

Crail Creek Club Condominiums

PO Box 160099 Big Sky, MT 59716

Annual Association Meeting

September 4, 2009 @ 9:00 am @ Buck's T-4 Lodge

MINUTES

Attending:

Carol McClerkin
Jerry Fishel
Marjorie and Clyde DeShields
Lance Krieg
Joe Rudd
Mike and Kathy Hickey
Tom O'Connor
Bill and Barbara Pinna

Proxy:

Michael Pollard
Barbara Miner
Daniel and Paula McQuillen
Gary and Sarah Walton
Olin and Norma Atkins
David and Linda Graves
Carolyn Flad Santee
James & Yvonne Bell
Howard Schutte
Dustan and Becki McCoy
Raymond Genellie
Alan and Pat Wanderer
Anne Larsen Simonson
Dennis Lockhart
Patrick and Marilyn Muller Aberle
Ken Wilson
Dorothea Williams

Absent:

Dr. John Westcott
Bruce & Kay Pallante
William and Patricia Derrer
Ian Cartwright and Lesley Alderton
Larry and Gail Glenn
John and Linda Squitiero
David and Lizette Leviux-Anglin
Dean Chandler

I. Call to Order:

The meeting was called to order at 9:15 by Jerry Fishel.

- a) Introductions were made around the table. Attending the meeting were the following: Jerry Fishel, Bill & Barbara Pinna, Tom O'Connor, Lance Krieg, Joe Rude, Carol McClerkin, Mike & Kathy Hickey, Clyde & Marjorie DeShields, Mike Schwarzkopf, Scott Hammond, Steve DiTullio, and Alison Gregory.
- b) Quorum was established.

II. Review of August 29, 2008 Minutes:

A motion was passed to accept the minutes as written.

III. Proposed Budget for Fiscal 2010 and Financial Report (Addendum I):

Mike Schwarzkopf presented the financial report for the complex. The year ends for Crail Creek December 31, 2009. Mr. Schwarzkopf feels very positive that the Association will not go over budget in the remaining months of the year. There is \$68,552 left to get the Association through the rest of the year. He was complimentary as to the financial management of the budget for 2009. All owners are paid in full with the exception of one owner. That particular owner just owes current quarter dues. He again complimented the

Association on putting together a thirty year capital reserve plan. It is the "method to the madness". By having this plan in place, Crail Creek allows themselves more than enough to be put aside for necessary projects for the complex.

Mr. Schwarzkopf then continued to the second page of the financials. This page is best described as the "financial health of the Association". This page explains all the expenses of the Association. There is a total of \$84,400 in the operating fund and \$68602 in the capital reserve. In the last quarter, the capital reserve will increase and the income/operating fund will decrease with expenses for the last quarter. The operating fund is projected to be at or around \$80,000 at the end of 2009.

There are concerns with the amount that is being spent on trash. However, there is not much that can be done. Allied is the only trash service for Big Sky. The only other option is to get a dumpster for the complex. Scott Hammond interjected that the cost for a bear proof dumpster would be about \$14,000. Mr. Hammond thought it still to be best to maintain current trash procedures with cans, while he and Steve Ditullio look into the possibility of a central bear proof dumpster.

Mr. Schwarzkopf commented that typically at the end of the year if there are leftover monies in certain line items that money goes to the capital reserve. He asked if there were any questions regarding the budget. There were none. Mr. Schwarzkopf thanked everyone for their participation.

Carol McClerkin made a motion to approve the budget. Bill Pinna & Mike Hickey seconded the motion. All in favor; motion passed to approve the proposed budget.

IV: Property Manager's Report: (Addendum II)

Mr. Hammond discussed the list of projects completed at the complex this year. He thanked everyone for their participation and expressed his enjoyment working with this complex. It is HPM's flagship complex. A few items he talked about in detail were the following:

- Mr. Hammond did express his disappointment in the contractor Jim Schwalbe this year with regards to the landscaping. He really had to consistently contact Jim and did not get the positive feedback he had hoped for. Mr. Hammond did contact another contractor, Cashman's. Jim did catch wind of that and improved his performance with the complex. Mr. Hammond made apologies for all of that. Mr. Hammond commented that Crail Creek did a great job with their line item with landscaping.
- HPM did take over some duties with landscaping and kept Precision Lawn Care for mowing of campus.

- Discussed fiber optic cable project and his goal of getting rid of all satellite dishes once this fiber optic cable project is complete in a few years.
- Discussed the issues this year with the window failures. Windows are considered individual owners concerns. Mr. Hammond advised all owners to replace out of warranty windows and with replaced windows, make sure they have a five year warranty. Mr. Pinna suggested installing screens to help extend the life of the windows.
- Mr. Hammond discussed difficulty with sliding glass door handles. He said that the door handles are over engineered and that every owner has had trouble with the sliding door. Mr. Hammond offered to all to contact him with those that would like to pay small fee to have a sub contractor of HPM to ease the difficulty of the door handle by fixing the latch.
- Mr. Hammond touched on the drainage issue that has taken place along Curley Bear road near the cul-de-sac. Mr. Hammond obtained a quote of \$5,200 to get this repaired and fixed for good. He thinks the Association should go ahead and get this done. Then it will drain properly and will mimic other dry creek beds around the complex. Mr. Fishel made a motion to get this project completed. Mr. Pinna seconded the motion. All in favor; motion passed.
- The last item Mr. Hammond discussed was the Crail Creek Club sign. Normally, HPM pulls the sign off twice a year to sand blast the sign and paint the sign. However, this year Lance Krieg took it upon himself to take the sign down and clean it up. Many thanks to him for doing that. It is much appreciated! Everyone chimed in to say thank you and give appreciation.

V: Fire Suppression Sprinkler Status for Condos 601-608:

There is one building that will maintain the fire suppression sprinkler system. After receiving all necessary votes from owners, building with units 605-608 will maintain the system. Building with units 601-604 will shut the system down. None of the recalled heads have been replaced yet. That process halted until the votes came in.

The owner of unit #607, Joe Rude, explained that he voted for the system to be maintained because his unit is a rental unit. He cannot afford to run the risk of a tragedy and therefore a risk of negligence and then be held responsible. He does not want the casualty to be "his". He went on to further say that if the system was shut off and the BOD wanted to be responsible for that casualty, then okay. However, the BOD did not want the Association to have that responsibility and therefore, the system will be kept active.

Mr. Pinna said that the entire BOD agreed that heads should not leak and not go off in the building where the system would be re-activated. Therefore, the heads will

be replaced and the system turned on in that particular building with units 605-608. Mr. Pinna stated that it is appropriate to get a waiver for each owner to be responsible for their own unit and sprinkler heads. Mr. Fishel stated that the BOD will involve their insurance company to produce a waiver for each individual unit owner to be responsible if sprinkler head has a problem (this is after the recall sprinkler heads have been replaced).

In going forward, the BOD, HPM, and the insurance company will produce a waiver that states the following: the four owners that have reactivated system and when that reactivation happens, the company that is involved needs to make representation that they will take responsibility for the sprinkler heads. The Association does not need to be involved with the responsibility for any malfunction of the heads if it were to happen.

VI: Election of Board of Directors:

The positions are as follows of the current board:

- J. Fishel-President
- D. McQuillen-Treasurer
- B. Pinna-Secretary
- R. Genellie
- T. O'Connor

The only opening at this time is D. McQuillen's position. He is selling his condo and no longer will represent as a Board of Director. Therefore, Mr. Krieg would like to take his place. Mr. Rude made a motion to replace Mr. McQuillen with Mr. Krieg and keep the rest of the Board as it stands. Mr. Hickey seconded the motion. All in favor; motion passed.

VII: New Business:

No new business to discuss.

VIII: Adjournment:

Meeting was adjourned at 11:00 am.

**The Crail Creek Club
Owners Association**

2009 ANNUAL MEETING TREASURER'S REPORT

1. **CASH BALANCES**

The association has \$63,324.22 in cash as of August 24, 2009 in the operating account with Big Sky Western Bank, and \$87,490.01 in the reserve account also with Big Sky Western Bank.

Capital Reserves balance at the beginning of the year was \$33,355 and has been additionally funded with \$34,965 in membership capital assessments during the first three quarters of 2009 in accordance with amount scheduled per the 30-year capital reserve plan established by the board. The account has also earned interest of \$282. There have no reserve expenses to date for 2009, leaving current capital reserve balance at \$68,602. The 4th quarter assessment will be billed 10/1/2009 and add an additional \$11,655 to the reserve fund for projected 12/31/2009 balance of \$80,257 assuming no reserve expense.

2. **ASSESSMENTS RECEIVABLE**

As of August 24, 2009, the accounts receivable balance from owners was \$2,187.74. Outstanding balance is comprised of one account that is 30-60 days past due. One unit experienced foreclosure and the board determined the amount due from the delinquent owner was uncollectible and wrote off \$5,056.

3. **ASSESSMENTS AND OTHER INCOME**

- X Regular assessments totaling \$142,132 for the first 3 quarters of 2009 have been billed for the year ending December 31, 2009.
- X Reserve account interest earned was \$282 through August 24th. Current interest rate is about 0.65%.
- X Capital reserve income is discussed under cash above.

Crail Creek Club Condominium Association
2009 Budget to Actual as of August 24, 2009 and Proposed 2010 Budget
Year Ending December 31, 2009

Addendum I

	Approved 2009	Actual 8/24/09	(Over) Under	Proposed 2010
EXPENSES				
Administrative:				
BSOA Dues	11,520	8,640	2,880	11,520
Insurance	20,100	19,821	279	20,100
Incorporation Fee	15	15	0	15
Miscellaneous (Uncollectible Dues)	500	5,056	(4,556)	500
Office Expenses (Supp/Post/Pager)	750	565	185	1,000
Subtotal	32,885	34,097	(1,212)	33,135
 Professional Fees:				
Accounting	4,000	2,094	1,906	4,050
Legal	500	17	483	500
Management	35,075	23,383	11,692	36,130
Subtotal	39,575	25,494	14,081	40,680
 Property Maintenance:				
Chimney Cleaning	1,200	1,175	25	1,200
Fire Sprinkler Inspection	500	187	313	1,000
Grounds	14,000	9,254	4,746	14,000
Maintenance	36,000	16,506	19,494	36,000
Snow Plowing	9,000	4,100	4,900	9,000
Snow Shoveling	1,500	0	1,500	1,500
Snow/Ice Damage	1,000	1,481	(481)	1,000
Supplies	750	196	554	750
Tree/Bush Replacement (annual)	3,000	0	3,000	3,000
Window Replacement	2,000	715	1,285	2,000
Window Washing	5,500	4,200	1,300	5,500
Subtotal	74,450	37,814	36,636	74,950
 Utilities:				
Electricity-Lights	1,600	1,029	571	1,800
Electric-Bylin	15,000	13,441	1,559	15,500
Trash	12,000	6,999	5,001	12,000
Water/Sewer	5,500	2,084	3,416	5,500
Subtotal	34,100	23,553	10,547	34,800
Contingency	8,500	0	8,500	11,000
TOTAL OPERATING EXPENSES	189,510	120,958	68,552	194,565
 RESERVE EXPENSES				
Capital	46,620	0	46,620	48,020
Subtotal	46,620		46,620	48,020
			0	
TOTAL EXPENSES	236,130	120,958	115,172	242,585

For Management Discussion Only

Crail Creek Club Condominium Association
Statement of Revenues, Expenses, and Changes in Fund Balance
As of August 24, 2009
Year Ending December 31, 2009

	<u>Operating Fund</u>	<u>Capital Reserves</u>	<u>Total</u>
REVENUES			
Operating Assessments	142,132		142,132
Capital Assessments		34,965	34,965
Reserve Interest		282	282
Total Revenues	<u>142,132</u>	<u>35,247</u>	<u>177,379</u>
EXPENDITURES			
Administrative:			
BSOA Dues	8,640		8,640
Insurance	19,821		19,821
Incorporation Fee	15		15
Miscellaneous (Uncollectible Dues)	5,056		5,056
Office Expenses	565		565
Accounting/Bookkeeping	2,094		2,094
Legal	17		17
Management	23,383		23,383
Maintenance:			
Chimney Cleaning	1,175		1,175
Fire Sprinkler Inspection	187		187
Grounds	9,254		9,254
Maintenance	16,506		16,506
Snow Plowing	4,100		4,100
Snow Shoveling	0		0
Snow/Ice Damage	1,481		1,481
Supplies	196		196
Tree/Bush Replacement	0		0
Window Replacement	715		715
Window Washing	4,200		4,200
Utilities:			
Electric - Bylin	13,441		13,441
Electric - Lights	1,029		1,029
Firewood (Paid by Owner)	0		0
Trash	6,999		6,999
Water/Sewer	2,084		2,084
Contingency	0		0
Total Operating Expenditures:	<u>120,958</u>		<u>120,958</u>
RESERVE EXPENDITURES			
Capital Expenses		0	0
TOTAL EXPENDITURES	<u>120,958</u>	<u>0</u>	<u>120,958</u>
REVENUES OVER EXPENDITURES	21,174	35,247	56,421
BEGINNING FUND BAL @ 12/31/2008	63,226	33,355	96,581
Fund Transfers			0
ENDING FUND BAL @ 8/24/2009	<u>84,400</u>	<u>68,602</u>	<u>153,002</u>

For Management Discussion Only

Crail Creek Club Condominium Association
Balance Sheet
As of August 24, 2009

	Aug 24, 09
ASSETS	
Current Assets	
Checking/Savings	
Big Sky Western	63,324.22
Reserve Account	87,490.01
Total Checking/Savings	150,814.23
Accounts Receivable	
Accounts Receivable	2,187.74
Total Accounts Receivable	2,187.74
Total Current Assets	153,001.97
TOTAL ASSETS	153,001.97
LIABILITIES & EQUITY	
Equity	
Retained Assessments	96,581.75
Net Income	56,420.22
Total Equity	153,001.97
TOTAL LIABILITIES & EQUITY	153,001.97



Crail Creek Club Condominiums

Annual Meeting

September 4, 2009 @ 9 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 and hope they exceed your expectations. Below is a list of projects completed in 2009 outside of routine maintenance. Please review the following:

- ④ Repaired roof leak at unit 601.
- ④ Implemented annual tree and bush replacement.
- ④ We initiated a new landscape maintenance program summer 2009. We retained Precision Lawn Care for lawn mowing services and handled all of the pruning, flower bed maintenance, and weeding at the complex.
- ④ Refreshed cedar beds and washed rock beds.
- ④ Handled Mlaskoch, Vantage Point Solutions, and 3 Rivers with regards to the fiber optic cable installation.
- ④ Coordinated the warranty replacement of over 81 failed windows.
- ④ Fixed missing siding on the side 613.
- ④ Repaired railing at unit 602.
- ④ Constructed jack leg fence behind 613 and 614 to mitigate golf course traffic.
- ④ Deck, privacy wall, and bench sit rebuilt with pressure treated lumber and appropriate flashing at unit 616.
- ④ Diverter work north facing shed roof.
- ④ Worked with the BOD through foreclosure/short sale procedures at the complex.
- ④ Completed annual replacement of fire extinguishers at all units.

- ② Power washed and sanded 16 condo's decks.
- ② Took care of broken windows from golf balls for units 612, 614, and 629.
- ② Replaced photo cell eye on unit 619.
- ② Replaced rotten belly bands where necessary.
- ② Performed stucco and flashing repairs on two roadside units as well as implemented preventive maintenance on north facing stucco chimneys.
- ② Sprayed the Katoni Asters with appropriate pesticide (infestation).
- ② Spot painting throughout.
- ② Broken gutter repair.
- ② Obtained quote to repair drainage issue along Curley Bear road near cul-de-sac.

As always, it has been our pleasure serving the Crail Creek Club Condominiums. Thank you for allowing us to be your management company.

Sincerely,

Hammond Property Management