

*Silver Bow Condominium Owners Association Annual Meeting
September 3, 2010 at 9:00 AM
Big Sky Water and Sewer District Building*

MINUTES

I. Call Meeting to Order

a. Introduction—Chairman, Kirk Dige

The meeting was called to order at 9:10 am. Kirk Dige thanked all of those present for attending. He stated that the Board of Directors continues to be very active. Individual Board members have volunteered significant time and have worked diligently on various projects.

b. Determination of Quorum by Proxy or in Person (33% Required)

A quorum was established with 16 voting members in attendance and 22 proxies received.

II. Kelly Fried—Address to Membership

Board member Kelly Fried addressed the owners present. His message was that communication is the responsibility of the Board of Directors and the individual owners. The Board of Directors will improve its communications with owners. In addition, it is everyone's responsibility to maintain good relations and to solve problems amongst themselves. A master list of all owners was passed around to update mailing addresses, telephone numbers, and email addresses.

III. Review and Approval of Minutes of 2009 Annual Meeting

Kevin Frederick motioned to approve the 2009 minutes. Arnold Lyon seconded the motion. All in favor; motion passed.

IV. Management Update (See Attached Exhibit A)

Kirk Dige gave an update on the condominium property management services. Ramirez Management opted not to renew their contract as of September 30th, 2009. To allow time for the Board to assess future needs and to accordingly make the best choice for the next property management company, the Board decided to operate with no management company from October through December, 2009. Dige thanked Kelly Fried for taking on the responsibility of soliciting and interviewing numerous management companies. Ultimately, the Board selected Hammond Property Management (HPM), Scott Hammond, Owner.

Mr. Dige introduced Steve DiTullio, of HPM, who is the designated field representative for Silver Bow. Mr. DiTullio thanked everyone and stated that it has been a pleasure serving Silver Bow Condominiums. He reported on a few special projects of interest which he oversaw:

- The final repair of the underground electrical lines and underground sprinkler system which resulted from the previous summer's work performed by the Water and Sewer District, the Power Company, and the Telephone Company.

- The removal of numerous pine beetle infected trees and the spraying of the necessary remaining trees.
- Additional landscaping such as pruning trees, shrubs, and landscaping beds which had been neglected.
- Upgrades and repairs to the swimming pool and building.

He was asked if there are plans to replace the trees that were removed. He stated that the Board has a landscape improvement line item in the next budget year and will establish and implement a plan for new trees.

V. Treasurer's Report—Knaub & Company, PC (See Attached Exhibit B)

a. Current Fiscal Status Report including Financial Statement Review.

Marjorie Knaub stated there is one unit currently in foreclosure and that it is legally questionable whether the lender is required to pay the outstanding dues. In the current year, it is anticipated that we will be approximately \$23,000 under budget due to cost savings associated with having no management company for three months, substantial savings facilitated by HPM for repairing the exterior utility enclosures, improved management of garbage services, and other measures. The only significant budget overrun is \$2,000 projected for pool building maintenance. As of August 31, 2010, the accounts receivable balance from owners was \$44,245.

VI. Discussion and Approval of 2010-2011 Budget

Mr. Dige recommended that the budget be approved as submitted by the Board. The operating budget, reserve budget, and the total budget are the same as last year. Dige thanked Board Treasurer Al Malinowski for his diligence in managing the reserve accounts, for his extra efforts in collecting delinquent accounts, and for implementing a lien filing policy for delinquent accounts. Mr. Malinowski stated that the Board has tried to maintain the same level of services this past year while dedicating the \$23,000 saved on the operating budget to the reserve accounts. In light of the future roof replacement and the accounts receivable balance, he recommended keeping the budget the same as last year. He further explained that he is recording a lien on the unit in foreclosure in an attempt to collect the outstanding dues owed prior to the lender taking title. Once the lender takes title, the lender will be responsible for all future association dues under its ownership.

Ken Cummings made a motion to approve the proposed 2011 budget. Ted Reid seconded the motion. All in favor; motion passed.

VII. Revision of Governing Documents

Mr. Dige thanked Vice President Tom Angstman for leading the yet to be completed project of revising the governing documents. Kevin Frederick, an owner who is also a real estate attorney, has volunteered his expertise as well. Mr. Angstman stated that it is the Board's goal to put together a final document that will be passed, which will require a favorable vote by seventy-five (75%) of the total ownership interest. He referenced a written handout which highlighted

certain significant changes being proposed. The highlights included: 1) changing the voting from the percentage of interest to one vote per unit; 2) defining in more detail the owner responsibilities regarding limited common elements; 3) allowing owners and tenants to have pets; 4) adding and modifying language regarding parking; and 5) changing the basis for assessments from the market value of each unit to the square footage of each unit.

The floor was opened to comments and questions. Discussions were held regarding enforcement of rules, fines, pets, abandoned vehicles, parking, sidewalks, oversized vehicles, and RV's, and maintenance assessments for limited common elements such as decks versus livable space.

Mr. Dige ended the discussion of revising the governing documents by saying that the Board of Directors would seriously consider the suggestions and revise the documents according to their best judgment. They will then mail the ballots and documents to be voted upon, hopefully by the end of the year. He said that all owners have the right to vote regardless of whether or not they are in good standing with the Association.

VIII. Nomination and Election of Board of Directors

Mr. Dige indicated there are three current board members whose terms are up, plus one open position because a board member resigned. Kelly Fried and Tom Angstman are up for re-election. Mitch Furr's term is up, and she does not wish to run again. Two people are interested: Lisa Prugh and Derek Leonard.

Mr. Fried moved that Mr. Angstman be nominated for re-election. Ted Reid seconded the motion. All in favor; motion passed. Mr. Frederick moved that Mr. Fried be nominated for re-election, and that Mr. Leonard and Ms. Prugh be nominated for the two open positions. Reid seconded the motion. All in favor; motion passed. Mitch Furr moved to cease nominations and vote for the nominees. Tim Faris seconded the motion. All in favor; motion passed.

IX. Other Business

A discussion among owners was started regarding the possibility of hot tubs on decks. Issues discussed were inequities with units that share water bills, structural qualifications of decks, and noise. Mr. Dige stated that the Board would put this on the agenda for the next board meeting at which time a discussion will be made.

X. Adjournment

Mr. Malinowski motioned to adjourn the meeting. Ms. Prugh seconded the motion. All in favor; motion adjourned at 10:44 am.

SILVER BOW CONDOMINIUM OWNERS' ASSOCIATION
Budget Worksheet
For the year ending 9/30/2011

	9/30/09	9/30/10	9 months 6/30/2010	Jul/Aug/Sept Expected	Projected 9/30/2010	2011 Proposed	Projected Over (Under) Budget
	Actual	Budget	Actual	Expected	9/30/2010	Proposed	Budget
Operating Expenses:							
Administrative:							
Accounting	6,000	6,000	4,500	1,500	6,000	6,000	-
Insurance	28,879	31,000	23,038	7,668	30,706	32,500	(294)
Legal	931	1,000	7	-	7	1,000	(993)
Manager Fees	29,333	32,000	16,000	8,000	24,000	32,000	(8,000)
Office expense/postage	905	1,000	600	350	950	1,000	(50)
Annual corporate report	15	15	15	-	15	15	-
Meeting costs	35	100	77	-	77	100	(23)
Income tax expense	1,958	200	-	-	2,000	2,000	1,800
Interest Expense	-	-	-	-	-	-	-
	68,056	71,315	44,237	17,518	63,755	74,615	(7,560)
Maintenance:							
Building maintenance	2,571	3,000	789	1,300	2,089	3,000	(911)
Window washing	2,000	2,000	-	2,000	2,000	2,000	-
Exterior utility enclosures	-	10,000	850	-	850	-	(9,150)
Exterior lighting project	19,284	-	195	-	195	-	195
Chimney maintenance	3,650	3,000	3,100	-	3,100	3,100	100
Trim & deck stain	16,794	17,000	-	17,500	17,500	20,000	500
Landscaping Improvements	-	-	-	-	-	5,000	-
Lawn maintenance	12,999	20,000	6,331	13,669	20,000	20,000	-
	57,298	55,000	11,265	34,469	45,734	53,100	(9,266)
Recreation Area:							
Telephone	1,754	1,800	838	281	1,119	1,200	(681)
Pool contract maintenance	15,000	15,000	9,975	5,000	14,975	15,000	(25)
Pool building maintenance	317	4,000	1,806	4,200	6,006	5,000	2,006
Pool supplies	1,807	3,000	841	1,500	2,341	3,000	(659)
Propane	6,322	8,000	4,347	3,500	7,847	8,000	(153)
Health license	200	275	275	-	275	275	-
Security system	645	500	325	-	325	500	(175)
Laundry room	-	500	-	-	-	-	(500)
	26,045	33,075	18,407	14,481	32,888	32,975	(187)
Services:							
Electricity	7,851	9,000	6,020	2,000	8,020	9,000	(980)
Garbage	11,177	11,000	5,524	2,000	7,524	9,000	(3,476)
Water and sewer	1,366	1,300	585	1,200	1,785	1,800	485
Wireless internet	-	200	-	-	-	-	(200)
Snow shoveling	-	13,000	12,200	-	12,200	13,000	(800)
Snow plowing	12,000	7,000	5,500	-	5,500	7,000	(1,500)
	32,394	41,500	29,829	5,200	35,029	39,800	(6,471)
Total operating expenses	183,793	200,890	103,738	71,668	177,406	200,490	(23,484)
Reserve Assessments:							
Contingency Reserves	-	-	-	-	-	-	-
Roof Reserves	26,610	64,110	64,110	-	64,110	64,510	-
Pool reserve	10,000	10,000	10,000	-	10,000	10,000	-
Sprinkler replacement reserve	-	-	-	-	-	-	-
Insurance Deductible Reserve	-	-	-	-	-	-	-
Total Reserve Assessments	36,610	74,110	74,110	-	74,110	74,510	-
Total	220,403	275,000	177,848	71,668	251,516	275,000	-



Silver Bow Condominiums HOA
Annual Meeting
September 3, 2010 @ 9:00 am
Big Sky Water Sewer District Meeting Room

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

Manager's Report

➤ Winter 2009/2010:

- Ⓢ Established new relationships with multiple owners, Knaub & Company, and Wild Goose Management.
- Ⓢ Set up and attended a meeting with Security Solutions to review the locks and establish an understanding of the pool security access system.
- Ⓢ Developed an understanding of the complex exterior lighting system and initiated the repair work to take place regarding cut underground wires.
- Ⓢ Initiated a relationship with McGyver services and have attempted to work with him regarding his services at the complex.
- Ⓢ Interfaced with a number of owners considering McGyver's performance as well as the BSOA and their concerns for his snow storage procedures and locations.
- Ⓢ Replaced balist and light fixture outside of unit #33 and #34 and installed a high pressure sodium bulb.
- Ⓢ Responded to a water pressure problem at unit #48.
- Ⓢ Reattached siding in a few locations throughout the complex.

➤ Spring 2010:

- Ⓢ Investigated and addressed internet concerns in the pool house.
- Ⓢ Changed sodium light bulbs outside various units.
- Ⓢ Monitored vehicle that was towed by the BSOA in front of the bunker area at the golf course.
- Ⓢ Swept out all dumpster buildings.
- Ⓢ Installed timer in unit #33 entry way.
- Ⓢ Cleaned up after dogs around the complex.
- Ⓢ Built frame to house the cable wires that had been draped across the sidewalk.
- Ⓢ Pruned tree branch at unit #35 and #48.
- Ⓢ Picked up trash around complex.

- Ⓢ Pulled located flags throughout the complex.
- Ⓢ Performed walk around with president for landscape and exterior work for summer 2010.

➤ **Summer 2010:**

- Ⓢ Supervised pool being opened for summer season.
- Ⓢ Clean areas around all dumpster areas.
- Ⓢ Replaced burned out light bulbs across campus.
- Ⓢ Worked with Amp Electric and discovered bad underground splices and completed lighting project.
- Ⓢ Worked with Gallatin Waterworks to fire up and repair irrigation system.
- Ⓢ Oversaw the rebuilding and repairing of the electrical cabinets (total of 10).
- Ⓢ Hired The Little River Company to spray Lodge pole Pines on campus for the Pine Beetle Infestation.
- Ⓢ Removed from campus dead and beetle infected trees; cut down total of 13.
- Ⓢ Weeded and pruned road side beds and various beds throughout the complex.
- Ⓢ Installed ground box for junction of wires dug up by 3 Rivers by unit 70.
- Ⓢ Facilitated patch work for unit #34's sidewalk.
- Ⓢ Obtained two painting quotes; 1) Dependable Paint and 2) Mike McCarthy; began painting rotation and included pool fence to be painted with Mike McCarthy.
- Ⓢ Trash removal from several areas around the complex.
- Ⓢ Repaired windows that had developed mold in the Pool House.
- Ⓢ Re-hung gutter outside of unit #63.
- Ⓢ Re-installed trim pieces at #16.
- Ⓢ Hired Bozeman Tree Service to prune trees.
- Ⓢ Added mulch to beds throughout complex.
- Ⓢ Repaired dumpster buildings after "Mr. Bear" broke in!
- Ⓢ Scheduled the replacement of sliding glass doors in the pool room.

It has been our pleasure serving the Silver Bow Condominiums. Thank you for allowing us to be your management company.

Sincerely,

Hammond Property Management