

# Crail Creek Club Condominiums

PO Box 160099 Big Sky, MT 59716

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## ***Annual Association Meeting***

*August 31, 2012 @ 9:00 a.m. @ Buck's T-4 Lodge*

### ***MINUTES***

#### **Attending**

Lance Krieg  
Kathy Rude  
Jerry Fishel  
Gary Walton  
Dennis and Carolann Lockhart  
Tom O'Connor  
Dorothea Williams  
Bill Pinna (via conference call)

#### **Proxy**

Bo and Carol McClerkin  
Charles and Margaret Buker  
Clyde and Marjorie DeShields  
Bruce and Kaye Pallante  
David and Linda Graves  
Olin and Norma Atkins  
Joe and Barbara Cahalan  
William and Patricia Derrer  
Dustan and Becki McCoy  
Paul Atkins  
Alan and Pat Wanderer  
Larry and Gail Glenn  
David and Lizette Levieux-Anglin  
Ken Wilson

#### **Absent**

John Wescott  
James and Yvonne Bell  
Michael and Kem Pollard  
Michael Hickey  
John and Charon Canning  
Howard Schutte  
Ian Cartwright/Lesley Alderton  
Anne Larsen Simonson  
Patrick and Marilyn Muller Aberle  
John and Linda Squitero

#### **I. Call to Order**

The meeting was called to order at 9:05 a.m. by Lance Krieg.

- a) Introductions were made around the table. Attending the meeting were the following Crail Creek Club owners: Lance Krieg (605), Kathy Rude (607), Jerry Fishel (610), Gary Walton (612), Dennis and Carolann Lockhart (624), Tom O'Connor (629), Bill Pinna via conference call (630), Dorothea Williams (632). Also attending the meeting were the following: Rich Lindell (accountant), Scott Hammond (HPM), and Alison Gregory (HPM).
- b) A quorum was established with 70% represented in either attendance or proxy.

#### **II. Approval of September 2, 2011 Annual Meeting Minutes**

There were no questions or discussions about the 9/2/2011 annual meeting minutes. Mr. Fishel made a motion to accept and approve the 2011 annual meeting minutes as presented. Mr. Lockhart seconded the motion. All in favor; motion passed.

#### **III. 2012 Financial Report and Proposed Budget for Fiscal 2013 (Please Refer to Addendum I)**

Mr. Lindell presented the financial report for the Association. The year ends for Crail Creek Club on December 31, 2011. The financial report presented is as of 6/30/2012. Also included in the financial packet was financial information for 12/31/2011. Mr. Lindell presented the first page, the Statement of Assets, Liabilities, & Fund Balances. Total cash available is \$204,304. Total assets are \$213,666. Receivables for the Association are zero. Total liabilities are \$6,016. Total funds are \$207,650. For last year, 12/31/2011, total fund balance ended at \$209,329. It is most likely the Association will complete 2012 with a stronger fund balance being the Association is at \$207,650 and still has a few months left in the year. The Association has a strong cash balance and is performing very well.

Mr. Lindell continued his discussion to the Statement of Revenues, Expenses, and Changes in Fund Balance. Total revenues are \$94,802 with \$25,472 in capital reserves. Total operating expenses are \$73,038. A total of \$21,398 has been expended out of the capital reserve for various deferred maintenance projects. Again, total fund balances are \$207,650 (\$93,506 in operating and \$114,144 in capital reserves).

Mr. Lindell moved to the final page of the financials, Schedule I (Budget Comparatives) and the Proposed 2013 Budget. The budget is performing well. The Association has spent roughly 40% of its 2012 budget. For the administrative expenses, the Association has expended roughly 28% of the budget and is performing below budget. For the professional fees, the Association has expended roughly 50% of the budget. For the property maintenance section, the Association has expended roughly 33% of the budget. The only over budget line item at this time was for the chimney cleaning. For the proposed 2013 budget, this line item has increased to accurately cover the chimney cleaning expenses. For the utilities section, the Association has expended roughly 39% of the budget. Overall, the Association is doing well with \$116,018 remaining for the remainder of the year.

Mr. Lindell presented the proposed 2013 budget. The proposed budget has decreased to \$225,000 as opposed to \$240,000. This decrease is largely due to the BSOA dues. The BSOA dues are no longer being billed through the HOA. Individual owners will receive their individual dues. Mr. Krieg will discuss this in more detail later in the meeting. The insurance line item has also decreased. There has been no change in coverage. However, the insurance company has been able to provide the same coverage at a lower premium. These two changes account largely for the \$15,000 decrease in total budget for 2013. Mr. Lindell continued explaining management line item does increase for 2013. HPM has not been awarded a raise in several years and the increase was appropriate for their services. The maintenance line item has also decreased from \$28,000 to \$20,000. The trash line item increased slightly by \$300. Total reserves budgeted for 2013 are \$63,828. Again, the total budget for 2013 is \$225,000. Therefore, the dues have decreased per unit.

There was no further discussion or any questions regarding the proposed budget. Ms. Rude made a motion to approve the proposed 2013 budget as presented. Mr. Walton seconded the motion. All in favor; motion passed.

Mr. Krieg thanked Mr. Lindell for his presentation of the financials. At this time, Mr. Krieg presented and discussed the Capital Reserve spreadsheet **(Please Refer to Addendum II)**. The Board works diligently to make sure the Association has enough money for deferred maintenance to be completed each year and therefore potentially not have to assess owners for deferred maintenance projects. Each year, money is allocated to the capital reserves for this reason. Each year the Association takes care of projects such as painting, asphalt reseal work, and/or deck staining. The biggest project will be the roof replacement. Currently, as shown on the reserve spreadsheet, the roof replacement is slated for 2017. That timeline could change depending on how many leaks there are and how much damage there is to the roofs because of any leaks. The Board does not know for sure at this point the cost of replacing the roofs. There are a few options the Board is considering. Currently, the roofs have the Bylin Ice Melt System in place. The Board has considering abandoning the ice melt system and replacing the roofs with a Cold Roof System. This would eliminate the need for an ice melt system but the roofs are much more expensive with a Cold Roof System. It may be best to spend a higher amount on a Cold Roof System and not spend the money on the Bylin Ice Melt System year after year. So with that being said, it is

difficult at this point to determine how much to allocate for the roof replacement project. The Board will discuss the best options for the Association and will present to the owners. It is very possible there could be a special assessment for the roof replacement project, especially if the project needs to begin in 2017. The Board will continue to do the best possible in allocating surplus amounts each year to the capital reserves. In summary, the capital reserve spreadsheet just helps all owners understand the upcoming costs for deferred maintenance and big projects (like roof replacement). Mr. Krieg will update the spreadsheet every year and is happy to discuss it in detail with any owner.

Ms. Rude asked if the Board has considered raising the dues to aggressively build the capital reserve. Mr. O'Connor and Mr. Krieg both commented the Board has discussed this. However, the Board's intent is to not raise dues but follow the plan to put any savings (yearly) into the capital reserve and plan as best as possible. Therefore, the Board has no plan to increase the dues and will continue to operate in the same manner of allocating surpluses to the capital reserves.

#### **IV. Property Manager's Report (Please Refer to Addendum III)**

Mr. Hammond presented the Manager's Report and read through the highlights of projects completed at the complex. The following was discussed in detail:

- The winter season was an uneventful season. It was a low snow fall year but the ice was significant. The Association did experience multiple ice damming issues on the north side. The good news is the Association saved money with the Bylin Ice Melt System. HPM was able to turn off the system for a small amount of time in mid-winter. The system was turned completely off in the early spring. This was all a result of the warmer winter Big Sky experienced and allowed significant savings in the budget.
- HPM introduced a spot painting concept to the Association. In the past, the Association has painted every building over a course of two years, then took a year off, then painted all buildings again. This summer only areas of the buildings that needed to be painted were painted. The goal was to spend less money than originally allocated on a per building basis. There are only certain areas of the buildings that need to be painted yearly. The entire buildings do not always need repainted as there are areas that are in great condition. The Board and HPM will continue to move forward with this approach to be more efficient with the budget.
- HPM obtained multiple estimates for dryvit repair work. The dryvit is the material the chimneys are made of. Golf balls from the golf course hit the chimneys and cause damage to the dryvit. This has taken place this summer. HPM has chosen a contractor that will be working throughout the complex repairing the dryvit on multiple chimneys.
- Mr. Hammond requested permission from the Board and ownership to hire Kleen King, Inc. out of Bozeman, to inspect and clean all dryer vents at each unit throughout the campus. This is a highly recommend service. This type of service has not been performed at the campus before. It is a good idea to have the dryer vents inspected and cleaned for the concern of fire safety. Mr. Hammond received some group discounts if 20 or more units participate in this service. By also having this inspection performed, all units can be checked to ensure code has been met with regard to having a dryer vent. If any individual unit owners are provided information that their dryer vent is not to code, then the unit owners will be responsible for addressing this concern and making repairs to meet code. Mr. Hammond will request Kleen King create a spreadsheet of what was discovered at each unit. When HPM is provided that information, HPM can email the owners of the inspection for their unit.

- The Board and ownership present agreed this service should be performed. HPM will move forward in scheduling the inspection/cleaning fall 2012.

## **V. Stair Case 602-603/Tile Replacement**

The tile steps at unit 602/603 have been replaced. The replacement of tile steps throughout the complex is completely finished. It took the Association roughly 5-6 years to complete this project. Extra cases of tile were bought and are being stored in Mr. Pinna's unit (630). All the stored tiles are labeled and available in the event the Association needs to make additional repairs. The Association paid considerably less than what was originally expected. The Association will do an annual reseal of the tile steps and check for any cracks or grout lines.

Mr. Krieg commented on a few other maintenance items. Listed below are a few items that will be addressed next summer:

- Repairing the knee walls/bench seats on the 2 bedroom units
- Reinforce privacy walls
- Paint the chimney cap covers
- Install additional landscape beds on the golf course side

Mr. Krieg encouraged the owners to contact HPM if they had any thoughts/ideas of maintenance items needing attention for next summer.

## **VI. Election of Board of Directors**

There are no vacancies on the Board of Directors. Mr. Lockhart offered to take a position on the Board of Directors if any of the current members stepped down.

The current Board all agreed to stay on the Board of Directors. Therefore, the current slate will remain the same. The Board of Directors for another year term will be:

- L. Krieg-President
- J. Fishel-Treasurer
- B. Pinna-Secretary
- B. McCerkin-Officer
- T. O'Connor-Officer

## **VII. Old Business**

### **a. \$2,000 Security Deposit Policy**

**Please Refer to Addendum IV.** As a reminder, the following below was discussed at the 2011 Annual Meeting.

Mr. Hammond discussed the minor vandalism that took place at the complex late winter 2010 and early spring 2011. Allegedly, children of families renting at Crail Creek Club traveled around the complex with BB guns and shot street lights and windows. These children/families are moving out of the complex within the next month. Expenses were incurred.

The Board and HPM discussed in an earlier Board meeting to begin requiring a security deposit of \$2,000 of any owner that long term rents their unit. The \$2,000 security deposit would go to the HOA for any potential damage caused by a long term renter. A separate account would be set up for the HOA through the accountant to house the \$2,000 security deposit. In the event HPM and the Association had to deal with vandalism in the future, monies would be set aside for it. If an owner does not submit the \$2,000 security deposit, the owner will be responsible for any damage caused by the long term renter.

Mr. Fishel made a motion for the Board and HPM to move forward with creating a letter to be sent to all long term rental owners requiring a \$2,000 security deposit to go to the HOA for any potential

damage caused by his/her long term renter. Mr. Pollard seconded the motion. All in favor; motion passed. The Board and HPM will continue discussion on this motion, including creating an appropriate resolution in compliance with the governing documents, at the Board meeting following the annual meeting.

The resolution and association policy language provided in Addendum IV was written by Mr. Bill Pinna and submitted to the Association's attorney for review to ensure it is in compliance with the governing documents. Upon approval from the attorney, the Board would like to move forward with adopting the resolution and association policy as presented. The owners present discussed the proposed language. It was requested to make one change to the document to what "long term" is defined as. A long term renter should be defined as a renter residing 60 days or more in a particular unit. Therefore, the language will be changed to reflect "60 days or more" and "one month" will be removed from the language.

All Board members and owners present voted unanimously to adopt Addendum IV into the Declarations for Crail Creek Club Condominiums.

Mr. Krieg and Mr. Pinna explained the owner is the responsible party and will be responsible for obtaining the \$2,000 security deposit. This security deposit is above and beyond the normal security deposited requested at time of move in. The HOA will not interface with the renter regarding the \$2,000 security deposit. The HOA will only interface with the owner, and the owner will be responsible for depositing the \$2,000 security deposit with the HOA.

HPM and the Board will move forward in adding the approved resolution to the HOA Declarations.

#### **b. Doors/Windows Amendment to Governing Documents**

**Please refer to Addendum V.** Addendum V is the proposed language to be incorporated into the Declarations. In the current Declarations, the language regarding the responsibility of the exterior windows, entrance and auxiliary doorways and doors (including patio doors and garage doors) is not well defined. However, the individual unit owner is responsible for the general wear and tear and maintenance of the windows and doors. The ONLY time a window is the responsibility of the HOA is when a golf ball has broken a window. The Board was advised by the Association's attorney to better clarify the responsibility of the windows and doors with the proposed language in Addendum V. Therefore, the Board would like to move forward in amending the Declaration with the language in Addendum V.

All Board members and owners present voted unanimously to adopt Addendum V into the Declarations for Crail Creek Club Condominiums.

### **VIII. New Business**

#### **a. BSOA Dues**

As discussed earlier in the meeting, the BSOA has always billed the HOA as a group billing for the 32 Crail Creek Club owners' for the yearly assessment owed to the BSOA. In the past, the Crail Creek Club owners have not received an individual invoice to pay the BSOA dues. This process has changed. The BSOA is no longer able to accommodate a group billing for the Crail Creek Club owners. Beginning in October, 2012, all 32 owners will receive an individual invoice from the BSOA for their annual assessment to the BSOA. The budget was reduced to reflect this change.

There was no other new business to discuss.

**IX. Adjournment**

The meeting was adjourned at 10:15 a.m.

**ASSOCIATION OF THE UNIT OWNERS OF  
THE CRAIL CREEK CLUB CONDOMINIUM**

**FINANCIAL STATEMENTS  
and  
SUPPLEMENTARY INFORMATION**

**June 30, 2012  
and  
December 31, 2011**

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**Lindell & Associates PC**

certified public accountant

### Accountant's Compilation Report

To the Board of Directors of Crail Creek Club Condominium Association:

We have compiled the accompanying statement of assets liabilities and fund balance of Crail Creek Club Condominium Association as of June 30, 2012 and December 31, 2011, and the related statements of revenues, expenses, and changes in fund balance for the periods then ended and the accompanying supplementary information contained in Schedule 1 for the periods then ended and proposed budget for 12 months ending December 31, 2013 which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

Management (the board of directors) has elected to omit substantially all of the disclosures, the statement of cash flows, and the statement of comprehensive income required by generally accepted accounting principles. If the omitted disclosures and statements were included in the financial statements, they might influence the user's conclusions about the Crail Creek Club Condominium Association's financial position and results of operations. Accordingly, these financial statements are intended solely for the information and use by Crail Creek Club Condominium Association members and their Board of Directors, and should not be used by third parties or others who are not informed about such matters.

The American Institute of Certified Public Accountants has determined that supplementary information about the future major repairs and replacements of common property is required to supplement, but not required to be a part of, the basic financial statements. The Crail Creek Club Condominium Association has not presented this supplementary information.

We are not independent with respect to Crail Creek Club Condominium Association.

Lindell & Associates P.C.

July 27, 2012



Crail Creek Club Condominium Association  
Statement of Assets, Liabilities & Fund Balances  
As of June 30, 2012 & December 31, 2011

	6/30/2012			12/31/2011
	Operating Fund	Reserve Fund	Total Funds	Total Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 49,736	\$ 154,569	\$ * 204,304	\$ 207,105
Due (to) from other funds	39,952	(39,952)	0	
Assessments receivable	-	-	-	2,224
Prepaid expenses & other	9,362	-	9,362	0
<b>Total Assets</b>	<b>\$ 99,050</b>	<b>\$ 114,616</b>	<b>\$ 213,666</b>	<b>\$ 209,329</b>
<b>LIABILITIES</b>				
Accounts payable	3,755	-	3,755	35,148
Deferred Revenue	1,789	472	2,261	0
<b>Total Liabilities</b>	<b>5,544</b>	<b>472</b>	<b>6,016</b>	<b>35,148</b>
<b>FUND BALANCE</b>				
	93,506	114,144	207,650	174,181
<b>Total Liabilities &amp; Fund Balance</b>	<b>\$ 99,049</b>	<b>\$ 114,616</b>	<b>\$ 213,666</b>	<b>\$ 209,329</b>

SEE ACCOUNTANT'S COMPILATION REPORT

**Crail Creek Club Condominium Association**  
**Statement of Revenues Expenses and Changes in Fund Balance**  
January 1, 2012 through June 30, 2012

	<u>Operating Fund</u>	<u>Capital Reserves</u>	<u>Total</u>
<b>REVENUES</b>			
Assessments	94,528	25,472	120,000
Finance Charges	3		3
Interest Income	271		271
Total Revenues	<u>94,802</u>	<u>25,472</u>	<u>120,274</u>
<b>EXPENSES</b>			
<b>Administrative:</b>			
BSOA Dues	5,920		5,920
Insurance	4,671		4,671
Incorporation Fee	15		15
Office Expenses	435		435
Accounting/Bookkeeping	2,073		2,073
Legal	175		175
Management	18,065		18,065
<b>Maintenance &amp; Services:</b>			
Chimney Cleaning	1,825		1,825
Fire Sprinkler Inspection/Repairs	-		-
Grounds	7,685		7,685
Maintenance	8,849		8,849
Snow Plowing	4,100		4,100
Snow Shoveling	-		-
Snow/Ice Damage	-		-
Supplies	27		27
Tree/Bush Replacement	-		-
Window Replacement	-		-
Window Washing	-		-
Electric - Bylin	9,266		9,266
Electric - Lights	837		837
Firewood (Paid by Owner)	-		-
Trash	6,916		6,916
Water/Sewer	2,180		2,180
Contingency	-		-
<b>Total Operating Expenses:</b>	<u>73,038</u>		<u>73,038</u>
<b>RESERVE EXPENSES</b>			
Capital Expenses		21,398	21,398
<b>TOTAL EXPENSES</b>	<u>73,038</u>	<u>21,398</u>	<u>94,436</u>
<b>REVENUES OVER EXPENSES</b>	21,764	4,074	25,838
<b>Fund Balances at January 1, 2012</b>	71,742	110,070	181,812
<b>Fund Balances at June 30,2012</b>	<u>93,506</u>	<u>114,144</u>	<u>207,650</u>

SEE ACCOUNTANT'S COMPILATION REPORT

SUPPLEMENTARY INFORMATION

Crail Creek Club Condominium Association  
Schedule 1 - Budget Comparatives  
2012 Annual Budget, Current Year Actual as of June 30, Variance, 2013 Proposed, 2011 Actual

	2012			2013	2011
	Annual Budget 12 month	YTD Actual 6/30/12	Variance (Over) Under	Proposed Budget 2013	Actual Expenses 12 month
<b>Administrative:</b>					
BSOA Dues	11,520	5,920	5,600	-	11,840
Insurance	27,420	4,671	22,749	16,818	20,389
Incorporation Fee	15	15	0	15	15
Miscellaneous (Uncollectible Dues)	500		500	500	0
Office Expenses (Supl/Postage)	1,000	435	565	1,000	889
Subtotal	40,455	11,041	29,414	18,333	33,133
<b>Professional Fees:</b>					
Accounting	4,050	2,073	1,977	4,050	4,191
Legal	500	175	325	500	0
Management	36,130	18,065	18,065	37,204	36,130
Subtotal	40,680	20,313	20,367	41,754	40,321
<b>Property Maintenance:</b>					
Chimney Cleaning	1,200	1,825	(625)	1,825	1,225
Fire Sprinkler Inspection/Repairs	1,000	0	1,000	1,000	869
Grounds	13,500	7,685	5,815	13,500	13,251
Maintenance	28,000	8,849	19,151	20,000	28,753
Snow Plowing	9,000	4,100	4,900	9,000	8,200
Snow Shoveling	5,500	0	5,500	5,500	6,559
Snow/Ice Damage	1,000	0	1,000	1,000	406
Supplies	750	27	723	500	518
Tree/Bush Replacement (annual)	2,500	0	2,500	2,500	3,052
Window Replacement	2,000	0	2,000	2,000	1,152
Window Washing	4,200	0	4,200	4,200	4,000
Subtotal	68,650	22,485	46,165	61,025	67,984
<b>Utilites:</b>					
Electricity-Lights	1,560	837	723	1,560	1,672
Electric-Bylin	14,500	9,266	5,234	14,500	14,336
Trash	12,700	6,916	5,784	13,000	13,534
Water/Sewer	6,000	2,180	3,820	6,000	6,209
Subtotal	34,760	19,198	15,562	35,060	35,751
Contingency	4,511	0	4,511	5,000	0
<b>TOTAL OPERATING EXPENSES</b>	189,056	73,038	116,018	225,000	177,189
<b>RESERVE EXPENSES</b>					
Capital	50,944	21,398	29,546	63,828	48,636
Subtotal	50,944	21,398	29,546	63,828	48,636
<b>TOTAL EXPENSES</b>	240,000	94,436	145,564	225,000	225,825

Notes: \* 2013 dues based on proposed budget\*

2013 dues: \$5,835.48/year (\$1,458.87/quarter) small unit, and \$8,454.28/year (\$2,113.57/quarter) large unit.

**ADDENDUM II**

**Crail Creek Club**

**Capital Reserve (Disappearing Annual Funding Increase)**

Revised August 2012

Current

Est.

Current Year	2012	Paint/Stain	27,700	(5-year cycle - 2 buildings/year - 1 none)
Fund Balance	134,000	Deck Stain	5,000	(each building deck stained every other year)
2 Bed Room/Yr.	1,576	Roofing	100,000	(30 year cycle beginning in 2017- 2 buildings/year) <b>NOTE: Current estimate is 164,000</b>
3 Bed Room/Yr.	2,297	Asphalt	5,500	(Every 5 years beginning in 2016)
# Units	16	Misc	5,000	(trees, shrubs, etc.) <b>NOTE: To be handled in operating budget</b>
3 BR Multiplier	146%			
Earnings Rate	1.00%			Net of 30% Fed + 6% State
Inflation Rate	3.00%			

<u>Year</u>	<u>Beginning Balance</u>	<u>New Deposits</u>	<u>Fund Earnings</u>	<u>Paint/Stain</u>	<u>Deck Stain</u>	<u>Roofing</u>	<u>Asphalt</u>	<u>Misc.</u>	<u>Ending Balance</u>	<u>Inflation Factor</u>
2012	174,560	61,974	2,055 Y	21,398 Y	5,000 N	0 N	0 N	0 N	212,191	1.000000
2013	173,701	63,833	2,056 Y	28,531 Y	5,150 N	0 N	0 N	0	205,909	1.030000
2014	205,909	65,748	2,388 Y	29,387 Y	5,305 N	0 N	0 N	0	239,354	1.060900
2015	239,354	67,721	2,732 Y	30,269 Y	5,464 N	0 N	0 N	0	274,075	1.092727
2016	274,075	69,752	3,090 N	0 Y	5,628 N	0 Y	6,190 N	0	335,099	1.125509
2017	335,099	71,845	3,710 Y	32,112 Y	5,796 Y	115,927 N	0 N	0	256,818	1.159274
2018	256,818	74,000	2,938 Y	33,075 Y	5,970 Y	119,405 N	0 N	0	175,306	1.194052
2019	175,306	76,220	2,134 Y	34,068 Y	6,149 Y	122,987 N	0 N	0	90,456	1.229874
2020	90,456	78,507	1,297 Y	35,090 Y	6,334 Y	126,677 N	0 N	0	2,159	1.266770
2021	2,159	65,000	347 N	0 Y	6,524 N	0 Y	7,176 N	0	53,806	1.304773
2022	53,806	65,650	866 Y	37,226 Y	6,720 N	0 N	0 N	0	76,376	1.343916
2023	76,376	66,307	1,095 Y	38,343 Y	6,921 N	0 N	0 N	0	98,514	1.384234
2024	98,514	66,970	1,320 Y	39,494 Y	7,129 N	0 N	0 N	0	120,181	1.425761
2025	120,181	67,639	1,540 Y	40,678 Y	7,343 N	0 N	0 N	0	141,339	1.468534
2026	141,339	68,316	1,755 N	0 Y	7,563 N	0 Y	8,319 N	0	195,527	1.512590
2027	195,527	68,999	2,300 Y	43,156 Y	7,790 N	0 N	0 N	0	215,881	1.557967
2028	215,881	69,689	2,507 Y	44,450 Y	8,024 N	0 N	0 N	0	235,603	1.604706
2029	235,603	70,386	2,708 Y	45,784 Y	8,264 N	0 N	0 N	0	254,649	1.652848
2030	254,649	71,090	2,902 Y	47,157 Y	8,512 N	0 N	0 N	0	272,970	1.702433
2031	272,970	71,800	3,089 N	0 Y	8,768 N	0 Y	9,644 N	0	329,448	1.753506
2032	329,448	72,518	3,657 Y	50,029 Y	9,031 N	0 N	0 N	0	346,563	1.806111
2033	346,563	73,244	3,832 Y	51,530 Y	9,301 N	0 N	0 N	0	362,807	1.860295
2034	362,807	73,976	3,998 Y	53,076 Y	9,581 N	0 N	0 N	0	378,125	1.916103
2035	378,125	74,716	4,155 Y	54,668 Y	9,868 N	0 N	0 N	0	392,459	1.973587
2036	392,459	75,463	4,302 N	0 Y	10,164 N	0 Y	11,180 N	0	450,880	2.032794

2037	450,880	76,218	4,890 Y	57,998 Y	10,469 N	0 N	0 N	463,521	2,093,778
2038	463,521	76,980	5,020 Y	59,738 Y	10,783 N	0 N	0 N	475,000	2,156,591
2039	475,000	77,750	5,139 Y	61,530 Y	11,106 N	0 N	0 N	485,252	2,221,289
2040	485,252	78,527	5,245 Y	63,376 Y	11,440 N	0 N	0 N	494,209	2,287,928
2041	494,209	79,312	5,339 N	0 Y	11,783 N	0 Y	12,961 N	554,116	2,356,566
2042	554,116	80,105	5,942 Y	67,235 Y	12,136 N	0 N	0 N	560,792	2,427,262
2043	560,792	80,907	6,012 Y	69,252 Y	12,500 N	0 N	0 N	565,958	2,500,080
2044	565,958	81,716	6,068 Y	71,330 Y	12,875 N	0 N	0 N	569,537	2,575,083
2045	569,537	82,533	6,108 Y	73,470 Y	13,262 N	0 N	0 N	571,446	2,652,335
2046	571,446	83,358	6,131 N	0 Y	13,660 N	0 Y	15,025 N	632,251	2,731,905
2047	632,251	84,192	6,743 Y	77,944 Y	14,069 Y	281,386 N	0 N	349,786	2,813,862
2048	349,786	85,034	3,923 Y	80,282 Y	14,491 Y	289,828 N	0 N	54,141	2,898,278
2049	54,141	85,884	971 Y	82,691 Y	14,926 Y	298,523 N	0 N	(255,144)	2,985,227
2050	-255,144	86,743	-2,118 Y	85,171 Y	15,374 Y	307,478 N	0 N	(578,542)	3,074,783



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**Crail Creek Club Condominiums  
Annual Owners Meeting  
August 31, 2012 @ 9:00 AM**

**Manager's Report**

Thank you so much for allowing Hammond Property Management the opportunity to service the Crail Creek Club Condominiums this year. We have enjoyed the services we have performed at Crail Creek Club and hope they exceed your expectations. Below is a list of projects completed in 2011/2012 outside of routine maintenance. Please review the following:

➤ **Fall/Winter 2011:**

- Cleaned and closed all foundation vents.
- Changed light bulbs throughout the campus.
- Supervised Fire Suppression Systems, Inc. to replace all fire extinguishers at annual inspection.
- Subcontracted IT & M, Inc. to perform annual fire suppression system inspection on units 601-608.
- Repaired broken irrigation head by unit #613.
- Subcontracted IT & M to repair broken sprinkler head at unit #606.
- Performed walkthrough of the campus with Dependable Paint, Inc. to create punch list of areas where spot painting was needed.
- Subcontracted Mountain Home Technology to repair, seal, and add heat to all end unit gutters.
- Removed dead aspen tree.
- Performed touch up paint repairs behind unit #609.
- Repaired soffit at unit #624.
- Pruned bushes throughout the complex.
- Winterized Irrigation System



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- Turned on Bylin Ice Melt System; performed evaluation to ensure ice melt system was working properly throughout the complex.
- Subcontracted Wooden Shoe Builders, Inc. & Steep River, Inc. to replace rotten railings and pickets throughout the complex.
- Covered all water spickets for winter/winterized all outdoor water spickets.
- Performed continuous ice control throughout the complex.
- Subcontracted Williams Plumbing, Inc. to address frozen sewer line at unit #608.

**•Winter 2012:**

- Performed a light check throughout the complex and changed light bulbs where necessary.
- Assisted with repairs for unit #620's inspection report (flashing patch; loose shingle; water stains).
- Monitored Bylin Ice Melt System to ensure it was functioning properly.
- Performed extra cleaning and ice removal of stairs throughout the complex.
- Met with Cornerstone Management, Inc. to address roof leak at unit #632; CMS re-flashed the chimney.
- Subcontracted Mountain Home Technology, Inc. to install a gutter behind unit #609.
- Re-attached down spout at unit #625.
- Performed walkthrough of the complex with Board President, Lance Krieg, to discuss building maintenance items.
- Met with the new owners of unit #620 to review proper method of "firing up" and "shutting down" the condo.
- Shoveled ice/snow on walkways throughout complex.
- Monitored parking lot for ice buildup and kept it presentable.

**•Spring 2012:**

- Removed snow delineators throughout complex.
- Shut off Bylin Ice Melt System.





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- Performed spring walkthrough of grounds.
- Opened all foundation vents.
- Picked up trash throughout the complex and looked for any broken windows.
- Scheduled NPK, Inc. to fertilize grass throughout the complex.
- Scheduled The Little River Company, Inc. to fertilize trees throughout the complex.
- Subcontracted Wooden Shoe Builders, Inc. to repair privacy walls at units #609 and #613.
- Obtained painting estimates from Dependable Paint, Inc.
- Performed spring cleanup throughout the complex (thatching/power raking).
- Realigned downspout at unit #617.
- Installed receptacle cover plate in soffit at unit #624.
- Subcontracted Gallatin Water Works, Inc. to fire up irrigation system; performed repairs on sprinkler heads throughout the complex.
- Repaired gutter at unit #632's entry.
- Initiated HPM Landscape Crew to begin bed maintenance, mowing, pruning, and weed whacking throughout the complex.
- Removed gable vent on the golf course side of unit #630; Subcontracted Wooden Shoe Builders, Inc. to rebuild new gable vent; installed new gable vent.
- Subcontracted Canyon Chimney Sweeps, Inc. to perform annual chimney inspections and cleaning.
- Subcontracted A Touch of Glass, Inc. to perform annual exterior window cleaning throughout the complex.
- Picked up trash throughout the complex.
- HPM worked with Association attorney on 1) amendment to governing documents to clarify responsibility of doors and windows; 2) security deposit resolution for long term renters.

➤ **Summer 2012:**

- Adjusted irrigation heads throughout the complex.



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- Subcontracted Wapiti Landscaping to install sod next to unit #628 and remove dead shrubs along road and golf course; added washed rock to beds where needed.
- Subcontracted Wooden Shoe Builders, Inc. to repair siding at units #602 and #610.
- Subcontracted Bridger View Contracting, Inc. to replace tile steps at units #602/603.
- Consulted with Cashman's Nursery, Bozeman Tree Service, and MSU regarding the outbreak of: 1) gall on willows and 2) fire blight on the cotoneasters. The Board and HPM are working on an organized plan for spring 2013 to address both outbreaks; in fall 2012, many of the cotoneasters will be removed; the areas affected are on the golf course side by the privacy walls.
- Adjusted irrigation heads to comply with water restrictions.
- Caulked gutter above unit #615's garage.
- Subcontracted Bridger View Contracting, Inc. to perform concrete repairs at units #608 and #615.
- Planted additional flowers around the wagon at the entry to the complex.
- Supervised Dependable Paint, Inc.'s spot painting throughout the complex.
- Pruned bushes throughout complex.
- Replaced light bulbs throughout complex.
- Met with Cornerstone Management Services, Inc. to address roof leak at unit #629; CMS re-flashed chimney.
- Supervised Dependable Paint, Inc. repairing areas of water damage inside unit #615's garage.
- Subcontracted Mountain Home Technology to install additional gutters on golf course side units to prevent rotting of privacy walls.
- Assisted Lake Glass, Inc. with window replacement in units 629, 630, and 631.
- Painted all radon fans brown throughout the complex.
- Solicited dryvit repair estimates from multiple contractors.

## **Proposed Resolution for \$2,000 Security Deposit for Long Term Renters**

### Explanation of Resolution

Under Article 6 of the Restated Declaration for Crail Creek Club Condominiums, as signed and executed on the 23<sup>rd</sup> day of July, 2007 and recorded in the Gallatin County Registry, the Association shall function and have the capacity under Article 6.2(d) "to adopt and implement policies for the affairs of the Condominium Association". On recommendation of the Board and the current property management firm of Hammond Property Management, the Association is to begin requiring a security deposit of \$2,000.00 of any owner that intends to rent his or her unit on a long term basis. The \$2,000.00 security deposit would go to the Homeowners Association for any potential damages caused by such long term renter or respective family members. Under Article 6.2(d) the Association has the authority and power to adopt and implement policies for the affairs of the Condominium. Furthermore, pursuant to Article 9, certain other restrictions and rights shall be reserved to the Association. Under Article 9, Leasing, the Declaration states that no owner shall be obligated to rent or lease their unit. In the event an owner of a unit decides to lease or rent their unit for short term or transient accommodations, i.e. a rental term of less than one month, the Association shall have the exclusive right to designate the property management and rental agreement for such rental. Furthermore, long term leases and rentals, i.e. rental terms of one month or more, are not subject to the foregoing provisions. Furthermore, the Association reserves other rights as set forth elsewhere in this Declaration. Pursuant to Article 11, unit owner may only rent or lease their unit as provided in this Declaration. Pursuant to the authority that is given to the Association under Article 6, Article 9 and Article 11 of the Declaration and under the By-Laws promulgated by the Association and the Unit Ownership Act the Association adopts the attached policy with respect to long term rentals.

### **ASSOCIATION POLICY ON LONG TERM RENTALS**

In the event that a unit owner wishes to lease his or her or its unit on a long term basis, i.e. for a rental term of 60 days or more, that unit is subject to the following Association policy provision and that unit owner shall provide, either by requiring from the long term renter or providing separate funds, a security deposit of \$2,000.00 to the offices of the Homeowners Association to be used and provided for reimbursement of any damages that may be caused by the actions of the long term renter and/or any family members or guests, to either the unit itself or the Association's property or any other unit owner's property. The security deposit, as defined in this policy, shall be deposited into a separate account to be held by the current property management firm for the Association. In conjunction with the establishment of that account the property management firm shall develop a checklist to be used in the application of such security funds and enforcement of this policy for the benefit of the Association or other unit owners. Upon the expiration of the long term rental the unit owner and the property manager for the Association and an Association representative, whenever practicable, shall meet to address any damages through vandalism or otherwise that may have affected the homeowner's unit, the Association's property or other unit owner's property. The meeting shall take place within 30 days of the termination of the lease and a checklist shall be provided to the unit owner and the long term renter describing the application of any portion of the security deposit to reimburse and compensate for damages from vandalism or otherwise to above referenced property and to the extent that there are no damages, then that portion, up to the full amount of the security deposit, shall be returned to the long term renter and properly documented by correspondence from the property manager. If for any reason the unit owner does not collect the required security deposit from the long term renter, then the owner agrees to be responsible for any damage caused by the long term renter to the Association's property or to other unit owner's property. The undersigned unit owner executes this Resolution this \_\_\_\_\_ day of \_\_\_\_\_, 2012, with the understanding that this shall become an Association policy fully enforceable under the Restated Declaration for the Crail Creek Club Condominiums and to that extent, the unit owner hereby agrees to abide by such policy and all the requisite rights that the Association may have to enforce such policy against the unit owner.

\_\_\_\_\_  
(SEAL)

Please review and sign the policy on long term renters and return the original in the envelope provided to the Property Management firm for the Association.

## **Proposed Clarification to Crail Creek Club Declaration**

### **Article II – Definitions**

#### **Section 7 – Common Elements**

c) Limited Common Elements pertinent to individual Units: as used in this declaration shall include the exterior windows, entrance and auxiliary doorways and doors, including those to patios and terraces, and the garage doorways and doors. These elements and their maintenance are the responsibility of individual Unit Owners to repair or replace as needs dictate, conforming in style and quality to the remainder of the Units. Notwithstanding the foregoing, the Association shall bear the expense of replacing or repairing windows damaged by golf balls, or as part of a general reconstruction required as the result of disaster, including but not limited to fire, hail, windstorm, or earthquake.