Lake Entiat Lodge Associated
Meeting of the Board of Directors
October 19, 2013

TIME AND PLACE

The Board of Lake Entiat Lodge Associated met Saturday, October 19, 2013. The meeting was held at the Sun Cove clubhouse in Orondo, Washington and called to order by Board President Dan Russell at 9:01 am.

PRESENT

The following directors were present: Dan Russell, Nick Nelson, Darrell Richards, Walt Wheeler and Greg Zeller. Jeri Fifer, Jason Knight, and Nancy Gifford, also attended representing on site management. Six association members were also in attendance.

APPROVAL OF MINUTES

Mr. Russell presented the August 16, 2013 Board Meeting draft minutes for approval.

Mr. Richards made a motion to accept the August 16, 2013 meeting minutes as presented. Mr. Nelson seconded and the motion carried unanimously.

FINANCIAL REVIEW

Mr. Russell reviewed the additional water funding approved at the annual meeting in 2013. The membership approved the transfer of funds to the Water System reserve account of $30,000 from the Special Capital Reserve account and $200,000 from the Water Loan Repayment Reserve account. To date, $100,000 has been transferred from the Water Loan Repayment Reserve account into the Water Improvement Reserve account. Mr. Russell noted that the well project is complete and under budget by approximately $48,000. The board will recommend that this overage be used for the updating and replacement of existing individual water meters.

Mr. Nelson motioned to transfer $30,000 from the Special Capital Reserve account and $100,000 from the Water System Loan Repayment Reserve account to the Water System Reserve account per the members approval at the April 20, 2013 Annual Meeting. Mr. Richards seconded and the motion carried unanimously.

Mr. Russell discussed an offer received from an interested party trying to purchase 465 Entiat Place. The party wishes the association to release the lien(s) placed on the property by the association for delinquent assessments. Mr. Zeller suggested scheduling a conference call with our attorney next week for his opinion and recommendation for a counter-offer of all delinquent assessments and legal fees to gain a better perspective prior to making a decision. Mr. Nelson, Mr. Russell and Ms. Fifer will schedule a conference call next week with our attorney.

Mr. Russell shared the proposed 2014 budget for board consideration. The board will review and decide if they wish to accept the budget at the November 16, 2013 Board meeting. Once board acceptance is reached,

the draft will be sent to the members for review and a Membership Budget Ratification meeting will be set for sometime in January 2014.

NEW BUSINESS

Under the Association Covenants, the Board has the authority to increase or decrease the number of short term rentals by 2 each year. There are currently 9 homeowners who have declared their property as short term rentals.

Mr. Nelson made a motion to reduce the cap of short term rentals from 23 to 21. Mr. Zeller seconded and the motion carried unanimously.

Currently the short term rental fee assessed the property owners is $500 per year. The board discussed raising the short term rental fee to $750 per year to help offset the costs incurred with short term rental issues.

COMMITTEE UPDATES

Mr. Russell reviewed the updated committee list with Board member chair(s):
Executive; Personnel/Covenants/Reserves- Board President, Vice President and Treasurer
Architectural Review- Board President, Nick Nelson, Darrell Richards, Bryan Wheeler
Facilities/Maintenance/Operations- Board President, Nick Nelson, Darrell Richards
Rules & Regulations- Board President, Vice President Walt Wheeler
Social Events- Board President Don Sass
Communications- Board President, Brandon Fix
Capital Improvements/Long Range Planning- Board President & Greg Zeller

Long Range & Capital Planning

The board discussed plans to have a 3rd party conduct a membership survey, in January 2014. This will help to establish a demographic, comprehensive long range plan for the community. Mr. Zeller will follow-up with costs and planning for this survey at the November board meeting.

Well Update

Mr. Wheeler reported that the well is now complete.

Facilities, Maintenance & Operations

Mr. Nelson discussed options to either trim the association owned poplars to approximately 30 feet or remove the trees altogether. He shared that an arborist had assessed our park trees 5 years ago and had recommended that the poplars be removed due to safety issues based on their height and age. The cost to prune/trim is estimated at $7,500.

Mr. Nelson reported that Douglas County Public Works has completed their storm drain project along Sun Cove Road & E Beach Drive. The crews will continue work on other community roads over the next few months and owners are encouraged to report any drainage issue to the county.

The board plans to contact a grant writer to assist with possible funding available that will be necessary to place a sidewalk on both sides of the Sun Cove Road/E Beach Drive. It was mentioned that there may be storm water grant funds available for the association to access. It was agreed upon that the safety of our many pedestrian owner and guests has placed this issue as a priority.

Rules/Bylaws

The board reviewed the final completed listing and maps of the grandfathered sheds approved at the July 21, 2013 Board Meeting. The maps are posted on the Sun Cove website and include the grandfathered trees. In the future, owners will be required to submit a "Shed Placement Application" to be approved by the Architectural Review Committee prior to placing a shed on their lot.

Mr. Wheeler made a motion to grandfather all submitted sheds. Mr. Nelson seconded and the motion was approved unanimously.

Mr. Wheeler discussed options to discourage speeding by considering installation of removable speed humps on all the roads in the community. They would be installed in May and removed in September to allow for plowing of the roadways. The Board tabled discussion for future review.

Communications

Mr. Fix was not present, but it was noted that he is compiling information on upgrading the community surveillance equipment.

Social Events

The board discussed supplying gift baskets to new owners along with the new owner package. It was decided that the baskets could be presented by a new "Welcome committee" and that a request will be sent to the members to gain volunteers. The committee would have the opportunity to discuss the rules and answer any questions the new owners might have as well as welcome them personally to the community.

Mr. Wheeler made a motion to provide a $35 gift basket to new owners. Mr. Nelson seconded and the motion was approved unanimously.

OLD BUSINESS

Buoy Update

All unmarked buoys have now been removed from association property. Currently there are 9 buoys left that have some form of written approval from agencies. The board discussed the possibility of turning the area where these buoys are located into a swimming area, adding swim docks, or placing association buoys for all to use.

After further discussion a motion was made by Mr. Nelson to send a letter to the appropriate agencies with a request to rescind the personal buoy permits. Mr. Wheeler seconded and the motion was approved unanimously.

MANAGEMENT REPORT

Ms. Fifer reviewed the safety services violations report for the summer season 2013. Changing of the clubhouse hours was discussed. Many challenges for staff occur between 11pm and 12am and the board consensus was that the pool and park should also mirror the closing time. Members will be asked for their input regarding the closing hours.

Owner Correspondence

Ideas from owners were reviewed such as purchasing a projector to have movies/sporting event viewing for owners to enjoy in the clubhouse or in the park.

An email was received regarding limited Personal Watercraft moorage options. The Board consensus was to keep the Moorage Rules the same and asked staff to research options to install a PWC line back into the launch cove.

An owner attending asked about the concrete docks appearing to be failing. Mr. Nelson confirmed that the docks are 18 years old and we are watching to make sure replacements are completed as needed.

Ms. Fifer reported the current standing of all compliance issues.

Mr. Wheeler made a motion to adjourn at 11:25 am. Mr. Richards seconded and the motion was passed unanimously.

Submitted by:

Nancy Gifford

Nancy Gifford
Acting Assistant Secretary

Resolution Adopted by the Board of Directors of
LAKE ENTIAT LODGE, ASSOCIATED
(the "Association")

Clarification of Declaration and Restrictions on Certain Structures

RESOLVED, that the Association does not and will not consider a shed or other structure that is not on a permanent foundation and is therefore movable, to be a structure, building, garage, accessory building or dwelling under the Amended and Restated Declaration of Restrictive Covenants for Lake Entiat Estates recorded under Douglas Count Recording No. **3085761**, as may be amended from time to time (the "Declaration");

RESOLVED FURTHER, that, notwithstanding the foregoing, the Association adopts the following restrictions relating to such structures:

1. No more than one Shed or Other Structure shall be erected, placed or installed per Lot and only after receipt of approval by the Architectural Control Committee ("ACC") for the placement of that shed or structure.

2. Any Shed or Other Structure will be at least as far back from the front property line (side yard property lines on corner lots) as dwelling that has been constructed on such lot or outside the 25' setback or the 15' setback from any side street as stated in the Association covenants, whichever is greater unless approved by the ACC. The following guidelines will be used by the ACC for approval;
    a. Hardship based on lot irregularity
    b. Shed or structure is not a dominate feature within this restricted area

3. The term "Shed or Other Structure" includes, but is not limited to, storage units such as sheds, temporary boat or RV covers.

4. Any placement of a shed or other structure on a lot are subject to local county codes and regulations or as further defined or clarified by the Board of Directors as changes are deemed appropriate.

Additionally, the board of directors further defines a shed that can be placed within the side and rear setbacks as follows;

a) 120 sq ft or less in total square footage not to exceed 12' in height
b) Cannot be attached, connected to or part of a permanent foundation
c) No plumbing is allowed to be part of the Shed

RESOLVED FURTHER, that 70 owners received grandfather status of their submitted 75 shed(s) on their private party.

Approved by the Board of Directors on 10/19/13.