

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF TRUSTEES OF
LUDLOW MAINTENANCE COMMISSION, INC.
Saturday, April 8, 2006– 9:00 a.m. – Bay View Room**

Trustees Present: Bruce Schmitz, John Van Zonneveld, Art Moyer, Sonny Sanzaro, Jerry Nelson, Michael Platt, and Ian Feltham.

President Schmitz called the meeting to order at 9:04 a.m. and asked Secretary Moyer for a roll call. All trustees noted above were in attendance with Trustees Amy Recht and Terry O'Brien being absent.

President Schmitz added PLVC Trails Committee Presentation, Secretarial Support for Ad Hoc Committee on Trees & Views, and Trees & Views Committee Request for a Monetary Support for Expert Witnesses to the agenda.

APPROVAL OF MINUTES: Trustee Moyer made a motion to approve the minutes of the regular 11 March and special 31 March 2006 meetings. Trustee Van Zonneveld requested that the minutes of the regular 11 March 2006 meeting be amended to include the names of the three trustees that had met with the county regarding potential sale of some reserve properties. This correction was noted and will be made by the LMC Recording Secretary Olga Wilson. Trustee Moyer's motion was then carried as amended by Trustee Van Zonneveld.

President Schmitz reminded the membership that the annual membership meeting was scheduled for Saturday, April 15, starting at 2:00 p.m. He reminded the members to return their ballots. The annual meeting will be cancelled if the quorum for the meeting is not reached. The LMC needs 34% of the membership present in person or by proxy to hold this meeting.

President Schmitz took a few minutes to explain county plans for expansion of the Paradise Bay Road. The contract has been awarded. The work is planned to start April 17 and last through August.

President Schmitz reported giving additional testimony on behalf of the LMC at the final hearing on the PLA Resort Expansion Application held earlier this month. At the hearing PLA announced being in mitigation with the plaintiffs that filed lawsuits that stopped Olympic Terrace II and Trendwest Developments. They stated that if the mitigation was successful and the lawsuits were withdrawn, the PLA would withdraw the current Resort Expansion Application and work with the community to develop a more acceptable plan. As the result of this announcement at the hearing, the hearing examiner, upon PLA's recommendation, decided to keep the hearing record open until April 24 to give PLA an opportunity to withdraw the application. If by April 24 PLA takes no action regarding this application, the record will be closed and the hearing examiner will proceed with making his decision regarding this application.

PLVC Trails Committee – Mike Porter

Mike Porter, a new chairperson of the Port Ludlow Village Council (PLVC) Trails Committee, asked the Board to make a resolution to show LMC appreciation for what the previous chairperson Marge Carter has done for the LMC in her years on the committee. Mrs. Carter has retired.

Mr. Porter reported that over the past few years the committee worked on development of the North Bay Trail System. The committee asked the PLVC to find out whether the Trails Committee had legal authority to run trails through the LMC greenbelts and what their liability was regarding these trails. In the South Bay, the developer designated trail easements through the roads, common areas, and even some private properties and there was the verbiage put into the governing documents to specify that trail usage was for the enjoyment of members, tenants, guests, and invitees of the greater Port Ludlow community. Recently, the committee received a letter from the person working in Port Ludlow Visitors' Center requesting a copy of Port Ludlow Trails Map to be reproduced and passed out to general public. Mr. Porter stated that, if allowed, this action would mean opening the trails to a lot of people not residing in the area and asked the Board to give him verbiage identifying those who can use the North Bay trails.

President Schmitz responded by stating that the Board would be opposed to opening the trails to the outside community since the trails were installed and supported by the community and for the benefit of the community. President Schmitz stated that the Board was opposed to advertising the trail system. As for the verbiage requested, he explained that several years ago the Board had passed a motion approving installation and development of the North Bay Trail System through the greenbelt area for the Port Ludlow community to enjoy. The motion was recorded in the minutes, therefore, providing the Trails Committee with the verbiage they need. Mr. Belmont was directed to find a copy of those minutes for Mr. Porter.

Going on with his presentation, Mr. Porter pointed out that although the Trails Committee was started under the Natural Resources Committee, in the past few years the trails became the top priority and the natural resources became a low priority. Mr. Porter's goal is to make these two priorities equal. He intends to make every trail emphasize the importance of the nature.

Finally, he announced that from now on the committee would meet on the first Tuesday of each month at 10:00 a.m. at the Port Ludlow Fire and Rescue Building for regular meetings and on the third Tuesday of each month starting 8:30 a.m. for trail maintenance.

Trustee Platt made a motion that the Board send a letter publicly recognizing the efforts of Marge and Tom Carter in developing Port Ludlow Trail System. Seconded by Trustee Van Zonneveld, this motion carried by a unanimous vote of the trustees.

In conclusions, Mr. Porter acknowledged receiving a verbal agreement from the Port Ludlow Drainage District (PLDD) to restore the Lower Rainier Trail if it was in any way disturbed by the PLDD large greenbelt project.

Comments followed.

Manager's Report – Brian Belmont

The trustees were provided first quarter financial reports. The manager reported collecting nearly 97% of the 2006 assessments. As of Friday, April 7, less than \$27,000 was owed in outstanding assessments for all years.

The manager announced that LMC was asked to consider entering into an agreement with American Red Cross that would establish the Beach Club facility as an emergency shelter in the event of a major disaster. This request was further discussed further under this meeting new business.

The manager reported obtaining two additional bids for replacement of the four-ton heat pump that is used to heat locker rooms. The original bid from the Air Flow Heating for \$3,100 remained the lowest one. The amount was approved by the board at the last (March 11) LMC meeting. All Weather Heating asked for \$5,143.16. Advanced Heating asked for \$3,848.20. The manager will make arrangements with Air Flow heating to install the new unit.

The manager reported locating a roof leak outside the north end of the Bay View Room. The leak allows water to run down the bottom side of the plywood sheeting that covers the roof. The plywood is the underlayment for the cedar roofing on this building. The manager reported calling roofing contractors to get an estimate on repair costs. The roof is nearing its life expectancy.

The manager also reported discovering that the small deck on the east side of the Bridge Deck building had significant amount of rot showing in many of the supporting timbers. The deck will be closed up and will need to be replaced this summer.

The manager announced that the national organization for community associations called Community Associations Institute (CAI) will be offering a workshop at the Beach Club on Friday, May 12. This course is designed to teach community association history, organization, and financial structure. Attendees are going to learn about fiduciary responsibilities, financial reports and budgeting, and legal matters. The manager believes the program would be ideal for Board members and committee members. The registration fee for CAI members is \$75. However, since the LMC is providing the facility, the registration fee for the LMC members will be \$50. The fee includes the course material and a box lunch. The class will start at 8:30 a.m. and end at 4:00 p.m. The manager has been contacting other associations in the area. He is hoping that if we get a good turn out for this class, the CAI will bring more educational opportunities to our area in the future.

President Schmitz encouraged board members and committee chairs to attend this seminar. He then entertained a motion that the LMC picks up the cost of any attendance of the board or committee chairs. Seconded by Trustee Nelson, this motion carried by a unanimous vote of the trustees.

Going on with his report, the manager stated that Nordic Services had not yet sent LMC the final billing for the locker room. He is also still waiting for the final insurance payout for this accident.

The manager announced that the Choral Belles singing group made a \$50 donation that was to be used to offset some of the cost of tuning two pianos. The tuning will be done the week after this meeting. Trustee Platt made a motion to send a thank you note to the Choral Belles for their

generous donation of \$50 for the tuning of the pianos. Seconded by Trustee Nelson, this motion carried by a unanimous vote of the trustees.

Finally, the manager reported that as of Friday, April 7, the LMC needed at least 89 ballots to meet required annual meeting quorum of 329. Out of 272 ballots submitted, 240 were assigned to the corporate secretary.

Questions and comments followed.

COMMITTEE REPORTS:

Finance Committee –Bruce Pyles

Since the last LMC meeting the committee met once. The committee went over 2005 tax returns with LMC CPA. Also discussed with the CPA was LMC allowance for unpaid assessments, which was set up at 3% several years ago or approximately \$21,000. Recommended by the CPA and approved by the committee this allowance was lowered to \$10,000 to allow for an increase of the amount of the surplus funds to be moved to the reserves. The committee will calculate the exact amount by the next (May 13) LMC meeting.

The assessment collection is on track. Late fees are being applied and late notices are going out on a regular basis.

Contract memberships are below the budgeted amount. The committee expects the number to increase comes summer.

The committee discussed Treasury Direct Accounts. Two treasury bills have been purchased with the operating funds. They will mature this summer.

The electric bills for the RV lot appear to be significantly higher this year. The committee decided to set some time in August to plan how to deal with this issue next year.

The committee worked on Procurement Policy. The committee is in agreement that a written policy needs to be established. They expect to have a policy ready for the board within a few months.

The committee asked the board for an action to authorize the treasurer to place liens where appropriate on the properties where assessments have not been collected this year. This request was further discussed under this meeting new business.

The next meeting of the Finance Committee is scheduled for April 20.

Operations Committee – Teddy Clark

The Operations Committee's agenda remains full. The committee has one unresolved trees and views issue at the moment, which is more of a property maintenance issue.

The committee addresses an increasing number of property maintenance issues according to their newly developed Property Maintenance Issues Consideration Policy. They have seven pending

property maintenance cases at this time. Most of the property maintenance issues get resolved quickly.

The women's locker room is completed. The winter Log has an article thanking everyone who participated in this project. An open house is scheduled for the day of the annual membership meeting.

The committee has finished their work on the facilities agreement. The document was presented to the board for an approval under this meeting new business.

Architectural Control – Veronica Ryan

Since the last LMC meeting, the committee has met twice. The committee approved fourteen requests (five repaints, two new houses, two tree removals, one fence, one shed, and two new roofs.) One plastic shed application was denied.

The committee is working on eighteen pending requests (seven houses, two garages, one house addition, one shed, four tree removals, one carport, and two repaints) and is developing fence guidelines.

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

An appeal of a recent ACC decision denying installation of a plastic shed was heard by the board immediately after this meeting.

The next ACC meeting is scheduled for Monday, April 10.

Between 1 January and 1 April 2006, the ACC received fifty-two requests which among other things included seven new houses, a revision to a house plan, and three house additions.

Covenants & Regulations – Catherine Garrison

Ms. Garrison submitted to the board the first reading of the revised GBC Policies and Procedures, which were reviewed by the committee at the GBC's request. The guidelines were edited and revised. The draft was approved by both committees. This version, if adopted, will supersede all former greenbelt guidelines and policies. Ms. Garrison proceeded by listing the references for this document. A copy of this document will be posted on the Beach Club bulletin board.

The next C&R Committee meeting is scheduled for April 11.

President Schmitz asked the trustees to review this document and provide comments back to the committee to be included into the second reading expected to be ready for the next (May 13) LMC meeting.

Greenbelt Committee – Ron Garton

The committee is working on about thirty active cases, most of which are those monitored for completion.

The area where the sewer line has been installed along Rainier Lane is still a mess. The PLA still owes LMC restitution for the damage done to the Walker Way greenbelt.

The committee did some cleanup of dead and fallen trees along Pioneer Drive near Kehele Park. All trees removed were deciduous.

John Van Zonneveld, Jerry Nelson, and Ron Garton met with the representatives from the condos, from Hood Canal Coalition, from Olympic Salmon Coalition, and from the Washington State University to discuss adding vegetation to stabilize the bluff by the condos. The plan, when developed, will not be implemented without GBC approval.

The Trails Committee and the GBC are going to walk Rainier Loop later this month.

The committee will next meet on Tuesday, April 11.

Communications – Sally Orsborn

The spring issue of the Log will be distributed following the members' annual meeting in April to include information on the annual meeting. The committee is redoing Log format. The draft issue of the next Log will be reviewed at the next (April 12) committee meeting and passed on to the trustees for a review and comments.

Lot Owners Associations – Penny Sanzaro

Ms. Sanzaro gave a list of upcoming events. The Gallery art exhibit will be changed in May. Ms. Sanzaro asked parents and grandparents interested in exhibiting their children's art to contact the Artists' Group. The group is also soliciting comments on organizing summer art sessions for children. The next LOA bulletin is due shortly. LOA annual meeting is scheduled for Saturday, April 15, starting at 10:00 a.m.

Condominium Associations -- John Van Zonneveld

The condominium associations of Admiralties I and II received a request from PLA to have a planning meeting. The leadership of the associations had agreed to that meeting which will be held at the Beach Club at a later date.

Port Ludlow Village Council – Bruce Schmitz

Mr. Schmitz announced Friday Market starting back in May and the planning of the Funfest being well underway for September 16 and 17.

The Community Development Committee survey on the community feelings regarding Trendwest was tabled for the time being until there is more defining definition of what PLA and Trendwest plans really are regarding that development. There has been a formal request to the county for zoning changes to accommodate them.

Following brief discussion, Trustee Moyer made a motion that the Board directs the President to set up an LMC community meeting with PLA for LMC members to comment on resort expansion and Trendwest Development. Trustee Feltham seconded this motion. Following further discussion, this motion carried by a vote of 5:1, opposed by Trustee O'Brien. Trustee Schmitz abstained.

CORRESPONDENCE:

The Board received a letter of appeal of the ACC decision to deny a shed. The appeal hearing was held later this day.

UNFINISHED BUSINESS:

None noted

NEW BUSINESS:

American Red Cross Request to Designate Beach Club as an Emergency Shelter: On March 13, the manager sent a memo to the Board of Trustees regarding American Red Cross request to designate the Beach Club facility as an emergency shelter in the event of a major disaster in the area. Trustee Feltham made a motion to grant this request, Trustee Nelson seconded this motion. Following brief discussion, this motion carried by a unanimous vote of the trustees.

Ad Hoc Committee on Trees & Views Request for Secretarial Support and Expert Witnesses Expenses: Trustee Van Zonneveld made a motion to authorize approval of secretarial support for the committee and an expert witnesses expense not to exceed \$2000. Trustee Moyer made an amendment that only secretarial support be approved at this time and that the committee makes separate requests for the expert witnesses when they decide to call them. Trustee Feltham seconded this amendment. President Schmitz responded by explaining that the committee was requesting funds to pay expert witnesses at this time and that he had a written request from the committee for four witnesses, several of which were expected to charge. Ms. Cross was asked to explain. She stated that the committee decided that they would like to hear from a land use attorney, an expert on the property rights issues, PLDD, and Mr. Belmont. The first two are expected to charge. The amount requested is determined by the fact that the board only meets once a month and the committee is limited in time to complete their task. They like to have funds available to pay the expert witnesses without coming back to the board. In the agreement from the judge to be able to form this committee it was authorized that the board will pay for any expert witnesses that the committee wanted to see.

Following brief discussion the amendment failed by a vote of 5:2 supported by Trustees Moyer and Feltham. The original motion carried by a vote of 6:1 opposed by Trustee Moyer. The board asked that all future requests for funds be submitted in writing.

The committee meetings are open to the public.

Facility Rental Agreement: The Operations Committee completed Facility Rental Agreement. Ms. Clark has submitted a draft dated 3/22/06 to the board. Trustee Platt made a motion to

approve the draft as submitted. Trustee Feltham seconded this motion. This motion carried by a unanimous vote of the trustees. There was no discussion.

Request for Lien Authorization: The manager provided the board with the list of outstanding assessments for all years. He asked for an authorization for the treasurer to file liens on all outstanding assessments as he saw appropriate. Trustee Platt made a motion to authorize the treasurer to file for liens for delinquent assessments when appropriate and necessary in 2006. Trustee Van Zonneveld seconded this motion. Following brief discussion, this motion carried by a 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. Trustees responded.

This meeting adjourned at 10:45 a.m.

Respectfully submitted,

Art Moyer, Secretary
Ludlow Maintenance Commission, Inc.