. Let's see if we can find somebody that can adapt a directional to a four inch pipe at the same height that we had before. ...I want to make sure that we are going down a path that isn't going to be a health hazard to anybody and I am convinced that we absolutely are not."

Dorothy and Bill Mitchell also have the incorrect chimney cap. They had an insert put into their unit and are really happy with the results. They were unaware the installation was going to affect the exterior of their unit; they didn't even know that the caps would be different. They too, are willing to make the necessary changes.

Baldensperger makes a motion to table the Chimney Cap issue until the next meeting when more research can be provided. He will go to an installer to see if they can make a wind directional cap fit a four inch pipe. The unit owners who have installed incorrect chimney caps are not being instructed to do anything at this point and they have until the next meeting to provide additional sourced documents. Fisher seconds the motion. All are in favor. None oppose. The motion carries.

Eakman states, "I hope that everyone understands that the board has no intention of being picky on these matters. We are trying to save the integrity of our neighborhood."

Neighborhood Portfolio

The First Annual Neighborhood Party is scheduled for July 7th. Port-a-potties have been approved and ordered. The next meeting will be scheduled prior to the party.

Landscaping and Snow Removal Report

Dick Hovde of Hovde Property Maintenance provides the Landscaping and Snow Removal Report. Lawn fertilization will begin June 1. He has sprayed all sod areas for dandelions and will continue to spray the open areas through the end of the month. Sprinkler repairs and adjustments are ongoing. He has removed a few dead trees and there are others ready to be planted.

Baldensperger adds that there is about \$10,000 to \$12,000 available to spend on plantings. Six corner areas with red posts are where tall ornamental grasses will be planted. There are about six grass areas that he is looking to add rocks and ornamental grass. He would like to get about six Canadian Cherry trees to plant around the Administration building to block off the recreational vehicle parking lot. Eakman would like a new tree planted where one was removed in the yard of unit V076/288.

Utilities Portfolio Report

Baldensperger has no new information to report for the Utilities Portfolio Report.

Image Study

O'Connor reports on the Image Study with architectural drawings. The board is very impressed with the images displayed around the room. These images are posted on the website (www.hpmmontana.com under the Firelight Meadows HOA tab, *password is FL1234*). He will begin pricing these architectural advancements. This will require 51% of the owners to approve during the Annual Owners Meeting. Unit owners Dorothy and Bill Mitchell and Bob Cundey are also very impressed with the architectural drawings and are excited for the advancements.

Legal Report

Eakman provides the Legal Report. He emphasizes the expense involved when unit owners make changes to the exterior of buildings without acquiring prior authorization by the board: "So as usual when dealing with matters like that that are not approved and dealing with the FCC, we want to be extremely careful that we are not doing something wrong. We ordered that person to have that satellite

dish removed and put into the appropriate place by an improved installer and to pay for all the damages. That is nothing compared to the Attorney bill we got for \$1496 to make sure we are abiding by all the rules.” Eakman insists that it is a very fair bill, he is simply pointing out that owners who do not abide by the rules are adding to the assessments too, just like those that do not pay.

Proposed 14th Amendment

There were 57 responses to the Poll sent out to unit owners. One third of all owners were kind enough to respond. The board agrees to go ahead and mail out self-addressed, stamped ballots to all unit owners. These ballots will not require a notary since they are sent directly to and signed by the owner.

Communications from Unit Owners

The entire board discussed the Communications from Unit Owners. Stone would like to lead the Solid Waste Task Force. She will work with Mike Harter and they are looking for volunteers to help find a better solution to individual waste containers for the Chalet owners.

Bob and Carol Hollar have had a problem with water pooling in their driveway. Eakman is concerned that the driveway was designed this way to prevent water from pooling in the garage. He asks Mike Harter to look into a solution to this problem.

Travis Wangsgard sent pictures of lawn clippings killing his grass. Eakman thanks him so much for being concerned about the common elements.

Eakman also thanks Rosalie Roder for her very complimentary letter regarding follow-up action taken by Mike Harter and Dick Hovde.

Old Business

Winter and Company has provided an update on real-estate sales. This information is available on the website (www.hpmmontana.com under the Firelight Meadows HOA tab, *password is FL1234*).

Dorothy Mitchell asks about relocating the house numbers to under the lights. O’Connor recommends budgeting for this next year.

Bill Mitchell thanks the board and Hammond Property Management for an improvement in the friendly feel of the neighborhood. He greatly appreciates having pleasant neighbors.

New Business

O’Connor expresses his gratitude for the significant amount of help that Mike Harter has given concerning the architectural improvements to the units.

Adjournment

The meeting adjourns at 7:34 pm.

Douglas N. Shanley, CPA PC

2055 North 22nd Ave Suite 2B, Bozeman, Montana 59718

phone 406-585-8430

fax 406-582-9796

5/17/2012

TO: BOARD OF DIRECTORS

FIRELIGHT MEADOWS HOME OWNERS ASSOCIATION

CHECKING ACCOUNT BALANCE	\$122,885
CD AT BIG SKY WESTERN BANK	\$129,875
CD AT 1ST SECURITY BANK	\$75,000
	<hr/>
TOTAL CASH AVAILABLE	\$327,760

ACCOUNTS RECEIVABLE \$73,433

THE FOLLOWING ACCOUNTS ARE OWNED BY BANKS
WE WILL GET THIS MONEY AS SOON AS THE UNIT SELLS

V10	AHMF	\$745.00
V125	BAC HOME LOANS	\$9,710.56
V07	ONE WEST BANK	\$3,191.00
V76	GMAC	\$1,379.30
V132	GMAC	\$64.50

TOTAL OF ABOVE UNITS \$15,090.36

THE FOLLOWING ARE LATE TWO OR MORE QUARTERS
THESE WILL BE TURNED OVER TO COLLECTIONS
AT THE END OF THIS QUARTER IF PAYMENT IS NOT RECEIVED
LIENS HAVE BEEN FILED

A8	MITCHELL BATES	\$1,739.99
V24	MARTA BLUTH	\$1,947.51
V47	CHRIST BOYD	\$1,590.73
V93	BROKAW INVESTMENTS LLC	\$1,879.64
V1	JOHN FREIS	\$1,879.64
V2	JOHN FREIS	\$1,879.64
C20	KEN HOEKSEMA	\$1,827.07
V75	KEN HOEKSEMA	\$1,360.37
A3	NATHAN JOHNSON	\$2,437.58
A2	ANDREW KLAUSTERMEIER	\$2,618.95
V108	STUART KOCH	\$1,879.64
V74	SEAN MCCARTHY	\$2,633.76
V7	PATRICK MCCLELLAN	\$1,871.54
V81	JEFF MORGAN	\$1,971.54
V13	ERIC NELLIS	\$2,576.43
V114	ZITA PONGONIS	\$2,653.25
A15	ROCKIN M DEVELOPMENT	\$1,401.35
V37	WALKER SMITH	\$1,879.64

TOTAL OF ABOVE UNITS \$36,028.27

BAD DEBT PREVIOUSLY WRITTEN OFF COLLECTED
IN 2012 BY CBO, OUR COLLECTION AGENCY \$6,397.92

PARKING INCOME TOTAL THIS YEAR	\$750.00
FINES ASSESSED IN 2012	\$650.00
FINES RECEIVED IN 2012	\$250.00

NEW MEMBERSHIP DUES FOR 2012 \$5,000.00
BRIAN NOSTRANT V44

BAD DEBT WRITTEN OFF IN 2012 \$7,127.68

OWNERS TAKING ADVANTAGE OF THE \$24
PER QUARTER POSTAGE SAVINGS \$9,144.00
381 INVOICES - 191 OWNERS PER QUARTER

CHALETS								
Firelight Meadows Owners Association								
Chalet's Budget Overview								
Ordinary Income/Expense		CHALET 2012 BUDGET	BUDGET THROUGH MAY	ACTUAL THROUGH MAY	OVER (UNDER) BUDGET			
Income								
Assessment		405,280.00	202,640.00	202,640.00	0.00			
Special Assessment Roof & Chimney				34,550.00	34,550.00			
Total Income		405,280.00	202,640.00	237,190.00	34,550.00			
Expenses								
Insurance		35,870.00	14,945.83	15,852.88	907.05			
Common Area Lawn Care		36,822.00	7,364.40	5,328.00	(2,036.40)			
Landscape Upgrade - new plants flowers trees		6,494.00			0.00			
Snow Removal & Shoveling Roads & Entry Ways		70,584.00	47,056.00	47,000.00	(56.00)			
Snow and Ice Removal on Rooftops		6,290.00			0.00			
Fireplace Maintenance		5,712.00			0.00			
Administrative and Secretary		3,536.00	1,473.33	1,478.71	5.38			
Maintenance & Repair		53,720.00	22,383.33	1,631.79	(20,751.54)			
Property Manager		64,464.00	26,860.00	25,725.00	(1,135.00)			
Accounting		9,384.00	3,910.00	3,912.30	2.30			
Legal		31,416.00	13,090.00	9,142.79	(3,947.21)			
Postage & Delivery		13,056.00	5,440.00	100.92	(5,339.08)			
Office Expense		1,632.00	680.00	1,436.72	756.72			
Taxes		272.00	113.33	9.45	(103.88)			
Bad Debt Uncollectible		13,600.00	5,666.67	4,490.44	(1,176.23)			
Meeting Expense		680.00	283.33	124.27	(159.06)			
PSC - Consultant for Case		not budgeted		2,499.53	2,499.53			
Chimney & Siding Repairs		special assessment		7,755.35	7,755.35			
Subtotal Expense		353,532.00	149,266.23	126,488.15	(33,032.96)			

CONDOS						
Firelight Meadows Owners Association						
Condo's Budget Overview						
			CONDO	BUDGET	ACTUAL	OVER
			2012	THROUGH	THROUGH	(UNDER)
			BUDGET	MAY	MAY	BUDGET
Ordinary Income/Expense						
Income						
	Assessment		250,880.00	125,440.00	125,440.00	0.00
	Total Income		250,880.00	125,440.00	125,440.00	0.00
Expenses						
	Insurance		10,940.00	4,558.33	4,869.84	311.51
	Building Utilities		28,560.00	11,900.00	14,113.34	2,213.34
	Common Area Lawn Care		9,200.00	1,840.00	1,332.00	(508.00)
	Landscape Upgrade - new plants flowers trees		1,600.00			0.00
	Trash Removal		32,320.00	13,466.67	14,317.88	851.21
	Fireplace Maintenance		1,040.00			0.00
	Snow Removal & Shoveling Roads & Entry Ways		23,520.00	15,680.00	15,666.64	(13.36)
	Snow and Ice Removal on Rooftops		3,700.00			0.00
	Cleaning and Common Area		13,200.00	5,500.00	8,715.00	3,215.00
	Administrative and Secretary		2,080.00	866.67	868.44	1.77
	Maintenance & Repair		29,440.00	12,266.67	1,975.18	(10,291.49)
	Property Manager		37,920.00	15,800.00	15,108.30	(691.70)
	Accounting		5,520.00	2,300.00	2,297.70	(2.30)
	Legal		18,480.00	7,700.00	5,369.57	(2,330.43)
	Postage & Delivery		7,680.00	3,200.00	59.28	(3,140.72)
	Office Expense		960.00	400.00	843.75	443.75
	Taxes		160.00	66.67	5.55	(61.12)
	Bad Debt Uncollectible		8,000.00	3,333.33	2,637.24	(696.09)
	Meeting Expense		400.00	166.67	72.98	(93.69)
	PSC - Consultant for Case		not budgeted		1,467.97	1,467.97
	Subtotal Expense		234,720.00	99,045.00	89,720.66	(10,792.31)



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Firelight Meadows Manager's Report
BOD Meeting 5/22/2012

Management discussion items for the meeting:

- Carpet replacement in condo buildings
- Energy audit results

Below is the compilation of the weekly reports sharing the specific tasks that have been completed since the last BOD meeting:

- Picked up trash around dumpster areas and Firelight campus weekly.
- Checked all the "dog waste Stations" regularly
- Checked all exterior lights throughout FL campus.
- Assist Dish Network with dish re-install at 106 Candlelight. Photographed the damage to the roof from the previous install and contacted CSM to obtain a bid and complete the repairs.
- Hauled off Futon bed frame left a dumpster area at building B.
- Hauled off bed mattress left at dumpster area at building D.
- Walked the entire FL campus to obtain an accurate list of all the satellite dishes installed on all the buildings (chalets and condo building).
- Assisted the owner of 367 Candlelight with securing a spot in the storage yard for his camper trailer.
- Removed boxes, furniture, a mattress, and a fish tanks from the dumpster enclosure at building B.
- Removed a mattress, scrap metal, and an old ladder, from the dumpster enclosure at building D.
- Pick up and disposed of two sand bags left in the parking lot of building A.
- Installed speed bumps throughout the FL campus as needed. More will continue to be installed.
- Placed rodent bait stations in the crawlspaces at the condo buildings.
- Checked all the emergency lighting in the condo buildings.
- Realigned the gates on the trash enclosures at the condo buildings.
- Cleaned up trash along the north and west fence lines.
- Replaced two ballasts in building C.
- Checked batteries in alarm panels at the condo buildings.
- Assisted the owner of 130 Starlight with obtaining the up-to-date FL rules so she could provide them to her new tenant.
- Towed a silver Suburban from the overflow parking at the intersection of Firelight and Candlelight. Vehicle hadn't moved in several days and did not have a FL parking permit.
- Spoke to the tenant at 15-B about the mattress, box, and chair that he placed in the dumpster enclosure. He said he would have the items removed by late afternoon.
- Delivered notices for dryer vent cleaning to all the occupants at the condo buildings.
- Spoke with the Big Sky Fire Chief about best options for performing inspections on the FL chalet chimneys.
- Obtained bid from Burning Stoves and Stuff for inspections of the FL chalet chimneys.

o: 406.995.7220
f: 406.995.3030

Mailing: PO Box 161242, Big Sky, MT 59716
Shipping: 46838 Gallatin Road, Gallatin Gateway, MT 59730



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- Obtained the part numbers for the adapter rings and wind directional caps required for upgraded stove units at FL chalets.
- Reserved porta-toilets with Scenic City Septic for the FL BBQ scheduled in July.
- Continued to inventory and measure windows at chalets in need of window warranty/replacement.
- (12:00am on 5/11) received a "failure to communicate" alarm at building D from Kenco's dispatch; Met with Chris from Kenco to trouble shot alarm problem at building D. Panel was reset and all alarms cleared.
- Picked up trash left in the dumpster areas at building A and B.
- Contacted Allied waste and notified them about the broken latches on the dumpsters at the condo buildings.
- Facilitated dryer vent cleaning at all four condo buildings with Millwork 58 (5/15 - 5/16).
- Completed turning on all exterior hose faucets and buildings A and B.
- Hung "bear/trash notices" on all portable trash cans throughout the campus.
- Measured "back-set" for dead bolt install at 11-C per the request of Bozeman Safe and Lock.
- Assisted owner of 381 Firelight with entry into her unit after she locked herself out by mistake.
- Unlocked 473 Firelight per owner's request, to allow entry for the radon inspector.
- Unlocked 14-C for the housekeeper per the request of unit's management company.
- Delivered parking passes to 473 Firelight.

Formal written "Notices of Violations" where issued to the following units:

- **352 Candlelight:** Excessive amount of trash and around the common elements (several beer cans lying around the rear patio).
- **448 Firelight:** Failure to return their trash can back to the garage with in the allotted amount of time.
- **50 Candlelight:** Failure to return their trash can back to the garage with in the allotted amount of time.
- **11-B:** Set of snow tire store on the common elements (on the deck).
- **3-B:** Concrete blocks stored on the common elements (on rear patio).
- **3-D:** Excessive amount of clutter on the common elements (empty beer keg, two BBQ's, empty disposable propane cylinders, lumber, extension cords, and empty beer cans on rear patio).
- **17-D:** Empty buckets and trash cans stored on common elements (on rear deck).
- **10-D:** Large black trash bag with unknown contents and building materials stored on common elements (on the rear patio).
- **2-C:** Used motor oil container stored on common elements (on rear patio).
- **3-C:** Sand bags store on common elements (at the front of their designated parking
- **297 Firelight: (unauthorized items visible exterior common elements):** Two large tractor tires located on rear patio.
- **325 Firelight:** Boat (recreational) vehicle stored in driveway.
- **70 Candlelight: (trash visible on common elements):** Large sheet of plastic visible out on the front lawn.
- **15-B: (failure to comply with FL pet policy):** Tenant has been observed with a dog on the FL campus, off leash, and inside the unit.

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“Fines” issued to the following units:

- **15-B (failure to comply with the FL trash policy):** The tenants had left several items in the dumpster enclosure at building B. He failed to get the items removed within 72 hours thus resulting in a fine and disposal fee to the home owner.
- **11-B (Failure to comply with common elements rule):** The tenants had tires stored on the balcony, and after the violation notice still failed to remove them.
- **2-C (Failure to comply with common elements rule):** They failed to respond to the written violation and there is motor oil can in the landscaping bed behind the unit.

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f: 406.995.3030

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Shipping: 46838 Gallatin Road, Gallatin Gateway, MT 59730