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**Accepted by the Board of Trustees 6/12/10
Will be reviewed by the LMC Membership 4/16/11**

MINUTES OF THE ANNUAL MEETING OF THE LUDLOW MAINTENANCE COMMISSION, INC.

Saturday, April 17, 2010 – 2:00 p.m. – Bay View Room

Trustees: Elizabeth Van Zonneveld, Jim Boyer, Vaughn Bradshaw, Teddy Clark, Hugh Jenings, Jr., Stan Kadesh, Michael Larkin, Paul Moseley, and Tom Satterlee.

President Van Zonneveld called the meeting to order at 2:00 p.m. All trustees were present with the exception of Trustee Bradshaw who attended via telephone. General Manager Brian Belmont was also in attendance.

President's Remarks: President Van Zonneveld introduced herself to the audience and stated she would be chairing today's members' meeting. Accomplishments of the board during the past year were discussed, and President Van Zonneveld stated there had been good headway in management changes and clarification of language difficulties in the Articles of Incorporation and Bylaws.

President Van Zonneveld stated all meetings of the LMC are recorded for transcription and accuracy. Meetings are not operated entirely by Roberts Rules of Order, but a general parliamentary procedure will be followed. LMC member Bill Hansen was asked to advise regarding parliamentary procedure. He will not rule on content of the LMC governing documents.

Quorum Requirements: General Manager, Brian Belmont, announced a quorum had been achieved (34%), either by members recognized by proxy or in person.

Nominations from the Floor: President Van Zonneveld called for nominations from the floor, for the two open positions for lot owner representatives and the two open positions for a condominium representative; there were no nominations from the floor.

Final Call for Ballots: President Van Zonneveld announced if members had not yet submitted their ballot and/or submitted their ballot through a proxy earlier, they should do so now.

Approval of Minutes of the Annual Meeting of April 18, 2009: President Van Zonneveld called for a motion from the floor. *Art Moyer made a motion to approve the minutes of the Annual Meeting of April 18, 2009. The motion was seconded by Ian Feltham and Ted Buehler. Members in attendance approved the motion unanimously. 10-04-01*

Art Moyer made a motion to accept the December 12, 2009 Budget Ratification meeting minutes. Ian Feltham seconded the motion and the Budget Ratification meeting minutes were approved by the membership. 10-04-02

PRESIDENT'S REPORT- Annual Board Report to LMC Members – April, 2010

Following the election of your current Board in 2009 the trustees gathered for an Orientation and day of goal setting. The goals that arose from many that were discussed that day as priorities for the trustees were:

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Develop a board mission statement.

Direct all LMC standing committees to review the LMC Regulation relating to their specific committee work and make recommendations to the board for amendments and revisions. Recommendations are reviewed by Covenants and Regulations Committee for legality and consistency prior to board approval.

Appoint a planning committee to review the long range plan adopted in 2005 and make recommendations for the next five years and interface with other community entities.

During the past year each of our standing committees have completed review of their policies and procedures, and made recommendations for changes. Changes and language are now being reviewed by the C&R committee and will be brought to the board for approval as they are completed. This review has been instituted to ensure consistency in carrying out the responsibilities of LMC's enforcement committees. Long Range Planning Committee is completing its work on recommendations and guidance to LMC board and members going forward. Their recommendations will come to the board in the next month or two.

The need for a mission statement for the board has become more apparent in our efforts to work together as a board to resolve issues before us. Board members Vaughn Bradshaw and Teddy Clark have accepted the task of carrying that project forward with the 2010 board.

The work of our committees is ongoing and has been summarized for you in their reports, as has the general condition of the operation and finance of LMC's facilities by General Manager Belmont. Those reports represent countless hours of work contributed to your homeowner's association by LMC members.

The trustees agreed early in the year to adopt discussion sessions as a means of acquiring background, holding discussion with committees, hearing about concerns from LMC members and preparing for board decision-making. The new board will consider whether to continue that practice or revise it.

The LMC has received one Legal Complaint in the past year, filed in the Superior Court of Jefferson County on February 4, 2010 by Mr. Robert Lambe, a member of the corporation. We are being represented in that action by legal counsel retained by our insurer. We have a \$5,000 deductible in our policy. Our General Manager is in contact with the attorneys and is overseeing the response filing dates and keeping the board apprised of progress. The board has met in executive session to review the matter which is in its early stages.

For many of us, this has been a difficult year financially, but the prudent and conservative financial practices laid out by our Finance Committee and manager have served to keep reserves and operating funds safe from losses of capital, however reduced income from invested funds due to very low rates of return have been unavoidable.

Respectfully,
Elizabeth Van Zonneveld, President

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TREASURER'S REPORT –Vaughn Bradshaw, Treasurer – April 2010

The LMC's funds come predominantly from the annual assessments paid by LMC members. These assessments are all due at the beginning of the year, so we invest them until they are needed during the year which provides us with some interest income. We also receive fees for things like use of the RV storage lot and facility rentals. So far this year only 95% of this year's assessments have been collected. Our investment policy places the highest priority on preservation of capital which limits us to fully insured instruments such as bank CDs, money market accounts, and treasury bills. These types of interest rates have continued to decline over the past year.

The good news is that we ended 2009 with a cash surplus of \$12,416 instead of a deficit of \$5,856 which had been projected. We can thank Brian Belmont for his judicious management of the day-to-day expenses of the LMC.

As of March 31, 2010, LMC had \$403,124 in operating funds and \$453,016 in our reserve/replacement fund. Our operating funds are in a money market account at Kitsap Bank, a money market account at Bank of America, and in a checking account, a money market account and a short-term CD at Columbia Bank. Our reserve funds are currently held in a checking account, a money market account and CDs at Kitsap Bank, and in CDs at Frontier Bank. We will soon be closing our investment accounts at Edward Jones, because we have found that we can obtain higher interest rates at local banks. All our funds are in 100% FDIC-insured accounts. Approximately 92% of this year's projected income (\$529,706) is budgeted for operating the LMC. The remainder is to be set aside to fund the reserve account. In 2010, we have transferred \$44,282 of assessments into the reserve accounts. We have budgeted \$16,700 in reserve fund projects this year.

Approximately half of the LMC's operating budget goes for personnel expenses. We currently have one general manager, one fulltime Office Manager, four part-time hostesses, two fulltime maintenance personnel and two part-time maintenance personnel. The Beach Club is open 14 hours each day, 362 days a year.

Taxes for the Drainage District, property and excise are budgeted at \$9,700 this year, an increase from \$8,910 that was budgeted last year. Our Federal Income Tax has been budgeted at \$3,440. LMC's cost for insurance coverage for 2010 is \$29,700, just slightly higher than last year. This covers the LMC for \$2,000,000 in directors and officer's liability with a \$5,000 deductible, \$3,000,000 for general liability coverage and guaranteed replacement for property and fire insurance with a \$5,000 deductible, plus \$2,100,000 in earthquake insurance with a 10% deductible per building.

The LMC reserve fund is not just a rainy day fund or a cushion for emergencies. Its purpose is to pay for the major repair or replacement of components of our physical facilities as they wear out. The LMC has only been building up these reserves for the past 14 of our more than 40-year history. We believe we are still short of the amount needed to replace 100% of the facility components. Due to the age of our clubhouse building, we know many more items will need to be replaced in the coming years. We know the building's electrical system needs to be brought up to current code, and that will be very expensive. We have a replacement schedule listing all of

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the various building components along with the year they are expected to need to be replaced and an estimate of the cost. We had planned to hire a professional consultant to update that schedule with today's pricing, but in an effort to reduce this year's budget decided to postpone that effort until next year when the economy (and hence our income) will hopefully be better. Once the replacement schedule is updated, we will know just how far short we are from the goal of 100% funding and can develop a plan for making up the difference. There were no questions from the audience.

COMMITTEE REPORTS:

Architectural Control Committee (ACC) –Bill Clark, Chair – April 2010

Due to the economic downturn, the new construction activity over the last year has been fairly minimal. One new home, that was actually begun the previous year, was completed. Most of the construction related requests were of a maintenance nature. Last summer and fall there were quite a number of requests to replace cedar-shake roofing with asphalt shingles and there were several requests to paint houses.

ACC also has the responsibility for approving all tree maintenance activity for any tree that is greater than six inches in diameter at breast height which fall into three categories; hazardous trees, trees on owners own lot and trees obstructing views of other property owners. The first two categories are quite straightforward to deal with, however we found that for the view relief request cases it became increasingly difficult to apply the regulations consistently. The committee members experienced that the regulations for view relief were subject to multiple interpretations by members of the community and the committee. At the LMC Board meeting on August 8, 2009, after describing in detail the difficulties we were experiencing, we requested that a moratorium be placed on all view relief requests until we could revise the regulation. The LMC Board approved that request with the caveat that we bring a revised regulation to the LMC Board no later than the January 2010 Board meeting.

We attended a seminar at the Community Association Institute where an attorney whose practice specialty is community association litigation, was a presenter. After his presentation he was asked to name some other communities in the region that developed regulations that successfully dealt with the trees and view issues. He identified four communities: Innes Arden, Blue Ridge, Sommerset Hills and Clyde Hill. The ACC did extensive research into those community's regulations in order to gain an education and understanding about how to better rewrite such a regulation for our own community. Many of the regulations in these other communities had been tested in the courts which in our mind gave them additional credibility.

A draft regulation was produced and presented to the January LMC discussion session. Numerous changes were suggested and most were incorporated prior to the presentation at the January Board Meeting. Subsequently the ACC met several times with the Covenants and Regulations Committee (CRC) and incorporated several changes suggested by this committee. The CRC Committee approved the revised draft regulation. The draft revised regulation was then presented to the February Meeting of the LMC Board and they suggested that a copy of the revised regulation (and the current regulation) be sent to the entire membership for comments. Of the 987 sent out, 26 members responded, often with useful suggestions which were

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incorporated into the draft regulation. Once again the draft regulation with its latest revisions was presented to the board and it was approved for first reading at the March meeting, however it was then deemed necessary to send it to an attorney for review.

The regulation was once again revised to alleviate a concern by the attorney. Is it a perfect document? Probably, it is not. Is it an improvement over the current regulation? We sincerely believe that it is. The draft regulation proposed by ACC, reviewed and modified by CRC, the LMC discussion group, the LMC Board, the membership at large and the attorney was finally adopted by the LMC Board of Trustees at their meeting on April 10th. The LMC Board also lifted the moratorium that was placed on the view relief requests the previous August.

There are approximately 10 view relief cases that had accumulated in the pending file during the moratorium period. The ACC has worked long and hard to develop a regulation that promotes voluntary compliance and that can be applied consistently. Now that the moratorium has been lifted the ACC looks forward to dealing with those cases.

Covenants & Regulations Committee (CRC) – Dwayne Wilcox, Chair – April 2010

Mr. Wilcox stated matters undertaken by the CRC for the period April 2009 to April 2010 included:

There were numerous meetings with individuals or groups of the following committees:

Greenbelt, Architectural Control and Communications.

The following are general matters undertaken.

1. Season review of Chapter 64.38 of RCW regarding homeowner associations
2. Season/monthly contract membership options
3. Facility insurance requirements regarding rental of club property
4. Bridge Deck and Club rentals
5. Club and facilities use by members, guests and minors
6. Review of long and short term rentals
7. Communications Committee Policies and Procedures
8. Developed protocol for contact with Club attorney
9. Developed regulations for unauthorized expenditures by management

The CRC met with members of the ACC on numerous occasions regarding:

Review of policies and procedures. Review of timely appellate procedures. Review of trees and views, review of the number of committee members allowed.

The CRC met with individuals of the Greenbelt Committee regarding policies and procedures, tree topping policies and depository suggestions.

The CRC continues to meet on timely appellate procedures for the ACC.

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Dwayne Wilcox, Chair
Covenants & Regulations Committee

Communications Committee (CC) – Barbara Berthiaume, Chair – April 2010

Michael Cahn and Sue Milner have been approved as committee members in addition to the existing members Carol Shamhart, David Goudie, Evelyn Fett, Amy Recht, and Barbara Berthiaume. Board representatives are Teddy Clark and Paul Moseley. Brian Belmont sits in as an ex-officio member of the committee.

The goals of the committee for the year were:

1. Research technical resources for offsite board participation and develop guidelines for this type of communication.
2. Explore methods to elicit membership participation in discussion of a variety of subjects the LMC board is dealing with.
3. Expand Communication Skills Training for board members and committees.
4. Enhance communication between trustees, committee chairs, and committee members.

Paul Moseley and Amy Recht researched electronic modes of offsite board participation. Skype has been used with promising results, which would expand board participation for members who are not able to attend board meeting in person. The Communications Committee has been asked to recommend guidelines for use of offsite participation and will have recommendations to present to the new board.

An agenda item at the start of each meeting is a 15-minute review of an aspect of communication skills. All members are encouraged to share ideas and skills in this area with the broader committee. The follow-on session of the Communications Skills Workshop that took place April 3 will be held on Monday, July 6 from 10 a.m. to 12 noon. We will continue with Listening Skills and move on to Conflict Resolution. The committee will evaluate the material and make recommendations for further training with the LMC board, committees, and broader membership.

The Communications Committee meetings will be changed from 2:00 p.m. to 3:00 p.m. on the Thursday before the LMC Board meeting.

As the board meeting is the 12th, a draft of the Navigator may not be ready for board review at that time as proofing the final document takes some time. We would therefore like to be able to send you a copy of the final draft by e-mail for your review and be ready to mail the week of the 14th.

All articles will be sent to the chair who in turn will send it on for proofing before being sent to the editor for layout. A draft will then be presented to the board for review either at a board meeting or by e-mail attachment. A final copy will then be sent out to members.

Policies & Procedures have been completed and approved by the board.

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At the March meeting, the board invited the Communications Committee to develop and recommend a comprehensive communication strategy for the LMC. The committee has developed recommendations for board review and suggests that a discussion session be designated for review at the earliest opportunity.

Submitted by:

Barbara Berthiaume, Chair

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Finance Committee (FC) Ian Feltham, Chair

What does the general membership want to know? During the past year, have you wondered where your money is being spent? Are the club and facilities being maintained sufficiently to appeal to any new members as well as the old ones? How much money do we have in Replacement/Reserves? Are our annual assessments sufficient to operate the LMC? Do any of our assessments go into the Replacement/Reserve Fund? Is your Money safe?

For 2009 - we spent \$75,669.60 on Men's Locker Room floor drains, replacement of carpets, and installation of Heat Pumps. For 2010, we have spent \$3,943.59 on replacement of the windows in the Indoor Pool. In addition, the LMC Board has approved Not To Exceed \$16,250.00 for replacement of the Plexi-glass fence and installation of supports for the pool covers for the outdoor pool. Right now we have \$453,016.14 in the Replacement/Reserve Fund. That looks pretty good, but we have some large expenditures coming up this year - Outdoor Pool repairs and Security/Electrical work in the RV Lots.

Yes, the assessments do cover the daily operation of the LMC. Due to economy some members have been unable to pay their assessments. Some have filed for bankruptcy and/or foreclosure. As of April 8th, our late collection amounts to a little less than \$40,000.00. However when it comes to the Replacement/Reserve Fund, we are short. The amounts allocated each year do not cover the cost of repairing and/or replacing the 90 items in our reserve item list. This is of concern and you need to be aware that the need for additional funds will be coming up before too long. This year we budgeted for \$44,281, to be transferred to the reserve fund in January after the assessments came in.

Yes, your money is quite safe; we have invested in Bank CDs and money market funds where our accounts are covered by FDIC up to \$250,000.00. As you know, the interest rates are very low, so this year we will not be earning as much money as last year. Our first priority is safety of funds, therefore we do not take any risks with your money - or should I say "our" money. Are there any questions?

Ian F. Feltham, Finance Chairman

Questions were taken from the audience.

Greenbelt Committee (GBC) –Ted Buehler, Chair – April 2010

WHO WE ARE:

Ted Buehler –Chairman

Steve Siegiel – Asst. Chairman

Elizabeth Van Zonneveld – Board Representative

Tom Satterlee – Board Representative

Peggy Manspeaker – Member/Updates the GBC Status Report

Ross Robson – Member/Records the GBC meeting minutes

Doug Walter – Member

Jack Slattery – Member

Skip Rasmusson – Member

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Jimmie Hendricks - Member

SPECIAL MENTION: Bill Wilke – Volunteer Forester Consultant

WHAT WE DO:

The Greenbelt Committee (GBC) oversees one of our most important resources. Our most common activities include:

- Identifying and removing hazardous trees
- Reviewing and Recommending the approval of Easements on the GB
- Working with Members interested in maintaining their views

REMINDER - No Cutting, trimming, thinning, landscaping, etc. can be done on the GB without written approval from the GBC.

ADDITIONAL ACTIVITIES:

This year we focused on the following additional activities:

- Reviewed and upgraded procedural guidelines to bring them in concert with current practice
- Reached tentative agreement with the PLVC Trails Committee regarding a workable division of responsibility
- Recommended the adoption of a security deposit for projects of extended duration
- Reviewed liability and safety guidelines for GBC members and volunteers

ONGOING PROJECTS:

Our **Firewood Volunteer** project continues to be a success. The project consists of volunteers who would like firewood in exchange for helping out occasionally with GB projects throughout the year.

Our **Greenbelt cleanup** project involves helping members who wish to clean up the GB near their homes to minimize fire hazard, remove brambles and for beautification.

If you would like to be a volunteer or are interested in cleaning up the GB near you, there are sign-up sheets on the Bulletin Board at the Beach Club.

WE ALSO WOULD WELCOME YOU AS A GREENBELT COMMITTEE MEMBER

Operations Committee – James Goode, Chair – April 2010

There were 43 violations reported during the last year, and after contacting the owner of these different properties, all problems have been resolved.

The committee has been actively involved in overseeing LMC facilities including repair and changes in regulations. Some of these are listed below.

- A. New carpeting in Bay View room, entry area, and stairs.
- B. Upkeep of swimming pool areas, including replacement of pool filtering system.
- C. Revision of LMC facility regulations including use of the outdoor pool.

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- D. Reviewing suggestions and making recommendations for use of our facilities by non-members.
- E. New television for the Gazebo Room. (all monies donated)
- F. Reviewing and making suggestions to the 2010 budget.

We are currently working on security and lighting revisions for both RV lots, repair of outdoor swimming pool and replacement of plexi-glass fence.

Long Range Planning Committee - Interim Report – Michael Cahn, Chair – April 2010

The LMC ad-hoc Long Range Planning Committee consisting of Michael Cahn (chairman), Adele Govert, Bill Hansen, Hugh Jenings, Larry Nobles, Art Zoloth, Joan Dragnich, Elizabeth Van Zonneveld, and Brian Belmont, is completing its report to be presented to the LMC Board of Directors in the next one to two months. The committee analyzed responses to a survey sent to LMC members, interviewed PLA's President Diana Smeland, Reviewed previous planning committees' reports, reviewed our governing documents, and held numerous deliberations to formulate its recommendations for the board.

The committee places great importance on having the board define the goals and objectives of the organization. Numerous issues persist which cannot be resolved in a logical manner without a clear statement outlining those goals and objectives. Issues concerning our facilities, especially the Beach Club, our finances, and several governance procedures need to be clarified. Our report with recommendations to the LMC Board will outline a direction to that end. Our committee has taken the results of our membership survey and has projected those results into our recommendations.

LMC governing documents spell out rules for the conduct of LMC business. Some of those rules are open to interpretation. Just as the Supreme Court interprets the US Constitution, so can we, the members of LMC, interpret our rules, sometimes requiring the assistance of our attorney. We should be forward-looking with plans that fit the times and that reflect the desires of the membership. The LMC exists for the *benefit* of its members.

We hope that all LMC members will read the report when it is presented and will assist the board in constructing a meaningful mission statement of goals and objectives. We need more ongoing active participation of our membership!

Respectfully submitted, Michael Cahn

North Bay Lot Owners Association (NBLOA) – Lenetta Johnson for Bryan Diehl, President – April 2010

Mrs. Johnson discussed the merits of the NBLOA and stressed they continually make every effort as an entity to enhance the lifestyle and enjoyment of our community by taking on many service commitments that include: Welcoming Committee, Yard Waste Pick-up, Art & Entertainment, Sunshine Committee, Annual Garage Sale, Art & Crafts & Antique Fair, and three planned concerts in the summer of 2010. The next summer event will be the family picnic, operated by the Kids Club.

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Activities of the Kids Club were discussed, including the formation of the club by NBLOA President Bryan Diehl. Activities include: Movie Night, Easter Celebration, Family Picnic, Halloween Party and a Pancake Breakfast with Santa during the Christmas Holiday.

The NBLOA operates the North Bay Electronic Bulletin. Nine editions were sent out last year by e-mail and numerous time-sensitive notifications were also sent out. A copy of each edition is posted on the Beach Club bulletin board or you can sign up for e-mail delivery.

The NBLOA met regularly in the past year to discuss issues that affect North Bay lot owners and to create positive solutions to the challenges we face as a neighborhood. In 2009 the NBLOA Board looked at the feasibility of a pea patch, a kayak rack at the Beach Club, marquee-reader board for the Oak Bay Road entrance to the Beach Club property. Some of these fell by the wayside, but the marquee project is still under consideration.

Members are encouraged to provide input, ideas and participation with regard to any or all of the above-mentioned endeavors. NBLOA meets on the first Monday of each month except August.

Thank you for your participation,
Bryan Diehl, President

Volunteer Recognition – The Big John Van Zonneveld Award - Trustee Teddy Clark – April 2010

Trustee Clark recited the following quote in recognition of LMC's volunteers; "There is no such thing as a small act of kindness. Every act creates a ripple with no logical end."

Trustee Clark discussed the life and work of the late John Van Zonneveld. He was a man who often volunteered in our community, and was a very noticeable presence with his energy, size and ideas. In reminiscing John's accomplishments, Trustee Clark pointed out that John was quick to meet people, and shared his thoughts, concerns and his ideas. John began volunteering at a young age in Holland during World War II, and part of his family and several friends were involved with Dutch resistance efforts. John continued volunteering for the rest of his life.

Following John's death, Trustee Boyer suggested a Big John Award be presented each year to a member of our community who exemplified the spirit of volunteerism. The LMC Board of Trustees agreed with Trustee Boyer's idea and the Big John Award was established.

The first Big John Award was presented to LMC member, Peggy Schafran, who began her volunteering efforts in 1976 when the first traffic control signs went up in Port Ludlow. Over the years, Ms. Schafran has been active in the NBLOA, serving as president in 1989. She was instrumental in many volunteer efforts, including getting the singles group organized into a social group. In 1997 Peggy was president of the Friends of the Library in Port Hadlock and has brought many health educational services and issues to our community. The list of helping others is extensive and includes the following:

- Initiated a sign-up list of people offering to help others in time of need

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- Developing a medical information directory
- Bringing stroke and cardiac education to Port Ludlow
- Receiving Jefferson County Hearts of Service Award in 2006

Trustee Clark expressed her great pleasure that the LMC Board of Trustees presents the first Big John Award to Peggy Schafran.

On behalf of everybody in our community, Trustee Clark thanked Ms. Schafran for her many years of volunteering and presented the first annual Big John Award Plaque and a beautiful bouquet of flowers to Peggy. Ms. Schafran accepted the award and delivered an acceptance speech in which she looked back over her background and volunteerism over the years.

The Following Certificates of Appreciation were Awarded – Trustee Kadash

- Tom Satterlee, for his service to the LMC Board
- Paul Moseley, for his service to the LMC Board
- Stanley Kadash, for his service to the LMC Board
- Eve McDougall, Sharron Sherfick, Bill Clark (Chair), for their service to the ACC
- Barbara Berthiaume (Chair), Evelyn Fett, Michael Cahn, Amy Recht, David Goudie, Carol Shamhart, for their service to the Communications Committee
- Dwayne Wilcox (Chair), Carol Reichstetter, Jan Richings, Anthony Monti, Art Moyer, for their service to the Covenants & Regulations Committee
- Ian Feltham (Chair) Robert Bima, Patrick Shannon, Ned Luce, Norm Crump, Eve McDougall, for their service to the Finance Committee
- Ted Buehler (Chair), Jimmie Hendricks, Doug Walter, Skip Rasmussen, Peggy Manspeaker, Jack Slattery, Steve Siegiel, Ross Robson, Bill Wilke, for their service to the Greenbelt Committee
- James Goode (Chair), Shelia Brunstad, Monica Brown, Carol Shamhart, for their service to the Operations Committee
- Michael Cahn (Chair), Adele Govert, Bill Hansen, Larry Nobles, Art Zoloth, Joan Dragnich, for their service to the Long Range Planning Committee
- President Elizabeth Van Zonneveld, for her service to the LMC

MANAGER REPORT – Brian Belmont

Good afternoon. So as not to duplicate what has been said by others today, my focus is to talk a little bit about some of the projects that are coming up this year.

In a little more than two weeks we will begin removing the deteriorating plexi-glass fence adjacent to the outdoor pool. The new fence will be galvanized chain-link fencing that will match the existing fence. Both the new and the existing fence will be fitted with windscreen material that helps break the wind but also allows some visibility through the material. As part of this project aluminum posts will be installed adjacent to the pool deck for the purpose of supporting the pool cover reels. We should have the project completed in time for our scheduled May 21 outdoor pool opening.

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Following the closure of the outdoor pool this fall, the pool will require significant repairs to the perimeter drain system, pool plaster and the water return lines. Although these repairs are extensive they are not surprising considering the pool is more than 40 years old.

For the past couple of months, as time permits, two of our maintenance employees Don Baker and, in particular, Steve Melnick have been working to gain the upper hand on the parking lot ivy. Although there is still quite a bit left to trim, they have hauled away more than a dozen truck loads of material. Unfortunately, ivy being ivy, as soon as everything gets trimmed up it's time to start over again.

This summer Don and Steve will re-stripe the parking lot lines and this next fall our staff will make repairs to water damaged drywall in the men's locker room.

You have probably heard that LMC is attempting to raise funds to purchase a digital projector for the Bay View room. It is our plan to have it mounted on the overhead beams. LMC received a \$500 donation from the Port Ludlow Computer Club, Dine and Discover donated \$300, the now defunct Homeowners Potluck group donated \$203 and the Association of Naval Aviators made a \$100 donation. In addition LMC received individual donations from Barbara Berthiaume, Peter Joseph and Marilynne Gates. To cover the purchase of the projector and the installation LMC needs an additional \$500. If you wish to make a donation to this project please send your check payable to LMC. Donations of any amount are appreciated.

At the beginning of June last year new electric heat pumps were installed to heat the spa, indoor and outdoor pools. Since the installation, 10 months ago, we have reduced our propane consumption by approximately 8,700 gallons as compared to previous years. It is estimated that the propane would have cost LMC more than \$15,000. Of course our electrical consumption has gone up due to the heat pumps. A conservative estimate would be that LMC's net savings has been at least \$8,000 during the past 10 months.

Although it may not always be obvious to our members, the maintenance staff has projects going constantly. Whether it's here in the Beach Club, outside on the grounds, working on pool/spa projects, taking care of the Bridge Deck building, maintaining the RV storage lots or working on something at Kehele Park, our people are working hard to maintain your common assets with the resources available.

Our maintenance staff is led by Don Baker who took over for Phil Eng a year ago. Because of Don's diligence LMC has been able to save a significant amount of money on supplies and equipment purchased. As an example Don found a new source for pool chemicals which saves us approximately 10%. Over the course of a year this translates into more than \$1,000 savings. Don also just completed a two day Certified Pool Operator course.

In addition to Don, Bob Carstensen performs evening maintenance and janitorial duties during the week. The groups that use the facilities in the evening have provided numerous compliments about Bob's attitude and his willingness to help.

Earlier I mentioned Steve Melnick who, along with John Krumrei, are our two part time maintenance workers.

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Kim Monroe is our office manager who oversees our hostess staff. It doesn't take long working alongside Kim to realize she is a dynamo. She can multitask like no one I have ever seen. It's not unusual for Kim to be juggling three or four tasks at the same time. I appreciate everything that Kim does for this organization and I hope you do, too.

Sue Bartkus is one of our four part time hostesses. Sue enjoys working with our Beach Club members and guests. Sue always has a smile on her face and a kind word for staff and members alike. Along with working the front desk Sue also takes care of the clerical duties for the Architectural Control Committee.

Ruth Irvin has worked for LMC for more than five years. I think Ruth really enjoys working here and the interaction she has with our visitors. Ruth is a hard worker and always willing to fill in and help out where needed.

Because Kathy Hammond works as a fill-in she is only here a couple of shifts per month. Kathy does a good job for us with her limited schedule.

Carol Shamhart, another part time hostess, is sometimes referred to as "sarge" for her diligence in pool rule enforcement. In addition to her hostess duties Carol is also our LMC recording secretary. Carol reviews the recordings of the Board and member meetings and prepares the minutes. For Carol's sake let's keep this meeting short.

Finally I would like to personally thank all the volunteers that have contributed to this community over the past year. Your level of commitment and dedication is inspiring. Thank you all for coming today.

Recognition of General Manager Brian Belmont – Ian Feltham

On behalf of the LMC membership and himself, Mr. Feltham thanked Mr. Belmont for the excellent job he has done, often doing a lot of the work himself. A tremendous amount of money has been saved by Mr. Belmont's effort. President Van Zonneveld also expressed her appreciation to Mr. Belmont.

NEW BUSINESS:

ELECTION RESULTS: Mr. Belmont - Complete results will be posted on the Beach Club Bulletin Board.

At Large Members

Lot Owner Board Candidates

3-year term -	Sharron Sherfick	213 votes	Elected
	Richard Babaian	158 votes	Elected
	Stan Kadesh	125 votes	
	Art Moyer	117 votes	

Write In:

Barbara Berthiaume	1 vote
Ted Buehler	1 vote

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Glee Hubbard	1 vote
Gary Martin	1 vote
Paul Moseley	5 votes
Rae Watkins	2 votes

Condominiums:

Condominium Board Candidates

3-year term -	Elizabeth Van Zonneveld	46 votes	Elected
	Paul Moseley	20 votes	
2-year term -	Glee Hubbard	59 votes	Elected
Write In:	Pat Herbig	1 vote	
	Steve Gross	2 votes	

Ballot Item #1:

Resolution: That the audit of 2009 LMC financial statements be waived. **Approved** - More than 67% of the members voted to waive the audit.

Motion Brought by LMC Member Arthur Moyer:

Mr. Moyer announced the following motion: *The members of the Ludlow Maintenance Commission hereby (1) rescind the action taken by the LMC Board of Trustees, taken at the April 10, 2010 Board meeting, which replaced Regulation II, Article I, 3. – Trees & Views on Private Property, with a revised regulation; (2) reinstate previous Regulation that was approved by the Board of Trustees on May 19, 2007, following an affirmative vote of the membership on April 21, 2009; and (3) require that any revision of this regulation must be approved by an affirmative vote of a majority of those members, either in attendance or by proxy at an LMC membership meeting called for that purpose at which a quorum required for a members' meeting is present.*

President Van Zonneveld stated the motion is out of order. *Paul Moseley seconded the motion.* President Zonneveld stated that because the motion is out of order it cannot proceed.

President Van Zonneveld stated: "It is not within the power of the membership to adopt rules or amend bylaws. That power has been given to the Board by the governing documents."

Mr. Belmont provided an in depth explanation supporting President Van Zonneveld's decision why Mr. Moyer's motion cannot proceed.

Lengthy discussion followed. President Van Zonneveld read an opinion letter from the LMC attorney that stated, in part, the members do not have the legal authority under the statutes or the governing documents to rescind any amendments made to the regulations or to adopt new regulations by motion.

Lengthy discussion continued with audience participation.

Mr. Moyer made an advisory motion that this membership votes to send back to the Trustees the Trees & Views on Private Property Regulation for further revision and reconsideration. The

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motion was seconded by Lenetta Johnson and Mr. Davis. Lengthy discussion followed with member input.

A new business ballot was passed out to the members in attendance. Mr. Belmont read the motion before the members and provided instructions on how to vote on this matter.

While the ballots were being counted, President Van Zonneveld introduced new trustees Sharon Sherfick and Glee Hubbard. Newly elected trustee Richard Babaian was not present.

President Van Zonneveld announced that following adjournment of this meeting, following any other new business, the Board will meet in an organizational meeting to elect their officers for next year.

Mr. Belmont reported the motion to refer the above-mentioned matter for reconsideration was approved 73 votes in favor and 18 against. 10-04-03

By a motion made, duly seconded and unanimously carried, President Van Zonneveld adjourned the 2010 Annual Members' Meeting at 4:55 p.m. 10-04-04

Respectfully submitted,

Vaughn Bradshaw, Secretary
Ludlow Maintenance Commission, Inc.

Prepared by Carol Shamhart
LMC Recording Secretary