

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF TRUSTEES OF
LUDLOW MAINTENANCE COMMISSION, INC.
Saturday, January 20, 2007– 9:00 a.m. – Bay View Room**

Trustees: Vaughn Bradshaw, Ian Feltham, Art Moyer, Jerry Nelson, Terry O’Brien, Bruce Pyles, Amy Recht, Sonny Sanzaro, and Elizabeth Van Zonneveld.

President O’Brien called the meeting to order at 9:00 a.m. and asked Secretary Moyer for a roll call. Trustee Vaughn Bradshaw was absent.

Agenda Changes: There were no changes to the agenda.

Approval of Minutes: The minutes of the regular Board Meeting of 16 December 2006 and special Member Meeting of 16 December 2006 (Budget Ratification) were approved as corrected.

President’s Report: On behalf of Larry Scott, a co-chair of the PLVC Trails Committee, President O’Brien conveyed to the LMC gratitude of the Trails Committee for the LMC contribution to their budget.

President O’Brien made an announcement of a Jefferson County Board of Commissioners workshop to hear staff testimony on Trendwest Development Application. The meeting will be held on January 22 at 4:00 p.m. at the Bay Club. Another meeting is scheduled for February 28.

No decision is expected to be issued on PLA Ludlow Bay Village and Admiralty III Development Application for another month.

Manager’s Report – Brian Belmont

Mr. Belmont’s written report is filed with these minutes. There were no questions to the Manager.

COMMITTEE REPORTS:

Finance Committee – Ian Feltham (for Bill Funke)

Trustee Feltham reported Finance Committee looking for an auditor to perform a required audit of the LMC financial affairs. The audit will be scheduled soon after the annual meeting in April. The committee is also working on adding items to the replacement list and updating cost estimates. Reserve fund is required to be funded at 75%.

Operations Committee – Teddy Clark (for John Van Zonneveld)

Teddy Clark is acting as a temporary chair of the Operations Committee while John Van Zonneveld is recovering from his recent illness.

Ms. Clark reported a sub-committee working on swimming lessons policy scheduled to start in spring. Coffee service will be upgraded. The exercise room is becoming very popular. Trees

and views issues are getting addressed as well as hazardous tree situations. The Operations Committee is also working on property maintenance issues.

The committee meets on the first and third Tuesdays of the month.

Architectural Control – Veronica Ryan

Ms. Ryan’s written report is filed with these minutes.

Covenants & Regulations – Sally Orsborn (for Catherine Garrison)

Ms. Garrison’s written report, read by Ms. Orsborn, is filed with these minutes.

Greenbelt Committee – Dean Nelson

Mr. Nelson’s written report is filed with these minutes. Trustee Moyer commented on the GBC future budget.

Communications – Sally Orsborn

Ms. Orsborn’s written report is filed with these minutes.

Lot Owners Associations – Karl Barden

No report

Condominium Associations – Vaughn Bradshaw, Elizabeth Van Zonneveld, and Jerry Nelson

No reports

Port Ludlow Village Council – Larry Nobles

The Disaster Preparedness Committee (DPC) is having difficulty in response from some of the block captains, particularly with regards to people who may have critical needs for electricity. The DPC is trying to compile a list of people who have health problems that require a continuous electrical service to make sure they are taken care of during the emergency.

Trees & Views Ad-hoc Committee – Vallery Durling

Committee’s work is almost completed. New proposed regulation will be submitted to the Board on February 1. Having met three times this month, the committee has already scheduled two additional meetings. President O’Brien encouraged the committee to use all resources available within the LMC.

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

No report

Beach Club Remodel Ad-hoc Committee – Art Moyer

Most of the committee members had been out of town. The committee is looking for a structural engineer to join their team.

CORRESPONDENCE:

The Board received a letter of resignation effective April 2007 from GBC Chairman Dean Nelson.

The Board received a letter from Charlie Kraus, who is renewing his contract membership and is asking for a new key to the tennis courts. This matter was turned over to the Manager.

The Board received a letter from Lynn Hovde in regards to the swimming lessons. Ms. Hovde is a swimming instructor. This matter was referred to the Operations Committee.

The Board received a letter from Marjorie Wille in regards to the swimming lessons.

The Board received a letter from Robert and Judy Blair in regards to a new house construction application for a Baldwin Lane lot # 2-1-003. This matter is being handled by the ACC.

The Board received a letter from Bill Funke in regards to proposed changes to the Bylaws.

Secretary Moyer had written letters of response to H. H. Cloutier and Catherine Garrison. Secretary Moyer was directed to mail these letters.

UNFINISHED BUSINESS:

Second Readings of Proposed Amendments to:

- Bylaws, Article III, Section 1, Composition and Function
- Bylaws, Article III, Section 7, Removal of Trustees
- Bylaws, Article V, Section 4, Appointment and Tenure of Committees
- Bylaws, Article IV, Officers, Section 3, President
- Bylaws, Article IV, Officers, Section 4, Vice President

Trustee Van Zonneveld made a motion to approve these amendments as proposed for placement on the April ballots. This motion was seconded and carried by a majority vote of the Trustees objected by Trustee Sanzaro.

Second Reading of Introduction to Regulation 6: By a motion duly made, seconded, and carried by a majority vote opposed by Trustee Sanzaro, this amendment to regulations was approved.

Second Reading of Introduction to Regulation 7: By a motion duly made, seconded, and carried by a majority vote opposed by Trustee Sanzaro, this amendment to regulations was approved.

Second Reading of Regulation II, Article II, Design Considerations (16) Fences: By a motion duly made, seconded, and carried by a unanimous vote of the Trustees, this amendment to regulations was approved.

Second Reading of Proposed Conflict of Interest Policy: By a motion duly made, seconded, and carried by a unanimous vote of the Trustees, this policy was accepted as written.

Second Reading of Proposed Records Access Policy: By a motion duly made, seconded, and carried by a unanimous vote of the Trustees, this policy was accepted as written. President O'Brien gave a brief overview of this policy and possible associated financial costs.

NEW BUSINESS:

Drainage Easement Request for Sayward Lane lot # 1-3-028 (Upshot Investments, LLC): By a motion duly made, seconded, and carried by a unanimous vote of the Trustees, this greenbelt easement request was granted. The Manager has prepared the documents necessary to record this easement.

First Reading of Proposed Amendment to Bylaws Article II Section 7 Special Matters: CRC memorandum on this issue, presented by Ms. Orsborn, is filed with these minutes. Having heard compelling arguments against this revision, the CRC recommended that the Board held any action regarding this proposed amendment pending an opinion from legal counsel concerning whether a Bylaw can be more restrictive than an Article of Incorporation and whether or not any conflict actually exists in the current language. President O'Brien asked for a motion to this effect. Following prolonged discussion, a motion requested was duly made, seconded, and carried by a unanimous vote of the Trustees.

Public Comment Period: President O'Brien opened the floor for public comments. Several members spoke on items of concern to them. Trustees responded.

At 10:30 a.m. the meeting went into executive session to discuss legal matters.

At 10:59 a.m. the Board reconvened in an open session to make and unanimously pass the following motions:

1. that the Board have Marion Morgenstern review LMC documents and the documents for Ludlow Bay Village and provide the Board with the odds of the LMC being successful in obtaining the past assessments on the undeveloped property obtained by PLA from Pope and Talbot or its successors such as ORM, etc. (the cost to be approximately \$1500);
2. that the Board agreed to have the General Manager Brian Belmont proceed with the collection of past due assessments on the Olford property (lot # 1-4-001); that the Board agreed to allow Mr. Johnson, who claims to be purchasing this property, to pay the 2001 and 2002 assessments, and hold off on proceeding with foreclosure until August 1, 2007 so that he may obtain a title to this property; and that if he does not pay the assessments the LMC will proceed with foreclosure.

The meeting was adjourned at 11:05 a.m.

Respectfully submitted,

Art Moyer, Secretary
Ludlow Maintenance Commission, Inc.

Reports:

Manager's Report:

As I reported at the Thursday workshop there are still year-end journal entries that need to be made that will affect the December 2006 financial statements. I will not be able to generate complete financial reports for another week. CPA Jon Froula and I are meeting during the upcoming week to make the necessary entries.

I reported in December that we hired John Delmore to take maintenance employee Jamie Flitton's position. Jamie relocated to Oregon. Unfortunately John broke his hand at home and because of the expected recovery time resigned after only working for LMC for one day. To replace John Delmore we have hired LMC members Dick Jovag and John Hengstebeck as part-time employees.

This past fall I reported that Dine and Discover donated \$500 to LMC to be used towards the purchase of a coffee brewer that is designed to fill 2.2 liter pump-pots. To purchase six pump-pots and the coffee brewing system would have cost approximately \$1,100. At the time, without other donations, we elected to purchase only the pump-pots. This past week the Lot Owners Association (LOA) donated \$300 to be used towards the purchase of the coffee brewer. With LMC paying the difference (approximately \$300) the new coffee brewer has been ordered. Many thanks to LOA and Dine and Discover for their generous donations.

Behind the wall tile in the spa, the wall is cracked which allows water to leak out. It is my guess that the leak in the spa wall has been there for quite a while. It wasn't until we capped off a water balancing line between the indoor pool and spa that the leak became obvious. We are in the process of getting bids for the repairs and hope to have those proposals available for Board review in February.

In addition we have contacted a company called American Leak Detection (ALD) about doing an assessment of our indoor pool and spa plumbing. Because we have seen signs of ground settling in the spa I believe it would be prudent to have the plumbing tested prior to having the spa repaired. ALD faxed us their proposal yesterday afternoon so I haven't had an opportunity to meet with the Operations and Finance Committees on the specifics of this proposal. I have attached a copy of ALD's proposal to today's report.

To date we have collected more than \$300,000 of this year's annual assessments which is a little more than 65%.

I will be out of the office Friday, February 2.

ACC:

Since the last LMC meeting, the committee met twice. We approved ten requests: seven tree removals, one new house, one propane tank, and one repaint. One tree removal from a vacant lot was denied. Two tree removal requests were referred to the Operations Committee.

We currently have nine pending requests (two new houses, one addition, one shed, one antenna, one deck, and two tree removals.)

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

The next ACC meeting is scheduled for Monday, January 22.

Greenbelt Committee:

Windstorms and downed trees continue to be the main issue the the GBC. Homeowners have certainly become more aware of surrounding trees as the majority of Greenbelt requests submitted in the last two months have dealt with trees considered a hazard.

GBC members were asked to survey their assigned Greenbelt areas to look for trees that may present potential hazards to personnel or private property.

A local tree service will be contacted to determine if they will be willing to cut down some of the leaning trees, dead trees and trees considered a hazard to personnel or property, and remove some of the foliage on the ground (future fire hazard) and downed trees in exchange for a portion of the wood. Trees would be removed only if done without using heavy equipment that would cause major disturbance to the Greenbelt.

The removal of the Sitka Spruce at the corner of Oak Bay Road and Baldwin that was to be cut down last year has been put on hold due to the demands of the tree services on more pressing issues. The arborist that inspected the tree last fall said that "the live canopy is noticeably declining in vigor" and recommended it be removed. We will readdress the removal issue after we have completed windstorm clean up work. This is not an issue that requires immediate attention.

The GBC recommends that the LMC Board approve John McCormick's and Ron & Trinity Walker's drainage easement request from lots 1-3-027/028 to the county drainage along Talbot Way. The ditch will be hand dug to minimize disturbance of vegetation.

CRC:

At the request of General Manager Brian Belmont, the committee engaged in a discussion of Regulation IV concerning clarifying language relating to renters and the fee structure for renter which allows them to enjoy LMC facilities. We are also exploring the possibility of a reorganization of the entire section into a more logical format. We'll be working on these revisions over the next couple of months before bringing a recommendation to the board.

The committee reviewed the items on today's agenda for second reading. The board has received a packet and the recording secretary has been provided with a copy for the record. All of the recommendations have been posted on the Beach Club bulletin board for one month.

1. We are requesting the board's authorization to place the recommended revisions to the Bylaws on the April ballot for a vote of the membership.
2. Today we are requesting board action on three minor revisions to the Regulations. We think these revisions will serve to clarify and strengthen the document. The recommendations are:
 - √ Introduction to the Regulations (6) and (7) and
 - √ Regulations II, Design Considerations (16) Fences.
3. There are also new policies before the board for approval: (1) Records Access Policy and (2) Conflict of Interest Policy. The committee has crafted policies which we believe reflect the spirit and intention of Washington State Statues. The policies give clear direction to the board, staff and committees.

The Covenants and Regulations Committee will meet again on February 13, 2007 at 9:30 a.m.