Lake Entiat Lodge Associated

Meeting of the Board of Directors
January 25, 2005

TIME AND PLACE

The Directors of Lake Entiat Lodge Associated met on Friday January 28, 2005. The meeting was held at Claire's Pantry 800 164th Street SW, Mill Creek, Washington. Vice President Nick Nelson called the meeting to order at 11:35 AM.

PRESENT

The following Directors were present for the meeting: Dan Russell, Jeff Dowdle, Dan Lungren, Nick Nelson, and Scott Blair. Also present at the meeting was Hal Sullivan the Association's Secretary/Treasurer and Alex Osenbach representing the Association's management company.

APPROVAL OF MINUTES

The minutes of the November 12, 2004 meeting of the Directors were reviewed. After review and a motion duly made and seconded, the minutes of the November 12, 2004 meeting of the Directors were approved as submitted, motion by Lungren, seconded by Dowdle.

FINANCIAL REVIEW

The preliminary Financial Statements for December 31, 2004 were reviewed by the Directors. There may be some final adjustments to these statements as we finalize the statements for year-end. Cash balances at December 31, were: Operating $357, Capital Improvement $104,788, Loan Repayment Fund $94,435, Water System Improvement $23,325. The twelve-month operating surplus is $9,866 with operating revenue at $260,032 and operating expenses at $250,165. Operating expenses are approximately $4,000 less than budgeted for the 12-month period with income slightly higher by approximately $6,000. Receipts and disbursements from the individual reserve funds were reviewed. It was reported that 16 owners at December 31, were delinquent with larger then $500 balances. Of these 16 3 owners are being foreclosed on for non-payment of fees. These three owners combined owe in excess of $14,000.

RESTATED COVENANTS

The Restated Covenants were mailed to the members along with a ballot for voting on their approval. As on this morning the Association had received 132 approvals and 16 no votes. In order to adopt the covenants the Association must receive a 50% favorable vote or approximately 218 favorable votes.

One Member after receiving the Restated Covenants raised a concern about the possible conflict between paragraph 1.2 and 1.11. Paragraph 1.2 is the same paragraph that is in the 1968 original covenants as paragraph #2. Paragraph 1.11 is the same as paragraph 11 in the height amendment that the members voted on in early 2004. Paragraph # 1.2 (old #2) places a restriction on lots 1-47 in block 6 and lots 1-20 in block 13 at 17 feet. Paragraph 1.11 (old #11) sets the height at 22 feet. The Covenant #11 adopted in 2004 was the same covenant adopted in 1986 but recorded without signatures. After discussing this situation the consensus of Board was that the height restriction of 1986 to 22 feet was to apply to all lots as the and that the ARC (Architectural Review Committee since then was applying the 22 feet requirements on all plans submitted.

Following further discussion and a motion duly made and seconded the following resolution was unanimously adopted, motion by Russell seconded by Dowdle.

Resolved that, it is the Boards position that the intent of the height amendment adopted in 1986 and again in 2004 was to set the maximum building height at 22 feet.

Following further discussion and a motion duly made and seconded the following resolution was unanimously adopted, motion by Dowdle seconded by Lungren.

Resolved that, the Association Attorney be contacted and asked for a recommendation to present to the members to correct or eliminate the conflict between paragraph #1.2 and 1.11.

This recommendation most likely will result in a re-vote on the restated covenants.

SHORELINE IMPROVEMENT UPDATE

The Board was provided with the first draft of the construction bid documents and a report on the time line schedule prepared by Jack Divine for review. In order to meet the construction window the bid documents need to be in the hands of possible contractors by February 15, in order to receive possible construction cost number to present to the member at the annual meeting. The Board was asked to approve the scope of work to perform during the first phase of construction this summer provided we can get all items completed prior to the construction window established in the Corps permit (July 1 – September 30). The scope of work is:

1. Construct down river basin dewatering barrier
2. Excavate material from basin
3. Construct dump location for dredged material
4. Level dredged material at completion of work
5. Demolish existing ramps and construct new ramps per drawings
6. Install pilings for future floats
7. Install riparian and aquatic plantings
8. Remove and dispose of old blue floats
9. Remove and reinstall boat ramp floats
10. Remove temporary dewatering barrier
11. Remove all fish prior to dredging material
12. Comply with all permit requirements

After discussion and a motion duly made and seconded the following resolution was unanimously adopted, motion by Russell seconded by Dowdle.

Resolved that, the Board agrees with the scope of work and authorizes Jack Divine as the Association representative to proceed with the preparation of the bid documents in a manner that will obtain a price for member consideration at the annual meeting.

ANNUAL MEETING DATE

After discussion, the Board set April 23, 2005 as the date of the Annual Meeting.

BOARD MEETING DATE

The next Board meeting will be held on February 25, 2005 in Seattle and the March meeting will be on March 25, 2005 in Orondo.

OTHER ITEMS

1) Mr. Blair provided some suggestion on organizing the Boat parking lot at the completion to the shoreline improvement project.
2) It was reported that the Irrigation District refused our request to install a trail over their property which if completed would connect both the Association Parks. It was also reported that work on the association easement along lot 15 of block 13 will be constructed this Spring.
3) Scott Blair was appointed chairperson of a committee to formulate the planning of future common area improvements. For reference purposes the committee will be called Future Planning Committee. Any members wishing to be on this committee should contact Scott Blair directly at 509-784-0227. The Board will hold a planning meeting to provide the committee with guidance so that the committee's efforts will be productive.
4) After discussion the Board accepted the recommendation of the staff and authorized the replacement of the foosball table (Storm II) and the resurfacing of the pool table.
5) 2005 Security staffing will be established at the February meeting.
6) Miscellaneous items mentioned were improvements to signage, clubhouse lighting, possibility of a newsletter.

ROAD UPDATE

It was reported that the road committee continues to work with the county to complete the paving of our roads. There is a scheduled meeting with the county engineer on site next week to continue the discussions. There was also discussion of the possibility of forming a "LID" Limited Improvement District to help fund the remaining work. The committee chairperson states that we are making progress with the county and will get the roads paved.

WATER RIGHTS

It was reported that our water attorney, Pat Spurgin, was invited by the Director of the Department of Ecology to discuss the status of the water rights originally applied for in 1968 and later terminated by DOE. This meeting was a result of a letter requesting the status of these water rights sent to DOE several months ago. The meeting is taking place today, January 28, 2005. The results of the meeting will be reported to the Board.

ADJOURNMENT

There being no other items requiring action by the Board, the meeting was adjourned at 1:45 PM.

Submitted By:

Alex R. Osenbach
Acting Secretary