

APPROVED

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

October 10, 2009 – 9:00 a.m. – Bay View Room

Trustees: Elizabeth Van Zonneveld, Jim Boyer, Vaughn Bradshaw, Teddy Clark, Hugh Jennings, Jr., Stan Kadash, Michael Larkin, Paul Moseley, and Jerry Nelson.

Prior to the meeting being called to order, President Van Zonneveld announced there would be a 15-minute member comment period.

Robert Schreyer, 70 Adventurer Lane, discussed a neighbor's failure to correct a regulation violation related to the trimming of vegetation, to disguise a chain link fence in full view of the Schreyer home. A letter, dated May 2, 2008, had been sent to the neighbor directing him to correct the violation. There has been no compliance to date.

President Van Zonneveld called the regular board meeting to order at 9:08 a.m. Roll call was called by Secretary Michael Larkin. All trustees were present with the exception of Trustee Nelson. General Manager Brian Belmont was also in attendance. A quorum was present.

Agenda Changes: Mr. Schreyer's complaint will be addressed under Unfinished Business as item j. Trustee Nelson's property sale and resignation from the Board of Trustees will be addressed under New Business. Trustee Moseley requested discussion of the protocol of the presidential seat as an officer and to ask respectfully for her resignation as President. This item will be discussed under New Business. Board acceptance of the Beach Club Rental and Facility Rental Agreements will be addressed under New Business. Discussion to use the Beach Club email address list to inform members of a public meeting concerning the Iron Mountain Quarry will be discussed during the Communication Committee report.

Lengthy discussion followed related to changing the agenda order.

Approval of Minutes: *Trustee Kadash made a motion to approve the September 12, 2009 regular meeting minute's draft, as corrected. The motion was seconded by Trustee Bradshaw and carried unanimously. 09-10-01*

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 Board is trying out a new way of eliciting member communication by giving members the opportunity to talk first so that if it is appropriate, the Trustees can include action related to their concerns. President Van Zonneveld stated it is her policy not to vote as President unless required to break a tie. The meetings are not operated entirely by Roberts Rules of Order, but a general parliamentary procedure will be followed. Participants will wait until recognized, announce their name, and speak one at a time. Motions will be disposed of as they occur.

President Van Zonneveld reported on the Community Association Institute's (CAI) Day Program on October 3, 2009.

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Manager's Report – Brian Belmont

The trustees have been provided the September 30, 2009 financial statements. During the month of September, LMC received \$1,953 in member assessments and late fees. Assessment revenue, contract memberships, architectural fees, and interest income continue to be significantly under budget through the first nine months of 2009. Through September 30, operating revenue is \$8,292 under budget. However, the total expenses are also under budget by \$4,151.

On Saturday, October 3, Mr. Belmont, President Van Zonneveld, Trustee Teddy Clark and ACC Chair Bill Clark attended the Community Association Day in Bellevue. The attendees agreed the sessions attended were informative. Mr. Belmont personally attended sessions on reserve studies and board member frequently asked questions, during the morning program. In the afternoon Mr. Belmont attended a board's guide to a major capital repair project and bankruptcy 101.

The 2010 budget will be discussed by the Operations and Finance Committees next week. Both committees have scheduled special meetings to do so. Mr. Belmont asked the Board to consider scheduling a special meeting for the purpose of reviewing the 2010 budget. After looking at the Beach Club calendar, Wednesday, November 4, Thursday, November 5 and Monday, November 9 are available dates to use the Bay View room. If the Board can review the budget in the early part of November, the Trustees will be able to formally approve the budget at the November 14, Saturday meeting.

Mr. Belmont recently spoke with Larry Scott of the PLVC Trails Committee. Mr. Scott would like to provide a trails report to the LMC Board of Trustees and asked the Trustees if next month's meeting would be acceptable to the Board?

LMC recently hired Kim Sullivan as a part time Beach Club hostess. Kim started her training on Friday, October 9.

COMMITTEE REPORTS:

Architectural Committee (ACC) – Bill Clark, Chair

Mr. Clark reported a smaller number of requests due to the temporary moratorium in place. At the recently attended CA Day Program, Mr. Clark attended a session titled "negotiating architectural control mine fields without getting blown up" and stated he had come away with useful information. Obtaining the names of four community associations similar to LMC, Mr. Clark researched the internet and discussed the covenants and regulations of these four associations with the committee. Pending further study, the ACC will soon be able to draft a revision to the current regulations pertaining to view obstruction. Lengthy discussion followed related to the current temporary moratorium on requests for view obstruction relief.

Trustee Moseley made a motion to repeal the ACC's temporary moratorium on trees and view requests, with guidance to the ACC that they make whatever decisions they choose and for any matter that relates to enforcement, the enforcement will become the responsibility of the Board. The motion was seconded by Trustee Jenings. Lengthy discussion followed. Trustee Kadesh

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called for the question and by a vote of 3:4, the motion failed. Trustees Clark, Larkin, Bradshaw and Kadash were opposed. 09-10-02

Covenants and Regulations Committee (CRC) – Chair Dwayne Wilcox

Following review and several changes by the GBC to their Greenbelt Tree Topping Policy, the CRC finalized their work on this policy and asked the Trustees to consider the matter for second reading.

The CRC reviewed the insurance company's request to provide a one-time policy for rental of the Beach Club. Following discussion with Mr. Belmont and insurance agent Hubbard, Mr. Wilcox stated there is nothing required for LMC to furnish a one-time policy and it is strictly a request by the insurance company. Rates to comply with the recommendation would be \$250-400 per event. Concern was expressed on how this action might affect LMC revenue. The CRC referred the matter to the Trustees for further action.

Trustee Jenings stated requesting professional vendors add LMC as additional insured would be an appropriate solution to the problem. Mr. Belmont was asked to draft the appropriate changes to the Beach Club Rental Agreement and the Beach Club Rental Policy, as of October 7, 2009. The changes read: "Professional organizations renting LMC facilities at which food and alcohol are being consumed shall be required to provide LMC a Certificate of Insurance showing general liability coverage in the amount of at least \$500,000, and name Ludlow Maintenance Commission Inc. (LMC) as additionally insured for the dates of the event. The Certificate of Insurance must be provided to the LMC no later than fifteen (15) days prior to the meeting or function. Vendors, such as caterers, shall be required to provide LMC a Certificate of Insurance showing general liability coverage in the amount of at least \$500,000 and name Ludlow Maintenance Commission Inc. (LMC) as additionally insured for the day of the event. A Certificate of Insurance must be provided no later than fifteen (15) days prior to the function."

Trustee Jenings made a motion to accept the modified changes, as referenced above, to the LMC Beach Club Rental Agreement and the Beach Club Rental Policy, as of October 7, 2009, for first reading. Trustee Bradshaw seconded the motion. Lengthy discussion followed. Trustee Jenings called for the question and Trustee Moseley seconded. The motion passed 4:3 with Trustees Boyer, Kadash and Larkin opposed. 09-10-03

CRC work on the appellate procedure for new construction continues. Following a meeting with the ACC, the CRC presented a program for a designed appellate procedure and incorporated requested ACC changes. A final report will be presented to the Trustees at their next meeting.

Discussion followed related to the GBC Tree Topping Policy. This matter will be held over until the next Board meeting.

Communications Committee (CC) – Barbara Berthiaume, Chair

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The committee met on Thursday, October 8th at 3:00 in the Gallery. Present were Michael Cahn, Barbara Berthiaume, Teddy Clark, and Elizabeth Van Zonneveld.

The Iron Mountain public meeting will be held on Wednesday, October 14 at 4:00 p.m. at the Bay Club, with representatives from both Iron Mountain and Pope Resources. Ms. Berthiaume requested LMC open their email list, to circulate this information as it has an impact on Port Ludlow.

Trustee Boyer made a motion to use the LMC email list, to announce a public meeting by Pope and Iron Mountain, which will provide information that, is relevant to the Port Ludlow community. The motion was seconded by Trustee Clark. Discussion followed. The motion carried unanimously. 09-10-04

The Fall Navigator has not been sent due to unresolved issues related to the Trees and Views article and the question of the quarter. These issues have been resolved and there will be no question of the quarter for this issue. An article related to finance will be included. The Long Term Planning Survey will be inserted with this issue as well. There will be a notice on the outside of the Navigator indicating there is an Important Member Action Required, to insure the highest potential for return of the survey.

The committee will be working on a procedure for articles submitted for publication, to prevent this type of conflict in the future as it is time consuming and energy-depleting. Our layout editor is waiting for further instructions regarding a final draft.

The agenda on the last CC meeting was to identify the needs of the Communication Committee. The committee's highest priority is to obtain a managing editor to coordinate articles, deadlines, and committee highlights, to insure an orderly transfer to the layout editor. There needs to be a clear process of content for the Navigator and what material is relevant. Thus far, the standard inclusions are the President's Message, Manager's Report, Governing Document Highlight, and a relevant highlight from a committee or issue.

The scope of the Communications Committees preview was discussed and it was noted that with the turnover of residents, neighbors may not have the chance to get to know their neighbors and continuity can be lost. This can be a communications challenge, and we are in the process of addressing this while keeping within our boundaries.

Board discussion related to trees and views followed. Ms. Berthiaume provided input related to the tabling of an article about trees and views in the current issue of the Navigator.

President Van Zonneveld proposed the Trustees draft a content policy for the Navigator and discuss it at the next Board Discussion Session. Lengthy discussion continued. Mr. Belmont provided the Trustees with a copy of the Long-Range Planning Committee's survey for inclusion in the fall issue of the Navigator.

The next CC meeting will be Thursday, November 12 at 3:00 p.m. The membership is welcome to attend.

Finance Committee (FC) – Ian Feltham. Chair

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At the last meeting of the FC, replacement of the windows on the west wall in the indoor swimming pool was discussed. Additional information on this matter was requested and provided by Mr. Belmont.

The FC discussed investing any CD's maturing from reserve funds at Kitsap Bank. A five-year CD is 3.1%, the best rate at this time

A draft procedure for review of the LMC financial records is in place and will be presented to the CRC for review and then to the Board when it is finalized.

Replacement of the plastic panels around the outdoor pool has been discussed. The support posts are rotting out. No price estimates are available at this time. The Operations Committee recommended replacement with chain link fence and windscreen. No final recommendation has been made.

Additional items discussed by the FC included a positive .9% CPI rate, as calculated by the FC in accordance with the LMC Bylaws, and the possibility of charging rental guests by the month rather than an annual fee.

Discussion followed related to requiring a Certificate of Insurance and the potential impact to LMC.

A draft of the 2010 budget will be reviewed at a separate FC meeting on Thursday, October 15 at 9:00 a.m., in the Gallery.

President Van Zonneveld will email available dates to the Trustees, to discuss the 2010 budget, prior to scheduling a special discussion session for budget review.

Greenbelt Committee (GBC) – Ted Buehler, Chair

Mr. Buehler reported the GBC is working on a deposit amount requirement for members involved in long-term projects. A presentation will be given at the November Board meeting.

The GBC has been working with the County to define critical areas, related cost and what procedures would be required. This matter will be discussed further when the committees have had a chance to provide a recommendation.

Mr. Buehler discussed liability related to volunteers, committee members, and potential liability of any hazardous trees on the trails. The trail from Swansonville up to Camano was studied and approximately 21-30 hazardous trees were noted. Cost to rectify this situation would be approximately \$1,200. In regard to liability, State law states that any public or private landowners who allow members of the public to use this land for recreational purposes shall not be liable for unintentional injuries to such users. Although the State law appears to protect landowners, LMC can assume there is some liability. Signage indicating potential hazard to persons using the trails was discussed.

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Steve Siegiel, co-chair of the GBC, provided additional information to Mr. Buehler's report and requested clarification on several items related to the Trails Committee. Discussion followed.

The meeting went into recess at 11:01 and reconvened at 11:08.

Operations Committee (OC) – Jim Goode, Chair

Mr. Goode provided additional information related to the need to replace the windows along the west wall of the indoor swimming pool.

Mr. Goode presented the OC's recommendations to revise the language in Regulation IV, relating to family membership and guest limitations. *Trustee Bradshaw made a motion to accept the OC's recommended changes to Regulation IV, Article III, paragraph 4 Family Membership and Regulation IV, Article IV, subject of Family Membership and Guest Limitations, for first reading. Trustee Jenings seconded the motion and it carried unanimously. 09-10-05* Discussion followed.

Trustee Jenings made a motion to refer the above-mentioned OC's revisions to Regulation IV, Article III, paragraph 4 Family Membership and Regulation IV, Article IV, to the CRC for their comments. Subject to their comments, the Trustees will either hear changes or accept these revisions as a second reading the next time it comes before the Board. Trustee Bradshaw seconded the motion and it carried unanimously. 09-10-06

The OC will have a special meeting on Tuesday, October 13, at 10:30 a.m., to tour the Beach Club and discuss the 2010 budget.

North Bay Lot Owners Association (NBLOA) – No report.

Condominium Associations – President Van Zonneveld – Trustee Jerry Nelson has sold his Admiralty I property but has not submitted a letter of resignation. Trustee Bradshaw stated he had spoken with Trustee Nelson and he had not resigned because he was looking for a replacement. Discussion followed. *Trustee Jenings made a motion to accept Trustee Nelson's resignation in lieu of his absence at the board meeting. The motion was seconded by Trustee Moseley. Lengthy discussion followed. Trustee Kadash called for the question.*

At this point, condo member, Don Cooper of 221 N. Bay Ln., #5, nominated condo owner Tom Satterlee to fill Trustee Nelson's Board position.

A vote to discontinue discussion failed 1:6 Boyer, Bradshaw, Clark, Jenings, Larkin and Moseley were opposed 09-10-07 Discussion continued.

Trustee Jenings made a motion for the Board to accept Don Cooper's nomination to accept Tom Satterlee as an interim Board member to fill Trustee Jerry Nelson's vacant seat, and to thank Trustee Nelson for his service to this community. Trustee Moseley seconded the amended motion. Lengthy discussion followed. The amended motion carried 4:3, with Trustees Bradshaw, Kadash and Larkin opposed. 09-10-08

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Trustee Tom Satterlee introduced himself and provided a summary of his background. President Van Zonneveld welcomed Trustee Satterlee to the Board.

CORRESPONDENCE – Secretary Larkin – Three letters were received during the past month. An undated letter from John Henderson was related to a trees and view issue. A letter from Mr. Schreyer, dated last July has been located. An update to that letter has been added to today’s agenda under New Business. A letter from Michael Fessler was related to a complaint about a specific party on the Greenbelt Committee.

Trustee Kadash left the meeting at 11:50 a.m.

President Van Zonneveld discussed the Schreyer/Lambe issue and stated the Schreyer’s July letter was not received by the Board until September. The Board is being asked to take action on a position by Mr. Lambe related to his backyard fence hedge. Lengthy discussion followed.

Trustee Moseley made a motion that the LMC Board of Trustees impose sanctions on Mr. Lambe (Lot 2-3-226) and his family, for use of LMC facilities, until such time as they bring their hedge into compliance. This relates to an ACC letter to Mr. Lambe, dated May 2, 2008, and a letter from the Board following an appeal previously heard by the Trustees. A copy of the sanction letter will be sent to Mr. Schreyer. The motion was seconded by Trustee Larkin. Lengthy discussion followed. The motion carried unanimously 6:0:2, with Trustee Satterlee and President Van Zonneveld abstaining. 09-10-09

UNFINISHED BUSINESS:

ACC Non Compliance Referral - Lots # 2-3-196 & 2-3-197 – Deferred at this time.

ACC Non Compliance Referral - #1-2-022 & 1-3-023 – Deferred at this time.

Insurance Risk Management Recommendations (policy changes) – 1stnd Reading – In process.

Rules and Regulations – Appeal Time Limits – Pending receipt of a first version from the CRC.

ACC Policies and Procedures – Pending CRC review.

Communications Committee Policies and Procedures – Pending CRC review.

Greenbelt Committee – Amendment to Committee Policy (tree topping – 2nd Reading – Deferred for revisions.

2009 – 2010 Board Goals – Status Report – President Van Zonneveld reported Mr. Belmont and Catherine Garrison held a very helpful committee orientation on Friday, October 9. All committee chairs except finance attended. Two Trustees and several members of the OC also attended.

The Board had previously asked the Drainage District to review their progress for the members who were concerned about the drainage and erosion problems along the bluff. The Drainage District Commissioners discussed this at their regular meeting with attendance by members of the community.

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In regard to trees, views and erosion concerns, Trustee Boyer contacted Robert Schramek, a forester in Port Townsend, who has agreed to speak to LMC and the community. In lieu of the Trustees' October discussion session, Mr. Schramek will speak at 1:00 p.m. on October 28 at the Beach Club. The community will be notified. President Van Zonneveld stated it would be useful if ACC and Greenbelt can attend. Mr. Schramek will meet with Trustee Boyer at 1:30 p.m. on October 14 at the Beach Club, to look at pertinent greenbelt areas, including the bluffs. Trustee Bradshaw requested the October 28 presentation be taped because he will not be able to attend.

Response to Neighbor Concerns about Trees and Views - PLA: Residents along Montgomery Lane expressed concern about the condition and location of the sewer line. President Van Zonneveld reported Diana Smeland said Larry Smith from Olympic Water & Sewer (PLA) would be pleased to explain the sewer system in that area. Discussion followed. Trustee Boyer recommended Larry Smith participate at Mr. Schramek's talk on October 28. President Van Zonneveld will ask Ms. Smeland and Larry Smith if they wish to participate.

Long-Range Plan Committee – Status Report – President Van Zonneveld for Michael Cahn
– The committee has prepared their first survey, to understand the demographics of the community. The committee wants to send a slightly different questionnaire to LMC contract members than the one sent to members. Discussion followed, with Mr. Belmont providing additional information. Lengthy discussion continued.

Trustee Boyer made a motion to approve the Long-Range Plan Committee's questionnaire, as presented, to be sent out with the Navigator. The motion was seconded by Trustee Jenings. The motion carried by a majority vote with Trustee Moseley and Van Zonneveld abstaining. 09-10-10

Temporary Moratorium on View Obstruction Relief – Status Report – Bill Clark, ACC Chair – Mr. Clark reported the ACC is involved in researching this subject. When the information has been assimilated by the committee, they will present their opinion. Lengthy discussion followed.

NEW BUSINESS:

Navigator Content Authorization – Ms. Berthiaume stated there are many steps being accomplished, relative to the temporary moratorium on view obstruction, that are worthy of being noted in the Navigator. Seeking a forester, research by the ACC, drainage and sewer issues and legal research are topics of interest that would be helpful to the community. Discussion followed. Ms. Berthiaume will prepare a draft article that will be sent to Bill Clark and then to the Trustees for approval. Discussion continued.

Trustee Bradshaw made a motion to approve the content of the Navigator as submitted to the Trustees, subject to the changes mentioned by Ms. Berthiaume, with an email for general approval to the Trustees before publication. The motion was seconded by Trustee Clark. The motion carried by a majority vote with Trustees Moseley, Van Zonneveld and Satterlee abstaining. 09-10-11

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Review of Board Conduct Policy – Trustee Clark – Review of the LMC Board Member Conduct Policy, adopted August 16, 2008, was discussed. Trustee Clark encouraged each Trustee member to read this policy and stated the importance of being consistent, open, transparent and able to communicate.

LMC Board Officers Meeting – Trustee Moseley challenged the validity of the recently held officers meeting and stated his reasons for the challenge. Trustee Bradshaw stated the LMC governing documents are silent on this topic, but it is common practice to have a meeting of the officers to go over functions of leadership on the board, which is what occurred, at the President's initiation. Discussion followed. President Van Zonneveld expressed her apology to anyone offended by the officers meeting and explained that she had immediately reported to the Board about the meeting and emailed all Trustees. Lengthy discussion continued.

Trustee Kadesh rejoined the meeting at 1:10 p.m.

Scheduling of Future Board Discussion Sessions – President Van Zonneveld stated she had sent the Trustees a request for preferences of dates for discussion sessions. Discussion followed. It was agreed to hold a discussion session, if needed, on Thursday, the week prior to the Board of Trustees regular monthly meeting, from 1:00- 3:00 p.m.

Request for the President's Resignation – Trustee Moseley – Trustee Moseley asked President Van Zonneveld to voluntarily step down from the office of President. He stated that if she elects not to step down momentarily, he will request an executive session for further discussion. Trustee Moseley presented his reasons for this request at length. A general discussion followed. President Van Zonneveld stated she will not offer her resignation.

Trustee Moseley made a motion for the trustees to adjourn to executive session to discuss his request for the President's resignation in more detail. Trustee Moseley's motion died due to lack of a second.

By a motion duly made and seconded, the meeting was adjourned by President Van Zonneveld at 1:35 p.m.

Respectfully submitted,

Michael Larkin, Secretary
Ludlow Maintenance Commission, Inc.

Prepared by Carol Shamhart
LMC Recording Secretary