

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF TRUSTEES OF
LUDLOW MAINTENANCE COMMISSION, INC.**

Saturday, July 8, 2006– 9:00 a.m. – Bay View Room

Trustees: John Van Zonneveld, Art Moyer, Sonny Sanzaro, Jerry Nelson, Ian Feltham, Amy Recht, Terry O'Brien, and Vaughn Bradshaw.

President O'Brien called the meeting to order at 9:00 a.m. and asked Secretary Moyer for a roll call. Trustee Bruce Schmitz has resigned. Trustee Nelson was absent.

Approval of Minutes: The minutes of the regular 10 June 2006 meeting and 10 June 2006 executive session were approved as corrected.

President O'Brien welcomed the membership to the meeting.

Trustee Replacement: Trustee Moyer made a motion to change the agenda and sit the replacement trustee. Trustee Recht seconded this motion. Motion carried. Trustee Schmitz's resignation from the Board came into effect July 7, 2006. Trustee Feltham nominated Bruce Pyles to replace Bruce Schmitz. Seconded by Trustee Moyer, this nomination was approved by a unanimous vote of the Board. Bruce Schmitz was commended for his service. Bruce Pyles joined the Board at the trustees' table.

Manager's Report – Brian Belmont

Trustees received printouts of the current financial reports. The manager reported the expenses being slightly over 50% and income at 100%. Only nine properties remain delinquent on the assessments.

The manager is still looking for a part-time maintenance worker that can close the facility on Saturday and Sunday nights and be trained to fill in as needed on the day shift. The position has been advertised in local newspapers and the Voice.

The new copier has been delivered and is working out very well. The staff used the new machine to copy the summer LOG that was recently mailed to the membership.

The manager reported making a final payment to Nordic Services. He will now submit copies of the cancelled payment checks to the insurance company for the hold back amount to be released. After paying a \$1,000 deductible, the manager is expecting LMC to pay less than \$2,000 for the locker room restoration. The total amount of the insurance claim was \$194,707.83. The manager and Bruce Schmitz were commended for their attention to this project.

The manager reported planning to have two concrete sidewalk pads removed and re-poured within the next two weeks.

He also mentioned scheduling the Yard Dogs to clean up vegetation along the parking lot area around the Bridge Deck.

The pool supplier was at the Beach Club earlier this week to recalibrate the outdoor pool chemical feeder.

The manager gave thanks to Trustee Sanzaro for replacing a portion of the deck handrail.

The manager reported waiting to hear from Joe Thompson, Leavitt Trucking, Landmark Excavating, and Centerline Construction regarding the tennis court French drain. The work needs to be done before the end of September.

COMMITTEE REPORTS:

Finance Committee – Bruce Pyles

Since the last LMC meeting the committee met once. The committee is planning to review LMC reserve accounts, the accounts that are maturing, and the needs for the reserve funds for the remainder of the year.

The committee was informed by the Operations Committee that they are searching for a new legal council. By the last committee meeting, 2006 assessment collection was at 98%. The committee reviewed three properties with long overdue accounts and decided to discuss foreclosure at the next meeting.

The committee approved the final payment to the Nordic Construction Co. They are expecting a reasonable reimbursement. The committee should be able to report to the Board on the final total costs and net cost of the locker room restoration soon.

Estimated costs for repairs of the sidewalks are \$700 to come from operating funds.

The committee is reviewing copier costs. Currently LMC charges five cents a copy.

Tennis Court curtain drain may cost between five and six thousand dollars; the funds will come from the reserve fund.

The committee suggested small changes to the Operations Committee proposal sheet.

A quote on the new umbrella insurance policy came in and will be reviewed at the next committee meeting.

Trustee Pyles will be stepping down as a Finance Committee Chairman.

Operations Committee – Brian Belmont (for Carol Shamhart)

Mr. Belmont read Ms. Shamhart's report.

The Operations Committee has been working on several difficult tree issues. One involves Kehele Park and the grove of trees bordering the Eckstrom property (the old Currier home). This case has been in the works for over a year, first with the Greenbelt Committee and now with the Operations Committee. To try to preserve harmony within the immediate neighborhood of Pioneer Drive, Harms Lane, Jackson Lane, and Foster Lane, the committee voted to grant the

Eckstroms partial relief of their request at this time. Step one will involve cutting of certain trees on their property that have previously been approved for removal by the ACC, approval of the Operations Committee to cut all deciduous trees on park property bordering their property, removal of one large park tree that is very close to their deck and is causing concrete cracking, and removal of three almost dead park trees. The Eckstroms will also be given permission to limb up the remaining park trees. A minimum of two Operations Committee members will be present at the time of cutting of any park trees. All costs are to be paid by the Eckstroms. When step one is completed, the Operations Committee members will revisit the site and review the remainder request.

Trustee Moyer asked the manager to take to the Operations Committee his request to prepare a plan for the west boundary of the Kehele Park. According to Trustee Moyer, three properties in the row along the park are going to be asking for relief from the park trees and brush. At least one of them is willing at this point to establish a boundary of some sort. Trustee Moyer's request was not supported by the Board. The manager explained that the committee had started discussions of their overall vision of the park.

Going on with Ms. Shamhart's report, the manager read that another tough case involved trying to decide if trees were planted by humans or Mother Nature. The trees involved are 60-70 feet high, and core samples determined them to be 32 and 40 years old. The home on the property is less than 10 years old. After careful study and consideration, the committee voted that the owner was not in violation of Regulation I, Article 1, Section 9 under the existing governing documents.

Several other smaller issues involving property management, storage of trailers, etc. are being addressed as they are received.

The committee discussed the need for additional security at the Beach Club and various types of surveillance equipment LMC might consider. The manager recently met with Cameron Sharp, a specialist in the field recommended by Trustee Van Zonneveld. Mr. Sharp and Mr. Belmont will do a tour of the Beach Club in the near future to determine the best equipment for the LMC needs and the budget.

The next Operations committee meeting will be held on Tuesday, July 18 at 4:00 p.m.

Architectural Control – Steve Siegiel (for Veronica Ryan)

Since the last LMC meeting, the committee met twice. We approved fourteen requests: four new houses, one fence, seven tree removals, and two repaints. One tree removal request has been forwarded to the GBC. One fence, one shed, and one tree removal request were denied.

We currently have fourteen pending requests which include two new houses, one garage attachment, three fences, one propane tank, one roof, one brush removal, two tree removals, and three repaints.

Houses under construction are being monitored. Reported violations are getting addressed. The next ACC meeting is scheduled for Monday, July 10.

Questions and comments followed.

Covenants & Regulations – Catherine Garrison

The committee last met on June 13. Trustee Schmitz shared his plans to resign. The committee is in recess until September. Ms. Garrison asked the Board to reaffirm the CRC Policies and Procedures first written and approved in 2004. The committee made some minor changes to the document.

The committee developed a calendar and a tentative agenda for 2007. They identified five items for revision: three bylaws and two regulations.

The committee reviewed the draft of the No Nuisance Language in light of the legal council opinion. Ms. Garrison requested that the rationale for the changes be attached to these minutes. The committee researched definitions of industrial and commercial, nuisance, zoning, and Jefferson County Home Businesses Regulations, had two meetings with legal council, and wrote the language for the Board's consideration. They acknowledge that Jefferson County has enforcement rights over home business activities.

The committee also recommended deleting language regarding discharge of air guns, slingshots, etc. Port Ludlow is within the Jefferson County No Shooting Zone. The committee recommended that all public safety violations be reported to the law enforcement.

Ms. Garrison asked that all above-mentioned revisions be posted for public comments. The committee is planning on bringing them back to the Board in the fall.

Greenbelt Committee – Dean Nelson

The committee has not met since the last Board meeting. They have been working on requests where trees have been removed and no restoration has been done.

Communications – Sally Orsborn

No report

Trees & Views Ad Hoc Committee – Amy Recht

The committee has been meeting regularly on the first and third Monday of each month. The meeting time varied to meet members' schedules. In July, the committee is expecting a number of speakers. Some members have started writing the regulation. The committee plans to have a draft sent as an insert to the LOG in October, a members' forum in late October-November, and a complete document ready for the Board's approval December 1.

Lot Owners Associations – Karl Barden

Mr. Barden reported on the past events and gave a calendar of upcoming events.

Condominium Associations – Vaughn Bradshaw and Jerry Nelson

No report

Port Ludlow Village Council – Bruce Schmitz

Olympic Terrace II is putting in infrastructure and should be pouring foundations this fall. Mr. Schmitz expects to see the houses built there by the spring 2007.

PLA are continuing to discuss possible revisions to their plan for the resort area. They have already met with LMC and other community organizations. PLA intend to make some amendments to the present plan, which they are not prepared to discuss at this time. The revised plan will probably be presented to the community and the county in August. The developer continues to ask for extensions to a hearing examiner's decision on the present plan.

Trendwest and PLA have applied to the county for a revision to the development agreement to change the wording to allow timeshare units as a part of allowable uses in Ludlow Cove. With the public comment period on this application being opened, the PLVC voted to send in a letter questioning the legality of the method of changing zoning used by PLA and Trendwest. Sometime in August a public hearing on this application will be held in Port Ludlow. Following prolonged discussion, Trustee Recht made a motion to send a letter from the Board to the county questioning the methodology being used in this request for a change in zoning for this particular property which will set a precedent for future changes that the Board is uncomfortable with. Seconded by Trustee Moyer, this motion carried.

The PLVC is starting to prepare for the annual elections. This fall three North Bay positions will be open. Frank Syler is running the election campaign. The presidents of the South and North Bay Associations are members of the PLVC Board. They can serve themselves or designate someone to take their place on the Board. The person appointed by the president does not have to be a trustee.

Questions and comments followed.

CORRESPONDENCE:

The Board received a notice of appeal from Richard McDonalds regarding ACC decision to deny his request to build a fence on his Montgomery Lane property (lot # 2-1-040). The time of this appeal hearing was set at this meeting new business.

The Board received a letter from Ron Gregory complaining about a neighbor. This letter was referred to the Operations Committee.

The Board received a letter from Diane Wilkerson complaining about the density of the pool caused by the swimming lessons. The letter was referred to the manager who had since discussed it with the swimming instructor. A compromise was found.

The Board received a letter from Terry Ross regarding non-member use of the tennis courts. This issue was discussed in length at the Board workshop and under new business.

The Board received a letter from Elizabeth Van Zonneveld regarding the letter of understanding for the Trails Committee. President O'Brien has drafted a response to this letter.

Trustee Moyer also brought in a notice from Kevin and Shelley Eckstrom appealing the Operations Committee decision regarding their petition for removal of trees within the Kehele Park adjacent to their Harms Lane property. The Operations Committee decision has not been delivered to the Ekstroms yet. Following prolonged discussion, President O'Brien asked for a motion to the Board to sequester any other comments from Art Moyer relative to this appeal. Trustee Recht made this motion. The motion failed to second. Following further discussion, Trustee Recht made a motion to decline hearing of this appeal until the Operations Committee written decision is delivered to the appellants. This motion was seconded by Trustee Pyles. Trustee Moyer objected. Trustee Recht modified her motion to say that the Board decline the hearing of the appeal as no official decision letter has been issued by the Operations Committee and that the Board will decide whether to hear the appeal when the official decision letter is issued and appealed. Trustee Pyles withdrew his second of the original motion and seconded the amended motion. This motion carried by a vote of 7:0 with Trustee Moyer abstaining.

President O'Brien received a notice of appeal from Paul Taylor regarding ACC decision to deny his request to install a composite shed.

The Board received a letter from Rae Watkins, asking to consider raising the level of the Bay View Room stage for better receiving of the future programs and to examine and repair as necessary the ceiling fans so that they both function on all speeds. This letter was referred to the maintenance.

UNFINISHED BUSINESS:

None noted

NEW BUSINESS:

LMC Record Retention Policy: Following brief introduction of the document, Trustee Van Zonneveld made a motion to accept LMC record retention policy as prepared by the CRC. Seconded by Trustee Moyer, this motion carried.

Committee Record Keeping Policy: Following brief introduction of the document, Trustee Recht made a motion to accept committee record keeping policy as prepared by the CRC. Seconded by Trustee Moyer, this motion carried.

Covenants & Regulations Committee Policies and Procedures: Trustee Recht made a motion to accept the document as prepared by the CRC. Seconded by Trustee Moyer, this motion carried by a vote of 7:0. Trustee Pyles abstained.

Appeal Hearing Scheduling (lot # 2-1-040): President O'Brien asked for a motion to schedule this appeal hearing for the day of the August Board meeting. Trustee Feltham made a motion to this effect. This motion was duly seconded and carried.

Appeal Hearing Scheduling (lot # 2-2-035): With the Board's approval, President O'Brien will try to schedule a special meeting to be held in July to hear this appeal and discuss some other issues.

Banking Resolution: Trustee Feltham moved that the current banking resolution be accepted as modified due to the changes to the Board of Trustees, t. i. Trustee Pyles taking over Trustee Schmitz's term. Seconded by Trustee Pyles, this motion carried.

Bluff & Tideland Property Ownership Review: Following brief introduction of the issue, Trustee Moyer made a motion to direct President O'Brien to obtain a legal opinion on the uplands and tidelands to the east of areas 5, 1, and 2:

1. Do quitclaim deeds # 2518811 and # 1222353 granting these properties to the Ludlow Maintenance Commission by Pope & Talbot Development Inc. mean that the LMC is legally required to accept these properties?
2. Does the LMC in fact own these properties?

Duly seconded and discussed, this motion carried by a unanimous vote of the Trustees.

PLVC Trails Committee Letter: President O'Brien reported receiving a letter from Elizabeth Van Zonneveld containing a draft agreement with the PLVC regarding trails. At the workshop the Board decided that this agreement does not meet the current needs of the LMC. President O'Brien has drafted a letter of response, a copy of which is attached to these minutes. The letter will be mailed.

Service Committee – West Parking Lot Feasibility Study: President O'Brien asked the Board to allow him to set up an ad hoc service committee to study what would be necessary to offer west parking lot property for sale. Trustee Sanzaro made a motion to set up a service committee to study the feasibility of offering the west parking lot for sale. Seconded by Trustee Moyer, this motion carried.

Kehele Park Tennis Court Usage: President O'Brien has drafted a letter to the Racquet Club explaining that only LMC members and contract members of the LMC and their guests can use the LMC tennis courts and that the Racquet Club has no authority to authorize the use of the North Bay tennis courts. A copy of this letter is filed with these minutes. Trustee Moyer made motion to send this letter to the president of the Racquet Club. Seconded by Trustee Pyles, this motion carried.

Public Comment Period: President O'Brien opened the floor for public comments. There were no comments.

The meeting was adjourned at 10:50 p.m.

Respectfully submitted,

Art Moyer, Secretary
Ludlow Maintenance Commission, Inc.