

APPROVED

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

January 9, 2010 – 9:00 a.m. – Bay View Room

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

Member Comments: Don Cooper discussed a letter he had sent out to the condo owners, stating his opinion that all LMC candidates come from the community as a whole. President Van Zonneveld suggested Mr. Cooper write to the Board to request an ad hoc committee for review of the governing documents to determine if this is a possibility.

Adele Govert discussed the length of LMC's meetings.

President Van Zonneveld called the regular board meeting to order at 9:05 a.m. Roll call was called by Secretary Michael Larkin. All trustees were physically present with the exception of Trustee Jenings who attended via Skype (internet). General Manager Brian Belmont was also in attendance. A quorum was present.

Approval of Minutes: *Trustee Kadash made a motion to approve the December 12, 2009 regular meeting minutes. The motion was seconded by Trustee Boyer and carried 8:0:1, with President Van Zonneveld abstaining. 10-01-01*

Trustee Boyer made a motion to accept the special members meeting, ratifying the budget, held on December 12, 2009. The motion was seconded by Trustee Kadash and carried 8:0:1, with President Van Zonneveld abstaining. 10-01-02

President's Remarks: President Van Zonneveld announced the Board of Trustees meetings and all meetings of the LMC are recorded for transcription and accuracy. The meetings are not operated entirely by Roberts Rules of Order, but a general parliamentary procedure will be followed. President Van Zonneveld stated it is her policy not to vote as President unless required to break a tie. Participants will wait until recognized, announce their name, and speak one at a time. Motions will be disposed of as they occur. The Board is experimenting today with Skype, to see if Board members can continue their commitment to the Board from a distant location. The Communication Committee will be reviewing policy and procedure to add this form of participation for an off-site Trustee. The Trustees will go into executive session later today to review legal matters.

Manager's Report – Brian Belmont

The trustees have been provided with DRAFT December 31, 2009 financial statements. There are year-end journal entries that need to be made. The Trustees will be provided revised December 31 financials at the February meeting.

At year's end there were 15 delinquent properties for a total of \$11,799.94. Late payment penalties and lien fees are included in this amount.

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At the December trustee's meeting it was reported a motor home stored in the Talbot RV storage lot had been broken into. On December 15, LMC maintenance staff found the chain link fence at the Talbot lot had been cut. Our staff made the necessary repairs to the fence and the sheriff's department was notified. On December 18, LMC was notified two more motor homes in the same storage lot had also been broken into. Because the owners had not checked their stored equipment for several weeks, it is difficult to pin-point when the break-ins occurred.

In the Rainier RV storage lot, 62 spaces are powered by 2-60 amp circuits and 1-200 amp main breaker (see attached pictures and layouts). One of the 60 amp breakers powers 18 storage spaces and five overhead lights. Our maintenance staff has to reset the 60 amp breaker almost every day. Double D Electric measured the amperage draw on the breaker and found there are more than 58 amps being drawn. In other words, the circuit is being overloaded. I would like to recommend the Operations Committee research this problem and bring a recommendation to the Trustees.

Mr. Belmont provided the Trustees with a colored layout of the Rainier RV lot and lengthy discussion followed.

Last month Mr. Belmont reported Dine and Discover had donated \$300 for the purchase of a digital projector. Dave Pike, President of the Port Ludlow Computer Club, told Mr. Belmont the Computer Club is going to donate \$500 toward a projector.

Groves Glass completed the window and door glass replacement that was authorized in November.

The dehumidifier system in the indoor pool area had two failures during this past month. A refrigerant line cracked and the motor of one of the two air-handlers failed. Repairs have been made. However, additional work will be required to reduce compressor vibration which caused the refrigerant line to crack. Also, the service technician found the humidity sensing unit is not functioning correctly. A new sensor has been ordered.

The bearings went out in the spa circulation motor last weekend. A new motor one has been purchased and installed. The old motor will be checked to see if it is cost effective to have it rebuilt. The new motor cost approximately \$350.

A draft copy of the 2010 Facility Agreement with Port Ludlow Associates (PLA) has been distributed to the trustees. This is the same agreement LMC has entered into for the past several years. PLA will be required to confirm what units will be participating in the rental program this year. Mr. Belmont recommended the Trustees consider approving the agreement subject to PLA's update of participants.

Trustee Bradshaw made a motion to sign the 2010 Facility Agreement after Port Ludlow Associates provides updated information regarding this year's participants. The motion was seconded by Trustee Clark and carried 8:0:1, with President Van Zonneveld abstaining. 10-01-03

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Coca Cola will be removing the Beach Club pop machine. In 2009 only 26 cases of product were sold from the machine, less than half what Coca Cola requires to justify keeping the machine in this location.

COMMITTEE REPORTS:

Architectural Committee (ACC) – Bill Clark, Chair

Mr. Clark reported no new ACC requests this past month. Mr. Lambe (#2-3-226) has brought his hedge/fence into compliance. Mr. Clark recommended removal of the previously placed sanctions on the Lambe family.

Trustee Larkin made a motion that sanctions placed on Mr. Lambe's property as a result of a fence violation that has been corrected, should be removed. Trustee Bradshaw seconded the motion and it carried 8:0:1, with President Van Zonneveld abstaining. 10-01-04

Mr. Clark discussed the revised draft of the view obstruction regulation. At a special discussion session on Tuesday, January 5, Mr. Clark presented the revision and included the history of the regulation, the shortcomings of the current regulation and overview of the research behind the effort in the last few months.

Trustee Bradshaw made a motion that the draft revisions to Regulation II, Article I, Paragraph 3, proposed by the Architectural Committee, be accepted for first reading and referred to the Covenants & Regulations Committee for review and recommendations to the Board. The motion was seconded by Trustee Kadesh. Lengthy discussion followed. The motion passed 5:3:1, with Trustees Boyer, Bradshaw, Clark, Kadesh and Satterlee for, Trustees Jennings, Larkin, and Moseley opposed. President Van Zonneveld abstained. 10-01-05

Mr. Clark requested the Board extend the moratorium on view obstruction requests until a final version of this regulation is enacted by the Board.

Trustee Bradshaw made a motion that the moratorium on view obstruction relief decisions by the Architectural Control Committee(ACC) be extended until the Board has approved and adopted revisions to Regulation II, Article I, Paragraph 3, that resolve the shortcomings of the current regulation to allow the ACC to implement clearly and consistently. The motion was seconded by Trustee Larkin. Lengthy discussion followed. Voting on this motion resulted in a tie. Trustees in favor were Bradshaw, Clark, Kadesh and Larkin and Trustees opposed were Boyer, Jennings, Moseley and Satterlee. The tie was broken with a "for" vote by President Van Zonneveld and the motion carried 5:4. 10-01-06

Lengthy discussion continued. President Van Zonneveld suggested the extended moratorium matter be further discussed at a discussion session with the CRC, and requested they consider this item a priority. Secretary Larkin will notify the owners with pending view obstruction cases of the extended moratorium.

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Trustee Moseley made a motion to write a letter to the membership, letting them know we (the board) have stripped them of their rights indefinitely regarding the moratorium on trees and views on other people's property. The motion failed for lack of a second.

Secretary Larkin will write an article for the Voice, to inform the membership regarding the extension of the moratorium on trees and view obstructions on other's property.

Discussion continued.

Trustee Jenings made a motion that a draft or other communication (e-mail) be made to the homeowners, stating the moratorium has been extended until such time as the Board and CRC approve the new language for the regulation. Trustee Moseley seconded the motion. Lengthy discussion followed. The motion carried 8:0:1, with President Van Zonneveld abstaining. 10-01-07

Covenants and Regulations Committee (CRC) – Dwayne Wilcox, Chair – No report available.

Communications Committee (CC) – Trustee Moseley for Barbara Berthiaume, Chair

The committee met on Thursday, December 10 at 3:00 p.m. in the Gallery. Present were Amy Recht, Evelyn Fett, Barbara Berthiaume, Teddy Clark, Paul Moseley and Brian Belmont.

The Winter Navigator has been sent to the board for review. The only change from the Board draft is a re-edited version of the NBLOA article and some typographical corrections. A big thank you goes to Carol Shamhart for her proofing skills, to David Goudie for his layout talents, and to all who contributed to get this out in spite of the holiday season.

Paul Moseley and Amy Recht will collaborate and set up a demonstration for the board on the use of Skype as a possible solution for off-site board participation.

The CRC had raised a question about the alignment of the Navigator Editor and North Bay Editor to the Voice. I e-mailed Dwayne Wilcox, the CRC Chair and explained that these two positions have different roles. The Communications Committee is tasked to insure that all LMC members get news on a timely basis and the Chair reports to the Board. The North Bay Editor reports to the Voice editor and includes news from the North Bay community. Under G: Duties of the Chair, it was agreed to omit #7 as the committee, board, and editor work together to determine what goes in the Navigator as outlined in #6. There are two board members that sit on the committee and are the liaison to the broader board. It was felt that #7 was not necessary. We ask the Board to approve the final draft of the Communication Committee Policies & Procedures. Revision draft copies were provided to the Trustees.

The committee invites the board, committee chairs, and committee members to contribute to the Navigator. The next Navigator will come out in the spring shortly after the Annual Elections in April. We would like ideas for "Question of the Quarter," to elicit member feedback on relevant issues.

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The next Communications Committee meeting will be Thursday, February 11th at 3:00 p.m. The membership is welcome to attend.

Mr. Belmont provided a detailed explanation of the proposed changes to the Communications Committee Policies & Procedures. Lengthy discussion followed.

Trustee Clark moved that the Board accept and adopt the Policies & Procedures from the Communication Committee (CC) as revised January 7, 2010. The motion was seconded by Trustee Boyer. Lengthy discussion followed. The motion passed 7:0:2, with President Van Zonneveld and Trustee Bradshaw abstaining. 10-01-08

Finance Committee (FC) – Ian Feltham, Chair

The FC was briefed by Mr. Belmont on LMC financial matters. The committee reviewed a draft of the Returned Check Policy, which had been previously reviewed and returned to the FC by the CRC.

Trustee Bradshaw made a motion the Board accept the Returned Check Policy revision, dated January 5, 2010 by CRC, as a second reading with the deletion of the word “will” in the second sentence of Paragraphs 1a and 2a., and that the Board approve the policy in that form. Trustee Kadash seconded the motion. Discussion followed. The motion carried 8:0:1 with President Van Zonneveld abstaining. 10-01-09

Mr. Feltham reported Frontier Bank has recently folded. LMC currently has a \$50,000 CD with Frontier Bank and another \$25,000 CD related to Frontier Bank that is held by the local Edward Jones brokerage firm. Both CD's are tied to LMC's reserve funds and are insured by the FDIC. It is expected the funds will be returned to LMC. *Note: Mr. Feltham later learned that it was not Frontier Bank that had failed.*

Review of the LMC financial records by two members of the FC is working well. A permanent record of that review is being made each month and is available for member review.

Greenbelt Committee (GBC) – Ted Buehler, Chair – No report available.

Operations Committee (OC) – Jim Goode, Chair

Mr. Goode reported on the proposed changes to Regulation I, Article I, Paragraph 2. – Single Family Residual Use. The OC suggested adding the following note under Paragraph 2:

NOTE: Jefferson County zoning laws dictate which properties are permitted to conduct transient accommodations for periods less than 30 days. Only Admiralty I, Admiralty II, the Townhouses and the Pin Tail House are permitted to have transient accommodations for periods less than 30 days. Contact the Jefferson County Department of Community Development for additional information.

The OC recommended Regulation I, Article I, Paragraph 6 be modified to read:

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6. Short-Term Renters (less than 30 days): In the event LMC enters into an agreement that provides access to club facilities with a rental agent or owner members of approved short-term rental properties, persons renting such properties shall be referred to as “Short-Term Renters.” Upon approval by the General Manager and payment of an additional annual fee, Short-Term Renters shall be entitled to enjoy the facilities subject to the club rules and to all pertinent conditions in this Regulation.

Discussion followed. Trustee Kadesh recommended the words “Jefferson County Master Plan Resort Code dictates which properties, etc.” be added as the lead sentence under the Note to follow Paragraph 2 in Regulation I, Article I.

Item h. - Unfinished Business – County Ordinance Regarding MPR – Single Family Zoning – Operations Committee was discussed at this time.

Trustee Kadesh made a motion to accept the OC’s recommendations to Regulation I, Article I, Paragraphs 2. and 6. for second reading and forwarding to the CRC for review and comment, following correction of the lead sentence in Paragraph 2., to read: “Note: Jefferson County Port Ludlow Master Plan Resort Code dictates which properties are permitted to conduct transient accommodations for periods less than 30 days.” The motion was seconded by Trustee Larkin. Discussion followed. The motion carried 8:0:1, with President Van Zonneveld abstaining. 10-01-10

Mr. Goode reported the OC continues to discuss use of the Beach Club by marina and hotel guests and a monthly fee for contract member as an option to the annual fee. At this time the OC is leaning toward not allowing marina and hotel guests to use the Beach Club. In regard to contract member fees, the committee is leaning toward an amount of \$100 per month for any month with no prorating. Final recommendations will be provided to the Board at their next meeting. Discussion followed.

Long-Range Planning Committee –Michael Cahn, Chair: No report at this time. President Van Zonneveld reported the survey to date is tracking closely to the profile of the community that was done five years ago.

The meeting went into recess at 11:05 a.m. and reconvened at 11:14 a.m. Trustee Moseley stated Trustee Jenings asked and was excused from the meeting at this time.

Secretary Larkin reported the sanction against Robert Lambe has been removed. Several items of correspondence received regarding this matter will be discussed in executive session following the general Board meeting. Two e-mails regarding the trees and views revision draft were received, one from Dr. Richard Babaian and the other from his wife Mary. These will be addressed during the first reading. Secretary Larkin will notify Dr. and Mrs. Babaian that their correspondence has been forwarded to the ACC. Mr. Lambe will be notified by phone and mail that the previously placed sanctions have been removed. Discussion followed.

UNFINISHED BUSINESS:

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Rules & Regulations – Appeal Time Limits – Pending CRC review. Mr. Belmont reported the CRC is planning to hold a joint meeting with ACC regarding this matter.

Trustee Boyer made a motion to instruct the CRC that their next meeting address the proposed trees and views regulation changes, and nothing more, in conjunction with ACC. President Van Zonneveld will convey this Board request to the CRC and ACC. The motion was seconded by Trustees Clark. Lengthy discussion followed. The motion carried 5:1:2, with Trustee Kadash opposed and President Van Zonneveld and Trustee Moseley abstaining. 10-01-11

ACC Policies & Procedures – Pending CRC review.

Communications Committee Policies & Procedures – Adopted.

2009-2010 Board Goals – Status Report – President Van Zonneveld – Work continues on getting the standing committee's policies and procedures adopted. The long-Range Plan is moving slowly, but the committee has been meeting on a weekly basis, to consolidate the results of the surveys and to provide comments in a readable format. A town meeting has been discussed

Greenbelt Committee Security Deposit – Pending CRC Review

Liability Exposure – Volunteers Working in the Greenbelt – Ted Buehler - President Van Zonneveld explained the correspondence from our liability insurer and a liability waiver has been provided to the Trustees. The waiver form includes revisions recommended by the LMC attorney. These will be reviewed in the near future by the GBC.

Volunteer Hold Harmless for Greenbelt Volunteers – Recommendations from the LMC attorney will be discussed with the liability exposure and waiver.

PLVC Trail Maintenance Agreement – A finalized agreement has not come back from Larry Scott or the PLVC at this time. Mr. Belmont explained Ted Buehler had previously submitted a draft of the agreement and this matter would be tied in with the liability exposure issue under review.

Selecting a Recipient for the Big John Award – Trustee Boyer – Trustee Boyer discussed developing a process that would allow discussion of proposed candidates for this award privately. Mr. Belmont provided input as to what can be discussed in executive session and stated it would be possible to discuss this matter in executive session, but any motions as a result of the discussion would be part of the general Board meeting. Discussion continued.

Operations chair Jim Goode asked the Board if prior approval was required to hire an electrician to assess the Rainier RV lot related to required repairs, etc. Discussion followed. The Operations Committee will review the matter and will make recommendations to the Board.

The general meeting went into recess and the Board went into executive session at 11:37 a.m. to discuss legal and personnel matters.

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The general meeting reconvened at 12:51 p.m.

Trustee Kadesh made a motion that the Board secretary be directed to convey to Mr. Lambe's attorney the relief of sanctions and a copy of the letter from a prior Board dated May 2, 2008, together with a copy of the letter to Mr. Lambe withdrawing his sanction regarding use of the LMC property. The motion was seconded by Trustee Satterlee and carried 7:0:1, with President Van Zonneveld abstaining. 10-01-12

Trustee Moseley made a motion that President Van Zonneveld be authorized to cast the votes on behalf of the LMC in the February 2, 2010 Port Ludlow Drainage District election. The motion was seconded by Trustee Bradshaw and carried 7:0:1, with President Van Zonneveld abstaining. 10-01-13

Trustee Kadesh made a motion authorizing President Van Zonneveld to release the revised Liability Waiver Recommendations to the Greenbelt Committee and to draft a partial Release of Information from the attorney's letter, to the Greenbelt Committee chair, following approval of the Trustees. Trustee Boyer seconded the motion. Discussion followed. The motion carried 6:0:2, with President Van Zonneveld and Trustee Moseley abstaining. 10-01-14

By a motion duly made, seconded, and carried 7:0:1, with President Van Zonneveld abstaining, the meeting was adjourned at 12:55 p.m.

Respectfully submitted,

Michael Larkin, Secretary
Ludlow Maintenance Commission, Inc.

Prepared by Carol Shamhart
LMC Recording Secretary