

Pines Condominiums Phase II

PO Box 160099 Big Sky, MT 59716-0099

2013 Annual Owners Meeting

Thursday, August 29, 2013 @ 9:00 am

Big Sky Water and Sewer District Conference Room

MINUTES

Call to Order

Presiding Officer, Walter Kobin called the meeting to order at 9:03 am.

Officers in attendance were Walter Kobin (I-2), Doug Crowther (J-1), and Jana Butler (J-3). Participating owners were Peg Kobin (I-2), Kathryn Rude (J-4), Jack and Judith Bohnenblust (L-3), Douglas Crowther (J-1, via conference call), Cathleen Elledge (K-3, via conference call), Carie McKinney (L-2, via conference call), and Skip Radick (Developer). Also in attendance were Rich Lindell, CPA of Lindell and Associates; Scott Hammond, Beth Hickey and Bethany Davies of Hammond Property Management (HPM).

Determination of a Quorum

Fifty percent of the membership votes are required to conduct the meeting; 100% of the membership votes were present from proxy and those present.

Developer's Report

Skip Radick provided the Developer's Report. The L-1 unit is under contract and the closing should occur in December 2013. There has been a lot of interest in the L-4 unit. However, the market is not ready to start construction on the M building. The Board has asked Radick to complete three projects on the L building. The first was to paint the building, second was to fix the chimney caps, and the third project involved placing grates over the drains of L-2 and L-3. The first two projects are complete. He would like the Board's recommendation for the third project. The original grates were torn out by the snow plow and there are two options for replacement. The first option is just an insert that appears that it could be ripped out again. The second option is customized and welded in place. They have scheduled to have the customized drains installed but he is letting the Board know that there are still no guarantees that the grate will not be damaged or torn out by the snow plow. The Board does not have an issue with the installation of the customized grates and they will monitor them over the course of the season. The project will be complete before the snow falls. Radick has every intention to move forward with the completion of the L building. He apologized to the neighbors for the construction of the L building and there will likely be a short-term parking inconvenience. Once this construction is complete there should not be any additional parking issues until the construction of the M building begins. If anyone has questions about the project, you are welcome to contact him directly.

Financial Review / Treasurer's Report and Proposed Budget

Rich Lindell, CPA, provided the Financial Report as of June 30th. He began by reviewing the Statements of Assets, Liabilities and Fund Balances. There was \$20,409 in cash and \$1,200 in receivables. The total fund balance is \$21,287 which consists of \$3,142 in the operating fund and \$18,145 in reserves.

THESE ARE THE DRAFT MINUTES, THEY WILL NOT BE APPROVED BY THE HOA UNTIL THE NEXT ANNUAL MEETING

Walter Kobin explains the HOA was able to use operating funds to pay for chimney rock repair work by Stoneworx and the owners did not have to be assessed as expressed by the \$9,625 in the betterment reserve column. Please direct any questions to Lindell and Associates at 406-995-2511.

The HOA is currently 75% of the way through the fiscal year. Rich Lindell reviewed the expenses for each category. Under Maintenance & Services the Fire Suppression Maintenance, Landscaping, and Snowplowing are bringing the total over budget for the year. The Reserves are also over budget due to the chimney rock work, roof work and landscaping.

Lastly, Rich Lindell reviewed the proposed budget for 2014, Schedule 2. The 2013 budget accounting for 11 units and the 2014 budget accounting for 12 units are both listed as a budget comparison. Dues for 2014 will remain at \$1000 per quarter per unit (\$4000 annually per unit).

Peg Kobin thanked Rich Lindell for his report.

Manager's Report

Scott Hammond of HPM provided the Manager's Report. As Walter Kobin emphasized, the HOA continues to have an excellent relationship with everyone at HPM. Fire Suppression will need to be checked every year and every unit will need to be recharged every 3 – 4 years. The landscaping upgrade around the L building is due to a substantial payment from the L-2 and L-3 owners. The wood piles are scheduled to be burned and the gutters will be cleaned this fall.

Owners asked HPM to address various issues around the complex. HPM will contact 46°North to see if they can save the unhealthy looking pine trees around the I building. They will ask EL Painting to repaint a chip on the door of J-3.

Approval of the 2012 Annual Meeting Minutes

Jack Bohnenblust made a motion to approve the minutes of the last meeting. Doug Crowther seconded the motion. All were in favor. None opposed. The minutes of the 2012 Annual Owners Meeting were approved.

New Business

Chimney Stonework:

The chimney stonework has been completed.

Stone Walkway Maintenance

On many of the units, the cultured stone around the buildings and the cement around the columns are settling and creating gaps to the foundation. Stoneworx will be contacted to repair the masonry.

Drainage Issues

The grade of the road is much higher than the driveway and garage entrances that are opposite of the road. This results in moisture draining down to the buildings, specifically the K and J buildings. Water from the road, the roofs, and snow melt collects in the courtyard between K-3 and K-2. Due to the negative slope, the landscapers dug a dry well in the front of the court yard; they then filled this with stone anticipating that it would be efficient to drain the flow of water. This remediation has not been effective in preventing the water from collecting in low spots against the foundation. Over time this water can only drain down along the foundation wall.

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Walter Kobin, 46°North Landscaping, HPM, and the excavating company C-Core have determined a way to remove water by essentially building a storm drainage system, but it will cost money. The proposal is to remove all the plantings and stone, dig a hole in the center of the courtyard, drop in a catch basin, feeding into the catch basin will be lines that will channel all the water that comes into the courtyard from the road, roofs, air, then there will be a subterranean channel underneath the catch basin that will drain out in front of the garage of K-3 and K-4 that will drain out the side over the slope into the woods on the far side between the road to the open area and the building.

The Board has asked for estimates from 46°North and C-Core to perform the work. 46°North would remove and store all of the plantings and stone allowing the excavator to immediately dig the trenches and lay the pipes. Once the work is completed 46°North will replant all the plants, replace any damaged plants, and then replace any stones. During this time, they will also install irrigation; the area is not currently irrigated. The excavator would need to tear up a 4 foot wide section of the pavement and the garages to these units may be limited. The consequences of not providing this water remediation could be very significant over time. The construction would infringe on the K building and part of the J building. 46°North provided an estimate for \$2400. The Board has not received the full written proposal from C-Core Excavating, but their rough estimate is \$20,000.

The work will not be performed until every owner has a copy of the proposal to remediate this problem and it will require funding through a Special Assessment of unit owners. Special Assessments require the approval of 75% of the membership. Kathy Rude made a motion to review the options with an engineer and perform cost analysis. Doug Crowther seconded the motion. All were in favor. None opposed. The motion carried. The Board and HPM will thoroughly explore alternatives to remediate the drainage issue prior to presenting the proposal to the ownership.

Board Member Nomination and Election of Officers

All three board member positions are open for election in the 2014 year. Jana Butler is retiring from the Board as of this meeting. The floor is open to nominations to fill the vacant position. Carie McKinney nominated, and then made a motion to elect Judy Bohnenblust to the Board. Kathy Rude seconded the motion. All were in favor; none opposed. The motion carried. Walter Kobin and Doug Crowther would like to run for re-election to the Board of Directors for 2014. Kathy Rude made a motion to re-elect Doug Crowther and Walter Kobin to the Board of Directors. Cathleen Elledge seconded the motion. All were in favor; none opposed. The motion carried. Judy Bohnenblust, Doug Crowther, and Walter Kobin are the 2014 Board of Directors.

Question / Answer Session

Several questions by owners were addressed by the Board. HPM will look into removing the dead pine trees behind the L building. Unless the membership wants an increase in association dues, the Board is comfortable with the Reserves. Skip Radick will finish paving Coniferous Road with the final seal and cover coat when all construction is complete. (Following the Annual meeting, Skip Radick, who already left the meeting, was approached regarding the final seal and cover coat on Coniferous Ct. To that observation he responded that his work on the road was complete, as is.)

Adjournment

Judy Bohnenblust made a motion to adjourn at 10:24am. Kathy Rude seconded the motion. All were in favor. None opposed. The meeting adjourned.