

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF TRUSTEES OF
LUDLOW MAINTENANCE COMMISSION, INC.**
Saturday, January 14, 2006 – 10:00 a.m. – Bay View Room

Trustees Present: Bruce Schmitz, John Van Zonneveld, Art Moyer, Amy Recht, Sonny Sanzaro, Terry O'Brien, Michael Platt, Jerry Nelson, and Ian Feltham.

President Schmitz called the meeting to order at 10:00 a.m. and asked Secretary Moyer for a roll call. All trustees were in attendance. President Schmitz added "Tennis Courts Usage" to the agenda as an unfinished business item.

APPROVAL OF MINUTES: The minutes of the regular meeting of 10 December 2005, special meeting of 8 December 2005, and executive session of 8 December 2005 were approved as corrected.

COMMITTEE REPORTS:

Manager's Report – Brian Belmont

The manager started his report by giving an update on the lady's locker room restoration project. Damaged in shipment metal lockers have been reordered. The locker supplier, Foster Bray, estimates that it may be another eight weeks before the replacements arrive. Wooden cubbyhole boxes will be mounted as soon as the lockers are installed. There are also some mirrors that need to be installed. Also ordered were additional clothing hooks.

The manager pointed out that at the last two Board meetings the analog recording equipment that LMC uses to tape the meetings has malfunctioned. The manager had it serviced and is hopeful that it will be more reliable for the short term. The company that serviced the machine advised the LMC that this model had not been manufactured for more than ten years making replacement parts scarce. The manager started looking at replacing LMC analog equipment with a digital recorder.

On January 4th, Jefferson County gave final approval of the south end stairs that provide beach access between the Beach Club property and the Ludlow Bay town homes. The manager and the Board commended Carl Jespersen for designing and building these stairs. Also recognized were Jerry Nelson, Bill Funke, Jim Laker, and all other members who helped with this project.

Another member who was given special recognition at this Board meeting is Peter Joseph, who initiated a collection of funds to finance a purchase of a flat screen television set for the exercise room. Mr. Joseph has raised the money and is now in a process of researching this purchase. The LMC appreciates Mr. Joseph's efforts and those members who donated to the cause.

The manager proceeded by giving thanks to John Van Zonneveld and Peggy Schafran for making trips to Kingston to pickup ferry tickets. The state is now planing on switching to electronic ticketing this spring. The Board has first authorized ferry ticket sales in the Beach Club almost one year ago.

2006 assessment notice has been mailed three weeks before this meeting. To date, approximately 50% of the assessments have been paid.

The maintenance staff removed the old merry-go-round and an abandoned dishwasher from the LMC RV Storage Park.

Responding to a member's request, the manager stated that the maintenance personnel could not maintain a path through the beach grass between the stairway and the sand due to the state shoreline regulations.

Finance Committee –Bruce Pyles

Since the last LMC meeting this committee conducted no official business.

Operations Committee – Teddy Clark

The next Operations Committee meeting has been rescheduled for Tuesday, January 24, due to the hearing on the PLA Final Resort Development Application. Ms. Clark gave thanks to those LMC members who volunteered to help with the lady's room restoration and remodel project.

An Operations Committee member Michael Cahn was put in charge of the membership needs in the exercise room. There maybe another survey developed with regards to this subject.

The RV Storage Park is getting cleaned up. Drainage issues around Kehele Park tennis courts are being addressed. The RV Storage Park users were reminded to close the gates behind them when entering and leaving the park.

Ms. Clark reminded the membership that Beach Club is an aging structure and unexpected problems, therefore, are expected to be found from time to time.

The committee is working on property maintenance issues policy.

The committee continues to deal with requests regarding trees and views. The Wilkerson-Austin case is being resolved. Other cases are being negotiated.

Ms. Clark thanked her committee members and the manager for their work.

Questions followed.

Architectural Control – Veronica Ryan

Since the last LMC meeting the committee has met twice. Ten requests (two new roofs, one repaint, and seven tree removals) were approved. One request to build a detached carport has been denied and appealed to the Board of Trustees. The committee is currently working on twelve requests (seven houses, two house additions, one shed, and two fences.)

Houses under construction are being monitored. Reported violations are getting addressed.

The next ACC meeting will be held on Monday, January 23, at 3:30 p.m.

A Goliah Lane resident requested that the ACC takes a look at a deteriorating condition of the Goliah Lane pavement caused by the contractors building new houses.

Covenants & Regulations – Brian Belmont (for Catherine Garrison)

Since the last LMC meeting the committee met twice. Mr. Belmont brought in the first readings of the committee recommendations for revisions to the Bylaws regarding the status of the Communications Committee, to the Regulations I & II regarding outdoor burning, and to the Regulation V regarding enforcement and appeals procedures. Changes to the Bylaws require an affirmative vote of the majority of the lot-owner-members and an affirmative vote of the majority of the condominium unit-owner-members participating in person or by proxy at an annual or special membership meeting. All documents presented were discussed under this meeting new business.

Greenbelt Committee – Ron Garton

The committee has thirty uncompleted cases at this time. Some cases were completed; some cases are new; a few require planting where trees were trimmed or removed and planting is yet to be completed. The committee is contacting those who still have to replant to get it done during the rainy season to ensure better plant survival.

The old park trail from the Kehele Park to the Adventurer Lane cul de sac has been replaced. The LMC received \$650 from the PLDD for the work done by Joe Thompson under GBC direction. Mr. Garton invited everyone to use the new trail.

The committee is now posting their meeting agendas and new applications on the Beach Club bulletin board. They will also start posting summaries of their monthly meetings.

Tree cutting along Rainier Lane is being done by the Olympic Water and Sewer Inc. in order to install a sewage line to serve Rainier Lane lots in that location. The pipe crosses narrow strips of greenbelt on both sides of Walker Way and the GBC has worked with OWSI and their contractors to ensure compensation to the LMC for the trees removed and for the restoration of the area once the pipe is installed. Ten LMC trees were removed totaling 520 board feet of lumber, which will likely bring LMC less than \$200.

The committee is looking for a new member. Interested parties were asked to contact Mr. Garton. One additional member of this committee was considered and approved under this meeting new business.

Communications – Sally Orsborn

The committee meeting scheduled for Wednesday, January 11, was postponed until articles for the winter Log are in and the issue is ready for final editing. Considerable preparation and editing will be accomplished by e-mail between committee members, who will meet as needed for final editing later this month. Regularly scheduled meetings will occur on the 2nd Wednesday of each month between 2-4 p.m.

The 6th issue of the Log should be ready for distribution to the members by late January. The newsletter was delayed for inclusion of survey results. Ms. Orsborn made a final call to the Board and committee chairs for submission of articles and notices.

The Bylaw addition needed to make the Communications Committee a standing committee of the LMC was submitted to the trustees the morning of this meeting. If accepted, it will go out for vote of the membership on the April ballot.

Ms. Orsborn continued with her report by reminding the audience that presently established means of communications in-house include the Log, LMC mailings, web site, and newcomers' packets. Non-LMC sources available to LMC members consist of the Voice, the North Bay Bulletin, and the Port Townsend Leader.

Ms. Orsborn completed her report by announcing upcoming community events.

Condominium Associations – Jerry Nelson and John Van Zonneveld

Mr. Nelson reported that the phone switch is now removed and everyone is converted to Qwest.

Mr. Van Zonneveld made an announcement of the annual meeting of the Admiralty II. The meeting was scheduled for 1 p.m. the day of this meeting.

Lot Owners Association – Karl Barden

The LOA met on January 3. Only two weeks are left before the art display in the Gallery Room is changed. Christmas party gathered 149 people not counting those who did not signed the attendance sheet. LOA is asking for nominations for the LOA Directors and LMC Trustees. The candidates' forum will be held in March

Port Ludlow Village Council – Bruce Schmitz

Mr. Schmitz commented on the status of new developments within the MPR. The Olympic Terrace II is now being appealed to the Superior Court. The construction is now stopped. The PLVC Board has reaffirmed their support of this development.

The past few years there was a PLVC subcommittee which spent a lot of time studying water and sewer utilities and what should be done with them once the development of the community is complete. The committee is now reactivated to further research this issue.

A hearing regarding PLA application for the final development within the resort area will be held next week.

CORRESPONDENCE:

The Board received a letter from Elizabeth Prier regarding ferry ticket sales and the way it is presented in the LMC financial statement.

The Board received letters from the Sorensens, the Orsborns, and the Garrisons regarding the tennis courts usage proposal. This issue was discussed under this meeting unfinished business.

The Board received a letter from Mike Fessler expressing concerns with remodel expense survey not accompanied by a remodel plan.

The Board received a letter from Kimberly and Mark Torres appealing an ACC decision to deny their application to build a detached carport. This issue was addressed under this meeting new business.

UNFINISHED BUSINESS:

Beach Club Hours: At their October 2005 meeting, the Board had made a decision to reduce the Beach Club operating hours starting November 1, 2005 due to the budget constraints. The Board was concerned how the heavy volume of club repairs in 2005 would reflect of the financial situation of the LMC at the end of the fiscal year. Members' comments objecting to reduced evening hours made the Board commit to readdress the issue of the Beach Club winter hours once the LMC financial situation for the end of 2005 and 2006 was clear.

Collection of past due assessments provided significant excess income for 2005. 2006 budget, although tight, appears to be sufficient to replenish the reserve fund for the 2005 unplanned expenses. Hence, the Board became confident that LMC had sufficient funds to reinstate regular hours of Beach Club operation. Therefore, by a motion made by Trustee Nelson, seconded by Trustee Recht, and passed by a unanimous vote of the trustees, the Beach Club operating hours were approved to be reinstated to the original summer schedule starting February 1, 2006. A two-week delay is necessary to rearrange the staff schedules to cover additional hours. The Beach Club will be once again open seven days a week between 7 a.m. and 9 p.m. Lap swim periods will also be reinstated starting February 1.

Tennis Courts Usage: President Schmitz gave a history of the subject that led to this discussion. Early in 2005 the Tennis Club, a group that includes both LMC members and non-members, rejected LMC request to share courts maintenance costs estimated at \$4000 a year, announcing that they would start using the South Bay and the North Bay courts reciprocally. However, the Tennis Club could not succeed in making the South Bay courts playable. Subsequently, the LMC Board was approached the South Bay Community Association in their attempts to provide court usage for their members. The SBCA willingness to share the maintenance costs of the North Bay tennis courts in return for their membership's usage of the courts. A potential agreement was drafted and brought before the Board last month. Having thoroughly discussed this proposal at the last workshop, the Board has decided not to enter into an agreement with the SBHA regarding sharing maintenance costs and usage of the LMC tennis courts. The Board has instead decided to make tennis courts available to the non-LMC members of the Tennis Club through purchase of contract memberships. Upon President Schmitz's request, Trustee Moyer made a motion that the Board terminate the negotiations that have been ongoing with the South Bay Community Association on the joint usage of the LMC tennis courts and that those South Bay members who wish to use LMC tennis courts on a continuous basis be required to buy contract memberships. Trustee Sanzaro seconded this motion. Trustee Van Zonneveld found it unacceptable, as he believes this action of the Board will deepen the rift between the residents of the two Bays. Trustee Moyer pointed out that LMC contract members buy their memberships for various reasons and if contract membership is required for those who only use the pools it should be also required for those who only wish to use the tennis courts. Trustee Sanzaro asked for an audience poll. His request was denied. Trustee Feltham

emphasized the idea of keeping the club private. Following prolonged discussion, the motion carried by a vote of 8:1 opposed by Trustee Van Zonneveld.

NEW BUSINESS:

Revised Beach Club and Bridge Deck Rental and Fee Policy: The Manager was asked to present a revised rental and fee policy, prepared by the Operations Committee. The manager specifically pointed out that new policy institutes a \$1 fee per meeting per every non-member participant, that paid instructors will be charged \$1 per every class participant, that groups that alternate their meetings between the clubs will not be charged rental fees, and that member-only groups will remain free. The manager explained the procedures of collecting the fees. The manager submitted copies of old and new policies to the trustees. Revisions to the new policy requested at the workshop have been incorporated. Following discussion, Trustee Van Zonneveld made a motion to adopt new Beach Club and Bridge Desk Rental and Fee Policy as submitted. Trustee Moyer seconded this motion. Following prolonged discussion, this motion carried by a unanimous vote of trustees.

Swimming Lessons Arrangement: Trustee Recht made a motion that swimming lessons be scheduled and all associated administrative work be handled through the LMC General Manager instead of the Board. Seconded by Trustee Moyer, this motion carried by a unanimous vote of the trustees.

First Reading Bylaws Revision -- Article V (1) Standing Committees: President Schmitz proposed that the Board members review this document and submit their comments, if any, to the C&Rs Committee within two weeks from the date of this meeting to allow sufficient time for the C&Rs Committee to review and incorporate the changes and prepare the second reading of this revision before the February Board meeting. Trustees agreed.

First Reading Regulations Revision – Regulation I Article I (9) Outdoor Burning: President Schmitz proposed that the Board members review this document and submit their comments, if any, to the C&Rs Committee within two weeks from the date of this meeting to allow sufficient time for the C&Rs Committee to review and incorporate the changes and prepare the second reading of this revision before the February Board meeting. Trustees agreed.

First Reading Regulations Revision – Regulation I Article I (10) Outdoor Burning: President Schmitz proposed that the Board members review this document and submit their comments, if any, to the C&Rs Committee within two weeks from the date of this meeting to allow sufficient time for the C&Rs Committee to review and incorporate the changes and prepare the second reading of this revision before the February Board meeting. Trustees agreed.

First Reading Regulations Revision – Regulation II Article II (9) Outdoor Burning: President Schmitz proposed that the Board members review this document and submit their comments, if any, to the C&Rs Committee within two weeks from the date of this meeting to allow sufficient time for the C&Rs Committee to review and incorporate the changes and prepare the second reading of this revision before the February Board meeting. Trustees agreed.

First Reading Regulations Revision – Regulation V Enforcement and Appeal Procedures: President Schmitz proposed that the Board members review this document and submit their comments, if any, to the C&Rs Committee within two weeks from the date of this meeting to

allow sufficient time for the C&Rs Committee to review and incorporate the changes and prepare the second reading of this revision before the February Board meeting. Trustees agreed.

LMC Compliance with Washington State RCW 64.38: Having thoroughly reviewed the Revised Code of Washington, that takes precedence over LMC governing documents, the C&Rs Committee compiled a list of five entries that are in possible disagreement with LMC governing documents and outlined their recommendations for necessary revisions. Ms. Orsborn asked that this list be accepted by the Board as a study item. The five entries deal with:

- 1) definition of members of the homeowners association,
- 2) how the changes to the governing documents are made and documented,
- 3) percentage of members needed to call a special meeting,
- 4) procedure for convening executive meetings,
- 5) percentage needed to wave an audit.

A motion to accept the document presented by Ms. Orsborn as a study item was made by Trustee Moyer and seconded by Trustee Recht. President Schmitz made an amendment to direct the C&Rs Committee to prepare Bylaw revisions necessary to make them compliant with the state law for the April membership ballot. Trustee Nelson seconded this motion. The first reading will be ready for the Board review by the February meeting. The amendment and the motion carried by a unanimous vote of the trustees.

Scheduling of the Torres's Appeal Hearing: Following brief discussion, Trustee O'Brien made a motion to call for a special meeting of the Board to handle the Torres's appeal of the ACC decision to deny their application to build a detached carport. The date of the meeting will be determined after discussions with the Torres on a mutually acceptable date between the Board, the Torres, and the ACC Chair. Seconded by Trustee Van Zonneveld, this motion carried.

PLDD Project (Drainage Improvements between Rainier Lane and Oak Bay Road): Having discussed this item at the Board workshop on Thursday, the Board decided to send a letter to the PLDD expressing their concerns with the drainage improvement plan in the greenbelt area between Rainier Lane and Oak Bay Road and its impact on the LMC greenbelt. A motion to this effect was made by Trustee Platt and seconded by Trustee O'Brien. The letter will be written by LMC President Schmitz. Following brief discussion, this motion carried by a unanimous vote of the trustees. PLDD Chairman Richard Regan took a few minutes to explain that this project is in a very preliminary state, that the extensive project described in the Comprehensive Stormwater Management Plan is not the option the commissioners are considering any longer, having decided against building a detention pond in the greenbelt, and that not the whole channel needs improvement. The only part of this project planed this year is improvement of the drainage conveyance system between the Oak Bay Road and the Ludlow Bay. The plans for the work in the greenbelt itself are currently on hold.

Approval of a New Member of the Greenbelt Committee: Per Mr. Garton's request, a motion was made to approve Joan Dragnich, a Foster Lane resident, as a new member of the Greenbelt Committee. This motion was duly seconded and carried by a unanimous vote of the trustees.

Resort Hearing Testimony: A hearing on the Resort Expansion Application is planned to be held on Tuesday and Wednesday of the next week, January 17 and 18, at the Ford Warden State Park theater. President Schmitz took a few minutes to explain the developer's plans with regards to this application and its impact on the Port Ludlow community. President Schmitz encouraged

the membership to attend this hearing. He asked for a motion from the Board allowing him to give a testimony reinforcing the concerns that the Board expressed in their letter to the county last November. A motion to this effect was made by Trustee Moyer and seconded by Trustee Nelson. Following further discussion, this motion carried by unanimous vote of the trustees.

Public Comment Period: President Schmitz opened the floor for public comments. Several members spoke on items of concern to them.

This meeting adjourned at 12:25 p.m.

Respectfully submitted,

Art Moyer, Secretary
Ludlow Maintenance Commission, Inc.