

Crail Creek Club Condominiums
PO Box 160099 Big Sky, MT 59716

Board of Directors Meeting
March 21, 2012 @ 10:00 am

Held by Teleconference and meeting at Hammond Property Management's Office

Minutes

I. Call to Order

The meeting was called to order at 10:10 a.m. by Lance Krieg.

II. Roll Call

The following Board members were in attendance: Lance Krieg, Jerry Fishel, Bill Pinna (via conference call), and Bo McClerkin (via conference call).

Also in attendance were Scott Hammond, Steve DiTullio, and Alison Gregory from Hammond Property Management, Inc.

III. Financials

a. Review 2011 Year End Financials (Please refer to Exhibit 1)

The Association performed well for 2011. The Association ended the year under budget by roughly \$12,000. The capital reserves ended right on target, slightly under budget by about \$800. Mr. Krieg stated his biggest concern is the Association having a sizable amount set aside for the roof replacement. Though the Association has about 8 years before the roof replacement needs to take place, Mr. Krieg would like to see any extra money and/or surplus to go to the capital reserve for the roof replacement.

Therefore, Mr. Krieg made a motion to move the \$12,000 surplus from 2011 to the capital reserves. Mr. Pinna seconded. All in favor; motion passed.

b. Review "To-Date" Budget to Actual (Please refer to Exhibit 2)

Mr. Hammond presented the current budget to actual for time period 1/1/2012-3/15/2012. Due to the light winter this year, Mr. Hammond felt confident the Association would see savings in the electric/Bylin line item for the Bylin Ice Melt System.

The budget is on track so far for 2012. There was no further discussion or questions on the budget to actual.

c. BSOA Dues

Unit owners need to be advised that the October, 2012, BSOA dues will be billed directly, as the BSOA's accounting and collection procedures no longer accommodate a group billing. The Crail Creek budget for 2013 will remove this item and lower the individual unit owners' assessments accordingly, but individual unit owners must be aware that the BSOA bill will be coming and will need attention and payment for them to remain in good standing with the community owner's association. This change will be communicated and can be discussed further at the annual meeting

IV. Discussion of Possible Amendment to Governing Documents regarding Doors and Windows

The Board and Hammond Property Management, Inc. have received communication and questions from owners questioning the responsibility of the windows and doors. Some individual unit owners have questioned whether or not windows and entry and garage doors might be repaired or replaced by the HOA. Historically, these have always been the responsibility of the individual unit owners, though our Bylaws and Declarations do not address these issues specifically.

Therefore, Hammond Property Management, Inc. will contact the Association's lawyer and see if further clarification in the governing documents is necessary.

V. Status of \$2,000 Security Deposit Policy

At the Annual Owner's Meeting in September 2011, the Board implemented a policy to govern long term renters with security deposits and apply those security deposit funds for damage that may involve Association property. Mr. Pinna offered to create a resolution with the implementation of the security deposit for long term renters as well as the application of the security deposit funds for any damage that may occur on Association property. Mr. Pinna presented the resolution to the Board and HPM. The Board approved of the presented resolution.

Therefore, HPM will submit this resolution to the Association's lawyer along with the amendment to the governing documents for responsibility of windows and doors. The lawyer will incorporate both into the governing documents.

Upon completion of adding both the security deposit resolution and amendment for windows and doors, both will need to be adopted by the homeowners. As stated earlier, the owners will be provided with the appropriate information prior to the Annual Owners Meeting. It is the goal of the Board to also vote the security deposit resolution into the governing documents.

VI. Management Update

a. 2012 Project List with Estimated Costs (Please refer to Exhibit 3)

Mr. Hammond and Mr. DiTullio performed a walk around at the campus with the President, Lance Krieg. After completion of the walkthrough, Mr. Hammond and Mr. DiTullio created a 2012 Project List. The project list outlines what HPM and the Board would like to see accomplished summer 2012. The Board approved of the project list. Each project will be addressed summer 2012. The goal is to save the Association about \$30,000 in maintenance and painting. For the projects listed for summer 2012, costs will most likely not exceed \$30,000, as the goal for painting is \$15,000 and for all other maintenance is \$15,000.

VII. Adjournment

The meeting was adjourned at 10:45 a.m.

Crail Creek Club Condominium Association
 Schedule 1 - Budget to Actual
 Year Ending December 31, 2011

	Approved 2011	Actual 12/31/11	(Over) Under
EXPENSES			
Administrative:			
BSOA Dues	11,520	11,840	(320)
Insurance	27,420	22,092	5,328
Incorporation Fee	10	15	(5)
Miscellaneous (Uncollectible Dues)	500	0	500
Office Expenses (Supl/Postage)	1,000	889	111
Subtotal	<u>40,450</u>	<u>34,836</u>	<u>5,614</u>
Professional Fees:			
Accounting	4,050	4,191	(141)
Legal	500	0	500
Management	36,130	36,130	0
Subtotal	<u>40,680</u>	<u>40,321</u>	<u>359</u>
Property Maintenance:			
Chimney Cleaning	1,200	1,225	(25)
Fire Sprinkler Inspection/Repairs	1,000	869	131
Grounds	14,000	13,251	749
Maintenance	30,000	28,753	1,247
Snow Plowing	9,000	8,200	800
Snow Shoveling	1,500	6,559	(5,059)
Snow/Ice Damage	1,000	406	594
Supplies	750	518	232
Tree/Bush Replacement (annual)	3,000	3,052	(52)
Window Replacement	2,000	1,152	848
Window Washing	4,200	4,000	200
	<u>67,650</u>	<u>67,984</u>	<u>(334)</u>
Utilites:			
Electricity-Lights	1,560	1,672	(112)
Electric-Bylin	15,500	14,336	1,164
Trash	12,700	13,534	(834)
Water/Sewer	7,000	6,209	791
Subtotal	<u>36,760</u>	<u>35,751</u>	<u>1,009</u>
Contingency	<u>5,000</u>	<u>0</u>	<u>5,000</u>
TOTAL OPERATING EXPENSES	<u>190,540</u>	<u>178,892</u>	<u>11,648</u>
RESERVE EXPENSES			
Capital	<u>49,460</u>	<u>48,636</u>	<u>825</u>
Subtotal	<u>49,460</u>	<u>48,636</u>	<u>825</u>
			<u>0</u>
TOTAL EXPENSES	<u><u>240,000</u></u>	<u><u>227,527</u></u>	<u><u>12,473</u></u>

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 See Accountant's Compilation Report

Crail Creek Club Condominium Association
Statement of Revenues, Expenses, and Changes in Fund Balances
January 1, 2011 through December 31, 2011

	<u>Operating Fund</u>	<u>Capital Reserves</u>	<u>Total</u>
REVENUES			
Operating Assessments	190,543		190,543
Capital Assessments		49,460	49,460
Reserve Interest		218	218
	<hr/>	<hr/>	<hr/>
Total Revenues	190,543	49,678	240,221
EXPENSES			
Administrative:			
BSOA Dues	11,840		11,840
Insurance	22,092		22,092
Incorporation Fee	15		15
Office Expenses	889		889
Accounting/Bookkeeping	4,191		4,191
Legal	0		0
Management	36,130		36,130
Maintenance:			
Chimney Cleaning	1,225		1,225
Fire Sprinkler Inspection/Repairs	869		869
Grounds	15,498		15,498
Maintenance	10,628		10,628
Snow Plowing	8,200		8,200
Snow Shoveling	6,559		6,559
Snow/Ice Damage	406		406
Supplies	518		518
Tree/Bush Replacement	804		804
Window Replacement	1,152		1,152
Window Washing	4,000		4,000
Utilities:			
Electric - Bylin	14,336		14,336
Electric - Lights	1,672		1,672
Trash	13,534		13,534
Water/Sewer	6,209		6,209
Contingency	0		0
	<hr/>	<hr/>	<hr/>
Total Operating Expenses:	160,767		160,767
RESERVE EXPENSES			
Capital Expenses		66,760	66,760
	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	160,767	66,760	227,527
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REVENUES OVER EXPENSES	29,776	(17,082)	12,694
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Fund Balances at January 1, 2011	58,388	108,343	166,731
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Fund Transfers			0
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Fund Balances at December 31, 2011	88,164	91,261	179,425

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Crail Creek Club Condominium Association
Balance Sheet
As of December 31, 2011

	<u>Dec 31, 11</u>
ASSETS	
Current Assets	
Checking/Savings	
Big Sky Western	19,799
CD 11938	100,000
Reserve Account	53,614
Total Checking/Savings	<u>173,412</u>
Accounts Receivable	
Accounts Receivable	3
Total Accounts Receivable	<u>3</u>
Other Current Assets	
Prepaid BSOA	8,880
Total Other Current Assets	<u>8,880</u>
Total Current Assets	<u>182,295</u>
TOTAL ASSETS	<u><u>182,295</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	1,343
Total Accounts Payable	<u>1,343</u>
Other Current Liabilities	
Prepaid Assessments	1,526
Total Other Current Liabilities	<u>1,526</u>
Total Current Liabilities	<u>2,870</u>
Total Liabilities	2,870
Equity	
Retained Assessments	166,731
Net Income	12,694
Total Equity	<u>179,425</u>
TOTAL LIABILITIES & EQUITY	<u><u>182,295</u></u>

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Crail Creek Club Condominium Association
Schedule 1 - Budget Comparison
 January 1 through March 15, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Ordinary Income/Expense			
Operating Expense			
Administrative			
Accounting	687	4,050	3,363
Annual Report Fee		15	15
Insurance	7,293	27,420	20,127
Legal		500	500
Office Supplies & Postage	38	1,000	962
Total Administrative	8,018	32,985	24,967
BSOA Dues		11,520	11,520
Contingency		5,011	5,011
Maintenance & Services			-
Chimney Cleaning		1,200	1,200
Fire Sprinkler Inspection		1,000	1,000
Grounds		13,500	13,500
Maintenance		28,000	28,000
Management	9,033	36,130	27,097
Snow Plowing	4,100	9,000	4,900
Snow Shoveling		5,500	5,500
Snow/Ice Damage		1,000	1,000
Supplies	15	750	735
Tree/Bush Replacement (annual)		2,500	2,500
Utilities			-
Electric - Bylin	4,793	14,500	9,707
Electricity - Lights	281	1,560	1,279
Trash	2,297	12,700	10,403
Water & Sewer		6,000	6,000
Total Utilities	7,371	34,760	27,389
Window Replacement		2,000	2,000
Window Washing		4,200	4,200
Total Maintenance & Services	20,519	139,540	119,021
Total Operating Expense	28,537	189,056	160,519
Other Expense			-
Bylin Reserve Expense			-
Capital Reserve Expense		50,944	50,944
Total Other Expense	-	50,944	50,944
Total Expense	28,537	240,000	211,463

FOR MANAGEMENT DISCUSSION ONLY
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Crail Creek Club Condominiums

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Project List 2012

- **Painting Rotation (Spot Painting)-Dependable Paint and Drywall, Inc.**
 - Units 601-604
 - Units 625-632
 - GOAL/RECOMMENDATION: Spend ½ of \$29,387 budgeted
 - Focus on Southern Exposures
 - Areas with Water Damage throughout complex
- **Re-Stain all “New” Railing Rails and Pickets-Dependable Paint and Drywall, Inc.**
 - TBD on price
- **Dryvitt Repair-Cornerstone Management Services, Inc.**
 - Unit 605
 - \$375-\$500
- **Rebuild Wall-Wooden Shoe Builders, Inc.**
 - Unit 613
 - \$2,000-\$3,000
- **Seal all Masonry Walls-Hammond Property Management, Inc.**
- **Replacement of Tile Steps-Bridger View Contracting, Inc.**
 - Between units 602/603
 - \$5,900 (potential variance in price depending on how smooth the demolition work proceeds)
- **Deck Staining-Dependable Paint and Drywall, Inc.**
 - Unit 629-632
 - Unit 605-608
 - \$4,600
- **Miscellaneous Carpentry**
 - Missing Siding “Bats”
 - Damaged Siding on End Units
- **Landscaping**
 - Landscaping Improvements not to exceed \$2,500
 - Tree/bush replacement

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Crail Creek Club
Contingency Reserve Building Rotation

2009

- **Buildings Completed:**
 - Units 601-604
 - Units 609-612
- **Decks Completed:**
 - Units 601-604
 - Units 609-612
 - Units 617-620
 - Units 625-628

2010

- **Buildings Completed:**
 - Units 605-608
 - Units 613-616
- **Decks Completed:**
 - Units 605-608
 - Units 613-616
 - Units 621-624
 - Units 629-632

2011

- **Buildings Completed:**
 - Units 617-620
 - Units 621-624
- **Decks Completed:**
 - Units 601-604
 - Units 609-612
 - Units 617-620
 - Units 621-624