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**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF TRUSTEES OF
LUDLOW MAINTENANCE COMMISSION, INC.
Thursday, March 6, 2008 – 1:00 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.

In the absence of President Bradshaw, Vice President Van Zonneveld called the regular board meeting to order at 1:00 p.m. Roll call was conducted by Treasurer Feltham. Trustees Bradshaw, Nelson and Kadash were absent.

Approval of Minutes: Trustee Moyer made a motion to approve the regular meeting minutes of February 7, 2008, as corrected. The motion was seconded by Trustee Feltham and carried by unanimous vote. Vice President Van Zonneveld abstained. By a motion made by Trustee Moyer, seconded by Trustee Buehler, and unanimously carried, the executive session minutes of February 7, 2008 were unanimously approved as corrected. Vice President Van Zonneveld abstained.

A motion was made by Trustee Moyer to accept the regular meeting minutes of February 16, 2008, as corrected. The motion was seconded by Trustee Buehler and passed unanimously with Vice President Van Zonneveld abstaining. A motion was made by Trustee Moyer to accept the executive session minutes of February 16, 2008, as submitted. Trustee Buehler seconded the motion and it was passed unanimously with Vice President Van Zonneveld abstaining.

Vice President's Remarks: Vice President Van Zonneveld reminded the audience that board meetings are routinely recorded. She further explained that comments from the audience should be limited to one per person per issue. Additional subjects may be addressed at the end of the meeting. Vice President Van Zonneveld announced she will abstain from voting unless there is a tie.

Agenda Changes: Vice President Van Zonneveld asked if there were any changes to the Agenda. The Drainage District will be added to the agenda as item e under Reports. Whitey Johnson Utility Easement will be added under New Business as item c., Schreyer Appeal will be added under New Business as item d. and Digital Village Concept will be added as item e. under New Business.

Manager's Report – Brian Belmont

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

LMC financial reports will be ready for distribution to the trustees at the March 15, 2008 regular board meeting.

Outstanding assessments prior to 2008 are \$2,823.71 (including late fees). Year-to-date assessment collection is approximately 96% of the 2008 assessments, approximately 2% better

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than this time last year. Total delinquent assessment balance for all years is \$23,598. Late payment penalties have been added to all delinquent accounts.

The 2007 Federal Income Tax Return was filed last week. Net surplus from the 2007 operating account was \$17,331.71 and this sum was deposited to the reserve account.

To date, \$5,215 has been pledged toward the purchase of a new commercial grade elliptical trainer for the exercise room. This includes LMC members Jay and Mimi Bonds' offer to match dollar-for-dollar up to \$2500.

LMC members David and Geri Goudie have donated a recumbent exercise bike; a thank you letter to express our appreciation was sent to Mr. and Mrs. Goudie.

The first rough draft of the 2008 annual meeting mailing packet has been provided to each trustee. The final document will be prepared when all candidates have submitted their information. President Vaughn Bradshaw will prepare a cover letter for the packet and Secretary Nelson is preparing a meeting notice. The packet will be mailed in a 10x13 envelope and will include a return envelope for return of the completed proxy ballot to LMC. Mr. Belmont asked the trustees to review this information and to provide feedback.

Mr. Belmont and SBCA manager, Mike Morgan, have been invited to attend a conceptual presentation of a digital village in the Port Ludlow community. Dean Mosier and Dave Pike of the Computer Club have been researching the possibility of developing a Port Ludlow Digital Village. Four trustees from LMC have been invited to participate in the project. The first meeting will be held on March 12.

Mr. Belmont recently completed the Community Association Institute requirements to become a certified Professional Community Association Manager. The trustees congratulated Mr. Belmont on this accomplishment.

Discussion followed.

COMMITTEE REPORTS:

Covenants & Regulations Committee – Trustee Moyer for Catherine Garrison

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

At the last C&R meeting on March 4, discussion was held related to the 50% voting clause that is in the Bylaws but not in the Articles of Incorporation. C&R Committee member Terry O'Brien is putting together a presentation to explain the voting requirements and the numbers necessary to meet those requirements, in April. Discussion followed.

Operations Committee – John Van Zonneveld, Chair

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

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Mr. Van Zonneveld reported Mr. Whitey Johnson has come before the OC several times in an attempt to run a sewer line down the road of the LMC Rainier RV Park. Mr. Johnson has met all the requirements requested of him. The OC unanimously voted to recommend the board approve Mr. Johnson's request for a utility easement, for the purpose of installing an 8" sewer line through the LMC RV Park driveway to the Rainer Lane sewer line. The legal documents required for this easement are to be prepared by the LMC attorney at Mr. Johnson's expense. Discussion followed.

Trustee Feltham made a motion to approve a utility easement for installation of Mr. Johnson's sewer line with the stipulation that Mr. Johnson pay all costs related to the project and the LMC attorney for the proper documents. The motion was seconded by Trustee Sanzaro. Discussion followed.

Trustee Moyer made a motion to table discussion. The motion was seconded by Trustee Feltham. By a majority vote, the trustees voted 4 in favor, 1 opposed (Moyer) and 1 abstention (Van Zonneveld).

Mr. Van Zonneveld reported the OC recently voted to recommend to the board the purchase of a Cybex 630A Elliptical Trainer. Total cost, including tax, shipping and installation is \$5,280.04, and will be paid with donated funds. By a motion made by Trustee Feltham, seconded by Trustee Sanzaro and unanimously carried, LMC will accept the donated funds, purchase the above-mentioned elliptical trainer, and pay the additional \$65. Vice President Van Zonneveld abstained.

The final Tennis Report will be submitted to the trustees within the next week.

Trustee Moyer read a motion he will make at the March 15 board meeting with regard to the Tennis Report, as follows: "I move that the LMC Board of Trustees rejects the Operations Committee recommendation on the use of the LMC tennis courts. This report is basically providing the use of the LMC tennis courts to the SBCA at no charge. It is also a restriction on the use of LMC facilities by LMC members, in violation of our bylaws. Further, that the following LMC facilities are not to be considered as reciprocal facilities for use between the LMC and SBCA: exercise equipment, RV parks, swimming pools and tennis courts. SBCA members who wish to use these facilities must become LMC contract members. Further, that invited guests be limited to family members or houseguests of LMC members. The C&R Committee is instructed to prepare the required changes to the LMC Regulations, to incorporate these changes and bring them to the LMC Board of Trustees for their approval. The LMC will then submit these changes to the membership for a vote."

Drainage District Report – Lee Amundson, Commissioner

Mr. Amundson reported on a project related to greenbelt area that runs from Rainier down to the corner of Oak Bay and Swansonville Road. Changes made in this area by the Greenbelt Committee may have increased the problem with water flow in the Cascade Lane area and it was recommended the LMC attorney be consulted regarding potential liability. Mr. Amundson requested the GBC notify the Drainage District in the future to be sure any planned changes in the greenbelt are in concert with the water drainage area. He stressed one small area may affect many larger areas. Discussion followed. Vice President Van Zonneveld, a trustee member of the GBC, will discuss this matter as it relates to the GBC policies and procedures, with the GBC.

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North Bay Lot Owners Association – Lenetta Johnson

On Saturday, March 22, 2008, the LOA will present a Forum from 5:00-7:00 p.m., for candidates running for the LMC and LOA boards, at the Beach Club. Following the forum, wine, cheese and crackers will be served.

On Easter Sunday, March 23, the LOA Kids Club will be holding their annual Easter Egg Hunt on the Beach Club lawn. The event begins at 12:00 noon and the Easter Bunny is expected at 1:00 p.m.

The LOA will be sending out the LOA ballots in the near future. Discussion followed.

CORRESPONDENCE:

In Secretary Nelson's absence, Mr. Belmont reported two items had been received, one from Mr. Huge Jennings and one from Mr. Robert Schreyer.

The meeting went into recess at 2:25 p.m. and reconvened at 2:38 p.m.

Trustee Buehler requested clarification regarding Mr. Schreyer's Appeal Request. Vice President Van Zonneveld read the February 13, 2008 letter from President Bradshaw. This matter will be further discussed under New Business.

UNFINISHED BUSINESS:

Revised Asset Replacement Reserve Policy – Second Reading: Trustee Moyer recommended the Finance Chair be given the opportunity to present the rationale as to why they want to change from an existing policy of 75% to 100% asset replacement funding. Bill Funke, Finance Committee Chair, explained 100% funding is the only logical goal to fund replacement costs for items owned by LMC. A listing of all items to be considered under the Asset Replacement Reserve Policy will be updated on an annual basis. Items under \$2,000 and over 40 years of age are not considered to be applicable to the Asset Replacement Reserve funding. Mr. Funke further explained this is a first-step toward achieving the 100% goal. Lengthy discussion followed. Treasurer Ian Feltham stated at this point there is no definite plan as to how the 100% funding can be accomplished, but that a plan will be addressed once the Asset Replacement Reserve Policy has been revised. Lengthy discussion continued.

Trustee Moyer made a motion to adopt the Asset Replacement Reserve Policy, as proposed by the Finance Committee. The motion was seconded by Trustee Feltham. Lengthy discussion continued. Trustee Sanzaro called for the question and it was seconded by Trustee Moyer. By unanimous vote, discussion was ended. Trustee Moyer's motion was passed 2:1 with Trustees Buehler, Moseley and Van Zonneveld abstaining and Trustee Sanzaro voting no.

Policy for Contacting Attorney: Trustee Moseley discussed the current policy for contacting the LMC attorney and presented his opinion. Discussion proceeded. Trustee Moseley will present additional recommendations at a future board meeting.

Status of Bluffs by Area 5 - No new information at this time. Mr. Belmont reported he has not found anything in the LMC minutes that relate to LMC accepting the bluffs by Area 5. Pope &

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Talbot (Olympic Resources) has not been in contact with Mr. Belmont since he requested documentation related to the aforementioned bluffs. Mr. Belmont will write a letter to Olympic Resource Management, requesting information on anything in their records relating to LMC.

Amendment to Articles of Incorporation – First Reading: See C&R Committee Report above.

Report on Facility Planning Efforts: President Bradshaw will report on this item at the next board meeting.

Planning for April Election Ballot Mailing – Report will be given March 15.

NEW BUSINESS:

Uniformity within Enforcement Standing Committees – First Reading: Trustee Buehler explained the rationale and made the following recommendations as a first reading to the standing committees: In order to encourage consistent procedures among our enforcement committees, I recommend the following: Any committee member making the initial request/complaint or having a vested interest in the decision shall not participate in the voting process. When conducting onsite visits or meeting with consultants, at least two committee members shall be present. Neither committee member shall be the requester, complainant, or have a vested interest in the outcome. LMC committee members shall not use their official position to obtain personal benefit. I further stipulate that this wording be submitted to all appropriate committees for comments. Any suggestions for change and/or improvements should be submitted in writing to the trustees prior to the first April meeting. Discussion proceeded.

Trustee Buehler made a motion to accept his aforementioned recommendations as a First Reading. Trustee Moyer seconded the motion. The motion carried unanimously with Vice President Van Zonneveld abstaining.

Trustee Moyer made a motion that the President, or the Vice President in the absence of the President, write a letter to each of the affected committees along with a copy of Trustee Buehler's First Reading (see above) and ask them to respond with changes if this applies to your committee. The motion was seconded by Buehler and was carried by unanimous vote. Vice President Van Zonneveld Abstained.

Utility Assessment Request by Whitey Johnson – Vice President Van Zonneveld stated the Operations Committee has recommended to the board that they allow an easement to Whitey Johnson. Approval from the Greenbelt Committee has already been granted to Mr. Johnson. The GB approved easement travels across the greenbelt from Ames down to the corner of gate of the RV Lot on Rainier Lane. The easement the OC is recommending would travel from the RV gate down the lane to Rainier. Discussion proceeded. Trustee Moyer made a motion to defer further action on this matter until the trustees have had an opportunity to go out and view the project. The motion was seconded by Trustee Sanzaro. Discussion continued. By unanimous vote the motion carried with Vice President Van Zonneveld abstaining.

Schreyer Request for Appeal – Mr. Schreyer explained his position related to the board's denial of his Request for Appeal. Trustee Buehler made a motion to grant Mr. Schreyer an Appeal hearing. The motion was seconded by Trustee Moyer. Discussion proceeded. Trustee

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Buehler withdrew the motion and Trustee Moyer withdrew his second. Discussion continued. Trustee Sanzaro made a motion to direct the ACC to provide the board (with a copy to Mr. Schreyer) complete documentation in this matter from June 2007 until the present time. Trustee Buehler seconded the motion. Discussion continued. Trustee Sanzaro's motion was carried unanimously with Vice President Van Zonneveld abstaining.

Port Ludlow Digital Village: Dean Mosier and Dave Pike of the Computer Club have been researching the possibility of developing a Port Ludlow Digital Village. Four trustees from LMC have been invited to participate in the project. Mr. Belmont explained the concept of the project and discussion continued. Trustee Moseley made a motion to send up to four trustees to the March 12 meeting at the Bay Club, to represent LMC. Trustee Moyer seconded the motion. The motion carried 4:1 with Trustee Sanzaro opposed. Vice President Van Zonneveld abstained.

OLD BUSINESS:

Board Meeting Dates for April 2008: Trustee Feltham made a motion to hold one regular board meeting in April on Saturday the 12th. The motion was seconded by Trustee Buehler and unanimously carried with Vice President Van Zonneveld abstaining.

Public Comment Period: Vice President Van Zonneveld opened the floor for public comments. Two comments were made by members of the audience. Discussion ensued.

By a motion made by Trustee Moseley, seconded by Trustee Moyer and carried unanimously, the meeting was recessed to Executive Session at 4:42 p.m., to discuss legal matters. Vice President Van Zonneveld abstained.

Executive session commenced at 4:44 p.m. and concluded at 5:41 p.m.

The regular meeting of the Board of Trustees on March 6, 2008 reconvened at 5:43 p.m.

Trustee Buehler made a motion that the Vice President will prepare a letter to be sent certified, return receipt requested, to notify the lot owner of lot #7-0-14, that the LMC board will next meet on March 15 and that we will need to hear from Mr. Jennings on or before that date to tell us how he intends to comply with the LMC board decision regarding his appeal. The motion was seconded by Trustee Moyer and carried by a vote of 4:0:2 with Trustees Moseley and Van Zonneveld abstaining.

By a motion made by Trustee Moyer, seconded by Trustee Buehler, and unanimously approved, the meeting was adjourned at 5:45p.m. Vice President Van Zonneveld abstained.

Respectfully submitted,

Jerry Nelson, Secretary
Ludlow Maintenance Commission, Inc.

Prepared by Carol Shamhart
LMC Recording Secretary

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LMC Standing Committee Reports:

Manager's Report:

February financial reports are not ready for the Trustees because we just received the February bank statements yesterday and have not posted February's interest yet. The financial statements will be available in time for the March 15 Board meeting. We currently have two (2) properties with outstanding assessment balances prior to 2008 that total, with late fees, \$2,823.71. Year to date we have collected approximately 96% of the 2008 assessments which is approximately 2% better than this time last year. Our total delinquent assessment balance is \$23,598. Late payment penalties have been added to all delinquent accounts.

The LMC 2007 income tax return was filed this week. The net surplus from the operating account for 2007 was \$17,331.71. At last year's annual meeting the membership voted to transfer any surplus to the reserve account. This will occur next week at the direction of the Treasurer.

Last month I reported that LMC members Jay & Mimi Bonds had offered to match dollar for dollar, up to \$2,500, donations for the purchase of a new commercial grade elliptical trainer. Counting their pledge, to date we have received pledges and donations in the amount of \$5,215. The Operations Committee will have more on this topic later in today's meeting.

We have received David and Geri Goudie's donated recumbent exercise bike. So far the new addition appears to be very popular. I have sent the Goudies a thank you letter.

I have prepared and distributed the first draft of the 2008 Annual meeting mailing packet. I have only received two candidate bios from lot owner candidates and none from condominium candidates. Vaughn as LMC president will prepare a cover letter for this packet and Jerry is updating the meeting notice. The packet will be mailed in a 10"x13" envelope and will include a return envelope to mail back the completed proxy/ballot to LMC. I'm asking the trustees to review the information in this first draft and give me your feedback. Please pay close attention to dates – I believe I've changed everything from last year's template but additional review is always appreciated. I have intentionally left out the lot owner candidate names on the ballot until I have all the names so that I can arrange them in alphabetical order.

Last week Mike Morgan, the Bay Club manager, and I were invited to attend a conceptual presentation of a digital village. Dean Mosier and Dave Pike of the computer club have been researching the possibility of developing a Port Ludlow Digital Village. The online village could have information from LMC, SBCA, PLVC, PLA, merchants and clubs. This resource would allow owners to go to a single website to obtain Port Ludlow information. There could be community wide event calendars and interactive features that would allow members of various associations or groups to provide online input. Because this concept is still at the beginning stage of discussion Dean and Dave want to meet with small groups to get input on the project. They are hoping that four members from the LMC Board will join four members from SBCA on Wednesday March 12 from 10 a.m. – 12 p.m. at the Bay Club to discuss the possibilities of this project. Dean and Dave have requested that Mike Morgan and I attend also.

I have been working the floor drain problem in the men's locker room but will delay my report until the March 15 Board meeting.

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I am pleased to report that I recently received my Professional Community Association Manager certification through Community Association Institute. I believe there are less than 25 managers in the state that have this certification.

ACC: No report for March 6 meeting.

Communications Committee: No report for March 6 meeting.

CRC: No report for March 6 meeting.

Finance Committee: No report for March 6 meeting.

Greenbelt Committee: No report for March 6 meeting

Operations:

MARCH 4, 2008

The meeting was called to order at 4:03 by chairman John VanZonneveld.

MEMBERS PRESENT: John VanZonneveld (chairman), Brian Belmont (general manager), Michael Cahn, Teddy Clark, Pat Cooper, Lenetta Johnson, Eve McDougall, Sheila Brunstad, and Carol Shamhart.

GUESTS PRESENT: Whitey Johnson, Rae Watkins

MINUTES OF THE MEETING OF FEBRUARY 19, 2008: were approved after corrections to the section under "Complaints": 1. at 71 Machias Loop "a refrigerator *and* a freezer" should read "a refrigerator *or* a freezer". 2. at 491 Rainier Lane instead of *John Van*, it should read *Belmont* stated that these cans did not contain garbage, but rather sifted soil.....

OLD BUSINESS:

1. **Sewer easement at LMC RV Park:** Because Mr. Whitey Johnson was present and waiting, this issue was addressed first. John Van passed around a new map which showed that Mr. Johnson had moved the location of his proposed sewer easement significantly further away from the RV Park boundary, so that it would not result in damage to the root systems of trees next to the RV Park. This change, which is in the Greenbelt, removes the fear that some trees whose roots may be damaged might die and fall into the RV Park. The rest of the easement would continue through the LMC drive leading from the RV Park to Rainier Lane. Apparently, Olympic Water and Sewer Inc. (OWSI) and Mr. Johnson have agreed that OWSI will be in charge of construction of the sewer line, charging Mr. Johnson for the costs involved. Once installed and accepted by OWSI, OWSI would take possession of and responsibility for maintaining the sewer, which will be an 8 inch diameter pipe (the same width as other sewer pipes in Port Ludlow). After considerable discussion, the committee unanimously **PASSED A MOTION: to recommend to the LMC Board of Directors that they vote approval granting to Mr. Whitey Johnson an utility easement for the purpose of installing an eight inch sewer line through the LMC RV driveway to the Rainier Lane sewer, according to**

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the attached map, providing that such easement conforms to all local, county, and state regulations. Aside from the motion, but pertinent to it, was the recommendation that this agreement be drawn up by the LMC attorney whose fee should be reimbursed by Mr. Johnson (Mr. Johnson nodded approval of this recommendation). It was hoped that the attorney would include provision that OWISI, or any and all subsequent owners of the sewer line, would be responsible for repairing defects in the RV Park road resulting from the sewer.

GENERAL MANAGER'S REPORT:

1. **Exercise room equipment:** As noted in past meetings of this committee, a generous donor has matched dollar for dollar up to a max of \$2,500, other donations made specifically for the purchase of a commercial grade elliptical trainer. Other donors have given slightly more than the noted \$2,500. Brian has researched 3 companies for such an exerciser: Precor, Cybex, and Technogym. He has conferred with our equipment maintenance person about reliability and has obtained bids which include tax and shipping. **THE COMMITTEE UNANIMOUSLY PASSED A MOTION recommending that the LMC Board approve the acquisition of the Cybex 630A elliptical trainer for \$5,280.04 (including tax and shipping), with funds specifically donated for that purpose.** Pat recommended (and the committee agreed) that we send letters of appreciation to all donors.
2. **Plumbing in the mens locker room and furnace room:** Since this committee's last briefing of this problem, a plumbing company has used a pipe camera to further assess the situation. They feel that we can probably get by with replacing the traps only, and with roto-rooting the rest of the the drainage pipes. However, after clearing the drainage pipes, they plan to review the situation with the camera again. Also, there appears to be some erosion of soil from under the locker floor. Consultation with LMC member Jack Rikken, a retired construction engineer, resulted in the recommendation that we pour mortar mix under the floor as best as we can. If re-bar is present, re-bar should be extended into any new concrete..
3. **David Goudie donated a recumbent exercise bike:** The committee recommended sending a letter of thanks and appreciation.

TENNIS COURT POLICY REPORT: This committee finished review of the subcommittee's recommendations at the last meeting, and this is planned to be the final review before sending the report to the LMC Board of Directors. Several minor corrections were made. Discussion again revolved around the issue of *frequency* of guests. We compromised on the *frequency* between providing the most benefit for our LMC tennis players vs. limiting non-LMC members "taking advantage of" our facilities. **A MOTION WAS PASSED by majority vote that recommendation 5 remain unchanged from the committee's last wording: that the frequency of inviting guests be limited to no more than once per week for any one guest, with no limitation on the number of weeks.** It is hoped that this will encourage players to alternate play between LMC and SBCA courts, and it is hoped that the LMC Board will accept these recommendations. John Van and others thanked all those who contributed so much time and thought to this difficult task, noting that it is impossible to satisfy all.

MAINTENANCE ISSUES: Because of the late hour, these issues were tabled to the next meeting.

The meeting was adjourned at 5:55 PM.

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The next meeting will be Tuesday, March 18, 2008, at 4:00 PM.