

LAKE ENTIAT LODGE ASSOCIATED

Meeting of the Board of Directors

January 26, 2008

Time and Place

The Directors of Lake Entiat Lodge Associated met on Saturday, January 26, 2008. The meeting was held in the Clubhouse at Sun Cove, Orondo, Washington. The meeting was called to order by President, Dan Lungren at 5:35pm.

Present

The following Directors were present: Dan Lungren, Brandon Fix, Dan Russell, Todd Watson and Bryan Wheeler. There were members representing 26 lots also present. Michelle Richardson, Sun Cove security employee and management company employee, Mary Anne Hawkrige were also present. Mr. Lungren acted as chairman and Mary Anne Hawkrige acted as secretary for the meeting.

ARC

The residence under construction at 125 West Emerson, (Block 4, Lot 22) is believed to exceed the allowable height of 22' from the natural high point of the property. The property owner, David Booth, advised the Board that the high point of the lot was measured approximately 45-50' from the front property line and was determined to be approximately 18 inches above the level of the road. The soil was excavated to construct the foundation and the high point is no longer evident. The Board requested that Mr. Booth attempt to locate photos or provide other documentation of the natural high point on the property. As the ARC does not have the ability to grant a variance it is imperative that due diligence by all parties is exercised. The Board requested and received permission from Mr. Booth to dig on his property to seek native grass in an attempt to determine the natural terrain. The property had been previously graded and graveled by local contractor Pat Knowles. The Board will contact Mr. Knowles for input. The Board will respond to Mr. Booth as soon as possible.

Tobin Matter

Mrs. Tobin provided the Board with information regarding the clean-up following the party they held in the clubhouse on November 10th. Two of the guests from the party were also in attendance and verified that prior to their departure at 9:00 pm; they cleaned all of the trash generated at the party. They stated that they did not clean the graffiti on the windows. Mrs. Tobin stated that other individuals were in the clubhouse playing pool when they left. She did not know their identify and since the clubhouse remained open for approximately one additional hour after they left, anyone could have

created the mess. The security camera had spooled over the time frame in question and in view of the evidence provided, the Board felt that they could not levy the total cost of clean up to Mr. & Mrs. Tobin. The Board unanimously agreed to accept Mrs. Tobin's offer to pay for the window cleaning.

Approve Meeting Minutes

The Board reviewed the minutes of the December 6, 2007 meeting of the Directors. Following a motion by Dan Russell and seconded by Bryan Wheeler, the minutes were approved as submitted.

2008 New Year's Eve Party Deposit

The Board reviewed the request to submit a \$150 deposit to Radio Active Music for DJ services for the New Year's Eve party. The firm has been providing music for a number of the Association's New Year's Eve parties. The Board would like to see a committee formed to plan and structure the next party. It was stated that the most recent party was the most successful ever. Following a brief discussion, a motion by Dan Russell, seconded by Todd Watson was unanimously approved to prepare the deposit for Radio Active Music in the amount of \$150.00.

Financial Review

The Board reviewed the December 31, 2007 financial statement, which reflects a year end surplus of \$30,230.88.

After discussion and following a motion duly made and seconded, the following resolution was unanimously adopted: (motion by Dan Russell, seconded by Brandon Fix)

RESOLVED THAT: The Directors authorize the transfer of the 2007 operating surplus in the amount of \$30,230.88 to the Shoreline Improvement Fund.

Shoreline Update/Budget/Financing/Assessments

Mr. Lungren stated that Phase 2 of the shoreline improvement project will end up running over budget. A number of factors including increased material costs, the authorization of overtime to complete the project by September 30, 2007. Due to the time constraints of the permit, overtime hours enabled the work to be completed in 2007. The goal is to have docks in the upriver lagoon scheduled for installation in July, 2008. The Board is attempting to have the amount of necessary mitigation reduced. Currently, \$74,000 is budgeted for mitigation costs for both the phase 1 and 2. It was

recommended to prepare an Excel spreadsheet for the Association's website to outline the expenditures and funding on the project.

2008 Rental Planning

Information derived through the registration by members who rent their property indicated that 19 members rented their homes in 2007. The registration fee was not implemented as the current documents of the Association do not provide for a fee schedule without a member's vote. Any by-law change could occur at an annual meeting with the required approval of the membership. There were relatively few incidents in 2007 that security had to deal with involving renters.

The Board members will discuss their recommendations for 2008 at a future meeting. All recommendations that the Board will prepare will be based on the answers provided by members in our. The Board will also retain the SE Group to analyze the rental data so as to have no question as to what it says. Mr. Lungren believes this could be provided at a minimal cost.

Water Consumption

Management provided a chart indicating the water consumption at Sun Cove during 2007. Almost 100 million gallons of water (97.3 million) were pumped in 2007. This quantity is nearing the maximum allowable consumption of 114 million gallons that the Association's water rights provide for. Currently, the development is approximately 77% built out.

The Board is considering hiring a landscape/irrigation specialist to determine how the irrigation and landscaping can be improved upon to reduce water consumption on Association owned property. The Board also plans to obtain information regarding how much water the average home should consume and implement regular meter reading on the private properties. The bottom line is we need to begin to use less water than we have been using so when the community reaches build out we have enough water for all the owners. Previously, the Board considered adopting a fee of \$1.00 per 1,000 gallons over a monthly allowance of 35,000 gallons.

Annual Meeting Date

The 2008 Annual Meeting of Members is scheduled for April 26, 2008. The meeting will be held at the multi-purpose room of the Orondo Elementary School at 9:00 a.m.

The Association currently does not have an individual serving as the Association's Secretary/Treasurer. The Board wishes to encourage individuals to consider serving in this capacity. In addition, to the Secretary/Treasurer position this year we will be

electing four directors. Names may be placed in nomination either prior to the annual meeting or nominations may be taken from the floor at the annual meeting.

Next Board Meeting

Prior to establishing a date for the next Board meeting, it was suggested that a set day of each month be scheduled (i.e. 2nd Tuesday of each month). As each of the Board members have business schedules to maintain, this was determined to be too difficult to adhere to. The Board set the date of March 13, 2008 for their next meeting and will be held at Dan Lungren's office.

Other Business

Michelle Richardson inquired about the policy of chaining jet skis using boat slips. An owner who utilized a boat slip late in the season (and was chained up as a result) when the water level did not permit tying up to the side of the docks, stated that a better game plan for jet skis needs to be developed.

The recycling trailer is a seasonal commodity and it is anticipated that it will be in place again for 2008. Proceeds paid to the Association for recycled items amounted to \$248.67.

Nick Nelson stated that members of the Architectural Review Committee do not need to be Board Members. Having a local individual serving on the committee could provide on site determination of plot plans and property elevations prior to plan approval. Following the adjournment of the meeting the Board appointed Nick Nelson to the ARC replacing Dan Russell who resigned from the ARC.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at 7:42 pm.

Submitted by
Mary Anne Hawkridge