

APPROVED

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

Saturday, December 15, 2007 – 9:55 a.m. – Bay View Room

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

At 9:00 a.m., a brief special member meeting was held. LMC member Doug Henderson addressed the trustees regarding several issues of concern. Discussion followed.

President Bradshaw called the regular board meeting to order at 9:55 a.m. Roll call was conducted by Secretary Nelson. All trustees were present.

Agenda Changes: President Bradshaw asked if there were any changes to the Agenda. There were none.

Approval of Minutes: Trustee Kadesh made a motion to approve the October 16, 2007 special meeting minutes as corrected. The motion was seconded by Trustee Van Zonneveld and carried by unanimous vote. President Bradshaw abstained. By a motion made by Trustee Sanzaro, seconded by Trustee Buehler, and unanimously carried, the executive session minutes of October 16, 2007 were unanimously approved as corrected. President Bradshaw abstained.

A motion was made by Trustee Kadesh to approve the special meeting minutes of November 14, 2007, as corrected. The motion was seconded by Trustee Van Zonneveld and passed by unanimous vote. President Bradshaw abstained. A motion was made by Trustee Van Zonneveld to approve the minutes of the executive session minutes of November 14, 2007 as corrected. The motion was seconded by Trustee Kadesh and carried by unanimous vote. President Bradshaw abstained.

By a motion made by Trustee Buehler, seconded by Trustee Moyer, and unanimously carried, the regular board minutes of November 17, 2007 were approved as corrected. President Bradshaw abstained. By a motion made by Trustee Buehler, seconded by Trustee Moyer, and unanimously carried, the special meeting minutes of December 1, 2007 were approved as corrected. President Bradshaw abstained. A motion was made by Trustee Buehler and seconded by Trustee Moyer, to approve the executive session minutes of December 1, 2007 as corrected. The motion was unanimously carried with President Bradshaw abstaining.

Discussion, with audience participation, was held regarding availability of executive session minutes to members. General Manager, Brian Belmont, explained the Revised Code of Washington covering this matter.

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

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Covenants & Regulations Committee – Catherine Garrison (interim chair)

Ms. Garrison's written report is filed with these minutes. All items below were presented for approval to the Trustees at second reading.

By a motion made by Trustee Moyer, seconded by Trustee Van Zonneveld, and unanimously carried, a modification to Greenbelt Policy and Procedures (k) was approved. President Bradshaw abstained.

By a motion made by Trustee Moyer, seconded by Trustee Van Zonneveld, and unanimously carried, an amendment to Regulation I, Article I, Restriction and Requirements (3): No Nuisance, was approved. President Bradshaw abstained.

Following discussion, by a motion made by Trustee Moyer, seconded by Trustee Sanzaro, and unanimously carried, an amendment to Regulation II, Article I, Approval Requirement: (2) Cutting of Trees, was approved. President Bradshaw abstained.

By a motion made by Trustee Moyer, seconded by Trustee Van Zonneveld, and unanimously carried, an amendment to Regulation II, Article I, Approval Requirement (10), Lot Clearing, was approved. President Bradshaw abstained.

By a motion made by Trustee Moyer, seconded by Trustee Van Zonneveld, and unanimously carried, an amendment to Regulation II, Article III, Procedures (2) (a7), Procedures, was approved. President Bradshaw abstained.

By a motion made by Trustee Moyer, seconded by Trustee Buehler, and unanimously carried, an amendment to Regulation V, Article II, Procedures (7), was approved. President Bradshaw abstained.

Following discussion, by a motion made by Trustee Moyer, seconded by Trustee Van Zonneveld, and carried by a majority with Trustee Moseley opposed, ACC Policy and Procedures – Evaluation and Enforcement of Regulation II, Article I (3), Trees and Views on Private Property, was approved. President Bradshaw abstained.

Following discussion, by a motion made by Trustee Moyer, seconded by Trustee Sanzaro, and unanimously carried, Regulation V, Article III (3) Agreement to arbitrate, will be referred to the CRC for discussion and a recommendation to the board. President Bradshaw abstained.

Trustee Moyer thanked Interim Chair, Catherine Garrison, for her diligence and excellent work.

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 \$2,763.67 (including late fees) to be collected

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Mr. Belmont explained the merits of changing the current medical insurance medical plan for the four LMC fulltime employees. There will be no premium increase for medical insurance in 2008 and an overall budget savings to LMC of approximately \$1,800.

By a motion by Trustee Buehler, seconded by Trustee Moyer, and unanimously carried, LMC will enroll the four fulltime employees in the Regency Blue Shield Innova medical insurance plan. President Bradshaw abstained.

The Beach Club will close at 1:00 p.m. on Christmas Eve and will be closed Christmas Day and New Year's Day.

Questions by members of the audience were discussed at length.

COMMITTEE REPORTS:

Architectural Control –Veronica Ryan

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

The ACC has completed the new View, Obstruction & Hazard Relief Request Form, which is to be used for requests regarding issues submitted by interested parties who are not the property owner of the lot in question.

Trustee Moyer thanked ACC member Steve Siegiel for his attendance and thorough briefing at the last trustee workshop.

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* will be mailed to LMC members by the end of the year. Communication skills workshops are being addressed and emails will be sent to the board for suggestions. The position for a *LOG* editor remains open.

Finance Committee – Bill Funke, Chair

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

Several unplanned expenses will offset the small anticipated year-end operating surplus, but total expenses and income to date are within budget estimates.

Treasurer Ian Feltham announced there are no commissions being paid to Edward Jones for LMC investments and they are not charging a fee to manage LMC's account.

Mr. Feltham pointed out that any potential income from future build out in North Bay had not been included in the 2008 budget. Statements to the effect potential LMC earnings might be added to the reserve account were considered erroneous. Discussion followed.

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Greenbelt Committee – Jack Rikken/Larry Scott

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

Operations Committee – John Van Zonneveld

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

Discussion and study related to the LMC tennis court usage continues. Trustee Buehler suggested a community survey might assist in the tennis court matter and could eliminate a lot of extra work. Mr. Van Zonneveld explained previous interviews with various groups indicated a survey was not warranted. Discussion continued.

President Bradshaw called for a 5 minute recess at 11:22 am.
The meeting reconvened at 11:30 am

Condominium Associations – Jerry Nelson.

No news from the condominium associations.

Port Ludlow Village Council – Larry Nobles

The PLVC December meeting was cancelled due to a conflict with the Closed Appeal Hearing. At the PLVC meeting on January 3, 2008 at 3:00 p.m., there will be representation from the State agencies responsible, to talk about the water rights of Port Ludlow. The meeting will be held at the Bay Club. Additional information will be posted on the PLVC website. PLVC was commended for their lighting of the median strip on Paradise Bay Road near the village. Trustee Van Zonneveld credited Larry Nobles with getting the electricity added to the area.

Beach Club Remodel Ad-hoc Committee – Art Moyer

Trustee Moyer's report on the proposed remodel of the Beach Club is filed with these minutes. Questions and comments followed.

Voice Newsletter Ad hoc Committee – Ted Buehler

Trustee Buehler reported the committee met with representatives of the Voice on December 5, 2007. A tentative agreement was submitted to the Voice, and at this point the committee remains optimistic, although we have been advised that the voice team has expressed some reservation about the proposed agreement.. The committee is waiting for a written response from the Voice to address any issue(s) they may have. Discussion followed.

President Bradshaw thanked the committee chairs for their dedication and hard work on behalf of the LMC Association.

CORRESPONDENCE:

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Secretary Nelson reported four letters had been received. Lengthy discussion followed.

President Bradshaw reported he had received a letter from the Port Ludlow Racquet Club with a \$300 check to show their appreciation to the LMC for the continuing maintenance of the Kehele Park tennis courts. Trustee Sanzaro made a motion to reject the \$300 check. Trustee Kadesh seconded the motion. Lengthy discussion followed. Call for end of discussion was not approved by a 2/3 majority vote. Discussion continued. Trustee Sanzaro withdrew his original motion and Trustee Kadesh withdrew his second. Trustee Sanzaro made a new motion to hold the \$300 check for further discussion at the next LMC meeting in January. The new motion was seconded by Trustee Kadesh. Trustee Sanzaro and Trustee Kadesh both withdrew their last motion and second. Trustee Buehler made a motion to send the following letter to the Port Ludlow Racquet Club: "Thank you very much for your contribution. It does, however, place us in a somewhat awkward position as you know we are currently reviewing our policy as it applies to LMC facilities by nonmembers. Until we have a clear picture of the new guidelines, we feel it would be inappropriate to cash the check. Therefore, we will return the check if you prefer. Otherwise, we will hold it until the situation is clarified and take whatever action is deemed appropriate at the time. In any event, we do appreciate the thought and look forward to a speedy and mutually satisfactory resolution to the question." Trustee Moyer seconded Trustee Buehler's motion. Discussion continued. Trustee Buehler's motion was passed by a majority vote with Trustees Van Zonneveld and Moseley opposing.

UNFINISHED BUSINESS:

Resort Revision Mediation & Appeal: Trustee Van Zonneveld reported no resolution was reached before the appeal hearing date by Jefferson County on December 6. The appeal hearing for the resort revision was held in the Bay View Room at the Beach Club, with Elizabeth Van Zonneveld and Vaughn Bradshaw representing LMC. Final rebuttal and closing arguments were due yesterday, December 14, at close of business at the DCD. The final closing arguments have been transmitted to each trustee. The examiner said he expected to have a decision on the project the first week of January.

The negotiating team, made up of Trustees Art Moyer, Elizabeth Van Zonneveld, Ted Buehler and Stan Kadesh, met and reviewed progress to date two weeks ago. The team voted to hold a forum in response to concerns expressed by some community members about the costs, issues and authority of LMC in its role in the appeal. The forum was held on December 11, 2007.

Following the mediation efforts in Seattle, information concerning terms being negotiated between the parties was released to outside parties by an undisclosed person taking part in the mediation. All parties had agreed to confidentiality, and to protect LMC's board and members from unforeseen liability, the team members asked President Bradshaw to obtain an opinion from the LMC attorney. In the opinion of the attorney, the information that was leaked is now public and LMC can respond to discussions about those issues. LMC is still bound to respect any issues of other appellants or parties that remain confidential. President Bradshaw sent a letter to the mediation participants with LMC's position on that matter. Discussion followed.

Board Goals 2007-2008 – Status Report: President Bradshaw noted the board has approved the ACC Policy and Procedures related to evaluation and enforcement of Regulation II, Article I (3), Trees and Views on Private Property. The Policies and Procedures of the Greenbelt Committee were amended.

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Attorney Contact – Letter of Understanding: Mr. Belmont presented a draft letter regarding point of contact to the attorney.. Trustee Van Zonneveld made a motion to authorize the previously drafted letter by Mr. Belmont be sent to the attorney, which in general provides the Vice President or President would be the original point of contact and that the matters, as they progress, would be handled through the General Manager’s office. The motion was seconded by Trustee Moyer. Lengthy discussion followed. By a majority vote, Trustee Van Zonneveld’s motion was passed with Trustees Sanzaro, Kadesh and Moseley opposed. President Bradshaw abstained and trustee Buehler had temporarily left the meeting.

NEW BUSINESS:

LMC Records Access Procedures: Trustee Van Zonneveld made a motion this item be deferred until the next trustee workshop. The motion was duly seconded and carried unanimously with the President abstaining and trustee Buehler had temporarily left the meeting..

Port Ludlow Associates Facilities Agreement – Rental Program: Mr. Belmont has prepared a new updated facilities agreement with PLA in regard to the Admiralty I and II condos in the rental pool. By a motion made by Trustee Moyer, seconded by Trustee Van Zonneveld, and carried unanimously, the facilities agreement was approved. President Bradshaw abstained.

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

By a motion made by Trustee Moyer and seconded by Trustee Van Zonneveld, the meeting was recessed to Executive Session at 12:52 p.m., to discuss legal and personnel matters.

The regular meeting of the December 15, 2007 Board of Trustees reconvened at 3:40 p.m.

Trustees in attendance were Ted Buehler, Vaughn Bradshaw, Art Moyer, Jerry Nelson, Stan Kadesh and Sonny Sanzaro. Trustees Moseley and Van Zonneveld left during executive session.

The following motions were made:

By a motion made by Trustee Buehler, seconded by Trustee Nelson, the general manager will be asked to contact the LMC attorney for purposes of obtaining legal opinion on membership access to LMC records. The motion was approved by a vote of 6-0-1 with President Bradshaw abstaining.

By a motion made by Trustee Buehler, seconded by Trustee Feltham, in regard to PLA and LMC ongoing negotiations, it was approved by majority vote (4-2-1) that we reconfirm what information is confidential and disclose as much as possible to the community, consistent with sound bargaining principles. President Bradshaw abstained; trustees Moyer and Kadesh were opposed.

By a motion made by Trustee Nelson, seconded by Trustee Sanzaro, it was unanimously approved (6-0 with 1 abstention), that the LMC President is to address communication issues with the ACC chair.

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By a motion made by Trustee Moyer, seconded by Trustee Buehler, and unanimously approved by a vote of 6-0-1, the meeting was adjourned at 3:42 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 November 30, 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 two (2) properties with outstanding assessment balances that, with late fees, total \$2,763.67.

LMC provides 90% of the medical and dental insurance premiums for the four (4) fulltime employees. Included in the 2008 Operating Budget was an anticipated 10% increase in medical and a 5% increase in dental premiums. We recently received the 2008 rates – dental coverage increased by the projected 5% but our current medical plan is being discontinued, at the end of the year, by Premera Blue Cross. Trustee, Buehler volunteered to assist me in reviewing possible replacement plans. After meeting with two different insurance agents that represent several insurance companies and performing side-by-side comparisons of seven different plans Ted and I are recommending to the Board that LMC enroll the four (4) employees in Regence Blue Shield's Innova medical insurance plan effective January 1, 2008. As compared to our current 2007 rate, there will be no premium increase for medical insurance which gives LMC a budget savings of approximately \$1,800 for the year.

Our maintenance staff has been busy re-caulking Beach Club windows this past week. During the wind and rain storms a couple of weeks ago we found several wood framed windows were leaking badly.

As a reminder to everyone, the upcoming holiday schedule is as follows: On December 24 we close at 1 pm and we are closed on December 25 and January 1.

ACC:

Since the last LMC meeting the committee has held two regular meetings, received 2 new requests, including 1 new addition with a remodel and 1 tree removal request. 1 tree removal request was approved.

In addition to the new requests we currently have pending: 1 addition, 1 remodel, 1 fence, 1 propane screening and 3 trees, views & obstruction requests in which the committee has done site visits on 2 and currently working to schedule a meeting with the 3rd homeowner.

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We continue to monitor homes under construction.

The ACC has completed the new View, Obstruction & Hazard Relief Request Form which is to be used for requests regarding issues submitted by interested parties who are not the property owner of the lot in question.

The Board has received a request for action on the re-paint issue on Lot 7-0-014.

We are performing a review of the construction package and are researching to establish guidelines for satellite dishes & for solar tubes.

Due to the holiday the next ACC meeting is being moved from its regular scheduled time of 12/24/2007 to Saturday 12/29/2007 @ 10:00 am PT.

Veronica Ryan, ACC Chair

Communications Committee:

The Communications Committee met on Wed. November 21 from 2:00 pm to 4:00 pm. The main focus of the agenda was to begin compiling topics and information for the Log, which will go out before the end of the year. Barbara will co-ordinate with Brian Belmont, Vaughn Bradshaw, and other board members to collect material. Currently, we have a draft in progress and when it is completed, it will be sent to the board for approval before being sent out to the LMC homeowners.

The board voted to have the Log sent out three times a year so the committee will be setting time frames for the coming year. If members of the board have suggestions for topics or would like to write an article for the Log, please submit it to the Communications Committee.

An editor for the Log is still being sought and the duties include collecting pertinent and timely information regarding LMC business by communicating with the board, committee chairs, the Beach Club manager and co-coordinating with the Communications Committee. If anyone is interested, please contact Barbara Berthiaume at 437-0423.

Ted Buehler, Jack McKay, Bob Reasoner and I have met to draft out a communication skills workshop that the board had requested. I will be sending out an e-mail to each of you asking what your priorities are so the workshop is relevant to your needs. A time and date has yet to be set.

The following is a schedule for the remainder of the year and the meetings are open to anyone wanting to attend:

Wed. Jan. 23, 2008

Wed. Feb. 20, 2008

March 19, 2008

April 23, 2008

May 21, 2008

June 25, 2008

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July 23, 2008
August 20, 2008
September 21, 2008
October 22, 2008
November 19, 2008
December 24, 2008

Thank you,

Barbara Berthiaume, Interim Chair

CRC:

Covenants and Regulations Committee Chair Catherine Garrison presented the board with a series of items for approval.

Modification to Greenbelt Policy and Procedures (k)

Moved by Moyer, seconded by Van Zonneveld and unanimously approved, with the president abstaining, to amend the Greenbelt Committee Policy and Procedures by adding the following paragraph: *When a written request is submitted to the Greenbelt Committee, the original request shall be retained by the LMC General Manager in the property owner's file. Copies shall be made for the Greenbelt Committee binder for committee use.*

Amendment to Regulation I, Article I, Restriction and Requirements (3): No Nuisance

Garrison explained that it has been determined that all matters relating to cutting, pruning and thinning trees including hazardous trees on private property shall be administered by the Architectural Control Committee (ACC). The Covenants and Regulations Committee recommend that item (i) be deleted from Regulation I, Article I (3) under the authority of the Operations Committee and the following paragraphs be renumbered as appropriate.

Moved by Moyer, seconded by Van Zonneveld and unanimously approved, with the president abstaining, to modify Regulation I, Article I, Restrictions and Requirements (3), No Nuisance.

Amendment to Regulation II, Article I, Approval Requirement: (2) Cutting of Trees

The language relating to the determination of whether a tree is hazardous raises concerns about liability issues for the corporation. The committees feel the LMC has demonstrated due diligence by notifying the owner. If the owner refuses to remove the tree or does not comply in a timely manner, liability would be the owner's responsibility. The committee also recommended specific language defining hazardous trees. In addition, the committee recommended that the term evergreen/conifer be used consistently throughout the governing documents as appropriate.

Moved by Moyer, seconded by Sanzaro and unanimously approved, with the president abstaining, to amend Regulation II, Article I, Approval Requirement (2), Cutting of trees.

Amendment to Regulation II, Article I, Approval Requirement (10), Lot Clearing

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Moved by Moyer, seconded by Van Zonneveld and unanimously approved, with the president abstaining, to amend Regulation II, Article I, Approval Requirement (10) Lot Clearing. This amendment corrects the Regulation citation.

Amendment to Regulation II, Article III, Procedures (2) (7a), Procedures

Garrison noted that the ACC requires owners to mark all trees having a breast-high trunk diameter of six inches or more, with an indication of any of them that the owner proposes to remove. The amendment creates consistency between Regulation II, Article II, Procedures (2) (7, a) and Regulation II, Article I, (9).

Moved by Moyer, seconded by Van Zonneveld and unanimous approved, with the president abstaining, to amend Regulation II, Article III (2)(7a.).

Amendment to Regulation V, Article II, Procedures (7)

Moved by Moyer, seconded by Buehler and unanimously approved, with the president abstaining, to amend Regulation V, Article II, Procedures (7). This amendment creates consistency throughout the Regulations and proper terminology in reference to U.S. mail.

ACC Policy and Procedures – Evaluation and Enforcement of Regulation II, Article I (3), Trees and Views on Private Property

Moved by Moyer, seconded by Van Zonneveld to approve the Policy and Procedures for Evaluation and Enforcement of LMC Regulation II, Article I, Approval Requirement (3) Trees and Views on Private Property. The motion passed with the president abstaining and Mosely voting nay.

Regulation V, Article II (3) Agreement to Arbitrate

Garrison reported that according to an opinion from legal counsel the LMC governing documents do not authorize the LMC to impose an arbitration requirement.

Moved by Moyer, seconded by Sanzaro and unanimously approved, with the president abstaining, to refer Regulation V, Article II (3) Agreement to Arbitrate to the Covenants and Regulations Committee for discussion and a recommendation to the board.

The Covenants and Regulations Committee will next meet on January 8, 2008 at 9:30 a.m.

Finance Committee:

The minutes of the November 15, 2007 special budget meeting were approved

Treasurer's Report: There was no report

Manager's Report:

Financial Reports:

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Brian Belmont reviewed the January 1 to November 30, 2007 financial reports. Total expenses and income to date are within budget estimates; although, several unplanned expenses will offset the small anticipated year end operating surplus, To wit: \$2,100 new legal expenses in connection with several legal opinions requested by the Trustees, \$700 to \$800 in connection with the current mediations between the LMC, PLA and the County and \$400 to replace the baseboard heater in the reception office.

Member Complaints:

The Manager next discussed demands and statements made by Helen Cotta, LMC member, at recent Trustee meetings concerning \$500 per unit supposedly to be paid to the LMC by PLA for the admission of 90 new marina area units. He reported that several months ago Bruce Pyles responded to a member's question at a Trustees meeting that this money had been considered by the Committee as Reserve Fund income. Bill Funke and David Pendergast advised the committee that this issue had never been a topic at any 2007 Finance Committee meeting. There has been no mention or consideration of any funds not specifically listed in past or the current budgets or the Reserve Fund Replacement Component list past, current or future requirements. Treasure Ian Feltham will read a statement at the next Trustees meeting that this information was erroneous and/or misunderstood.

Ms Cotta further wanted to know the amount of fees paid to the Edwards Jones Brokerage firm on our investments. All Committee members are aware the LMC investments with E. Jones are limited to CDs, Bonds and money market funds and that there are no commissions earned by the Broker on any of these investment instruments. CDs and Bonds are purchased at a discount by the Broker for resale to its clients at market value. Broker profit is that reflected by the discount, not by any mark up to the client. Money Market funds are Broker owned and operated mutual funds with built in management fees. It is generally understood these fees are generally the same for brokerage firms. The Committee will question the Broker on exactly what the E. Jones money market management fees are.

Delinquent Accounts:

Account 1-1-027 : The owner continues in default of the monthly payment agreement with the Manager.

Account 1-4-001 : The Manager noted he had received a \$25 payment from this account and that the check bounced. He had been advised that the ownership dispute between the registered owner of this property and a neighbor claiming ownership will be decided by the courts in January 2008. The Committee will await the outcome of this litigation before considering foreclosure action.

Reserve Policy Revision: The Committee spent most of today's meeting discussing the provisions of a replacement policy for the current 2001 Reserve Fund policy, drafted by member David Pendergast. With input from the Manager and Operations Chairman, the Committee came to a general agreement. Member Pendergast will incorporate agreed to changes and prepare a new draft for further consideration at our January Meeting.

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Reserve Fund Replacement Item Component List: The revised and updated Items list formatted by member Pendergast and the Manager was briefly discussed. In January the Committee will take the time necessary for a comprehensive review of all depreciable LMC assets that should be funded for future replacement of major maintenance. The Operations Committee will assist in the determinations.

Reserve Fund Investments: Chairman Funke reported on and distributed lists of all Reserve investments which are currently all held by Kitsap Bank and E. Jones. It was noted that the combination of the Reserve account and the Operations account at Kitsap bank exceeds the \$100,000 FDIC protection occasioned by the 2008 member dues payments. The Committee will wait until after the 2008 Budget is approved and the Manager schedules 2008 Operating requirements before moving any of the Kitsap held funds into CDs.

It was further noted that approximately \$100,000 in E. Jones CDs and bonds matured in November and this month. It was agreed that Treasurer Feltham will instruct E. Jones to purchase a new CD in this amount, maturing in approximately 6 months. The most recent quote for this type FDIC insured CD received December 11, 2007 was 4.6%.

The Committee will discuss and schedule further CD investments at our January meeting for both Reserve Funds and for the bulk of the 2008 dues which will be received during January 2008.

There being no further business to come before the Committee it adjourned at 12:15 PM.

Bill Funke

Greenbelt Committee:

The Greenbelt Committee met at its regularly scheduled time on 11 Dec. Currently there are 14 active vegetation management requests, one of which we have identified as a hazardous tree.

The committee has closed 16 issues:

- 4 hazardous tree
- 4 completed view maintenance
- 2 deferred actions
- 2 drainage easements
- 1 sewer easement
- 1 impractical completion
- 1 infraction
- 1 denial

Of the 16, 3 warrant the board's attention and we placed copies of each memorandum of record in your in-box and notified the lot owners.

Synopsis:

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1. Drainage easement-PLA 4-25-07 (Lot 1-4-071)-Closed due to inactivity extending beyond the normal 6-month request period.
2. Sewer easement-Johnson 9/28/2005 (Lots 1-2-005 & 006) Closed as approved with caveats and alternative recommendations, but with no intent to speak for Operations Committee or Olympic Water and Sewer.
3. Infraction-Purcell 9/9/2004 (Lot 3-0-074)-Closed due to non-responsiveness of owners to any Greenbelt correspondence.

Native Plants:

- Greenbelt has a list of local tree service companies.
- Greenbelt also has a list of native plants pre-approved for replanting in the Greenbelt.
- Two committee members now have four working maps of the Kahele Park property to work with Operations and move forward with the concept of creating a demonstration area for these pre-approved native plants.
- One committee member is taking the lead to identify and provide a list of local resources for residents to obtain the native plants.

Greenbelt's goal here is for vegetation management where residents can easily:

1. Find a tree service company.
2. See what a pre-approved tree or shrub looks like.
3. Obtain the appropriate plants to expedite any required replanting in the Greenbelt.

We feel this would be of service to the community, provide updatable information to subsequent Greenbelt Committee members, and facilitate the management of our ever growing and maturing Greenbelt properties.

Greenbelt's other current issue is the 6 potential access points to the Rainier Lane/Oak Bay Road Greenbelt (T4) as identified in the June report. This issue is still open and under review. It will move up in the priority listing now that the "real" Chairman is back in the seat.

Operations: No written report submitted.