



Unit Owner's Association, Inc.

Board of Directors Meeting Agenda
Wednesday October 5, 2022 4PM MDT
Via Go To Meeting

Call to Order: With all Board members present, the meeting was called to order at 4:01 MDT.

Board members present virtually included Rennie Fleckman Unit 33 (President), Kim Northrop Unit 47 (VP), John Baderman Unit 65, Tuck Mallery Unit 57 (Treasurer) and Melissa Warnock Unit 23 (Secretary).

Owners present included Joan & Keith Englund Units 3 and 7, Jim Smedsrud Unit 4, Todd and Tracey Lovshin Unit 14, Phil Russell & Sue Frederickson Unit 36, Vincent Chevalier Unit 48, Brent Cromley Unit 55, Ethan Jordan Unit 49, Tim Johnson Unit 54, Lila Prigge Unit 56, and Jeanne Frischman Unit 60, Brian Crawford Unit 24, Adrienne Bavosa Unit 28, Kathy Burnham Unit 40, and Kaia Thomas Unit 53.

Also present were Jim Goveia of Montana Construction Management (Owners' Representative); Robbeye Samardich of Hammond Property Management.

Construction Report: Jim Goveia (MCM) presented the construction report.

Decks: eleven decks to be completed; nine waiting for steel beams (34, 35, 39, 54, 59, 60, 65, 66, 67)

Siding: Building A-80 % sided; Building B- 60% sided; and Building C4- 80 % sided.

Garage Doors: six to complete: 24, 28, 32, 67, 68, 69

Stoops: Nearly finished

Radon systems: Nearly finished

Lastly, clearing of the site and punch list items.

Construction is on schedule to complete the project in 2022. Hopefully, weather and worker availability will cooperate for this to happen. Langlas is committed to the November 15th completion date.

The reports are posted on the Hammond Property Management website at <https://hpmmontana.com/> with the password **bighorn**.

Loan Information: Rennie Fleckman presented the FAQ sheet pertaining to the loan increase; attached to the meeting minutes.

The Proposal to Increase the Big Horn Siding Loan by \$1.5 million has passed the required number of 46 units, 53 Units voting in Favor and zero units opposed.

The Annual Meeting is scheduled for December 14, 2022, at 3pm.



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The Meeting was adjourned at 5:03 PM, MDT.

DRAFT



FAQ October Open Board Meeting
October 05, 2022

Q: What is the amount of the new loan?

A: \$1,490,930 is the net amount of the loan that will be available to the HOA. The Loan increase covers previously disbursed non-Langlas expenses and thereby provides a cushion for the HOA to cover debt service to the bank during the construction period of the Loan.

Q: Will the new loan cover all the remaining costs of the Project?

A: The new loan proposal (see Appendix 1) is now in the Construction Loan Department for finalization. As near as the Board, the accountant and the First Security Loan Officer can determine, the new loan should cover the siding costs of the project - both Langlas and non-Langlas support.

Q: What are the Loan Terms?

A: The original Bank Loan document is on the website. The Loan terminates 06/01/2031. The principal is amortized over 18 years, so at the end of the Term there will be a requirement to either pay off or refinance the loan. Owners can elect to pay off all or a portion of the loan on their unit at the beginning of the term and annually thereafter.

Q: What is amount of Debt Service added by the new Loan?

A: The Bank hasn't issued the loan terms yet. The Debt Service on the new Loan will be interest only through construction and therefore continuing for only another few months. After that, owners can elect to pay off part or their entire loan.

Q: Did the Board put together a budget for Phase 1, Phase 2, or the whole project?

A: The Board had a Langlas contract (on the website) reviewed by the Board, Counsel and Owners' Representative for 2021. The Board accepted the Langlas Proposal for 2022 (Appendix 2) in January with the understanding that savings would be passed on to the HOA.

Q: Have we initiated an audit of Langlas invoices and costs?

A: Costs are set by contract and agreement. Payments in every category are reviewed monthly. Langlas has provided cost savings when possible as when they recommended that we purchase Phase 2 siding coil materials and garage doors in Phase 1 for all phases of the Project. The HOA continues to negotiate with Langlas on certain line items.

Q: Why did the HOA pay Langlas expenses for the winter months?

A: Langlas worked throughout the winter to order materials, perform inventory, solicit subcontractors, negotiate contracts, etc. Board members in attendance at weekly meeting can confirm the necessity of the work performed throughout the winter.

Q: Wasn't Langlas required to complete the Project in two building seasons?

A: Original estimates from competitive bidders were a minimum of three to four years to complete the Project. The time required to complete the Project was dependent on availability



FAQ October Open Board Meeting
October 05, 2022

of materials (very delayed last year), manpower (very challenging last year) and weather (not conducive last year throughout the building season and worse when we ran deep into November). The contract specified the *intent* to complete in two years. Counsel advised no contractor would be more definitive. When the 2021 build fell behind projections, a two-year completion became much less likely. The Board and Langlas have taken all reasonable measures to finish in two years, which now seems to be achievable. There was no practical way to do the project in one year. Lost income, always regrettable, now appears to be confined to two years.

Q: Why are we paying more for General Conditions including enhanced supervisory hours in 2022 than under the 2021 contract?

A: The 2021 contract provided specific terms and costs for 2021. Costs for 2022 were not pre-set in the 2021 contract. The Board recognized that if there were any chance of completing the Project within two years, additional resources would have to be provided. It became clear that enhanced supervision and on site real-time decision-making would increase construction efficiencies. This has been born out in 2022.

Q. Is Langlas doing a straight pass-through on the overage costs of materials? Or are they taking a cost-plus mark-up? If the latter, has the board negotiated on this point?

A. Cost-plus is what we pay. There are no "overage" costs.

Q: Regarding non-Langlas items for the Project (Appendix 1 and Appendix 3), how do expenses compare to original budget?

A: We did not have a detailed budget for the non-Langlas items (Appendix 3), which were contracted on T&M. This provided significant cost savings for Engineers and especially Architect(s) versus paying a percentage of total project costs. The built-in contingencies were expected to cover additional expenses and inflation. Inflation encountered after Covid outpaced the expectations of the Board and the Bank.

Q: Are financials available to owners?

A: The Accountant has presented all HOA financials at Annual Meetings and quarterly open meetings. Those financials are on the website. The Langlas Pay Applications detailing costs in each category will be available at the end of the Project. They are not currently available because the Board is negotiating certain items. At the end of the Contract and finalization of all matters with Langlas, the payments in every category will be available to owners.

Q: Are owners who purchased windows, doors and garage doors last year facing overage/up-charges of any kind?

A: Windows, doors, and garage doors are not common elements. Phase 1 owners will not have an upcharge. Phase 2 owners have to absorb inflation increases.



FAQ October Open Board Meeting
October 05, 2022

Q: Can you please provide a citation in the construction agreement (or other documents) to the payment provision for housing?

A: Division 01 of Exhibit G of the contract states:

"5) Assumes a minimum of 6 each 3 bedroom condos will be provided to the contractor for use as workforce housing. If this cannot be provided, please add \$10,000 per condo to the proposed lump sum pricing."

Q: What is covered by the MCM line item of \$325,206.02?

A: MCM Phase 1 contract is on the website. Another \$18,000 was added in Phase 1 for 8-hour supervision at the end of last season. MCM Phase 2 contract is for \$214,692 and includes on-site supervision 8 hours/day Mon-Fri.

Q: Including additional loan interest and fees, what are the actual cost impacts to each unit of that increase?

A: A rough estimate of the impact of the increase impact of the siding cost is to take the "not to exceed" amount for your building type, multiply by 1.4 and add \$15K. That should be a reasonably safe estimate.

Q: What is the original estimate of the total project cost? What is the current estimate of the total project cost?

A: The original siding loan amount voted on by owners was for \$3.662 million (after down payment). The original siding bank loan is for \$4,401,000 (including \$1,097,000 paid down from Special Assessments to obtain the loan).

The current Langlas Scheduled cost is \$4,813,341.82.

Q: What have Special Assessment funds been used for?

A: The Special Assessment total from 2017 through the end of 2022 will be \$1,790,540. This is used for down payments on the siding and the deck (\$15,000) loans, as well as paying non-Langlas support costs for the Project.

Appendices:

1. Siding Loan Disbursements and planned Loan Increase
2. Langlas Phase 2 Proposal
3. Non-Langlas Support Items for the Project

Appendix 1

First Security Bank Siding Loan

Langlas Values Draw 10	Siding Loan
Scheduled	\$ 4,813,342
Previous Draws	\$ 3,150,868
This Draw	\$ 468,188
Total Draws	\$ 3,619,056
5% Retainage	\$ 180,953
Total Paid	\$ 3,438,103
Remaining to pay	\$ 1,375,239
Loan Values thru Draw 10	
Amount	\$ 3,304,372
Disbursed	\$ 2,776,881
Remaining	\$ 527,491
Surplus/Shortfall	\$ (847,748)

New Loan Summary

Sources and Uses			
Uses of Cash		\$	%
Langlas Contract Increase		\$ 847,748	43%
Engineers*	\$ 20,991		
Legal*	\$ 420		
Architectural*	\$ 151,718		
Housing Rentals*	\$ 180,218		
ARC Satellite*	\$ 31,707		
Accounting*	\$ 2,265		
Interest Expense*	N/I		
MCM*	\$ 325,206		
Misc.*	\$ 20,634		
Total Prepaid Costs*		\$ 733,159	37%
Architectural	\$ 7,000		
Housing Rentals	\$ 10,000		
ARC Satellite	\$ 20,000		
MCM	\$ 100,000		
Misc.	\$ 20,000		
Total soft cost to finish		\$ 157,000	8%
Contingency		\$ 250,000	13%
Total Uses of Cash		\$ 1,987,907	100%
Sources of Cash		\$	%
New Loan		\$1,490,930	75%
25% Contribution*		\$496,977	25%
Total Sources of Cash		\$1,987,907	100%

Exhibit B - Breakdown of Costs

APPENDIX 2

BHC's - Ext. Upgrades Phase 2		Phase 2 1/10/22	Phase 2 Cost / 38,278 sf of Bldg. Siding	Phase 1 3/25/21	Phase 1 Cost / 48,739 sf of Bldg. Siding	Notes:
DIVISION 1	GENERAL CONDITIONS	\$418,292	\$10.93	\$254,595	\$5.22	Original General Conditions +
	INCLUSIONS:					\$93,201 Construction Contingency Incl w/Above
	Full Time Superintendent					\$24,259 CE #01: Builders Risk Incl w/Above
	Part Time Project Manager					\$2,668 CE #11: Snow Removal Incl w/Above
	Part Time Assistant PM					
	Management Truck/Fuel/Insurance					
	Phone/Internet					
	Portable Toilets					
	1 Final Cleaning For 6 ea Worker Housing Units					
	Builders Risk Insurance					
Allowance	\$10,400 Snow Removal Allowance					
	Safety Equipment & Review					
	CLARIFICATIONS, EXCLUSIONS, & VE OPTIONS:					
	Impact and system development fees by others.					
	Big Sky Homeowners Association Plan Review & Any Associated Permit Fee's by Owner.					
	Excludes all third party material testing and on site special inspection.					
	Pricing good thru 1/15/22. Some commodity type items such as wood framing, tyvek, insulation, etc. may be subject to slight escalation at the time of order/delivery.					
	Pricing based solely on Hip & Humble design drawings dated 5/14/18 and includes building types A, B, C, & D only. The E buildings yet to be completed shall be completed based on the previous values provided and included in the current contract agreement.					
DIVISION 2	EXISTING CONDITIONS	\$0	\$0.00	\$0	\$0.00	
	INCLUSIONS:					
	Not Applicable					
DIVISION 3	CONCRETE	\$75,163	\$1.96	\$0	\$0.00	
	INCLUSIONS:					
	Furnish & install "CTS Rapid Set" colored concrete resurfacer with 2 coats of protective HD UV Safe clear coating.'					
	CLARIFICATIONS, EXCLUSIONS, & VE OPTIONS:					
	Any corrective measures required greater than +/- 1/4" to be addressed on a time and material basis.					
DIVISION 4	STONE/MASONRY	\$0	\$0.00	\$0	\$0.00	
	INCLUSIONS:					
	Not Applicable					
DIVISION 5	STEEL	\$0	\$0.00	\$0	\$0.00	
	INCLUSIONS:					
	Not Applicable					
	CLARIFICATIONS, EXCLUSIONS, & VE OPTIONS:					
	Balcony railings not included within this proposal. Costs provided for this scope are proposed under separate "Balconies" cover.					
DIVISION 6	CARPENTRY	\$107,806	\$2.82	\$40,000	\$0.82	\$40,000 (\$1,000 per dwelling unit) wood substrate repair allowance.
	INCLUSIONS:					
	Demo, deposal, and reconstruction with supplemental framing of the Building A&B eaves adjacent to each entry.					

Phase 2

Phase 1

P: (406) 585-3420	Allowance	\$30,000 (\$1,000 per dwelling unit) wood substrate repair allowance.					
		CLARIFICATIONS, EXCLUSIONS, & VE OPTIONS: Balcony foundations, framing, & cladding are not included within this proposal. Costs provided for this scope are proposed under separate "Balconies" cover.					
	DIVISION 7	THERMAL/MOISTURE PROTECTION	\$1,366,947	\$35.71	\$2,314,980	\$47.50	1/12/21 Cladding Price +
		INCLUSIONS: Demolition and disposal of all existing cedar siding & weather barrier. Furnish and install of Tyvek WRB building wrap, seam tape, flexible flashings, and associated accessories. Furnish and install 1/2" thick foil faced exterior insulation board with associated seam tape. Form/bend & transport previously procured painted steel coil stock into siding/soffit/flashing/trim profiles required for the new exterior phase 2 cladding. Installation of new steel siding/soffit/flashing/trim based upon manufacturers installation instructions. Furnish and install of all fasteners as required for all exterior cladding products. Joint sealants and touch up painting as required. Furnish and install of new replacement attic vents located at gable ends. Furnish and install of new 4" Timbertek trim around all windows, doors, vents, outlets boxes, & light fixtures boxes. Additionally used as substrate for address letters, water meter bases, & data junction boxes. Equipment, dumpsters, & clean up required for above scopes of work.					\$83,688 Siding Reconciliation Increase incl. w/Above \$29,693 Siding Material Escalation incl. w/Above \$46,600 Materials Inflation Allowance (Included in Base Contract) incl. w/above \$1,416 CE #04: Double Bend flashing incl. w/above \$7,531 CE #05: Garage Door Perimeter Cladding incl. w/above \$6,615 CE #07: Bird Box Cladding incl. w/above \$882 CE #10: Phase 1 Data Trim Blocks incl. w/above (\$46,600) CE #17: Credit for Materials Inflation Allowance incl. w/above \$620,960 CE #12: Procurement of Phase 2 Coil Stock
		CLARIFICATIONS, EXCLUSIONS, & VE OPTIONS: NOTE: \$620,960 for the procurement of painted coil stock for all phase 2 steel siding is not included in the number reflected here as it has already been incorporated into our current contract agreement via CO #01. Understanding that not all gable vent sizes called out on design drawings will fit at location show. Vents replaced within gables at ends of the building intended to remain the same size.					
	DIVISION 8	DOORS AND WINDOWS	\$0	\$0.00	\$0	\$0.00	
		INCLUSIONS: Not Included.					
		CLARIFICATIONS, EXCLUSIONS, & VE OPTIONS: Windows & doors not included within this proposal. Exterior windows and doors proposed under separate "Owner Electives" cover.					
	DIVISION 9	FINISHES	\$0	\$0.00	\$0	\$0.00	
		CLARIFICATIONS, EXCLUSIONS, & VE OPTIONS: Not Included.					
		CLARIFICATIONS, EXCLUSIONS, & VE OPTIONS: Exterior painting not included within this proposal. Exterior window and door painting proposed under separate "Owner Electives" cover and exterior electrical/radon equipment painting included via Change Estimate #16.					
	DIVISION 10	SPECIALTIES	\$0	\$0.00	\$9,211	\$0.19	
		INCLUSIONS: Not Included.					CE #03: Address numbers for all units.
		CLARIFICATIONS, EXCLUSIONS, & VE OPTIONS: Furnish and install of all 70 dwelling unit address numbers previously included via CE #03.					
	DIVISION 11-14	FURNISHINGS, CONVEYING SYSTEMS, & SPECIAL CONSTRUCTION	\$0	\$0.00	\$0	\$0.00	
		INCLUSIONS: Not Applicable.					

DIVISION 21	FIRE SUPPRESSION	\$0	\$0.00	\$0	\$0.00	
	INCLUSIONS: Not Applicable.					
DIVISION 22	PLUMBING	\$0	\$0.00	\$0	\$0.00	
	INCLUSIONS: Not Applicable					
DIVISION 23	HVAC	\$24,719	\$0.65	\$30,049	\$0.62	\$30,049 CE #15: Furnish & Install Phase 1 Vents
	INCLUSIONS: Furnish and install of 112 ea. 3" wall vents, 31 ea. 4" wall vents, 80 ea. 4" soffit vents, & 108 ea foundation vents.					
DIVISION 26	ELECTRICAL	\$5,927	\$0.15	\$34,696	\$0.71	\$1,484 CE #20: Furnish & Install of outlet covers at 40 units. \$33,212 CE #06: Procure all Ext. Lighting & Install at 40 units. (Pull \$13,384.81 from phase 1 and put into phase 2 for apples to apples comparison.)
	INCLUSIONS: Furnish and install of Bell MX 1050S replacement exterior outlet covers at 30 units. Installation only of 60 each replacement exterior wall sconce light fixtures.					
	CLARIFICATIONS, EXCLUSIONS, & VE OPTIONS: All replacement light fixture materials and installation for 80 ea lights included with CE #06.					
DIVISION 27,28	DATA AND SECURITY	\$0	\$0.00	\$0	\$0.00	
	INCLUSIONS: Cutting and abandonment of all existing data cable penetrating the exterior of the buildings.					
DIVISION 31	EARTHWORK	\$0	\$0.00	\$0	\$0.00	
	INCLUSIONS: Not Applicable					
DIVISION 32	EXTERIOR IMPROVEMENTS	\$9,001	\$0.24	\$12,000	\$0.25	
Allowance	\$9,000 (\$300 per dwelling unit) landscaping repair allowance.					
DIVISION 33	UTILITIES	\$4,200	\$0.11	\$0	\$0.00	
Allowance	\$4,200 allowance for the removal/replacement/reinstallation of existing water meters.					
Total Building:		\$2,012,055	\$52.56	\$2,695,531	\$55.31	

Phase 2

Phase 1

Non Langlas Support Costs for Re-Siding Project Paid as of 08/29/22

Engineers	\$	20,991.03
Architects	\$	151,718.44
Legal	\$	420.00
Housing	\$	180,218.00
ARC Satellite	\$	35,457.00
Accounting	\$	2,265.00
MCM	\$	325,206.02
Miscellaneous	\$	16,884.26
First Security	\$	131,486.28
Total	\$	864,646.03

Appendix 3