

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

Saturday, 18 August– 9:00 a.m. – Bay View Room

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

President Bradshaw called the meeting to order at 9:02 a.m. and conducted roll call in Secretary Nelson's absence. All trustees were present except for trustee Nelson.

Agenda Changes: President Bradshaw made the following changes to the agenda: Tennis court discussion was added to the Operations Committee report, bluff ownership was added as item 6 (e) under Unfinished Business, and the Voice issue was added as item 6 (f) under Unfinished Business.

Approval of Minutes: The minutes of the regular meeting of 21 July 2007 were unanimously approved as corrected.

President's Report: President Bradshaw announced that all Trustee meetings are recorded. He explained proper protocol for the meeting, and said that although people have their own personal opinions and biases as individual LMC members, the responsibility of the trustees, committee chairs and committee members and anyone else formally associated with LMC is to represent the interests of all LMC members while acting in an official capacity.

Manager's Report – Brian Belmont

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

To date 99.6% of the 2007 assessments have been collected. Including late fees, there remains \$3,990 to be collected.

On August 17, 2007, Peninsula Paving completed the asphalt work for the year at the Beach Club and Kehele Park. The Kehele Park tennis courts are currently closed. LMC maintenance staff is in the process of pulling out and resetting four net posts on the tennis courts. The net posts are expected to be reset by August 22. The Kehele Park tennis courts are scheduled for resurfacing by Mid Pac Construction on September 4, 2007. The courts will be remained closed an additional week to allow time for curing of the court surface and net posts concrete.

Watermill Inc. recently completed retiling the spa. There has been member input requesting stronger pressure from the therapeutic jets in the spa. We are working with our pool supply company to look at some different jets to improve the pressure.

Former LMC member, Betty Taylor, has donated \$400 to be used as a memorial gift for her late husband Walt. As she suggested, a new podium will be purchased and an engraved brass plate commemorating the gift will be placed on the podium.

Two LMC couples are willing to help repaint the Bridge Deck building. A date will be set for the project and other volunteers will be sought.

COMMITTEE REPORTS:

Architectural Control – Veronica Ryan

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

A job description for the ACC Secretary position is being prepared and a first draft will be submitted in the near future.

Covenants & Regulations – Catherine Garrison (interim chair)

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

In Ms. Garrison absence at the meeting, her written report was read.

Finance Committee – Bruce Pyles

The LMC Finance Committee held its regular monthly meeting on August 16, 2007. All members of the committee were present with the exception of Bill Funke. Operations Committee Chair John Van Zonneveld and LMC President Vaughn Bradshaw also attended.

LMC CPA, Jon Froula, attended the meeting to discuss follow-up on the Auditor's Report, specifically how LMC reports capital expenditures and depreciation. Following discussion, the Finance Committee is comfortable with the method the LMC CPA currently uses in reporting these items.

Operations Chair, John Van Zonneveld, submitted a request for a roofing project that includes a portion of the south end of the Beach Club and the Bridge Deck. Following review, a recommendation for approval of this project was made to the Trustees.

LMC is currently liquid in the operating funds and foresees no problems to the end of the year. Monthly expenditures average \$35,000 - \$40,000 per month and we have assets to meet those obligations.

The next regular meeting of the Finance Committee will be held on Thursday, September 13, 2007, 9:00 a.m., at the Beach Club

Questions and comments followed.

Operations Committee – John Van Zonneveld

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

Chairman Van Zonneveld recommended LMC member Shelia Brunstad join the Operations Committee and requested board approval. By a motion duly made, seconded, and carried by

unanimous vote, Shelia Brunstad was welcomed to the Operations Committee. President Bradshaw abstained.

Recommendations made by the LMC insurance company are being addressed. Bids will be obtained to comply with recommended safety measures at Kehele Park Playground.

Requirement of a one million dollar liability insurance policy for LMC facility rentals is being investigated. Trustee Moyer questioned the practicability of an individual being able to purchase such a policy for a single event.

Three bids have been obtained for roofing and repair of the south side of the Beach Club and the Bridge Deck building.

Trustee Moyer expressed his opinion, for the record, concerning nonmember usage of the LMC tennis courts. He pointed out that the Port Ludlow Racquet Club has 53 dues-paying members and of that number 19 are LMC and/or contract members. Trustee Moyer voiced concern regarding different treatment of LMC facilities by organized clubs and the possible loss of revenue.

Operations Chair John Van Zonneveld reported a subcommittee has been formed to study the matter of the tennis issue. Interviews have been conducted with various interested parties and a report will be submitted to the trustees in the near future.

Communications Committee – Barbara Berthiaume (interim chair)

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

Private Property Tree Committee – Eve McDougall

David Pendergast, Amy Recht, Carol Shamhart, Caron Mesa, and Terry Mesa were announced as proposed members of this committee. Prolonged discussion followed. Motion was made by Trustee Kadash to accept the committee members as submitted, seconded by Trustee Van Zonneveld. Following lengthy discussion, Trustee Kadash called for the question. The motion carried by a majority vote of 5:2, opposed by Trustees Moseley and Buehler. President Bradshaw abstained.

Greenbelt Committee – Jack Rikken/Larry Scott

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

Trustee Van Zonneveld presented the Greenbelt Committee Report in the absence of the GBC co-chairs.

Two new members were nominated to the GBC. They are Mr. Earl "Skip" Rasmussen and Mr. Jimmie Hendricks. The committee is requesting board approval of these gentlemen. By a motion duly made, seconded, and carried by unanimous vote, Mr. Rasmussen and Mr. Hendricks will join the GBC. President Bradshaw abstained.

The request for drainage easement from Gary and Nancy Kavanagh for drainage from lot 1-2-007 on Montgomery Lane across Greenbelt property to an existing drain system was discussed. Trustee Kadesh made a motion to defer approval of this request until a complete package is available for review by the trustees. Trustee Van Zonneveld seconded the motion and the motion carried by unanimous vote of the trustees. President Bradshaw abstained. Following review of the complete package by the trustees, a special meeting will be scheduled to prevent further delay in construction of the Kavanagh home.

Lot Owners Association – Eve McDougall

No report

Condominium Associations

Trustee Van Zonneveld reported that through easements obtained in the past several years through Admiralty I & II, Puget Sound Energy is replacing the underground power lines as far as the sewer treatment plant.

Port Ludlow Village Council – Larry Nobles

At the last meeting of the Village Council on August 2, David Wayne Johnson, Lead Planner for Port Ludlow in the County Department of Community Development, gave an educational session on MERU's (Measurement Equivalent Residential Unit). Under the development agreement, the County is required to submit a certified report on MERU's once a year. They have failed to do so for about one and one-half years. In May of 2007 the County submitted a report with numbers that do not agree with those compiled by this community. Our records, which have been verified, show 1,505 homes and condos built out in the MPR, 856 in North Bay and 649 in South Bay. Subtracting 1,950 current MERU's from the 2,250 build-out figure, 300 MERU's are left that are assigned or partially assigned. The parties will meet to try to resolve this issue when Mr. Johnson returns from vacation.

There are three separate avenues that are working on environmental issues in the MPR and surrounding land. Monitoring to ensure Ludlow Bay does not get overlooked will be important.

Questions and comments followed.

Beach Club Remodel Finance Ad-hoc Committee – John Van Zonneveld

Inactive at this time

Beach Club Remodel Ad-hoc Committee – Art Moyer

The committee will meet on August 28 and will report to the trustees at the September board meeting.

LMC/PLA Coordinating Service Committee – Vaughn Bradshaw

Inactive at this time

CORRESPONDENCE:

The Board received one new communication with regard to a dead tree in the front yard of a home for sale on Resolute Lane. The matter will be referred to ACC.

UNFINISHED BUSINESS:

Proposed Amendment to Regulation I Article I (6) Parking and Storage of Vehicles – Second Reading: Lengthy discussion was followed by a motion duly made and seconded, to change the time limit for RV parking from 72 hours to 48 hours and to eliminate the language referring to time extensions by the General Manager. The motion failed 4:3, with trustees Buehler, Van Zonneveld, Feltham and Kadesh opposing. President Bradshaw abstained. Trustee Sanzaro made a motion to take the matter to the membership. There was no second to this motion.

Trustee Van Zonneveld made a motion to accept the Proposed Amendment to Regulation I Article I (6) Parking and Storage of Vehicles as presented for second reading. The motion was seconded by Trustee Buehler. Following extended discussion, Trustee Van Zonneveld called for the question. By a vote of 4:3 the motion passed with Trustees Moseley, Moyer and Sanzaro opposing. President Bradshaw abstained.

Proposed Amendment of Bylaws Article I, Section 3 “Record Date” – Second Reading: Following discussion Trustee Moyer made a motion to accept the change to the bylaws and to send it to the membership at the annual meeting. Trustee Van Zonneveld seconded the motion. Discussion continued. Trustee Van Zonneveld called for the question and the motion passed 6:1 with Trustee Sanzaro opposing, President Bradshaw abstained.

Search for Volunteer Clerical Support for the Architectural Control Committee: Two person has inquired about the position. Trustee Van Zonneveld recommended referring the candidate to the ACC Chair for further consideration.

Board Goals 2007-2008 – Status Report: President Bradshaw stated progress has been made with the development of Policies and Procedures by the LMC Standing Committees. Communication between the board and community has improved.

Port Ludlow # 5 Bluff Ownership: Trustee Moyer reported he had asked the General Manager to provide the trustees with a copy of the package that had been previously submitted to Attorney Morgenstern. The matter will be discussed at the next workshop and, because there has been no action on the attorney’s part, LMC may want to consider turning the matter over to a different attorney.

Long Term Voice Funding Project: Trustee Buehler made a motion that the President form an ad-hoc committee in order to improve our working relationship with the Voice, and to (1) identify any outstanding or unresolved issues remaining between the Voice and Board, (2) submit the list to the Board for approval, and (3) present these concerns to the Voice representatives. The motion was seconded by Trustee Moyer. Following lengthy Discussion, the motion passed 6:1, opposed by Trustee Sanzaro. President Bradshaw abstained.

NEW BUSINESS:

Community Association Day (CA Day) Registration Fees: This year's CA Day event is scheduled for Saturday, September 22 at Meydenbauer Center in Bellevue. To date Trustees Van Zonneveld and Kadesh have expressed an interest in attending with the General Manager. Motion was duly made, seconded and unanimously carried that LMC will pay the \$75 per person registration fee for the attending participants. President Bradshaw abstained.

Appeal Hearing Date and Format – House Paint Color on Lot #7-0-014: The appellant has asked the matter be heard by a three-person review panel instead of being heard by the entire Board, which is the normal practice. Trustee Moyer made a motion to deny the request for a review panel and follow the Board's standard appeal format wherein the Trustees hear the appeal. The motion was seconded by Trustee Kadesh. Prolonged discussion followed. Trustee Kadesh called for the question. The motion passed by a majority vote 5:2, opposed by Trustees Buehler and Moseley. President Bradshaw abstained.

Trustee Kadesh made a motion that the appeal hearing on Lot #7-0-014 will be heard by the full Board on Saturday, September 15, 2007, immediately following the LMC Board Meeting. The motion was seconded by Trustee Sanzaro and unanimously carried. President Bradshaw abstained.

Beach Club and Bridge Deck Re-roofing Proposals: Operations Chair, John Van Zonneveld reported the south end of the Beach Club and the Bridge Deck need to be re-roofed. It is estimated the remainder of the Beach Club roof will not require re-roofing for another four years. A valley on the Beach Club south end roof will be dealt with by installing a recommended cricket to prevent water build-up and allow better drainage. Lowest bid for the Beach Club was \$24,661 by Hope Roofing, for a 40-year roof. Barrett Roofing submitted the lowest bid of \$6,746, to re-roof the Bridge Deck with a 40-year roof. Total for the project is \$31,407, including sales tax. The final cost may change, dependent on whether additional materials are required.

Following discussion, Trustee Moyer made a motion to authorize the expenditure for the re-roofing project on the south end of the Beach Club and the Bridge Deck. The motion was seconded by Trustee Van Zonneveld and carried by unanimous vote. Discussion continued, followed by Trustee Sanzaro making a motion to amend Trustee Moyer's previously passed motion that the contracts not be issued until ACC has approved the project. The motion was seconded by Trustee Moseley and carried unanimously. President Bradshaw abstained.

Public Comment Period: President Bradshaw opened the floor for public comments. There were no comments made.

The meeting was recessed at 12:27 p.m. so that the Board could go into executive session to discuss legal and personnel matters.

Executive Session

The meeting reconvened in open session at 3:13 p.m. and President Bradshaw noted all trustees were present except Trustee Nelson and Trustee Moseley who left during executive session.

President Bradshaw asked if there were any actions to be taken.

a. A letter, raising concerns related to the LMC Finance Chair, was recently sent via email to members on the LMC email database. Trustee Van Zonneveld made a motion that President Bradshaw respond with an email to the same email membership list, explaining the finance Chair's role and separation of power's and responsibilities between board and committees. This would help the membership understand that LMC finances are safe, and that the Trustees believe the finance Chair is reputable and responsible. The motion was seconded by Trustee Moyer and passed with President Bradshaw abstaining.

b. Trustee Sanzaro made a motion to have the General Manager investigate, with the LMC insurance carrier, as to potential exposure for liability in regards to personnel. Trustee Buehler seconded the motion, the motion passed unanimously with President Bradshaw abstaining.

c. A letter from LMC member Hugh Jennings was discussed. Trustee Kadesh made a motion that President Bradshaw respond to this letter advising Mr. Jennings that his letter of August 18, 2007 was received, its contents duly noted and that the matter will be pursued. The motion was duly seconded and passed unanimously. President Bradshaw abstained.

The meeting was adjourned at 3:20 p.m.

Respectfully submitted,

Jerry Nelson, Secretary
Ludlow Maintenance Commission, Inc.

Prepared by Carol Shamhart
LMC Recording Secretary

Reports:

Manager's Report:

The Trustees have been provided financial statements for July 31, 2007. Are there questions that I can answer pertaining to those reports? Year-to-date we have collected 99.6% of the invoiced 2007 annual assessments. We have 5 properties with outstanding assessment balances that with late fees total approximately \$3,990. The Board has received correspondence from LMC attorney, Marion Morgenstern, that we have collected past due assessments from the owner of #2-3-150. That account is now current.

On August 17, Peninsula Paving completed our asphalt work for the year here at the Beach Club and Kehele Park.

LMC's maintenance staff is in the process of pulling out and resetting the four tennis court net posts on the Kehele tennis courts. It is a time consuming task because the posts are cemented in place and buried approximately 42". It is our intention to have the posts reset by Wednesday, August 22. The Kehele tennis courts will remain closed until after they are resurfaced by Mid Pac Construction during the first week of September – weather permitting.

Every year the Washington State Chapter of Community Associations Institute (CAI) has an annual event called CA Day. This year the event is scheduled for Saturday, September 22 at Meydenbauer Center in Bellevue. I have distributed copies of this year's program to the trustees and committee chairs. Last year LMC offered to pay the \$75 registration fee for the manager, any trustee or committee chair wishing to attend. I would hope the Board would again make the same offer. We can car pool over to reduce ferry fares, mileage and parking cost. If you wish to attend, please contact me so I can get the participants registered for the event. To date, Elizabeth V. and Stan K. have expressed interest in attending CA Day.

Watermill Inc. recently completed retiling the spa as was discussed in previous meetings. In response to member input, we are working with the pool supply company to find the appropriate size wall jets so that we can improve the pressure when the jets are turned on.

Due to Vaughn Bradshaw's email notice to our members I have been contacted by two LMC couples that are willing to help us repaint the Bridge Deck Building. I will work with our Maintenance Supervisor, Phil Eng, to schedule this project.

I was informed yesterday that former LMC member, Betty Taylor, is sending LMC a \$400 donation to be used as a memorial gift for her husband Walt who passed away recently. Betty thought LMC could use the money to purchase a new podium. Once the podium is purchased LMC will have a brass plate engraved commemorating the memorial gift.

ACC:

Since the last LMC meeting, the committee met twice. We approved 12 requests; two tree removals, six house repaints, one new house, one house addition, one roof and one deck. We have denied one request for a chain link fence.

We currently have eleven pending requests (two new houses, one revision to approved new house construction plans, four fences, and four tree removals).

The committee is reviewing construction application packages, and houses under construction are being monitored. Reported violations are getting addressed.

The next scheduled ACC Meeting is 3:30 p.m. on Monday, August 27, 2007 and it is open to the public.

Veronica Ryan, Chair
Architectural Control Committee (ACC)

Greenbelt Committee:

The Greenbelt Committee (GBC) met on its regularly scheduled meeting date of August 14, 2007. Currently there are 18 open requests to the GBC for tree removal or utility easement. Other items being worked include the Spruce tree at Baldwin and Oak Bay Road, Access to Greenbelt areas and volunteer GB workers training and liability.

We are submitting to the LMC Board for approval the names of two nominees who have expressed their interest in becoming members of the Greenbelt Committee. We interviewed these candidates at the monthly GBC meeting and the Committee is satisfied that each will bring applicable support as well as their enthusiasm to the Committee's management of the Greenbelt

areas. Please approve for committee membership Mr. Earl 'Skip' Rasmusson and Mr. Jimmie Hendricks.

We are submitting to the LMC Board for approval a request for drainage easement from Gary and Nancy Kavanagh for drainage from lot 1-2-007 on Montgomery Lane across Greenbelt property to an existing drain system. We have reviewed the request with a member of the Port Ludlow Drainage District and find the request acceptable on condition of excavation with hand tools and easement restoration.

A GBC representative met with two members, of the Jefferson County Dept. of Community Development, Ms. Molly Pearson and Mr. Frank Benskin, who were responding to a complaint concerning tree removal that the GBC had approved in the ravine between Foster and Jackson lanes. Based on the inspection of the trees that were cut and a discussion of any impact that this tree removal may have had in generating drainage or erosion issues to adjacent properties, the conclusion of the County Representatives concurred with the GBC determination that no drainage or erosion problems will be generated by the tree removal that was completed. The County Representatives did express a serious concern about the 'slash' material that remained in the critical area from the tree removal operation as a fire hazard and that it needed to be removed before any further tree removal is allowed. GBC agrees with this position completely and has written to the property owner responsible for the tree removal and has reminded him of his obligation for material cleanup. We are in the process of further notification related to his obligation and the affect that completion of the cleanup has on GBC consideration of current and future requests for additional tree removal in this area.

GBC was represented at the hearing for the appeal of GBC approval of a tree removal request to remove alders along Oak Bay Road adjacent to Balwin Lane lots. GBC presented the process and basis for providing the approval. The result of the appeal hearing is that the balance of tree removal will be delayed until the Fall season. A letter will be sent to the requester for tree removal identifying October 15 as the earliest date that tree removal may proceed. GBC will also be looking at the tree removal process to consider alternative methods to minimize impact to the Greenbelt area ground cover.

The next meeting of the GBC will be Tuesday, September 11, 2007

Larry Scott/Jack Riggen
GBC C-Chairs

Communications Committee:

We are looking for an editor to oversee the Log publication and are writing a job description with time commitment included. There are a few people who have expressed interest in participating in the Log publication and the committee is in the process of interviewing these candidates. David Goudie has volunteered to do the layout for the Log.

We will be reviewing budget needs for the Communications Committee for 2008 and gathering input from all arenas and will contact Sally Orsborn for her input.

The Committee is continuing the process of developing goals, procedures, and protocol to take to the Board for feedback and approval.

The Communications Committee will meet the Wed. following the LMC board meeting so that relevant information can be included in the quarterly Log and also the next issue of the Voice. This will be the schedule for the remainder of the year with the meeting times of 2:00 p.m. to 4:00 p.m.

Wed. Aug. 22
Wed. Sept. 19
Wed. Oct 24
Wed. Nov. 21
Wed. Dec. 19

Per the board request at the August workshop, the committee will study the best use of \$\$ in communicating with North Bay residents and a status report on the relationship of Voice with the LMC.

We will come to the board with recommendations and a status report.

We need input from the North Bay groups and organization to develop articles to be put into the Voice.

Thank you,

Barbara Berthiaume, Interim Chair
Communications Committee

CRC:

The Covenants and Regulations Committee will meet Tuesday September 4 at 9:30 a.m. The committee has developed a tentative agenda for 2007-2008. At the September meeting I plan to have the committee review all regulations relating to trees to ensure consistency and also to make sure each regulation is under the proper committee authority. Eve McDougal and members of the Trees on Private Property Committee will join us for that discussion. The CRC is ready to assist the new committee in developing policies and procedures that are enforceable and consistent with the governing documents.

Today I bring the proposed amendment to Bylaw, Article I, Section 3 for second reading. There have been no modifications since first reading. The draft amendment sets a record date for determination of members entitled to vote. We are requesting the board's authorization to place the proposed amendment on the spring ballot for a vote of the membership.

End of report.