



PO Box 160099 Big Sky, MT 59716

Annual Owners' Meeting
February 14, 2014 9:00 AM
Big Sky Water & Sewer District Building

Call to Order

Presiding Officer Brad Fretz made a motion to call the meeting to order at 9:04 am. Jim Hammelman seconded the motion. All were in favor. None opposed. A quorum was established with 59% of the membership represented in person and in proxy.

Board members in attendance were Brad Fretz of unit 43, Judy Nilon of unit 23, Todd Chapman of unit 55, Jim Hammelman of unit 11. Owners in attendance were Jane Marsh of unit 46 (via conference call), Mary & Barry Brown of unit 20, Jim Colins of unit 23, Jon Christensen of unit 25, Bob Shanks of unit 30, Anne Reid of unit 34, Robert & Sue Merry of unit 35, Frank Alley of unit 36, and Jay Scott of unit 49 (via conference call). Also in attendance were Accountant Rich Lindell of Lindell & Associates, P.C.; Scott Hammond, Ryan Welch and Bethany Davies of Hammond Property Management.

Approval of the 2013 Annual Meeting Minutes

Brad Fretz made a motion to approve the Minutes of the 2013 Annual Meeting. Jim Colins seconded the motion. All were in favor; none opposed. The minutes from the March 15, 2013 Annual Owners' Meeting were approved.

President's Report

Brad Fretz provided the President's Report. 2013 was a good year with no major unanticipated expenses. The Board, therefore, was able to reserve for long term projects such as new roofs and siding. It is important to match the usage with an appropriate expense which the Board believes ultimately is capitalized in the value of the units. Mortgage lenders pay special attention to the percentage of money allocated to reserves when looking to lend money to a potential buyer of a condominium association. Select improvements to the property will continue but the Board will continue to emphasize prefunding the capital reserves.

The macro environment in Big Sky looks good with Cross Harbor Capital recently partnering with Boyne to purchase Moonlight Basin Resort and Spanish Peaks Club Resort. Property values around Big Sky are already increasing. Currently, there are no longer any distressed units at the Spanish Peaks Club Condominiums (SPC) as the last unit closed on February 9th.

Treasurer's Report

Jim Hammelman provided the Treasurer's Report. The Board takes the budget very seriously. They have managed to keep the Budget at \$340,000 for several years and will continue to in 2014.

Financial Report

Rich Lindell presented the financial reports as of year-end December 31, 2013 (please refer to pages 5 - 11). He began by reviewing the Statements of Assets, Liabilities & Fund Balances. There was \$149,809 in cash, up from \$83,358 at fiscal year-end December 31, 2012. The total fund balance was \$165,679 which consists of \$7,688 in the operating fund and \$157,991 in reserves. All owners are paying and are current on their association dues.

Next Rich Lindell moved to the Statement of Revenues, Expenses and Changes in Fund Balances. Across the top you can find the assessments by category for a total of \$340,000. Down the left hand column are the expenses by category through December 31, 2013. The HOA has expended \$252,318 in operating and \$12,350 in reserves for a total of \$264,668. Across the bottom of the sheet, the fund balances in each reserve account total \$165,679 which is up from \$90,281 on January 1, 2013.

Then Rich Lindell reviewed Schedule 1. This schedule shows budget to actual expenses. The first three columns are through December 31, 2013 and the far right three columns show prior year (2012) information. Lindell reviewed the expenses for each category. Overall, the budget is performing well.

Jim Colins would like to see the clubhouse switch from satellite usage to 3Rivers cable television. He would also like to see the entire complex rid of all satellite dishes.

Sue Merry would like to receive her assessments online rather than through the mail as it could be much more convenient to the owner and could potentially save the association a lot of money in postage. Rich Lindell explained that it could actually cost the association more money because his staff would have to then keep email addresses up to date as well as risk the bills get caught in a spam filter. But if owners do want to receive invoices via email, then they should email his office at info@bigskycpas.com and they can receive their invoices through email on a select basis.

Jim Hammelman reviewed the proposed budget for the next fiscal year, Schedule 2 (please refer to page 11). Schedule 2 compares the 2013 budget with the 2014 budget. The total budget remains the same for 2014 as it was for 2013 with a total of \$340,000.

Jim Hammelman discussed the 25 Year Maintenance Capital Plan (please refer to pages 12 and 13). The main focus of this spreadsheet is to help budget the long term maintenance projects such as roof replacement, roads and staining in the next 6 to 10 years. Rich Lindell emphasized the importance of investing money into reserves as it pertains to the salability of condominiums around Big Sky.

Insurance Update

Jim Hammelman provided the Insurance Update. The Board bids out the insurance every year to get better economies for all owners. Total Insurance Company provides the property, casualty, directors and officers coverage, an umbrella policy, and general liability. The insurance premium is held at about \$33,000. Property and casualty insurance is through Holyoke Mutual Insurance.

The freezing cold temperatures of early December caused a leak in a pipe of unit 21 which in turn caused flooding in units 22 and 20. This was the first casualty event to occur with Holyoke Mutual Insurance. The HOA has already received the insurance check to make the necessary repairs.

The owners have a responsibility to keep their heat at or above 55° year round to prevent frozen and cracking pipes and they must keep their boilers maintained. **Owners must maintain \$300,000 in liability insurance as is explained in the Declarations.** This is done so that the Association's policies do not get called immediately, the liability from the owners would be the first layer of insurance, and then the association's policy would be called. It is however the owners' decision whether or not they want to insure the personal items in their unit.

Property Management Report

Scott Hammond presented the Property Management Report (please refer to pages 13 - 15). Satellite dish reduction has been effective throughout the complex. Owner Jim Colins would like the Board to eliminate all the satellite dishes; he believes the Board legally can do so at their discretion. The pond is working as well and naturally as possible. SPC has state licensed water rights for the pond. The clubhouse has been a success and HPM has received a lot of positive feedback about the gym.

Heat tape has been an issue, it requires constant maintenance and nonworking sections are continually replaced. However, original sections of heat tape are the only sections that are no longer working; newer sections that have been added to the system have not yet required replacement.

Several owners had comments about the Property Management. Frank Alley thanked Ryan for placing a 2 x 4 piece of wood in the dumpster area to prop the lids open. Sue Merry would like a sign installed explaining to owners what all can be recycled at the Town Center. Bob Shanks thanked Ryan for the great work that he has done throughout the year; Bob has always received an instant response when calling Ryan Welch. Barry Brown thanked Scott Hammond for being very responsive and terrific to work with when he found a leak in a neighboring unit. Jon Christensen indicated his radon detector always has low readings, confirming the efficacy of the radon fans installed last year. Jim Colins and Jon Christensen are very happy with the work that Shad Powers of Powers Heating does for their boilers when they are inspected during the fall of every year.

2014 Project List

The staining of building seven (units 51-55), building ten (units 48-50), and building eleven (units 43-47) will take place in the spring of 2014. This is estimated to cost a total of \$33,250; however one of these buildings was supposed to be stained in 2013, so the money for one building has already been taken out of the operating budget and is already allocated to the staining reserve.

There is a small patch of concrete near unit two and the trail that will be paved for parking and will fit three extra-long vehicles for an estimated cost of \$2,780. The Board decided there was a major need for parking spaces around the complex, particularly near the "bottle neck" of buildings three (units 8 – 12) and six (units 13-17). The board received one complaint about this decision with specific concern for paving the concrete patch. Anne Reid expressed concern for the fire hydrant that is located near this site and would like the Board to research the stream restrictions for paving an area close to a stream. The Board will be involved with making sure that whoever parks in this spot is a resident of the HOA and is not a nonresident simply accessing the trail system. Jim Colins would like the parking of larger vehicles addressed.

The Board will cover the utility box of unit 37 for an estimated \$1,600. This is the first of several utility boxes that has been deemed an eyesore. Once the first utility box cover is installed, the Board will determine the functionality of the utility box and will accept feedback from owners to decide if they should continue to cover the remaining utility boxes.

In the spring and summer of 2014, the HOA will invest in decorative flower boxes with Annuals and tufted grasses on the front stoops of each building for an estimated annual cost of \$4,080 and HPM will set up a mobile watering system.

Other Business

Jim Hammelman thanks Bob Shanks and Scott Hammond for cleaning up the area behind the golf maintenance shack. Scott Hammond deflected the thanks explaining that although HPM donated some time and vehicles most of this work was performed by Shanks. There is a lot more work to do but Shanks was able to get the golf course to spray for noxious weeds, clean up the abandoned pipe, park in ways around the maintenance shack to make the view less unpleasant, and to plant new grass seed.

Scott Hammond explained the current snow plowing contract with Big Sky Snowman. The current contract expects the parking lots to be plowed at a minimum of 3 inches. Bob Shanks has noticed that at the beginning of the season he plowed prior to 3 inches of accumulation, but recently the snow plow contractor is not as prompt.

Board Member Elections

Brad Fretz made a motion to re-elect Todd Chapman, Jim Hammelman and Judy Nilon for a two year term. Jim Colins seconded the motion. All were in favor; none opposed. The motion carried. Todd Chapman, Jim Hammelman and Judy Nilon have terms set to expire in 2016.

Jane Marsh has resigned from the Board of Directors. Full time resident Bob Shanks has expressed an interest in running for the Board. Brad Fretz made a motion to elect Bob Shanks to complete Jane Marsh's term. Jim Colins seconded the motion. All were in favor. None opposed. Bob Shanks will serve a one year term on the Board of Directors, expiring in 2015.

Several owners concluded the meeting by showing thanks and appreciation. Sue Merry thanked and commended the Board and HPM for protecting their assets. Jim Colins thanked the Board members for all of the time and work invested into the association.

Adjournment

Brad Fretz made a motion to adjourn at 10:40 am. Jim Colins seconded the motion. All were in favor. None opposed. The motion carried.

SPC Condominium Association, Inc.

Financial Statements
As of December 31, 2013 and December 31, 2012
and Supplementary Information



Richard T. Lindell II, CPA

PO Box 160099
Big Sky, MT 59716
406.995.2511
406.995.2307 fax

info@bigskycpas.com

Accountant's Compilation Report

To the Board of Directors and owners of SPC Condominium Association, Inc.:

We have compiled the accompanying balance sheet of SPC Condominium Association, Inc. as of December 31, 2013 and December 31, 2012, and the related statements of revenues, expenses, and changes in fund balance for the year ended December 31, 2013 and the accompanying supplementary information contained in Schedules 1 and 2 for the years ending December 31, 2013, December 31, 2012, and December 31, 2014 which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

Management (the board of directors) has elected to omit substantially all of the disclosures, the statement of cash flows, and the statement of comprehensive income required by generally accepted accounting principles. If the omitted disclosures and statements were included in the financial statements, they might influence the user's conclusions about the SPC Condominium Association, Inc.'s financial position and results of operations. Accordingly, these financial statements are intended solely for the information and use by SPC Condominium Association, Inc.'s members and their Board of Directors, and should not be used by others who are not informed about such matters.

The American Institute of Certified Public Accountants has determined that supplementary information about the future major repairs and replacements of common property is required to supplement, but not required to be a part of, the basic financial statements. SPC Condominium Association, Inc. has not presented this supplementary information.

We are not independent with respect to SPC Condominium Association, Inc.

Lindell & Associates P.C.

Big Sky, Montana
February 10, 2014

SPC Condominium Association, Inc.
Statement of Assets, Liabilities & Fund Balances
As of December 31, 2013 & December 31, 2012

	December 31, 2013			12/31/2012
	<u>Operating Fund</u>	<u>Reserve Funds</u>	<u>Total Funds</u>	<u>Total Funds</u>
ASSETS				
Cash and cash equivalents	\$ 14,718	\$ 135,091	\$ 149,809	\$ 83,358
Due (to) from other funds	(20,980)	20,980	-	-
Assessments receivable	9,027	1,920	10,947	7,522
Prepaid expenses	7,924	-	7,924	3,926
Total Assets	<u><u>\$ 10,689</u></u>	<u><u>\$ 157,991</u></u>	<u><u>\$ 168,680</u></u>	<u><u>\$ 94,808</u></u>
LIABILITIES				
Accounts payable	\$ 3,000	\$ -	\$ 3,000	\$ 3,006
Prepaid Assessments	1	-	1	1,521
Total Liabilities	<u><u>\$ 3,001</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,001</u></u>	<u><u>\$ 4,527</u></u>
FUND BALANCE	<u>7,688</u>	<u>157,991</u>	<u>165,679</u>	<u>90,281</u>
Total Liabilities & Fund Balance	<u><u>\$ 10,689</u></u>	<u><u>\$ 157,991</u></u>	<u><u>\$ 168,680</u></u>	<u><u>\$ 94,808</u></u>

SPC Condominium Association, Inc.
Statement of Revenues, Expenses and Changes in Fund Balances
January 1, 2013 thru December 31, 2013

	Operating Fund	Painting/ Staining Reserve	Roof Reserve	Road Reserve	Bettermnt/ Replacemt. Reserve	Total
Revenues:						
Assessments	\$ 254,940	\$ 19,760	\$ 61,300	\$ 2,000	\$ 2,000	\$ 340,000
Interest Income	66					66
Miscellaneous Income	0					0
New Unit Revenue	0	0	0	0	0	0
Total Revenues	255,006	19,760	61,300	2,000	2,000	340,066
Expenses:						
Administrative	40,163					40,163
Maintenance	183,187					183,187
Recreation & Clubhouse	28,968					28,968
Reserves						
Roof			0			0
Road				0		0
Betterment/Replacement					0	0
Painting/Staining		12,350				12,350
Total Expenses	252,318	12,350	0	0	0	264,668
Excess Revenues over Expenses	2,688	7,410	61,300	2,000	2,000	75,398
Fund Balance Beginning	5,000	20,146	52,627	11,471	1,037	90,281
Fund Balance Ending	<u>\$ 7,688</u>	<u>\$ 27,556</u>	<u>\$ 113,927</u>	<u>\$ 13,471</u>	<u>\$ 3,037</u>	<u>\$ 165,679</u>

Supplementary Information

SPC Condominium Association, Inc.
Schedule 1 - Budget to Actual Comparison

	Current Year: As of 12/31/2013				Prior Year		
	55 Units Budget 12 Months	Actual Expense YTD	(Over)/ Under Budget		55 Units Budget 12 Months	Actual Expense 12 Months	(Over)/ Under Budget
Administrative							
Accounting	6,300	6,222	78		6,300	5,463	2,334
Corporate Fee	15	15	0		15	15	0
Bank Charges	200	125	75		200	0	200
Insurance	33,000	32,569	431		33,000	33,899	(2,392)
Interest Expense	1,000	0	1,000		1,000	0	1,000
Legal	5,000	0	5,000		5,000	0	5,000
Assessment Contingency	5,000	0	5,000		5,000	0	5,000
Miscellaneous	500	0	500		500	504	(5)
Office / Postage	2,500	1,232	1,268		2,500	1,282	1,396
Total	53,515	40,163	13,352	75%	53,515	41,163	12,533
Maintenance							
Building Repairs/Maintenance	3,000	6,065	(3,065)		3,000	3,578	(449)
Electric - Buildings/Icemelt	58,000	47,675	10,325		65,000	40,247	27,587
Fireplace Inspections	4,200	3,225	975		4,200	7,750	(3,550)
Fire Suppression Inspect/Maint	5,500	5,371	129		5,500	4,016	1,484
Garbage	9,800	11,837	(2,037)		9,800	9,886	2,112
Landscaping Maintenance	14,000	14,424	(424)		14,000	17,181	(3,181)
Improvements	2,225	5,529	(3,304)		17,285	15,958	1,327
Management	53,500	53,485	15		53,500	53,485	8,929
Snow Removal - Roads	15,500	17,233	(1,733)		15,500	15,200	300
Roof Shoveling/Maint./Repairs	7,000	14,024	(7,024)		7,000	2,107	4,892
Water/Sewer - Grounds	3,000	4,319	(1,319)		3,000	2,158	842
Total	175,725	183,187	(7,462)	104%	197,785	171,566	40,293
Recreation & Clubhouse							
Electricity	1,900	5,973	(4,073)		1,900	2,961	(655)
License	100	0	100		100	0	100
Propane	10,000	4,268	5,732		10,000	6,644	3,597
Repairs/Maintenance	6,000	10,618	(4,618)		31,000	56,742	(24,666)
Supplies	1,000	905	95		1,000	701	319
Internet Service	600	534	66		600	544	145
Television	1,100	2,440	(1,340)		1,100	1,849	(473)
Water/Sewer	5,000	4,230	770		5,000	3,164	1,959
Total	25,700	28,968	(3,268)	113%	50,700	72,605	(19,674)
Total Operating Budget	254,940	252,318	2,622	99%	302,000	285,334	33,152
Reserves							
Roof	61,300	0	61,300		9,000	0	9,000
Road	2,000	0	2,000		2,000	7,835	(5,835)
Betterment/Replacement	2,000	0	2,000		2,000	11,205	(8,825)
Painting/Staining	19,760	12,350	7,410		25,000	24,700	300
Total Reserves	85,060	12,350	72,710		38,000	43,740	(5,360)
Total Budget	340,000	264,668	75,332	78%	340,000	329,074	27,792

SPC Condominium Association, Inc.
Schedule 2 - Budget Comparison

	<u>Current Year</u>	<u>Next Year</u>
	55 Units Budget 12 Months	Approved Budget 2014
Administrative		
Accounting	6,300	6,600
Corporate Fee	15	15
Bank Charges	200	150
Insurance	33,000	33,000
Interest Expense	1,000	500
Legal	5,000	1,000
Assessment Contingency	5,000	2,500
Miscellaneous	500	500
Office / Postage	2,500	2,000
Total	<u>53,515</u>	<u>46,265</u>
Maintenance		
Building Repairs/Maintenance	3,000	3,000
Electric - Buildings/Icemelt	58,000	52,500
Fireplace Inspections	4,200	4,200
Fire Suppression Inspect/Maint	5,500	5,500
Garbage	9,800	9,800
Landscaping Maintenance	14,000	18,000
Improvements	2,225	9,985
Management	53,500	55,500
Snow Removal - Roads	15,500	17,500
Roof Shoveling/Maint./Repairs	7,000	8,000
Water/Sewer - Grounds	3,000	3,000
Total	<u>175,725</u>	<u>186,985</u>
Recreation & Clubhouse		
Electricity	1,900	6,500
License	100	100
Propane	10,000	8,000
Repairs/Maintenance	6,000	6,000
Supplies	1,000	1,000
Internet Service	600	600
Television	1,100	1,500
Water/Sewer	5,000	4,000
Total	<u>25,700</u>	<u>27,700</u>
Total Operating Budget	<u>254,940</u>	<u>260,950</u>
Reserves		
Roof	61,300	65,050
Road	2,000	2,000
Betterment/Replacement	2,000	2,000
Painting/Staining	19,760	10,000
Total Reserves	<u>85,060</u>	<u>79,050</u>
Total Budget	<u><u>340,000</u></u>	<u><u>340,000</u></u>

SPC Condominium Association, Inc. -- Capital Reserve Sources and Uses of Funds (includes special assessment at 10/01/2009)

Year	Beginning Reserves Balance ⁽¹⁾	New Deposits	Reserve Interest Income	Road Outflows	Roof/Siding Outflows	Painting/Staining Outflows	Betterment Outflows	Inflation Factor	Total Inflation Adjusted Outflows	Reserve Balance Ending	Annual Average Assessment/Unit	Quarterly Average Assessment/Unit
2009	\$22,447	\$25,350	\$0			(\$9,659)	(492)	0.00000	(\$10,151)	\$37,647	\$ 497.06	\$ 124.26
2010	\$37,647	\$76,657	\$0			(\$31,139)	(\$30,000)	1.00000	(\$61,139)	\$53,165	\$ 1,474.17	\$ 368.54
2011	\$53,165	\$55,300	\$0			(\$24,700)	(\$21,000)	1.00000	(\$45,700)	\$62,765	\$ 1,005.45	\$ 251.36
2012	\$62,765	\$66,256	\$0	(\$7,835)		(\$24,700)	(\$11,205)	1.00000	(\$43,740)	\$85,281	\$ 690.91	\$ 172.73
2013	\$85,281	\$85,060	\$0			(\$12,350)	(\$325)	1.00000	(\$12,675)	\$157,666	\$ 1,546.55	\$ 386.64
2014	\$157,666	\$71,000	\$0			(\$33,000)	\$0	1.00000	(\$33,000)	\$195,666	\$ 1,290.91	\$ 322.73
2015	\$195,666	\$86,768	\$3,586			(\$19,317)	\$0	1.03000	(\$19,897)	\$266,123	\$ 1,577.59	\$ 394.40
2016	\$266,123	\$86,768	\$4,643	(\$10,000)		(\$21,480)	\$0	1.06090	(\$31,102)	\$326,431	\$ 1,577.59	\$ 394.40
2017	\$326,431	\$86,768	\$5,547			(\$24,700)	(\$10,000)	1.09273	(\$34,399)	\$384,347	\$ 1,577.59	\$ 394.40
2018	\$384,347	\$86,768	\$6,416			(\$24,700)	\$0	1.12551	(\$27,800)	\$449,730	\$ 1,577.59	\$ 394.40
2019	\$449,730	\$86,768	\$7,397			(\$12,350)	\$0	1.15927	(\$28,634)	\$515,261	\$ 1,577.59	\$ 394.40
2020	\$515,261	\$86,768	\$8,380	(\$10,000)	(\$105,000)	(\$33,000)	(\$10,000)	1.19405	(\$188,660)	\$421,748	\$ 1,577.59	\$ 394.40
2021	\$421,748	\$86,768	\$6,977		(\$100,000)	(\$19,317)	\$0	1.22987	(\$146,745)	\$368,748	\$ 1,577.59	\$ 394.40
2022	\$368,748	\$86,768	\$6,182		(\$100,000)	(\$21,480)	\$0	1.26677	(\$151,147)	\$310,550	\$ 1,577.59	\$ 394.40
2023	\$310,550	\$86,768	\$5,309		(\$80,000)	(\$24,700)	(\$10,000)	1.30477	(\$145,456)	\$257,171	\$ 1,577.59	\$ 394.40
2024	\$257,171	\$86,768	\$4,508	(\$10,000)	(\$100,000)	(\$24,700)	\$0	1.34392	(\$181,026)	\$167,421	\$ 1,577.59	\$ 394.40
2025	\$167,421	\$86,768	\$3,162		(\$100,000)	(\$12,350)	\$0	1.38423	(\$172,614)	\$84,737	\$ 1,577.59	\$ 394.40
2026	\$84,737	\$112,965	\$2,118			(\$33,000)	(\$10,000)	1.42576	(\$61,308)	\$138,513	\$ 2,053.92	\$ 513.48
2027	\$138,513	\$112,965	\$2,925			(\$19,317)	\$0	1.46853	(\$28,368)	\$226,036	\$ 2,053.92	\$ 513.48
2028	\$226,036	\$112,965	\$4,238	(\$10,000)		(\$21,480)	\$0	1.51259	(\$44,345)	\$298,894	\$ 2,053.92	\$ 513.48
2029	\$298,894	\$112,965	\$5,331			(\$24,700)	(\$10,000)	1.55797	(\$49,045)	\$368,145	\$ 2,053.92	\$ 513.48
2030	\$368,145	\$112,965	\$6,369			(\$24,700)	\$0	1.60471	(\$39,636)	\$447,844	\$ 2,053.92	\$ 513.48
2031	\$447,844	\$112,965	\$7,565			(\$12,350)	\$0	1.65285	(\$40,825)	\$527,549	\$ 2,053.92	\$ 513.48
2032	\$527,549	\$112,965	\$8,760	(\$10,000)		(\$33,000)	(\$10,000)	1.70243	(\$90,229)	\$559,046	\$ 2,053.92	\$ 513.48
2033	\$559,046	\$112,965	\$9,233	\$0	\$0	(\$19,317)	\$0	1.75351	(\$33,872)	\$647,372	\$ 2,053.92	\$ 513.48
Totals		\$2,237,791	\$108,646	(\$57,835)	(\$585,000)	(\$561,505)	(\$123,022)		(\$1,721,512)			

⁽¹⁾ Reserves Balance includes Roof Reserve, Road Reserve, Betterment/Replacement Reserve and Painting/Staining Reserve

Denotes actuals

Denotes input tabs; note that some the forecasted outflows are originated from the "Assumptions" sheet unless manually inputed

The deposits for this period cover roof, road, staining and betterment outflows consistent with 2012 approved budget

The deposits for this period cover roof replacement in years 2020-2025, road, staining and miscellaneous outflows

The deposits for this period cover roof replacement in years 2040-2045, road, staining and miscellaneous outflows

SPC Condominium Association, Inc. -- Capital Reserve Sources and Uses of Funds (includes special assessment at 10/01/2009)

Year	Beginning Reserves Balance ⁽¹⁾	New Deposits	Reserve Interest Income	Road Outflows	Roof/Siding Outflows	Painting/Staining Outflows	Betterment Outflows	Inflation Factor	Total Inflation Adjusted Outflows	Reserve Balance Ending	Annual Average Assessment/Unit	Quarterly Average Assessment/Unit
2034	\$647,372	\$112,965	\$10,558			(\$21,480)	\$0	1.80611	(\$34,889)	\$736,007	\$ 2,053.92	\$ 513.48
2035	\$736,007	\$112,965	\$11,887			(\$24,700)	(\$10,000)	1.86029	(\$58,562)	\$802,297	\$ 2,053.92	\$ 513.48
2036	\$802,297	\$112,965	\$12,882	(\$10,000)		(\$24,700)	\$0	1.91610	(\$66,489)	\$861,656	\$ 2,053.92	\$ 513.48
2037	\$861,656	\$112,965	\$13,772			(\$12,350)	\$0	1.97359	(\$48,748)	\$939,645	\$ 2,053.92	\$ 513.48
2038	\$939,645	\$112,965	\$14,942			(\$33,000)	(\$10,000)	2.03279	(\$87,410)	\$980,143	\$ 2,053.92	\$ 513.48
2039	\$980,143	\$112,965	\$15,549			(\$19,317)	\$0	2.09378	(\$40,446)	\$1,068,212	\$ 2,053.92	\$ 513.48
2040	\$1,068,212	\$112,965	\$16,870	(\$10,000)	(\$105,000)	(\$21,480)	\$0	2.15659	(\$289,667)	\$908,381	\$ 2,053.92	\$ 513.48
2041	\$908,381	\$112,965	\$14,473		(\$100,000)	(\$24,700)	(\$10,000)	2.22129	(\$292,055)	\$743,764	\$ 2,053.92	\$ 513.48
2042	\$743,764	\$112,965	\$12,004		(\$100,000)	(\$24,700)	\$0	2.28793	(\$285,305)	\$583,429	\$ 2,053.92	\$ 513.48
2043	\$583,429	\$112,965	\$9,599		(\$80,000)	(\$12,350)	\$0	2.35657	(\$246,732)	\$459,261	\$ 2,053.92	\$ 513.48
2044	\$459,261	\$112,965	\$7,736	(\$10,000)	(\$100,000)	(\$33,000)	(\$10,000)	2.42726	(\$371,371)	\$208,591	\$ 2,053.92	\$ 513.48
2045	\$208,591	\$112,965	\$3,976		(\$100,000)		\$0	2.50008	(\$250,008)	\$75,524	\$ 2,053.92	\$ 513.48

Quarterly Reserve Assessment Analysis By Unit Type

	<u>2009*</u>	<u>2010**</u>	<u>2011***</u>	<u>2012</u>	<u>2013</u>	<u>2014 - 2025</u>	<u>2026 - 2033</u>	<u>51 Units Interest</u>	<u>52 Units Interest</u>	<u>55 Units Interest</u>
A	\$485.35	\$360.90	\$247.34	\$296.35	\$380.45	\$317.57	\$505.27	1.914600%	1.883214%	1.789100%
B	\$447.40	\$332.67	\$227.99	\$273.16	\$350.68	\$292.72	\$465.73	1.764900%	1.735880%	1.649100%
C	\$599.68	\$445.91	\$305.60	\$366.15	\$470.06	\$392.36	\$624.28	2.365600%	2.326784%	2.210500%
D	\$423.14	\$314.65	\$215.64	\$258.37	\$331.69	\$276.86	\$440.51	1.669200%	1.641837%	1.559800%
E	\$503.96	\$374.72	\$256.81	\$307.69	\$395.02	\$329.72	\$524.61	1.988000%	1.955314%	1.857600%
48	\$568.37	\$422.63	\$289.65	\$347.03	\$445.52	\$371.88	\$591.68	2.242100%	2.205312%	2.095100%
49	\$453.26	\$337.02	\$230.97	\$276.73	\$355.27	\$296.55	\$471.83	1.788000%	1.758607%	1.670700%
50	\$522.74	\$388.69	\$266.38	\$319.16	\$409.73	\$342.01	\$544.15	2.062100%	2.028197%	1.926800%

*2009 was principally affected by a one-time special assessment to 51 units in October 2009 to initiate painting of Buildings 1, 2 and the clubhouse

**2010 based on 52 units

***2011 assessment for reserves is reduced due to spreading the reserve assessment over 55 units versus 52 units in 2010



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SPC Condominium Association, Annual Owner Meeting
February 14, 2014 at 9:00 am (MST)
Big Sky Water and Sewer District Building

Property Management Report

Year Round

- Performed routine maintenance on the Clubhouse and dumpster cameras.
- Checked exterior lights and changed light bulbs throughout the complex.
- Monitored the light bulbs and television remote batteries in the Clubhouse.
- Cleaned and consolidated the dumpster areas.

March – June 2013

- Monitored the roof snow and ice impact throughout the season. Hired MT Steamworks to steam the frozen downspouts. And checked heat tape breakers weekly. Then turned the heat tape off at the end of the season.
- Pulled up snow pack from the parking areas with front end loader, then chipped and exposed parking lot sewer drains.
- Performed the spring clean-up with power raking, cleaning the gravel from the parking lots and removing trash from around the complex.
- Laid sod in the lawn where there was snow plow damage.
- Oversaw the Stoneworx installation of cultured stone and the repair of loose and missing stone throughout the complex.
- Installed parking bumpers.
- Hired Canyon Chimney Sweeps to inspect and clean the chimneys throughout the complex.
- Replaced bad photo eyes for exterior lighting at units 23-27 and 43-47.
- Finished satellite dish reduction across campus: Consolidated satellite dishes with Direct TV and removed the dishes at units 1, 23 and 55. Hired Arc Satellite to move and consolidate the dish network dish at units 15 and 16 to the side of the building.
- Installed signage for the cameras at the dumpster building.
- Maintained the pond for the season by applying pond product and feeding the fish weekly.
- Began the landscaping work for the season by walking the campus with the HOA Board. Cut and removed dead trees. Turned the irrigation system on and made repairs where needed.
- Cleaned the bird poop off of building 9 and the windows of unit 28.
- Lone Peak Electric installed motion detectors to activate the lights in the clubhouse.



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- Ordered frames, then created and installed signs in the Clubhouse.
- Prepared the pool and spa for opening by replacing the bad spa pump seal, sanding down the failing pool coping and sealing the concrete pool deck.

July – August 2013

- Scheduled extra garbage pickup services for Independence Day.
- Continued pond maintenance by raking the algae, adding pond products and feeding the fish weekly.
- Serviced the clubhouse cameras and replaced bad photo eyes in the clubhouse and in building 28-32.
- Set the irrigation clocks for water restrictions and adjusted the irrigation needs around units 20 and 21.
- Contracted Wapiti Landscaping to replace a dead aspen tree behind unit 42.
- Met with the Tree Arborist of Bozeman Tree Service to assess the diseased trees and bushes across the complex.
- Worked with the Rules Committee to create the Rules and Regulations, Top Ten Rules and Regulations, and Parking Rules and Recommendations. Then distributed them to owners via email and by placing them in each unit.
- Installed parking bumpers in front of unit 43.
- Replaced the broken electrical cover of unit 23 and the damaged downspout at unit 32.

September – October 2013

- Closed, drained and winterized the pool and spa. Put the pool furniture away. And added towel hooks to the clubhouse shower area.
- Completed final maintenance of the pond by applying pond product, feeding the fish, and cleaning the pump.
- Completed a final landscaping walkthrough with the Board. Then had the HPM landscaping crew trim the growth around the creek area.
- Worked with Sam Woodger from the golf course to clean up the maintenance area.
- Hired Dependable Paint to stain units 38-42.
- Pulled and stored the parking blocks from the parking lot, installed the “Thin Ice” signs around the pond, and straightened the entry signs.
- Security fire fixed the cracked fire suppression pipe and Old World Accents finished drywall damage repair to unit 18.
- Worked with Powers Heating to perform annual boiler inspections.
- Employed Better Body Fitness to repair the elliptical machine in the clubhouse and to provide an estimate for an additional elliptical machine.
- Hired Dayspring Restoration to perform dryer vent cleanings to all the units.



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November 2013 – January 2014

- Hired Security Fire to perform the annual fire suppression inspections.
- Checked the propane levels for the clubhouse.
- Ordered Bird-b-gone spikes for the tops of buildings.
- Chipped and exposed the parking lot drains for proper water drainage.
- Filled the pond and installed an air compressor for the fish, then turned the water fall off due to a leak.
- Turned on the heat tape throughout the complex.
- Hired Montana Steam Works to steam the roof of unit 24. Then HPM changed 92 feet of heat tape cable on the roof of unit 24, replaced a failed heat tape breaker on unit 12 and an ineffective heat tape contactor on unit 13.
- Contacted BSWS to isolate a break in the main fire suppression line of unit 21. Coordinated with Anderson Enterprises to clean up damage from the leak and filed a claim with the HOA insurance company.
- Requested an extra trash pickup for the Holidays.
- Posted violation notices for vehicles that have not moved for snow removal.
- Posted a violation notice on unit 13 for a grill on the deck.
- Found a pinhole leak in the old irrigation meter of unit 44. Met with BSWS to shut off the main line. Replaced the cap to stop the leak.
- Hired Gallatin Valley Heating to repair an electric mix valve for the heating system in the Clubhouse.
- Mountain Home Electric re-spliced and fixed a bad heat tape connection on the panel of unit 7 that was tripping the breaker.