

THE TOWNHOMES AT LUDLOW BAY ASSOCIATION

Board Meeting Minutes

October 29, 2010

Meeting convened at 2:30 PM.

Board members in attendance: Gregg Jordshaugen, Lewis Hale, Terry Smith.

Agenda items and discussion points follow:

I. Approval of October 3, 2010 meeting minutes.

A motion was made by Gregg to approve the minutes of the October 3, 2010 meeting, as amended. The motion was seconded by Lewis. The motion was approved unanimously by the board.

II. Approval of August, 2010 financial statements.

A motion was made by Terry to approve the September 2010 financials. The motion was seconded by Lewis. The motion was approved unanimously by the board.

III. Financial report including current cash position.

As of October 29, 2010, the Association has a balance of approximately \$20,650 with pending payments of \$2300 and \$1700 of accounts payable. The Association currently has assessment receivables of \$2800 as of October 29 from the following owners: Scott Gibson, Mark and Suzanne Daymond, Gary Hashbarger, and Bob and Penny Genise.

Based on current levels of expenditures, the Board anticipates that our balance will drop below \$10,000 before year end. Do note that this will trigger an additional \$500 assessment.

IV. Current Building maintenance and repair issues

- a. Peter Joseph: *Siding and post fascia repair completed. Estimated expense, \$777.*
- b. Bernie Brown: *Post fascia repair completed. Estimated expense, \$484.*
- c. Masters: *Post fascia repairs, 2 posts, completion pending.*
(Dissatisfaction with work has been communicated to the contractor.)
- d. Lanterman: *One post fascia repair, pending.*
- e. Bldg 100: *Fascia boards behind gutters, payment pending owner approval.*
- f. Jordshaugen: *Water Leak, painting pending, payment pending.*
- g. *New issues: Lantermans- Garage trim*

V. Joseph demand request for payment on LP Siding

Peter Joseph has submitted a claim to the Association for 2006 LP siding reimbursement. Lewis has discussed this with PLA in respect to the original agreement with the Josephs. The Board has received additional information on the repair expense from PLA which is being evaluated. When the evaluation is completed, Lewis will readdress this issue with PLA.

VI. Result of independent property inspection

Preliminary review of this property inspection revealed significant exterior maintenance issues that can be attributed to a combination of construction, weather, and environmental issues. A pervasive issue of immediate concern involved the lack of adequate flashing and subsequent roofing underlayment issues on all of the buildings. There is a need to solicit input and bids from contractors to address this near term. This will involve a special assessment as the Association does not have the resources to address this major maintenance expenditure. Establishing the "water tight" integrity of the townhomes will have a significant positive impact on the long term financial maintenance responsibilities of the Association.

Other issues identified include caulking and painting requirements that will require attention near term as well.

Issues will be further evaluated and communicated. Association responsibilities, as well as areas of individual owner concern, have been identified.

Membership will be presented a revision to the existing Maintenance and Repairs Rules and Regulations to define the specific responsibilities of the Association. The Board is currently using the definition of exterior appearance and the establishment of an exterior waterproof barrier as the guideline for consideration of Association responsibility.

VII. Maintenance responsibility for property on beach side of Townhomes

Individual townhome lot ownership has now been identified on the beach side of the Townhomes via survey by the Master Association. Please note the white stakes on the beach side of the units designating the area between the units and the beach for which individual owners are responsible for landscaping and property maintenance.

Please note that the Association does not have the financial resources to maintain landscaping on the beach side of the buildings. The Association will develop guidelines for maintenance of these areas that are compatible with those of the Master Association Architectural Review Committee (Peter Joseph, Brent Sasse, Jerry Matthews.) While guidelines are pending, it is the owner responsibility to maintain the existing landscape.

Owners are encouraged by the Master Association to maintain the landscaping beyond the white stakes to the beach line. If landscaping is added beyond the stakes, owners must receive the permission of the Master Association Architectural Review Committee.

VIII. Insurance Certifications

The Board will provide the Master Association information on the insurance coverage and deficiencies of the owners. The variances in coverage provided are a significant concern to the Board in terms of the potential liabilities to the community of owners as a whole in the event of physical damage from fire or a significant weather event.

IX. Property manager

The Board meeting with a potential property management candidate is still pending.

X. Wedding procedures

PLA has provided a draft of wedding guidelines for 2011. These are perceived by the Board to be an improvement over past practices. Peter Joseph has requested to be the liaison from the Board to the Master Association on this issue.

XI. Special Meeting of Owners in February, 2011

The Board is planning to call a special meeting of the owners to consider a revision of the Rules & Regulations: Maintenance & Repairs, the approval of a potential property management arrangement, and the establishment of adequate reserves to support the maintenance rules and regulations ratified.

An exact date has not yet been determined. The Board is exploring the ability to provide a conference line for those not able to attend the meeting in person.

Meeting was adjourned at 5:20 P.M.