

# Townhomes at Crail Ranch

PO Box 160099 Big Sky, MT 59716

Annual Meeting  
December 27, 2005  
Bucks T-4 Lodge

*Members Present:*

Mike Scholz  
Brad McLane  
Steve Stephenson (Laura LaRocco)  
Dr & Mrs. Meng  
Scott Hammond  
Mike Schwartzkopf

Quorum was established with 78.13% of members represented either personally or via proxy.

Approval of Last Year's minutes:

It was motioned and approved to accept the minutes of the 2004 annual meeting.

Septic Issues:

Scott Hammond began a discussion and explanation of the history and problems that have plagued units 10,20,30,40 septic lift stations. Scott explained that over the last 18 months multiple service call outs have occurred with occupants of these units regarding toilets malfunctioning, boiler room floor drain back ups, and septic lift station alarms. For the majority of those 18 m both plumbers and septic station repair experts were unable to solve these problems. The problem came to a head this last summer when management considered the possibility of a major excavation of the underground lift stations may be necessary. After a meeting with Mike Scholz, it was suggested that Scott contact the original engineer that designed the system, the sub contractor that installed the system proved to not have enough knowledge to solve the problem. The resulting meeting with the engineer and septic system experts led to a new and clear understanding of the problem and a solution was found. The problem was fixed with properly adjusted lift station floats for probably the first time in the system's operation. We now believe that the problem is finally solved and we hope that this is an end to the problems with the septic concerns for the complex.

## Managers Report:

Scott presented a managers report for the year. With the exception of the septic system problems, it was a quiet year at the Townhomes at Crail Ranch. Scott provided the group details with the propane supply and problems at the complex. There was again another problem with Northern Energy and their equipment and propane supply which caused problems in units 15 and 25. Scott along with Mike Scholz negotiated with Northern Energy to once again pay for repairs resulting from their malfunction. Scott also discussed some trouble with BFI and trouble they caused with the landscaping by backing onto it. This was fixed by BFI at no cost to the association. Scott re-iterated that it has been a pleasure for HPM to serve the Townhomes at Crail Ranch.

## Financial Reports:

Mike Schwartzkopf presented a treasurers report and proposed 2006 budget which is enclosed with this mailing. Most notable in his report was the approximate \$8,000 budget overage in 2005, the majority of this overrun reported by both Mike and Scott was the result of an invoicing error with Northern Energy Propane. Mike explained that this invoicing error was discovered just prior to the meeting, and Scott added that Northern Energy had acknowledged the mistake in billing and will correct the mistake in early 2006 which will result in a check being written to the association. Included with this mailing and minutes will be an updated financial statement with this correction in place. At the conclusion of the report a motion was made to accept the 2006 budget, and it was approved. There was discussion regarding the reserve accounts, Scott explained that it is the intent of the association to set aside funds for three major items: roofing, painting, and driveway resealing. In the past the association has set aside funds for these three items as noted in the enclosed reports. A discussion then took place in regards to how to handle the assessment of reserve funds in the future. Mike Schwartzkopf and Scott both spoke to their experience on how to handle the reserve funds for a complex which is not yet complete. Scott mentioned that the first and foremost expense to come to the association is the painting and that as surprising as it may be the painting of the first buildings could be as soon as two years from now. Mike Scholz referred to his ownership at another complex where they had not properly planned for this expense and showed his concern for that future expense. After further discussion from the group; that instead of determining what those costs could be in the future the association should decide how much money they were comfortable with setting aside for adequate future reserves. A motion was made to allocate \$6000.00 to the reserve funds for the fiscal year 2006. Motion approved.

#### New Business:

Mr. Steve Stephenson owner of unit 55 brought to the meeting a very thorough and impressive proposal package for approval of a dog run. He presented architectural plans and computer aided designs of his proposed dog runs. The presentation was followed by an extensive discussion of dog and condominium ownership and generally how to handle dog ownership at Townhomes at Crail Ranch. (Every owner present was a dog owner). A motion was made to accept Mr. Stephenson's proposal. The motion died for a lack of a second. The board and everyone in attendance thanked Mr. Stephenson for his professional presentation.

Dr Meng had some concerns with his unit regarding a roof leak he had discovered from an ice dam building up on the roof. Scott said that he would look into repairing the problem and more importantly solving the problem in the future by installing new heat tape on the roof. A short discussion took place in regards to installing additional heat tape throughout the complex wherever it may be needed. The board requested that Scott put together a proposal for cost estimations of additional heat tape installations. Scott will present the proposal at a spring board meeting not yet scheduled.

#### Board Member Elections:

A short discussion took place regarding weather or not Mike Scholz the current president may or may not have conflicting interest as he is also an investor in BSR, Inc., the entity that developed and sold Townhomes at Crail Ranch. Mike response to this was that if any member felt that this was the case he would be happy to step down as president, however, he felt that his long membership and involvement in the community, his ownership and involvement with multiple condominium associations over the years was an asset to the Townhomes at Crail Ranch board. Mike also noted that his working relationship with Hammond Property Management was a good relationship as well as the fact the Mike is a year round resident. Multiple comments were made providing Mike support to maintain his position as president by members in attendance. Dr Meng mentioned that he would like to step down as treasurer, but in the absence of any other interest he would continue his role. Josie Erickson who was not present at the meeting and served as secretary over the past year was nominated to maintain her position on the board. A motion was made to re-elect Mike Scholz, President, Dr. Meng as Treasurer, and Josie Erickson as Secretary. Motion accepted.

Meeting Adjourned