

MISSION BAY HOMEOWNERS ASSOCIATION

P.O. BOX 1775  
POLSON, MT 59860  
(406) 883-1730

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Mission Bay Steering Committee  
Meeting  
July 21<sup>st</sup>, 2009  
**Minutes**

Present: Wayne Finney, Committee Chairperson  
Jill Southerland, Committee Member, Preserve Representative  
Rick LaPiana, Committee Member  
Jane Irwin, Committee Member  
Carson Coryell, Committee Member  
Tim McKenna, Committee Member  
Russ Pilcher, Board Member  
Dennis Duty, Board Member  
Glenn Gordon, Association Manager  
Kari Mausshardt, Accountant

The meeting was called to order on July 21<sup>st</sup>, 2009 at 9:00 a.m. Wayne Finney opened the meeting by welcoming the three new members, Carson, Jane and Tim.

**Orientation**

A portion of the meeting was designated as an orientation since three new members were recently elected to the committee.

History

Dennis Duty provided some history to the committee regarding the formation of the development and association.

Pack River Co., a timber manufacturing company that Dennis previously worked for, owned most of the property that is now Mission Bay, including the old sawmill. In 1988, the company worked with the City of Polson to create the 2<sup>nd</sup> nine holes of the golf course. The City purchased the land for the expanded course in 1988 from Pack River for \$90,000. Fairway Properties I, which is near Hole 1 of the golf course was developed at that time. Over the course of the next five to six years, there were discussions between Pack River and the City regarding an additional nine holes for the golf course (which would bring the course up to 27 holes) and what to do with the remaining undeveloped property. A golf course architect was hired to draft a plan to integrate the existing holes with nine new holes on the course. After about two years of working with the architect, Pack River suffered financial problems. Dennis and his business partner Tim Hinderman purchased the property from Pack River in 1997. They went to the City with the plan drafted by the golf course architect and offered to donate the land to the City for the expanded course if the City agreed to build the expanded course as designed by the proposed plan. The developers made this offer because of problems that had occurred during the

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construction of the previous nine holes. By mid-1997, an agreement was made with the City. By then, Fairway Properties II along Eagle Drive existed. The development started there because the sewer and water lines came through that area. The development was originally called Slack Point Ranch and the by-laws and CC&R's for the association originated from that development. The covenants were later amended, to make them stricter and the name of the association was changed to Mission Bay Homeowners Association. Those changes occurred during 1998 and 1999. The developer, managed by Dennis and Tim, purchased 127 acres from Pack River and gave 72 of those acres to the City for the golf course, which was built by the City. The wetland areas were deeded to the City with an easement to the association for a walking trail. The association retained ownership of the beach. One of the conditions of the arrangement prevents the City from putting a fence around the course. Some property was shifted back and forth between the City and the development as issues arose during the expansion of the golf course, etc. On July 30, 1999 the grand opening of the expanded golf course took place. The developer had begun marketing attached and single family home sites within the development as the market seemed to demand. A master plan was and still is approved and the developer has been implementing the plan in phases.

The developer also acquired an 80 acre tract of land that runs from Highway 35 to Tundra Swan from the Soward Family Trust through a contract for deed. There isn't a pre-determined length of time for the contract. The trust was paid an agreed upon amount at the time of the purchase and is paid a percentage as each lot sells. A portion of those 80 acres is a part of Mission Bay Preserve and the remaining is in Mission Bay.

Around the same time of the Soward purchase, the developer acquired the remaining portion of the Preserve property out of bankruptcy. The Tribe wanted to acquire that property to ensure wetland preservation. The developer negotiated an agreement with the Tribe regarding wetland preservation so the developer was able to acquire the property.

Once Mission Bay and the Preserve were underway, they seemed to be large enough to support a Community Center. In May 2002, the developers went to the existing property owners with a plan that included funding arrangements for the proposed facility. A meeting for all owners at the time was held at the golf course. The Community Center was approved at that time. The financing plan included a loan for the facility along with a commitment from the developer regarding a specified number of lots that they would be assessed Community Center dues to support its ongoing operation. The property owners at the time of the proposed Community Center were given a one-time opportunity to exclude their property from the Community Center. Four lots were excluded that were owned by an individual who was represented by an attorney who advised the owner against excluding the lots from the Community Center. The attorney, concerned about the owner's ability at the time to make a sound decision, requested that the lots be allowed to be added to the Community Center expansion when they were sold. The Board of Directors, also based on their concerns about the owner's health and decision making ability, allowed those four lots to be added to the Community Center if the purchasers paid all retroactive dues for the Community Center. Two of the lots were later sold and the new owners paid the retroactive dues, thereby adding the lots to the Community Center. The other two lots also sold

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but the purchaser chose not to pay the retroactive dues for the Community Center. Therefore, those two lots are a part of the Mission Bay master association (required to comply with the CC&R's, etc. and pay master association dues and assessments) but do not share in the dues and privileges of the Community Center. The two lots that are currently excluded from the Community Center cannot become part of the Community Center in the future.

Every unsold lot after the approval of the Community Center was/is mandatorily part of the Community Center. The Community Center is owned and shared by the Mission Bay Homeowners Association and the Mission Bay Preserve Homeowners Association. The Community Center facilities are limited to those that are physically located within the block where the facility resides. Other common areas throughout the association are a part of the master association.

The Community Center was constructed with a ground source heating system and a well was approved during its construction for that system. The well is used to fill the swimming pool/spa and supply the heating system. The water and sewer within the building (bathrooms, etc.) are City water and sewer. Dennis noted that the City has not approved the use of wells for any other use within the development because of the potential hazard created by possible back-feed into the City water system.

Dennis noted that the covenants have been amended a few times since their adoption. The Board of Directors has the authority to amend the covenants. Any changes to the by-laws require a 2/3 approval by the membership.

There are currently 209 developed lots that are assessed dues for the Mission Bay master association, 8 of which are owned by the developer. There are currently 286 lots that are assessed Community Center dues (including Preserve lots), 28 of which are owned by the developer (including some undeveloped lots as required by the original plan for the Community Center). There are some undeveloped areas that are planned to eventually become part of the master association and Community Center. Once those lots are developed (final plat approval), they become subject to master association dues. Once those lots are sold by the developer they become subject to Community Center dues (noting the exception of some undeveloped lots that were part of the original Community Center funding plan that have been subject to dues since the approval of that plan). The developer is assessed 25% of the master association dues per developed lot and 100% of the Community Center dues per agreed upon lot.

Dennis roughly estimates that the total number of lots upon completion of all future phases within Mission Bay and Mission Bay Preserve to be less than 350 lots. No areas are commercially zoned. The City has the option to use a piece of property between the Highway 35 ditch and the power station for a fire station. Dennis noted that it's unlikely that will be added in the foreseeable future.

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Financial Reporting

Kari provided a document to each member describing various accounting and financial reporting procedures. Members agreed to review the document and follow up with Kari with any questions or suggestions. Financial statements through June 30, 2009 had been provided to the members prior to the meeting. Members were given the opportunity to ask questions about those statements.

**Old and Recurring Business**

Each topic has a status note below to indicate if it will remain open for the next meeting.

Contract Review (Recurring)

Glenn provided an update regarding contracts that are underway. Fertilization, weed & grub control may be over budget for the current year but there are savings in most other areas. Jill asked about noxious weed control on vacant lots. Glenn is working with two contractors to address the issue in both Mission Bay and the Preserve. He is contacting property owners that will be affected.

Past Due Accounts / Financial Review (Recurring)

Committee members were provided a current report of past due accounts. Northwest Holdings, the developer is currently past due. Dennis provided an update regarding the ownership of the lots with past due amounts owed to the association, noting that they are a part of the contract for deed with the Soward Family Trust. Because of the ownership structure of those lots, they are not at risk of being foreclosed upon. Dennis agreed to provide the committee with an update at the August Steering Committee meeting regarding plans to bring the past due balance current. The committee members noted that the value of the lots with past due association dues is significantly higher than the balance owed. Some members also shared some history of the relationship between the developer and the association, noting that until late last year, the association owed the developer money after years of cash flow funding to the association by the developer. It was also noted that the developer has continued to provide equipment and some office space for the benefit of the association at no charge to the association. Dennis noted that the Board will file liens against the lots that have past due association dues. Late fees and interest are being assessed against the past due balance.

Other past due accounts and collection efforts were discussed. It was noted that a past due account that was in the lien process was recently brought current. The committee agreed that past due accounts would continue to be discussed privately by the committee to ensure members are able to speak frankly about the status and collection efforts of each account and to preserve each members confidentiality. Once a lien is filed, the matter becomes public record. The committee agreed that a written policy regarding collection efforts and specifically liens be reviewed by the committee in August.

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Sub-associations (Open)

A sub-committee was formed to review the current structure of sub-associations within the Mission Bay master association. The sub-committee will provide a report and any recommendations for changes at the August meeting. The sub-committee members are Rick LaPiana, Tim McKenna and Carson Coryell.

Homeowner Issues (Recurring)

Light pollution in the Village was discussed. Glenn will pursue a “test” on a couple of lights to reduce the light pollution but retain enough light for security purposes.

Tennis court maintenance was discussed. Members who use the courts are supposed to sweep the courts after each use. Most members are doing that but some are not. There is additional maintenance that is performed by the summer maintenance employee. The committee discussed the purpose of that maintenance and agreed that it is necessary.

Beach debris was discussed. Glenn is going to have the debris removed. The summer maintenance employee will be asked to provide more frequent removal of debris, without exceeding the budgeted hours for the position.

The use of the pool and fitness facilities by guests was discussed. The committee members agreed that there are varying interpretations of the rules regarding who is welcome to use the facilities. There have also been a number of rules violations noted especially in the pool and spa area. Discussion was held regarding more consistent and documented enforcement by the Rules Committee and the possibility of having association members serve as volunteer “monitors” in the facility during busy periods. Glenn agreed to contact the members of the Rules Committee so they can schedule a meeting and provide recommendations to address the issues. Tim agreed to add an alert on the website noting that rules violations are on the rise at the Community Center.

Some landscaping needs to be addressed near some power boxes at the end of Hawk Drive. Dennis agreed to provide the top soil. Glenn and Wayne agreed to address the issue. Plantings may be delayed until fall.

There was a recent issue of an adult child of a member (who lives with the parents) entering the pool area after it was closed and also throwing pool furniture onto the pool (cover). The issue has been addressed with the individual. Glenn is going to document the issue in writing.

There was a recent issue of members who used the tennis courts even though a sign was posted that they shouldn't be used because they were soft due to rain. The committee agreed that the courts should be locked by the Association Manager during similar occasions with a padlock that cannot be opened by members. The Association Manager has the authority to make decisions regarding the closure of facilities, including the tennis courts, within the association.

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Clubhouse Usage Fees (Open)

Committee members agreed to review a draft of a proposed policy before the August meeting. Further discussion was held regarding the complexity of this issue, the varying functions that it may cover and varying definitions of terms that need to be addressed before a policy can be implemented. Members agreed to review the most recent draft and offer suggestions at the August meeting for further action regarding the issue. Rick LaPiana, Jill Southerland, Ron Hone, Liz Weber and Tim McKenna have agreed to serve on the sub-committee that will work on the details of this issue.

Website (Recurring)

The committee expressed their appreciation to Tim McKenna for setting up the website for the association. Tim will provide information at the August meeting regarding plans to move the website from his business account so the ownership of the website can transition to the association.

Association members were recently asked to provide permission, via e-mail, to have their names and contact information posted on the website. A password is required to access the site. Members can now see how names are listed if they visit the site. E-mail addresses are not visible but rather a link is set up next to each name if a member would like to send an email to another member on the list. Because of how the email link is set up, there isn't an option to send mass e-mails from the website.

Fifteen members have responded to the request for permission to-date. The lack of response is a concern. Members should reply promptly to the request so the website can be updated.

Insurance (Open)

A less expensive quote for D&O insurance is being pursued. The initial quote was for approximately \$1600.00. Tim McKenna will assist Glenn in reviewing the quotes, etc.

Committee Reports (Recurring)

Jill requested that further consideration be made to expand the role of the Architectural Design and Review Committee to include more enforcement by the committee and to include on-going compliance issues beyond the initial design process. The committee discussed having one committee that serves both Mission Bay and the Preserve with representation from each association. Glenn agreed to schedule a meeting with members from the existing committees, along with Jill, Tim McKenna, and Jane Irwin. A report of recommendations will then be submitted to the Steering Committee for review. Discussion was later held regarding compliance deposits and whether the current deposit amount of \$2,500 is sufficient.

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**New Business**

Speed Limits and Signage (Closed)

The Polson City Council, at the request of association members after the June general meeting, changed the speed limit on Hawk Drive from 35mph to 25mph. Glenn is going to request that the City put some signs up on the outgoing side of the road. The committee expressed their appreciation of Jules Clavadetscher for following up on the issue so quickly after the general meeting.

Dog Park (Closed)

Discussion was held regarding a request made at the June general meeting for a dog park within the development. There are a number of issues, including land that would have to be donated for the purpose, concerns of members with lots near the proposed park, cleaning up after the dogs, etc. It was also noted that there are a number of nice trails, etc. where members can walk their dogs and there is a dog park in the city.

Dennis noted that he has had two recent complaints from property owners who have had dogs unleashed and/or leaving waste from the dogs in their yards. The committee agreed that owners need to clean up after their dogs and put any waste in their own garbage cans.

Mileage Allowance (Closed)

The Association Manager has been given access to vehicles owned by the developer for association business in the past. Those vehicles are no longer available. The committee agreed that employees will be reimbursed for business miles based on the IRS allowance for mileage reimbursement. Mileage reimbursement requests must be submitted on a monthly basis.

Lamp Post Base Collars

There are some lamp posts within the association that are missing base collars. The developer is responsible for having the collars installed. Glenn has a proposal to have the collars made locally for \$375.00. A motion was made and approved by all committee members to have the collars made and installed and bill the cost to the developer.

By-laws Updates (Open)

Dennis noted that there are some changes that should be made to the by-laws in the near future. He recommended that they be addressed at the December 2009 semi-annual general meeting.

Exercise Equipment (Open)

The exercise equipment is currently being leased and the lease term will expire at the end of this year. The committee will review purchase vs. lease options from various vendors. Melinda Leas may be interested in assisting the committee with this review.

Closed Meetings (Closed)

Future Steering Committee meetings may be scheduled with the first hour open to committee members only.

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Planning (Open)

Tim requested that the committee consider having a meeting in the near future specifically designated for planning purposes only.

Next Meeting Date & Time

The next meeting is not yet scheduled but will most likely occur during the third week of August.

The meeting was adjourned at approximately 12:30 p.m.