

TOWN HOMES AT LUDLOW BAY ASSOCIATION
ANNUAL MEETING OF THE BOARD OF DIRECTORS
AUGUST 9, 2009

Board members in attendance:

Troy Crosby Larry Smith Miriam Villiard

Diana Smeland was absent.

Troy Crosby, President, called the meeting to order at 10:10AM.

There were 16 town home owners present at the meeting.

OLD BUSINESS

Troy discussed the process of transition from a PLA controlled Board to an owner controlled Board, including financial issues. He stated that after meeting with Gregg Jordshaugen & Lewis Hale PLA had agreed to a final subsidy cash payment to the Association of \$7,600 plus payment of the remaining costs of repair & maintenance projects agreed to and in progress.

Brent Sasse from PLA reported on the current status of repairs & maintenance for the town homes.

Larry Smith reported on the financial statements for the fiscal year ended June 30, 2009 and responded to questions.

NEW BUSINESS

Troy noted the current Board was set as seven members although only four positions were currently filled. He suggested that before moving forward with the transition to the owner Board the number of members should be reduced to three.

Upon a motion duly made, seconded and passed unanimously, in accordance with Article VIII of the Articles of Amendment the size of the Board of Directors for the Association was set at three (3) members.

The following members were nominated for the Board of Directors:

Peter Joseph Gregg Jordshaugen Terry Smith

There being no further nominations, the election was held and all nominees elected.

The new Board recessed to executive session to elect officers and determine the appointments to serve as directors on the Board of the Ludlow Bay Village Association.

The officers of the Board for the 2009-10 fiscal year are as follows:

President	Gregg Jordshaugen
Secretary	Terry Smith
Treasurer	Peter Joseph

The appointments to serve on the Board of the Ludlow Bay Village Association are as follows:

Peter Joseph	Gregg Jordshaugen
--------------	-------------------

The Town Homes at Ludlow Bay Association meeting was reconvened to discuss additional new business.

I. Budget

All attendees at the meeting acknowledged reviewing the proposed budget for the 2010 fiscal (July 1, 2009 to June 30, 2010) of \$119,375. Gregg noted the annual amount per townhome is \$4,775 to be paid \$1,000 upfront, \$694/qtr, and \$1,000 deferred and payable at \$500 per owner if at the end of any month from October 31, 2009 through May 31, 2010 total expenditures on Repairs & Maintenance equal or exceed \$25,000 or the Cash Balance for the Association drops below \$10,000 and an additional \$500 per owner if at the end of any month from January 31, 2010 through May 31, 2010 total expenditures on Repairs & Maintenance equal or exceed \$37,500 or the Cash Balance for the Association drops below \$10,000. There was no further discussion of this from the floor.

Upon a motion duly made and seconded, the budget was passed with a vote of 21 yes votes, 0 no votes.

Once approved, several comments came forth from the floor. Concern that delinquencies would be judiciously managed to insure that townhome owners would not have to subsidize those that paid late was expressed and a question was posed if late payments would potentially trigger the deferrals in the budget. The board agreed that late payments would be handled both through the accounting channels with late notices and associated penalties as well as with a reminder call to the townhome owner.

Discussion of a long term cap on contingency funding for emergencies and repairs was posed. It was suggested that a budget committee be formed to address this and propose future budgets moving ahead.

Clarification of the Legal Fee allowance was requested. Gregg clarified that the previously conducted high level CC&R review legal charge is covered by the budget. Moving ahead, the only anticipated legal expense will be to change the incorporation and assign the attorney to be the registered agent for the Association and advice on other administrative type functions.

For accounting purposes, the Association will continue to utilize Linda Cook to manage billings and for bookkeeping services. Moving ahead, the quarterly payments will be forwarded to the Post Office box which will be managed by the Board. We will be moving the Association account from Frontier Bank to Kitsap Bank locally.

A quarterly “catch up” bill will be generated in the very near future to bill townhome owners for the difference in the new quarterly dues and for the \$1,000 upfront assessment. Timely payment is appreciated to assist in getting the cash position of the Association on firm footing quickly.

II. Communication

The board requested that the group communicate with the board via email versus direct telephone contact. Emails can be directed to the three board members and responses triaged according to respective duties of the board members. Email contact will be updated for all townhome members.

The longer term strategy will be to set up a web site on Port Ludlow Today to allow townhome members to post their questions. The board will monitor these questions and insure that the questions are addressed promptly.

Additionally, a Preferred Provider list will be posted to this site to assist townhome owners in managing maintenance issues that arise in regard to their units.

The Board will work with the Village Association and the community to consider that townhome owners need to be consulted in terms of events that take place at the hotel and in the marina area. Notification of events could potentially be provided on the website as we are aware of them.

III. Committees

Committees will be formed to incorporate community involvement of the townhome owners in the management of the Townhome Association. Committees that will be established include a Budget Committee, a Repair & Maintenance Committee (Faith Records has volunteered to head this group,) a Rules and Regulations Committee, and a Social Committee. If you have interest in leading or joining these committees, please contact the board.

The board will meet monthly and encourages community participation at these meetings.

Announcements of meeting times will be provided and minutes of the meetings will be distributed to all townhome owners. Financial statements will be provided to all townhome owners on a quarterly basis.

A discussion of road and emergency preparedness was shared with the group by Peter Joseph. Peter and Bill Masters do a monthly emergency readiness drill. Because of our proximity to Puget Sound,

Peter stressed that a tsunami is within the realm of possibilities. Road access for emergency vehicles is something that continues to be addressed with the Village Association as well as Jefferson County.

Peter suggested that the Townhome Association might consider investing in some tarps and sand bags to address roofing emergencies that could occur. Homeowners should consider installing faucet covers to outside spigots in the winter months to alleviate water damage potential.

The meeting was adjourned at 11:50 AM.

Respectfully Submitted,

Terry Smith

Secretary

Board of Directors

Town Homes at Ludlow Bay Association