

APPROVED

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

Thursday, February 7, 2008 – 12:00 p.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 regular board meeting to order at 12:00 p.m. Roll call was conducted by Secretary Nelson. Trustee Sanzaro was absent.

Approval of Minutes: Trustee Van Zonneveld made a motion to approve the regular meeting minutes of January 19, 2008, as corrected. The motion was seconded by Trustee Moyer and carried by unanimous vote. President Bradshaw abstained. By a motion made by Trustee Van Zonneveld, seconded by Trustee Buehler, and unanimously carried, the executive session minutes of January 19, 2008 were unanimously approved as submitted. President Bradshaw abstained.

A motion was made by Trustee Moyer to accept the special members' meeting minutes of December 15, 2007, for approval by vote of the LMC members. The motion was seconded by Trustee Van Zonneveld and passed unanimously with President Bradshaw abstaining.

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 in attendance 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 and to wait until recognized before speaking. If comments become repetitive or too lengthy, President Bradshaw will need to interrupt to complete the business at hand. Members may make additional comments at the end of the meeting. As a standard practice, President Bradshaw announced he will abstain from voting unless there is a tie.

Agenda Changes: President Bradshaw asked if there were any changes to the Agenda. The Greenbelt Committee report will be presented prior to the Manager's report. Trustee Moseley added two items under new business – b. Clarification on Attorney Contact Process and c. Consistency for Enforcing LMC Regulations. Trustee Moyer added one item - d. Discussion Regarding Use of the LMC Email List by the LMC President and Board Members.

Greenbelt Committee – Larry Scott, Co-Chair

On February 6, 2008, it was reported that individuals were using hand saws to cut or half-cut trees in the greenbelt area near the fire station and Oak Bay Road. Investigation revealed a number of branches had been cut and a number of trees had been half-way cut. Maples and alder trees were involved, as was a tall conifer that had pockets cut on the west side, presumably to induce rot to weaken the tree. The Greenbelt Committee recommends LMC file a police report charging criminal trespassing, vandalism, and endangering public safety. Several affected trees could reach Oak Bay Road, if they fell in that direction. It was also recommended that LMC investigate placing a lien on the property, to assess the culpable individual(s) for the repair that

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will be required for cleanup and to look at the trees that have been half-way cut to determine which need to come down for public safety. Discussion followed.

Trustee Kadesh made a motion that the LMC will file a report to the GBC and a police report connected to the illegal trespassing and damage to the trees. Trustee Feltham seconded the motion. Discussion continued. Trustee Moyer made an amendment to Trustee Kadesh's motion that the General Manager file a Sheriff's report on behalf of the LMC related to the criminal trespassing and damage to the trees. The amended motion was seconded by Trustee Feltham and unanimously carried with President Bradshaw abstaining. The original motion was unanimously carried with President Bradshaw abstaining. Discussion continued.

Manager's Report – Brian Belmont

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

LMC financial reports will be provided to the trustees at the February 16, 2008 regular board meeting.

Outstanding assessments to be collected remain at \$2,803.72 (including late fees). Year-to-date assessment collection is approximately 84% of the 2008 assessments. Late payment fees will be added to delinquent accounts on February 15.

A draft of the 2007 Federal Income Tax Return will be provided by LMC CPA, Jon Froula, to Treasurer, Ian Feltham, prior to the next Finance Committee meeting on Thursday, February 14, 2008. Preliminary estimates indicate there is approximately \$17,000 in operating surplus from 2007. At the 2007 annual meeting the membership voted to authorize transfer of the surplus into the reserve accounts.

Mr. Belmont explained assessment and cost to correct the problem with the floor drains in the furnace and men's locker rooms, is continuing. All options are being considered in regard to making the necessary repairs. When the investigation is complete, available options and prices for the project will be presented to the trustees and committees.

LMC members Jay and Mimi Bonds have offered to match dollar-for-dollar up to \$2500 for the purchase of a new commercial grade elliptical trainer for the exercise room. Cost of the new equipment is approximately \$5000. To date, we have only received pledges in the amount of \$300. Mr. Bonds has agreed to keep the offer open until the middle of March. Posters of the Bonds' offer have been posted throughout the Beach Club.

Discussion followed.

COMMITTEE REPORTS:

Communications Committee – David Goudie for Barbara Berthiaume (interim chair)

The *LOG* will be published three times a year, pursuant to a previous vote of the trustees. A spring issue will be in May, to allow for reporting on the annual meeting in April, the fall issue will be in September and the winter issue will be in January. A name change is being discussed

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to achieve a more modern outlook to the publication and to show what is being planned ahead rather what has passed.

A goal for the Communications Committee for 2008 is to have a Policies & Procedures document by the end of the year.

Trustee Moyer objected to changing the name of the *LOG*. Discussion followed.

Finance Committee – Bill Funke, Chair

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

The committee has prepared the new Asset Replacement Reserve Policy. The LMC accountant has reviewed it for accuracy and compliance and determined it is not in conflict with any government regulations or accounting principals. President Bradshaw read the Asset Replacement Reserve Policy aloud. The policy was presented for first reading to the trustees. Trustee Moyer made a motion to accept the ARR for first reading. The motion was seconded by Trustee Kadesh. Lengthy discussion followed. The motion was passed unanimously with President Bradshaw abstaining.

On February 1, 2008, four new CDs were purchased in the separate operating funds account at Edward Jones, with various maturing dates scheduled in coordination with the 2008 operating funds required to meet all 2008 LMC expenses.

North Bay Lot Owners Association – Lenetta Johnson

The NBLOA is in the process of collecting biographies from people who would like to be a candidate for either the LMC or NBLOA board. Deadline for biography submission (300 word limit) is March 1. A Candidates' Forum will be held at the end of March, to allow LMC members to meet the candidates.

Condominium Associations – Jerry Nelson – Elizabeth Van Zonneveld

Admiralty I and II had no news at this time. President Bradshaw reported North Bay Lane condominiums had its annual meeting during the last month and passed new assessments. Ad I's 2008 year's budget was passed with the omission of costly earthquake insurance.

Operations – John Van Zonneveld, Chair

The Operations Committee Report is filed with these minutes. Questions and comments followed.

CORRESPONDENCE:

Secretary Nelson reported three items had been received. Lengthy discussion followed.

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Trustee Nelson read a letter submitted by Catherine Garrison, dated January 31, 2008, regarding a draft report prepared by the Operations Committee Subcommittee on tennis court usage. Discussion followed.

A letter dated February 5, 2008, from Trustee Nelson and ACC member, Steve Siegiel, detailed their assessment and inspection of the current electrical system at the Beach Club. At the completion of their inspection they will submit a complete set of "AS BUILT" drawings to ascertain the current condition and shortcomings of the electrical system. They recommended no changes be authorized until Vaughn Bradshaw (retired Mechanical Engineer), Jerry Nelson or Steve Siegiel (qualified professionals in the electrical business for many years) gives their input. The final report will be submitted to the Operations Committee and the trustees. Trustee Moyer commended Trustee Nelson and Steve Siegiel for undertaking this project.

A complaint letter dated February 1, 2008, was received from David Daniels re lot #2-3-112 and an illegal structure. The trustees received a copy of the complaint letter February 6 and have not had time to review it. Discussion followed. Trustee Van Zonneveld made a motion to send a copy of the Daniels' letter to the ACC for response to the board. Trustee Feltham seconded the motion. Trustee Moyer made an amendment that the ACC respond back to the trustees at the next board meeting on February 16, 2008. The amendment motion was seconded by Trustee Nelson. Discussion followed. By a majority vote, the amendment was passed with Trustee Van Zonneveld opposed. President Bradshaw abstained. The original motion as amended passed unanimously with President Bradshaw abstaining.

UNFINISHED BUSINESS:

Status Report – Facility Improvement/Expansion Planning: Trustees Buehler, Moseley and Bradshaw had met with Mr. Belmont, to discuss a process to survey how much usage there is in the indoor pool and the exercise room during peak usage times. President Bradshaw and Trustee Van Zonneveld had discussed scheduling a workshop meeting for the purpose of discussing facility improvement and/or expansion planning. An initial workshop planning meeting will be held at the Bridge Deck on Wednesday, February 20 at 1:00 p.m.

Sponsorship of Utilities for Lot #6-0-011: Mr. & Mrs. Boyer had previously asked the LMC to sponsor their request to PLA, to secure utility services to their property. Discussion followed. Trustee Van Zonneveld made a motion that the president be instructed to write to Mr. Boyer and explain to him that while the trustees sympathize with his situation; LMC has no ability to act on behalf of a single member under our bylaws. The motion was seconded by Trustee Feltham and carried unanimously with President Bradshaw abstaining.

Pros/Cons and Schedule for Two Board Meetings per Month: The decision was made at the January 19, 2008 regular board meeting to hold two regular board meetings per month instead of one workshop and one regular meeting. Discussion followed. Trustee Kadesh made a motion to go back to one workshop and one regular board meeting per month. Trustee Van Zonneveld seconded the motion. Lengthy discussion followed. A call for the question was made by Trustee Buehler and seconded by Trustee Moseley. There was not a two-thirds majority vote and discussion continued. Trustee Moseley called for the question and it was seconded by Trustee Moyer. The discussion was ended by a two-thirds majority vote (5:2) with Trustees Kadesh and Van Zonneveld opposed. President Bradshaw abstained. The original motion made by Trustee Kadesh was defeated 2:5 with Trustees Buehler, Feltham, Moseley, Moyer and

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Nelson opposed. President Bradshaw abstained. Trustee Van Zonneveld explained that C&R Chair, Catherine Garrison had expressed concern as to the legitimacy of having two regular board meetings per month versus one meeting per month. Trustee Van Zonneveld recommended the CRC research the matter and report back to the board.

NEW BUSINESS:

Board Orientation for the New Board Year – Vote: At the last board meeting the trustees voted that if there was a board orientation following the April election, a communication work shop could be included in the program. Discussion followed. Trustee Moseley made a motion to hold a board orientation following the April election with a communication work shop as part of the program. Trustee Nelson seconded the motion and it was carried unanimously with President Bradshaw abstaining.

Clarification of Attorney Contact Process: Trustee Moseley requested review of the LMC attorney contact process. Discussion followed. Trustee Moyer made a motion that the board will instruct the President or the General Manager to contact the attorney for any matters. The motion was seconded by Trustee Moseley. Discussion followed. Trustee Buehler made an amendment to the motion that the presenter of the original motion come back with a written proposal along with a comparison of the existing policy to be emailed to the trustees in the interim for their deliberation. The amendment failed for lack of a second. Trustee Moyer withdrew his original motion and Trustee Moseley withdrew his second on the original motion. Trustee Moyer made a new motion that no contact be made to the attorney with regard to new issues until the next board meeting. Trustee Moseley seconded Trustee Moyer's new motion. Discussion followed. Trustee Kadash called for the question, seconded by Trustee Moyer. Discussion was ended by unanimous vote with President Bradshaw abstaining. The last motion made by Trustee Moyer was carried by majority vote 5:2, with Trustees Kadash and Van Zonneveld opposed. President Bradshaw abstained.

Consistency for Enforcing LMC Regulations: Trustee Moseley discussed several examples of LMC violations that have not been finalized and recommended consistency in the way enforcement of violations is carried out. Discussion proceeded. Trustee Buehler recommended this matter be brought up at executive session following today's meeting. Trustee Moseley was in agreement and the matter was tabled.

Use of the LMC Email List by the President and Board Members: Trustee Moyer discussed his opinion with regard to various emails that have been circulating in the community and his concern about inaccurate information to LMC members. This matter was referred to executive session for further discussion.

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

By a motion made by Trustee Moyer, seconded by Trustee Buehler and carried unanimously, the meeting was recessed to Executive Session at 2:15 p.m., to discuss legal and personnel matters. President Bradshaw abstained.

Executive session commenced at 2:25 p.m. and concluded at 4:41 p.m. Trustee Van Zonneveld left the executive session at 4:22 p.m.

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The regular meeting of the Board of Trustees on February 7, 2008 reconvened at 4:41 p.m.

Trustee Nelson reported it was decided that the letter the President had written and asked the board to approve had minor changes to be made. A motion was made by Trustee Moyer to send the letter, as amended, to Mr. Jennings. Recommended changes included: change the 30 days in the last sentence to 15 days and add the offer of an opportunity for Mr. Jennings to meet with the board and possibly find solutions to the problem. The motion was seconded by Trustee Buehler. The motion carried by a majority vote (5:1) with Trustee Moseley opposed. President Bradshaw abstained.

By a motion made by Trustee Moyer seconded by Trustee Buehler, and unanimously approved, the meeting was adjourned at 4:43 p.m. President Bradshaw abstained.

Respectfully submitted,

Jerry Nelson, Secretary
Ludlow Maintenance Commission, Inc.

Prepared by Carol Shamhart
LMC Recording Secretary

LMC Standing Committee Reports:

Manager's Report:

January financial reports are not ready for the Trustees because we just received the January bank statements yesterday and have not posted January's interest yet. The financial statements will be available in time for the February 16 Board meeting. We currently have two (2) properties with outstanding assessment balances prior to 2008 that total, with late fees, \$2,803.72. Year to date we have collected approximately 84% of the 2008 assessments which is approximately 3% better than this time last year. Late payment penalties will be added to delinquent accounts beginning February 15.

LMC Treasurer, Ian Feltham, will receive a draft of the 2007 federal income tax return next week from LMC's CPA Jon Froula. Preliminary estimates indicate that there was approximately \$17,000 surplus in the 2007 Operating accounts. LMC members voted at the 2007 annual meeting to transfer any surplus to the reserves

In previous meetings we have discussed the floor drains in the men's locker room and the furnace room downstairs. We are gathering repair information.

LMC members Jay & Mimi Bonds have offered to match dollar for dollar, up to \$2,500, donations for the purchase of a new commercial grade elliptical trainer. The cost of a new elliptical trainer is approximately \$5,000. To date we have received pledges in the amount of \$300.

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ACC: No report received as of February 13, 2008 (cs).

Communications Committee: No report received as of February 13, 2008 (cs).

CRC: No report received as of February 13, 2008 (cs).

Finance Committee: February 7, 2008

The Finance Committee has not met since January 17th, and those minutes were reporting to the Trustees at the Jan 19th Board meeting.

At that time the new Asset Reserve Replacement Policy, developed by the committee to replace the existing 2001 Reserve policy, had not been reviewed by the LMC account, Jon Froula.

As I advised in my January 25th email sent to all trustees Mr. Froula has now review the policy and determined it not in conflict with any government regulations or accounting principals.

Catherine Garrison had previously advised that a Covenant and Regulations Committee review would not be necessary with Mr. Froula's professional review and approval of this policy.

I believe all trustees received a copy of the new policy with my email and also a hard copy in their Club mail boxes.

I would like to submit this proposed new Asset Reserve Replacement Policy today for a "first trustees reading".

Also, since the last Board meeting, on Feb 1st, four new CDs were purchased in the separate Operating Funds account at Edward. Jones Brokerage with various maturing dates scheduled in coordination with the 2008 other Operating Funds to meet all 2008 operating expense requirements.

The Finance Committee has advanced its regular February meeting to February 14th and will report at the February 16th Trustees meeting.

Bill Funke

Greenbelt Committee: No report received as of February 13, 2008 (cs).

Operations: February 5, 2008

The committee met at the Beach Club at 4:00 PM. In attendance were John Van Zonneveld, Brian Belmont, Michael Cahn, Sheila Brunstad, Brad Newell, Jerry Nelson (trustee representative), Teddy Clark, Carol Shamhart, Lenetta Johnson.

Mr. David Goudie offered to donate his reclining exercise bike. This is a non-commercial grade exercise piece of equipment. The committee voted to accept the equipment while at the same time explaining to Mr. Goudie, we could only use it as long as no major repairs would be needed.

Mr. Bonds, a condominium owner, offered to match dollar for dollar, up to \$2500.00 toward the purchase of a new elliptical trainer. He notes that there is often a lengthy wait for using this

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equipment. His offer is good until the middle of March. Some \$300.00 has been raised toward this match. The OPS committee chair has asked the finance committee for the balance of the money needed.

Brian Belmont explained that LMC personnel are interviewing LMC members as to what uses they make of the Beach Club to gather such data as might be used in the future. Steven Siegiel and Jerry Nelson are tracing the lines and circuits of our electrical system.

MAINTENANCE COMPLAINTS:

1. 701 Pioneer, complaint by Mr. Lambe, assigned to Lenetta. Garbage cans remain in front of garage.
2. 112 Cressey. 2 complaints. Assigned to Clark and Brunstad. A dog barks constantly during the day.
3. 70 Adventurer. Complaint by Mr. Lambe. Assigned to Lenetta. 2-wheel trailer parked next to the house.
4. 73 Sloop. . complaint. Assigned to Nelson and Cooper. Garbage cans present again 24/7. Repeated complaint.
5. 701 Pioneer., Complaint by Mr. Lambe. A yellow kayak constantly in front of the home.
6. 491 Rainier Lane. Complaint by Steve Siegiel. Assigned to Cahn and Newell. Garbage cans in front of the home 24/7.

complaint verified. Appropriate letter sent to homeowner.

TREES AND VIEWS.

Paul Mosley regarding Leenhouts tree in front of the home must be cut down to below roof line. John Van had a meeting with Mr. and Mrs. Leenhouts. Peter will cut the tree down in the Spring and replace it with a flowering bush. ACC has been notified of the decision. This complaint was a carry-over from the previous regulatory decisions.

OLD BUSINESS.

Whitey Johnson's request of drainage line passing through LMC property. Mr. Johnson has not followed up yet on the four conditions agreed to previously. Brian spoke with people at Olympic Water and Sewer Company. They wanted to know if we are going to grant an easement because of the cost they would shoulder in this request. They estimate the cost to Mr. Johnson to install the 6-inch pipe would be \$28,000 plus \$10,000 per hook-up.

The OPS committee started the task of reviewing the sub-committee's draft in order to finalize the report before forwarding it to the Board of Trustees. The draft was discussed paragraph by paragraph and line by line. A second meeting was held the next day - February 6 starting at 10:00 AM. Approximately 2/3 of the draft report has been re-evaluated.

The next committee meeting will be held on February 19, at 4:00 PM.

Respectfully submitted.

OPS Committee, John Van Zonneveld