



Townhomes at Crail Ranch

PO Box 160099 Big Sky, MT 59716

Annual Meeting December 28, 2006

Minutes

Present:

Mike Sholz (Unit 60), Brad McLane (unit 25) Craig McCoy (Unit 65), Chad Rothacher (Units 68,78,125,135) Josie Erickson (Unit 65), George & Shirley Hagar (Unit 120), Don Kotula (Unit 70), Steve Stephenson (Unit55), Scott Hammond, Mike Schwarzkopf.

The meeting was called to order by President George Hagar at 10:05 am. George welcomed all in attendance and introductions were made. It was determined that quorum had been established with 87.6% represented either in person or via proxy. The minutes from the 2005 meeting were read and Craig McCoy made a motion to approve, seconded by Brad McLane, all in favor. Motion Passed.

Board Member Election:

Currently the by-laws state that the board shall be comprised of three members elected for one year terms. George was just elected at July's special meeting; however, he felt it was prudent for him to throw in the hat for his re-election for a one year term.

George Hagar made a motion that Josie Erickson be re-elected for a one year term, Mike Sholz seconded it, all in favor. Motion Passed.

Don Kotula made a motion that George be re-elected for a one year term. Craig McCoy seconded it, all in favor. Motion Passed.

Josie made a motion that Vince Meng be re-elected for a one year term. Brad McLane seconded it, all in favor. Motion Passed.

George then proposed a change to the current structure of the board to make it a 5 person board with staggering terms. The two new members elected would be elected to a two year term. Josie Erickson made a motion to approve the proposed changes to the board, Don Kotula seconded. All in favor, Motion Passed. George then noted that to his knowledge three people had shown interest in running for the board: Craig McCoy, Virgil Shutze, and Steve Stephenson. Craig and Steve both gave a little background information to the group

and George read a letter sent from Mr. Shutze. Ballots were passed out and each owner present was asked to write in their choices. Scott Hammond tallied the votes and Craig McCoy and Virgil Shutze were elected to the board.

George then expressed that he wanted all to know that the board was an open and friendly board and wanted everyone to feel free to contact any board member with items of concern. He noted that everyone in the complex should have received the covenants when they bought their unit and should have known what they were getting themselves into as far as rules, and we should all try to be neighborly about things.

Septic System and Manager's Report:

Scott explained to the member about the lift stations that service the buildings 10/20 and 30/40. Through a lot of work and investigations it was determined that there was a faulty wire that needed replaced going to the lift stations. Working with a sub-contractor who specializes in waste water systems there was landscaping and asphalt cut through and the wire was repaired with minimal damage and the project went very smoothly. Hopefully this is the last of any problems with that system for a long time to come.

Another item hot in everyone's mind is the lighting on the newer end of the complex. HPM contacted NW Energy and worked with them to get a quote for putting in the lights. BSR partners gave a check to NW Energy to cover that quoted amount. The plans are to install the lights this spring before the final landscaping is completed.

Scott then went through the manager's report, noting that it was another great year with minimal large problems. And as always it has been a pleasure to serve the complex.

Questions were raised regarding the fire sprinkler systems and Scott explained that the sprinkler systems are an association concern, so if people see problems (leaks) with them then they should contact us immediately so we can remedy them. Mr. Kotula asked about window washing and wondered about the interiors. Discussion ensued and it was decided that HPM would get a quote for the interior from the same contractor that does the exterior and offer the option to owners at their own cost. HPM would coordinate that effort and owners will see information on that closer to spring.

Mr. Stephenson asked about getting the gable end work done on some units where that had not been completed and if that was an association or developer concern. The board and the developer will do a walk around of the complex and take care of the issue. It was noted that decks and railings are also an association concern, so if there are issues with those HPM should also be contacted.

Treasurer's Report:

Mike Schwartzkopf explained the budget numbers to the owners. He warned not to be scared by the negative number in the budget to actual page; the budget was built for 10

units and there were more units coming on as the year progressed. The additional units absorbed the costs, if you look at the statement following you see that there was about 41,000 extra. So all in all, Mike explained, the association is in good shape, it was able to eliminate the deficit and have an excess for next year. The reserves are working the same however; painting reserves have been made more aggressive since there is such a short life cycle with painting. Scott chimed in that he hoped to not begin painting until next spring (08) however some discussion occurred causing a rethinking and we will evaluate this spring and may have to begin this year.

A question was raised of where we are storing our reserve funds, and right now they are in the checking account. As that amount builds it may be wise for the board to consider moving it to a CD or money market account to earn some interest.

Moving to the proposed 2007 budget you will see that it allows for dues to stay pretty similar with only about a 100.00 per unit/per year increase. One item that was worth discussing was heat tape issues. Scott talked with a contractor who provided bids breaking down to about \$1,500 to \$2,000 per unit. Scott suggested that we wait and see what this winter brings and then we can talk more intelligently. We have adopted a pretty good roof shoveling plan for the winter and that may be the most efficient way to handle this problem.

Craig McCoy made a motion to approve the budget as written, Don Kotula seconded it. All in favor, Motion Passed.

New Business:

George urged all members to please read all the covenants (bylaws and declarations) and send their comments. We have made two prior requests for this information with only two owners responding. With the minutes of this meeting we are going to enclose an envelope for responses to be sent in. We will be assigning a deadline (again!) and after that we will try and form an ad-hoc committee to compile these requests and move the process forward from there.

Scott did a quick synopsis of the mold remediation and water penetration issue that was discussed at the July meeting. Since that meeting remediation has been completed in all units and they were tested after remediation. In October Montana Microbiological Services was hired to do a follow up visual inspection and reported that everything looked great. Mr Stephenson was concerned that the follow up did not include vacuum tests and it was noted we would have that type of test run in the spring again.

A couple of items to note is that if you need wood delivered to your unit you can call HPM and we can arrange for delivery. Also Scott noted that sometime in the future there should be discussion of a new sign without the real estate advertising on it. Right now there are still 4 units for sale and it should stay in an effort to help those sales; however, maybe this spring when they have sold then we can look at a sign for the complex.

George thanked everyone for the attendance. Meeting was adjourned 11:40 am.