

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

Saturday, November 17, 2007 – 9:00 a.m. – Bay View Room

Trustees: Vaughn Bradshaw, Ted Buehler, Ian Feltham, Stan Kadash, Paul Moseley, Art Moyer, Jerry Nelson, Sonny Sanzaro, and Elizabeth Van Zonneveld.

President Bradshaw called the meeting to order at 9:00 a.m. Roll call was conducted by Secretary Nelson. All trustees were present with the exception of Trustees Moseley.

Agenda Changes: President Bradshaw made the following change to the agenda: Discussion regarding member addition to the Finance Committee and a banking resolution related to the Edward Jones account will be added to LMC Committee Reports under item e (Finance).

As a standard practice, President Bradshaw will abstain from voting unless there is a tie.

Approval of Minutes: Trustee Van Zonneveld made a motion to approve the October 20, 2007 regular meeting minutes as corrected. The motion was seconded by Trustee Kadash and carried by unanimous vote. President Bradshaw abstained. By a motion made by Trustee Moyer, seconded by Trustee Sanzaro, and unanimously carried, a reference to a unanimous vote in the 10-20-07 Regular Meeting minutes will be corrected to indicate Trustee Buehler abstained. President Bradshaw abstained.

A motion was made by Trustee Moyer to approve the Executive Session minutes of October 20, 2007, as corrected. The motion was seconded by Trustee Buehler and passed by unanimous vote. President Bradshaw abstained. A motion was made by Trustee Buehler to approve the minutes of the Special Meeting minutes of November 6, 2007. The motion was seconded by Trustee Moyer and carried by unanimous vote. President Bradshaw abstained.

President's Report: President Bradshaw reminded the audience that board meetings are routinely recorded. He further explained the meetings are held to conduct the business of LMC, but limited input from members is welcome following discussion by the trustees. Remarks from the audience are limited to once per agenda item, for a 5-minute period. President Bradshaw asked participants to state their name prior to addressing the trustees.

Manager's Report – Brian Belmont

Mr. Belmont's written report is filed with these minutes. Questions and comments followed.

2007 LMC assessments remain at 99.8% collected, with \$2,838.74 to be collected.

During the past month, the contractor has been called back to repair four leaks in the new roof over the south end of the Beach Club. The leakage occurred during periods of high winds and heavy rains. Metal flashing that had not been properly installed was the cause of the leaks. The flashing has been re-installed and new caulking has been added.

Double D Electric has ordered new parts to repair the men's sauna. The sauna is working but is not reaching optimal temperature. Double D Electric has replaced the baseboard heater in the hostesses' office with a fan-forced heating unit. A malfunctioning electrical outlet was replaced

The 2008 LMC Assessment Notices will be mailed out by November 30, upon board approval of the 2008 budget. The packet mailed will include the Assessment Notice, a letter from the President, a 2008 Budget Summary, the Delinquent Assessment Policy, Budget Ratification Proxy Ballot and a return envelope.

COMMITTEE REPORTS:

Architectural Control – Eve McDougall reporting for Veronica Ryan

Ms. Ryan's written report is filed with these minutes. Questions and comments followed.

Trustee Moyer questioned whether a new form for tree requests had been completed. Ms McDougall reported the form in question is currently being addressed by the ACC Committee. Trustee Moyer also questioned the shortage of ACC committee members and alternates at this time.

Trustee Kadesh requested the absence of ACC Chair, Veronica Ryan, be included in the record.

Lengthy discussion followed.

Trustee Van Zonneveld made a motion to accept Bill Lazarus and Bill Clark as alternate members of the ACC Committee. The motion was seconded by Trustee Kadesh and carried unanimously with President Bradshaw abstaining. Trustee Kadesh made a motion to make ACC alternate Eve McDougall a regular member of the ACC Committee. The motion was seconded by Trustee Moyer. Discussion followed. By a vote of the trustees, the motion to add Eve McDougall as a regular member of the ACC Committee was unanimously passed. President Bradshaw abstained.

Communications Committee – Barbara Berthiaume (interim chair)

Ms. Berthiaume's written report is filed with these minutes. Questions and comments followed.

A new issue of the *LOG* is being put together. An editor is still being sought.

Covenants & Regulations Committee – Catherine Garrison (interim chair)

Ms. Garrison's written report is filed with these minutes.

The CRC made a request that the LMC seek a legal opinion from legal counsel in regard to Regulation 5, Article II, Enforcement 3, the agreement to arbitrate. A question has come up as to whether this Regulation violates rights of property owners. Lengthy discussion followed.

Trustee Kadesh made a motion to send legal counsel a letter with a copy of Regulation 5, Article II, to determine if the language is legal. The motion was seconded by Trustee Van Zonneveld and passed unanimous vote, with President Bradshaw abstaining.

The CRC recommended a letter of agreement be sent to legal counsel, to be drafted by General Manager, Brian Belmont. Mr. Belmont will also address the legality of Regulation 5, Article II and provide legal counsel with a copy of the regulation for an opinion.

Finance Committee – Bill Funke, Chair

The Finance Committee's written report is filed with these minutes. Questions and comments followed.

The committee recently met with LMC member Norm Crump, former chair of the FC and a bond trader, regarding LMC investments. The committee agreed that future investments should be confined to government protected products.

The Finance Committee reviewed the budget for 2008 and requested a few changes. Salary increase recommendations were reviewed, 2008 assessment rates were endorsed by the committee, an adjustment was made to the propane budget and a \$500 adjustment was made to a vehicle budget. RV storage rates will be recommended to be increased approximately 5%.

Mr. Funke requested LMC members Ken Schneider and Ted Wright join the Finance Committee. A motion was made by Trustee Feltham to add Ken Schneider and Ted Wright to the Finance Committee. The motion was seconded by Trustee Nelson and carried by unanimous vote. President Bradshaw abstained.

Trustee Feltham made a motion to file a revised banking resolution with Edward Jones, replacing former chair, Bruce Pyles, with chair, Bill Funke, as the contact person under Treasurer Feltham's supervision. The motion was seconded by Trustee Moyer and unanimously carried. President Bradshaw abstained.

Greenbelt Committee – Jack Rikken/Larry Scott

The Greenbelt Committee's written report is filed with these minutes. Questions and comments followed.

Larry Scott presented the GBC report.

Operations Committee – John Van Zonneveld

Mr. Van Zonneveld's written report is filed with these minutes. Questions and comments followed.

Signage for Kehele Park is under consideration by the committee.

Mr. Van Zonneveld requested the previously submitted tennis report be returned to the OPC for further study.

Trustee Kadash made a motion to send the tennis report back to the OPC for further investigation and action. The motion was seconded by Trustee Sanzaro. Discussion followed. Trustee Moyer made a motion to delete Trustee Kadash's motion and in its place made a motion that LMC

enforce the current regulation on the motion made on January 14, 2006. This motion stated that South Bay members who wished to play on LMC tennis courts must become LMC contract members, and that the Port Ludlow Racquet Club may not use the LMC tennis courts unless they are LMC members or LMC contract members. The LMC General Manager will be instructed to send a letter to the Port Ludlow Racquet Club and will immediately enforce the 01-14-06 motion. Trustee Moyer's motion failed due to lack of a second. Further discussion proceeded.

The original motion made by Trustee Kadash to refer the tennis report back to the OPC for further study was re-introduced. Trustee Van Zonneveld seconded the original motion. The motion passed by a majority vote with Trustee Moyer opposed. President Bradshaw abstained.

Lengthy discussion was carried out concerning a denied request by the OPC, relating to a LMC member's request to gain access to the sewer line by going through the RV lot. Further discussion will be held at a future LMC workshop.

President Bradshaw called for a 5 minute recess at 10:40 a.m..
The meeting reconvened at 10:45 a.m.

Private Property Tree Committee –

Not active at this time.

North Bay Lot Owners Association – Bill Lazarus

The Family movie nights are going again on the odd numbered Fridays of each month. The Children's Halloween party was a huge success. Music on the green is being looked into for an extension of the music next summer. Reserved parking spaces for the Bainbridge Island ferry are being investigated by the NBLOA.

Condominium Associations – Jerry Nelson.

No news from the condominium associations.

Port Ludlow Village Council – Greg McCarry

PLVC President Greg McCarry announced a closed record Appeal hearing will be heard at the Beach Club at 10:00 a.m. on December 6, 2007. At 3:00 p.m. PLVC will hold a regular meeting. Two gentlemen from the Department of Health will be attending to answer questions related to the water system. PLVC has approved a budget item to decorate the new median near the village center with Christmas lights.

Beach Club Remodel Ad-hoc Committee – Art Moyer

No change in status. Trustee Moyer reported investigation is under way to obtain a price per square foot for the current proposed project.

Contact Trustee Moyer to review conceptual drawings of the project.

Voice Newsletter Ad hoc Committee – Ted Buehler

Trustee Buehler reported they are waiting for a response from the Voice staff.

CORRESPONDENCE:

Numerous correspondence via email has been received on a variety of topics. President Bradshaw responded to one query concerning the Voice.

UNFINISHED BUSINESS:

Resort Revision Mediation & Appeal: Numerous attempts to mediate issues of concern to LMC have failed. On December 6, 2007 at 10:00 a.m. in the Beach Club, a closed Appeal Hearing will take place. No new testimony will be allowed. During the period before the hearing LMC will request an opinion from LMC's attorney to be certain LMC issues are consistent with the LMC governing documents and the RCW's.

On November 6, 2007, the PLA attorney developed a proposal to each of the appellants. The LMC mediation team has met to review the proposal which is loosely based on the mediation talks of late October. The mediation team was disappointed that the offer was less than the last offer on the table by PLA at the conclusion of the mediation talks in Seattle. However, a response is being prepared and the mediation team is optimistic an acceptable agreement that will benefit LMC and PLA.

Since reporting at the last LMC workshop, the mediation team has responded to PLA with a list of the issues from the team's notes since no mediator's report has been issued. Trustee Van Zonneveld spoke with Diana Smeland 11-16-07. The mediation team will meet following today's meeting to review the issues and PLA's offer to all of the appellants.

President Bradshaw announced a letter to the LMC attorney regarding the appeal had been drafted, reviewed and sent within the past few days.

Board Goals 2007-2008 – Status Report: Mr. Belmont reported the standing committees are in the process of preparing their policies and procedures.

NEW BUSINESS:

2008 Annual Assessment Amount: Trustee Feltham explained the procedure by which the annual assessment is compiled. Trustee Feltham made a motion that in accordance with LMC bylaw Article 3, Section 8, (C), the 2008 annual dues assessment for all LMC properties be set at \$438.15. The motion was seconded by Trustee Moyer and carried unanimously with President Bradshaw abstaining.

2008 Contract Member Assessment Amount: Trustee Feltham made a motion that the contract membership assessment be set at \$515.48 plus \$43.30 state sales tax for a total of \$558.78. The motion was seconded by Trustee Sanzaro and carried unanimously with President Bradshaw abstaining.

2008 LMC RV Storage Rates: Trustee Feltham made a motion to increase the rates for the RV storage lots. Nonpowered spaces will be \$180 per year and powered spaces will be \$240 per

year. The motion was seconded by Trustee Sanzaro and carried unanimously with President Bradshaw abstaining.

In accordance with the LMC bylaws, Trustee Feltham made a motion that the late payment fee be 0.83% per month or 10% per annum. The motion was seconded by Trustee Sanzaro and unanimously carried with President Bradshaw abstaining.

2008 Operating Budget: Discussion proceeded. Trustee Van Zonneveld made a motion to send the November 17, 2008 version of the 2008 Operating Budget to the LMC membership for ratification. The motion was seconded by Trustee Moyer and carried by a majority with Trustee Sanzaro opposed. President Bradshaw abstained.

Scheduling of 2008 Budget Ratification Meeting: Trustee Van Zonneveld made a motion that in accordance with RCW 64.38.025 (3), the trustees set December 15, 2007 as the date of the special member meeting called for the purpose of ratifying the 2008 Operating Budget. The motion was seconded by Trustee Moyer and carried unanimously with President Bradshaw abstaining.

Attorney Contact – Letter of Understanding: Trustee Moyer made a motion that all contact with the LMC attorney be directed through the General Manager by the President or, in the absence of the President, the Vice President. The motion was seconded by Trustee Van Zonneveld. Discussion followed. Trustee Sanzaro made an amendment to the original motion that all discussions go through the LMC President. Trustee Kadesh seconded the motion. Discussion continued. The amendment failed 3-4 with Moyer, Buehler, Feltham and Van Zonneveld voting against, with President Bradshaw abstaining. Discussion continued. Trustee Feltham made an amendment to the original motion by Trustee Moyer that the President, or in the absence of the President, the Vice President, would contact the attorney, keep the General Manager advised of any contact, and if requested by the President, or in the absence of the President, the Vice President, the General Manager would contact the attorney. The amendment was seconded by Trustee Van Zonneveld. Further discussion continued. Trustee Kadesh called for the question. The amendment to the original motion passed unanimously with President Bradshaw abstaining. Discussion continued, with the withdrawal of both the original motion and the amendment to the original motion.

Trustee Kadesh made a motion that the Board of Trustees direct the General Manager to send a Letter of Understanding to legal counsel informing counsel the points of contact are: the President; in the absence of the President, the Vice President and upon advisement from the President, the General Manager. A record of all contacts will be maintained in the office at the Beach Club. The motion was seconded by Trustee Van Zonneveld and carried unanimously with President Bradshaw abstaining.

President Bradshaw thanked CRC Chair, Catherine Garrison, for her assistance in drafting the language for the motion related to a Letter of Understanding to legal counsel.

Scheduling of Appeal Hearing for Owner of Lot #2-3-226: President Bradshaw announced he had acknowledged receipt of the lot owner's request for an appeal. Trustee Moyer made a motion to set the appeal hearing for Lot #2-3-226 to follow the regular board meeting on December 15, 2007. The motion was seconded by Trustee Sanzaro and passed unanimously with President Bradshaw abstaining.

Trustee Buehler made a motion that the ACC chairperson be instructed to provide all pertinent appeal documents to the LMC Board by at least five (5) business days prior to the appeal. The motion was seconded by Trustee Kadesh and passed by a majority vote with President Bradshaw and Vice President Van Zonneveld abstaining.

Trustee Buehler indicated that as a Trustee member of the ACC, he will recuse himself from participating in the above-mentioned appeal on December 15, 2007.

Tennis Court Use Report: Referred back to the Operations Committee for additional study.

Ad-hoc Disaster Preparedness: Trustee Van Zonneveld made a motion that the ad-hoc committee approved by the trustees in August 2007, to assist the new disaster preparedness chair of PLVC, now be dismissed because they have fulfilled their function. Trustee Kadesh seconded the motion and it was passed unanimously with President Bradshaw abstaining.

Public Comment Period: President Bradshaw opened the floor for public comments. Several comments were made by the audience.

By a motion made by Trustee Sanzaro and seconded by Trustee Nelson, the meeting was adjourned at 12:20 p.m.

Respectfully submitted,

Jerry Nelson, Secretary
Ludlow Maintenance Commission, Inc.

Prepared by Carol Shamhart
LMC Recording Secretary

LMC Standing Committee Reports:

Manager's Report:

The Trustees have been provided financial statements through October 31, 2007. Are there questions that I can answer pertaining to those reports? Year-to-date we have collected 99.8% of the invoiced 2007 annual assessments. We currently have three (3) properties with outstanding assessment balances that, with late fees, total \$2,838.74.

At last month's meeting I reported that the south end of the Beach Club was re-roofed. During the past week we have had the contractor, Hope Roofing, out four (4) times to fix leaks in the new roof. Leakage occurred during periods of high wind and heavy rain. According to the job foreman they found metal flashing that was not installed properly. The flashing was reinstalled. The roofing contractor also found that the clear story windows above the Gallery were in need of caulking – this was done. We will monitor these areas to determine if the repairs made have corrected the problem.

Four Tree Committee requests

Houses under construction are being monitored.

Reported violations are getting addressed.

Communications Committee: Call in to chair to email report.

CRC:

The Covenants and Regulations Committee met November 6 in a joint session with the Board of Trustees for the purpose of reviewing the draft Policy and Procedures for the Enforcement of Regulation II, Article I, (3) Trees and Views on Private Property. The committee met again on November 14 to consider and incorporate the board's recommendations into the draft policy. The committee has met seven times and spent approximately 16 hours on this policy. Again I thank the committee members and the others who joined us for their dedication to this task.

Today I have provided the board with draft seven of the policy. The committee requests that the board carefully review the draft. The committee will bring the policy and procedures forward for a second reading and possible approval in December.

In December, the committee will also bring forward recommended changes to the Regulations that bring all tree references into conformity with the newly adopted Trees and Views on Private Property Regulation.

The committee requests that the board seek an opinion from legal counsel concerning Regulation V, Article II, Enforcement, (3) Agreement to Arbitrate. A question has been raised as to whether or not this regulation violates the rights of property owners.

The board requested that the committee write a policy re: contact with legal counsel. We recommend a letter of understanding/agreement with legal counsel. If the board agrees with that recommendation, I believe the general manager is more capable than the committee of drafting the Letter of Understanding. I have provided the board with an list items, in priority order, on the Covenants and Regulations agenda.

The Covenants and Regulations Committee meets on the first Tuesdays of the month. Our next meeting is December 4, 9:30 a.m. in the Bridge Deck, chaired by Terry O'Brien.

End of Report – Catherine Garrison

Finance Committee:

Special Meeting Minutes

To Consider the Proposed 2008 LMC Budget

Monday November 5, 2007

9:00 AM, Beach Club Gallery Room

Committee Members Present: Trustee/ Treasurer Ian Feltham, Trustee Art Moyer, David Pendergast & Bill Funke

Others Present: Brian Belmont, General Manager, Vaughn Bradshaw, LMC President, John Van Zonneveld, Operations Committee Chairman, Ken Schneider, Nominated Committee member and Norm Crump, Special Guest and LMC Member.

Guest Introduction: Ian Feltham introduce Norm Crump, former Finance Committee Chairman and retired bond trader. Ian noted that approximately \$82,000 Reserve Fund CDs will mature during November and December, and he had asked Norm to address Reserve Fund investments in light of the current inflationary market.

Norm expects near term CD and bond rates to be slightly lower in response to last week's Federal Reserve action but to be followed by much higher rates as investors respond to the rapid inflation and to the plunging value of the US dollar evidenced by gold now exceeding \$800 an ounce and other indicators..

Norm's recommendations are to limit current and near future Reserve Fund investments to short term maturities of \$50,000 or less and in no case longer than two years. Investments should to limited to US Treasury notes or CDs and money market accounts qualifying for Government insurance.

He further opined the five year maturing investments in corporate and in government backed bonds made by the Finance Committee several years ago were ill advised which he believes resulted in loss of maximum interest earnings to the LMC and in taking unnecessary investment risk.

Introductory Comments: Bill Funke opened the Budget proposal discussions with a request that all projects proposed for funding from Operating funds be deleted from the Operating budget and be considered separately and individually as Reserve Fund expenditures. He believes all such projects should be individually evaluated following the accepted procedure and made in the light of the 75% minimum Reserve Fund Policy requirements. Bill read the calculations he made to determine what the approximate funding percentages would be for January 2008 and January 2009 which his calculations indicate will be below 75% after all proposed 2008 projects are purchased. His report will be included as an addendum to these minutes.

The Committee decided to review all the proposed 2008 Operating funded projects following the Operating Budget work sheet review and make a determination.

Dave Pendergast called for a soonest Finance Committee review and rewrite of the 2001 Reserve Fund Policies to more explicitly delineate Reserve Fund and Fund Investment procedures and requirements. He further requested this process include a determination and approval by the Finance Committee of all items for inclusion in Reserve Fund Component List.

2008 Budget Proposals: The next order of business was the Manger's presentation of the 2008 Budget Work Sheet Proposal developed and recommended by him and John Van Zonneveld and previously reviewed and recommended by the Operations Committee.

The Committee first considered the 2008 Assessment Calculation Worksheet information and agreed to advise the Treasurer to recommend that Trustees approve the maximum annual dues increase permitted for 2008 under the formula set forth in the LMC By Laws and to establish the following Member and Contract Member assessments for 2008:

LMC Member Assessments..... \$438.15 per unit owned

Contract Member Assessments.. \$515.48 per Contract Member

and to continue the delinquency expectancy rate at 1%.

The Committee next reviewed and discussed with the Manager all Operating income and expense proposals along with all supplemental data supporting personnel salary and benefits. This review included consideration of increasing the RV storage rates resulting in Committee agreement to advise the Treasurer to recommend that Trustees approve increasing the RV annual storage rates approximately 5% effective January 1, 2008 to:

\$240.00 per space with electricity, and

\$180.00 per space without electricity.

The Committee next reviewed the projects set forth in the 2008 Budget Projects Proposals #1 through #9 included in the Operating Expense budget.

Budget Approval: After completing deliberations the Committee unanimously agreed to advise the Treasurer to recommend the Trustees approve all Budget proposals and staff salary increases set forth in the October 16, 2007 Budget Worksheet and October 23, 2007 Budget Project Proposals with the following adjustments:

1. Delete all 2008 Budget Project Proposals for funding from Operating Funds with the exception of items #s 2, 3, 5 and 6, and
2. Increase the budget for propane expenditures shown on line items 5224 and 5332, to reflect an estimated 2008 propane cost of per gallon of \$2.00, and
3. Increase the budget for vehicle expenses shown on line item 5260 to \$3,000, and
4. Include the sum of \$8,000 for line item 6030, Reserve Interest, along with a foot note explaining this amount is a low estimate and will depend on 2008 interest rates.

Note: The deletion of operating funded projects and the propane and vehicle budget increases will be reflected in the 2008 Net Ordinary Income estimate.

Manager Salary Increase. In separate session after Manager Belmont and John Van Zonneveld left the meeting, the Committee, with input from Vaughn Bradshaw and Ken Schneider, deliberated and agreed to a recommended salary increase for Brian in recognition of his superior management skills and contributions to the LMC. President Bradshaw relayed this recommendation privately to Brian so the amount can be included in the finalized 2008 Budget to be submitted for Trustee approval and adoption.

There being no other business to come before the Committee, the meeting was adjourned at 1:00 PM

Bill Funke

Notes to Minutes:

1. Treasurer Feltham had excused himself from the meeting at approximately 11 AM after requesting remaining Committee members Moyer, Pendergast and Funke reach agreement on all budget proposals before adjourning the meeting.
2. The next Committee meeting will be the regularly scheduled Finance meeting on November 15, 2007 at 9 AM in the Gallery Room. The agenda will include discussions and review of the Reserve Fund and Component List items. We will also consider reinvestment of cash reserves pending receiving a schedule of 2008 proposed project completions.

Attachment: The aforementioned addendum to these Minutes is attached herewith.
Addendum to November 5, 2007 Minutes:

Bill Funke's personal calculations to determine the January 2008 Reserve Fund funding percentages arrived at by extending the February 2007 Component List funding information, incorporating adjustments for this year's partial roof replacement and for certain updated replacement costs for items propose to be replaced during 2008.

Estimates by hand calculation only:

12/31/2007 Reserve Fund account balance..... \$360,000.

01/01/2008 Fully funded Reserve Component List.. 537,000 =_67% Funded

Surplus to Reserves per 10/16/07 Budget Proposal...+ 42,500 = 75% Funded

2008 Proposed Reserve Expenditures.....- 116,500

2008 Estimated Reserve Interest Income.....+ 14,000

12/31/2008 Reserve Fund account balance..... 299,500

01/01/2009 Fully funded Reserve Component List....510,000=_59% Funded

Bill Funke

Greenbelt Committee:

The Greenbelt Committee has 22 current applications (of which two are easement requests) being evaluated and/or monitored. Since the last report, we have closed out five applications.

The Sitka Spruce at Baldwin and Oak Bay Road is now down as well as an additional hazardous tree on Oak Bay Road, four lots north of Baldwin.

In addition, we have used the services of a certified arborist to determine the health of two large cedars directly across from Baldwin and determined that they are also hazardous and their proximity to Oak Bay requires their removal.

We have therefore committed, although not executed, all funding from our 2007 budget, plus the additional funds received to cover the hazardous trees exposed from annual storms. This funding execution is dependent on the weather and the tree services ability to work accordingly and may carry over to some extent into next year.

We have asked for an increased budget for next year as we realize the growth in the greenbelt is reaching maturity in many areas.

Operations:

The Operations Committee met November 6th and informally on November 12. The chair expressed his pleasure with Michael Cahn's return from Italy and Shelia Brunstad from Africa.

General Manager Brian Belmont reported that the roofing contracts for the Bridge Deck and the south portion of the Beach Club building were completed and below the budgeted amount. The Bridge Deck has also been repainted, had some rotted wood replaced and is now in good condition. Some repair of railings remains to be done.

Park Signs and Liability: Two different signs have been proposed for Kehele Park. First is a sign advising appropriate age ranges for participation on playground equipment, as recommended by our liability insurance company. There is general agreement of this committee that a sign at the playground is appropriate, stating that "use is at your own risk", with age ranges for children using the equipment. There was considerable concern for liability on the part of the LMC if this sign is not placed. Second is a sign that members of the board suggested might be appropriate, stating that Kehele Park is for LMC members and their guests. After considerable discussion, a **MOTION was passed (with 2 nays) recommending to the board that a single sign be placed giving the name of Kehele Park and stating that the park is for members and their guests.**

Two LMC members sent letters indicating support for money for the "Voice" be included in the budget. John Van read letters of reply to the committee. They will be sent, noting that the draft budget does contain funding for the "Voice".

Whitey Johnson Request for Easement: Maps were circulated to committee members detailing the latest plan for a sewer line through the greenbelt (adjoining the LMC's RV lot), and then passing under the entrance road to the RV lot. Discussion of this request affirmed that this committee has no interest in the financial aspects of the sewer line. There was significant concern for liability of the line on our property; for the responsibility of maintaining the line after it has been installed and Mr. Johnson has sold the property; and for the legal responsibilities of any other homeowners who may wish to tie into the line at a later date. There was also concern about others who may want to likewise lay a sewer line on LMC property. Discussion also covered concerns about trees in the Greenbelt, adjacent to the RV Lot, whose root systems may

be damaged from the digging for the sewer and which may thus fall into the RV Lot at a later date. With so many concerns, **A Motion was passed to deny Mr. Johnson's request for a sewer line easement through the entrance road of the LMC's RV lot.**

LMC Ad-hoc Mediation Report: 11/8/07

STATUS REPORT ON NEGOTIATIONS BETWEEN LMC & PLA

Following a motion passed at the board meeting of October 20, 2007 LMC agreed to resume mediation that included all appellants at the request of PLA. The mediation, while productive, did not result in an overall agreement. The LMC negotiating team felt that we were close enough to final agreement to be able to resolve our remaining issues with one more meeting. We met with PLA on the following day, but with no result. PLA indicated they would not reach agreement with individual appellants without a "package" agreement from all parties. We do not believe this to be the most effective solution since we do not share all issues. We did, however, contact the other parties to see if they wanted to meet. To date such a meeting has not taken place.

Our remaining alternative is to go ahead with our appeal to the county. Our brief was filed on Oct.30th in order to meet the mandated deadline. The actual Closed Record Appeal hearing has been set for December 6th. We have requested that this Hearing be held here in Port Ludlow at the Beach Club, and the Hearing Examiner agreed to that. During the period before the Hearing, we will be requesting an opinion from LMC's attorney to make sure all of our issues are consistent with LMC governing documents and the RCW's.

On November 6th PLA's attorney delivered a proposal to each of the appellants. LMC's mediation team has met to review the PLA proposal which is loosely based on the mediation talks of late October. We are disappointed that the offer is less than the last offer by PLA on the table at the conclusion of mediation talks. However, we are preparing a response and are optimistic that we will reach a mutually acceptable agreement that will benefit LMC and PLA.

Elizabeth Van Zonneveld
Ted Buehler
Art Moyer
Stan Kadesh