



**BOARD OF DIRECTORS- LAKE LIMERICK COUNTRY CLUB**  
**MINUTES**  
**February 16, 2008**

**I. ROLL CALL:**

President Scott Carey, Vice President Dick Sirokman, Treasurer Esther Springer-Johannesen, Secretary Shirley Toner, Directors, Tom Taylor, Dave Kohler, Lee Dormuth, Brian Smith, and Water Chair Nan Stricklin. Carolyn Parker was absent due to illness

**Guests attending:**

Gail Gagner, Ron Gruszczynski, Robbi Alberts, Roger Derheim, Don Cox, Tillie Waldron, Linda Smith, Karen Kohler, and Chris Johannesen.

**II. GUESTS FROM THE FLOOR: Request to be added to the agenda**

Don Cox asked if there had been any work done on the water pressure/fluctuation problems in his area. Don was asked if he had taken the issue to the water committee, he has only spoken with the water manager. Nan Stricklin stated that once the SCADA system is finished the problem should be resolved. If there are still problems they may have to do with pumps that need to be replaced. Once these projects are completed the committee will investigate the pressure problems if they are still occurring.

**III. APPROVAL OF MINUTES:**

A motion was made by Dick Sirokman, seconded by Dave Kohler and passed with -0- nays as follows:  
To approve the minutes of January 19, 2008 as written.

**IV. FINANCIAL REPORT: Esther Springer-Johannesen Treasurer**

A motion was made by Dick Sirokman, seconded by Dave Kohler and passed with -0- nays as follows:  
To approve the financials for the month of January 2008 as presented.

**V. CONSENT AGENDA: (Committees motions, attached)**

A motion was made by Brian Smith, seconded Shirley Toner and passed with -0- nays as follows:  
To approve the consent agenda as presented.

**VI. OLD BUSINESS:**

1. 2010 Project Update  
240 signatures are needed to complete the entire project; most of these signatures need to be from Divisions 4 and 5.
2. Lake Treatment, Lake Specialist meeting with Jerry Thompson and Rob Koenig  
The 2008 lake treatment plan has been established, and everything is on schedule.
3. Research will begin on Host location at Tipperary, Update  
The septic has been located, and options for location of the RV are still being investigated.
4. Martial Art classes- Waldron, no response to date with insurance information  
Clay has been ill so has not been able to get the information needed to the club, Tillie said that she will have the needed information at the next Board meeting.

## **VII. NEW BUSINESS**

### **1. New Golf Pro Proposal (see attached proposal)**

Discussion was held on staying within the budget and that it should be monitored carefully so as not to go over. Advertising is now acceptable due to the change in our tax status; this should help with revenues.

A motion was made by Dick Sirokman, seconded by Dave Kohler and passed with -0- nays as follows:

To approve the proposal for hiring Karle Jacobs as the acting pro from April through September 2008.

### **2. IRS Tax Disposition**

Scott Carey reported that Lake Limerick had signed and returned the letter to the IRS accepting the determination that Lake Limerick does not qualify for the 501 (c) (7) status. The IRS has given us 30 days to complete the past three years corporate tax returns, although the IRS Auditor did call Scott on Friday and stated that if we needed more time to file we could call request an extension.

Rick Thornbrue, CPA, was in attendance at the meeting to inform the Board of their options and answer any questions they may have.

Rick explained the difference between filing as a corporation and as a non profit. To qualify for a non profit we would have to separate the water system into an entirely separate corporation, open up all of our private areas to the public, rewrite all covenants and restrictions and by laws. When filing as a corporation the flexibility in your budgeting and expenditures is a positive aspect. Any capital expenditures are non taxable, there is a deduction for equipment expenditures each year, and depreciation becomes a bonus as well when calculating your final tax returns.

Negotiating with IRS regarding penalties and interest may result in the dropping of some and/or all penalties but the IRS cannot forgive interest. Once we have filed our corporate taxes for the past three years, we will be able to request a payment plan with the IRS to meet any tax obligations we may incur once the 1120 forms are filed.

Current year accounting will have to be addressed and revised to meet the expectations of filing the corporate returns for our current Fiscal Year.

The Board agreed that pursuing the 501 (c) (4) status with HOA Attorney in California would not be in our best interest at this time.

The Board will determine how the payments for the past taxes will be made once the 1120 forms are completed and we know exactly what needs to be paid.

### **3. New Maintenance Employee, Chris Kretzer, started February 11, 2008.**

### **4. Amendment to Resolution 2006-10, Clean up of lots (copy of resolution attached)**

A motion was made by Dave Kohler, seconded by Dick Sirokman and passed with -0- nays as follows:

To approve Resolution 2006-10 amendments as presented, with a note that the title be changed from Resolution 2006-9 to Resolution 2006-10.

### **5. Park Host**

Dave Kohler reviewed an application for a couple who are interested in hosting at Tipperary this summer. Several items were discussed, but pose no problems for their consideration as hosts.

### **6. Resolutions for Executive and Nominating Committees**

In the past the Executive Committee has had guidelines prepared but never a resolution. The guidelines should be rewritten into a resolution for approval by the Board.

The Nominating Committee has never had any resolutions made and these are required according to the By Laws. Marilyn Feist will be contacted to get her advice in creating the resolution.

### **7. Pro Shop Accountability Procedures**

The December Board Minutes had a motion approving "accountability procedures", but it was not stated in the minutes how these would be dealt with on a daily basis. These procedures will be written up and posted on the website.

#### 8. Dock at the Inn

The dock is broken and beyond repair, it must be replaced. One bid has been received from Kimber Construction for replacement. To replace the dock with a wood deck would be \$31,692.00, if the deck is done with a synthetic product the additional cost would be \$4,700.00. The board has requested that one more bid be obtained from Easy Deck prior to a decision being made.

#### 9. Limerick Daze

The fourth of July is on a Friday, Limerick Daze is scheduled for Saturday July 5. The suggestion to hold Limerick Daze on Friday July 4 was discussed. Dick Sirokman has volunteered to run Limerick Daze this year, no final decision on the date was made.

### **VIII ANNOUNCEMENTS**

Mar 15, Next BOD Meeting

Mar 15, St. Patrick's Day Dinner

Mar 15, Bunco

Mar 22 Easter Egg Hunt

Mar 23 Easter Brunch 10:00 a.m. to 2:00 p.m.

### **IX MOTION TO CONVENE TO CLOSED SESSION:**

A motion was made by Dave Kohler, seconded by Shirley Toner and passed with -0- nays as follows:  
To convene to closed session for personnel/legal matters.

**X. CLOSED SESSION:** (The closed session may only include matters dealing with personnel matters; legal counsel or communication with legal counsel; and likely or pending litigation of an owner to the association.) Legal

### **XI MOTION TO RECONVENE TO OPEN SESSION:**

A motion was made by Dick Sirokman, seconded by Dave Kohler and passed with -0- nays as follows:  
To reconvene to open session.

### **XII MOTION TO ACCEPT ALL CLOSED SESSION MOTIONS:**

No motions were made in closed session.

### **XIII MOTION TO ADJOURN MEETING:**

A motion was made by Esther Springer-Johannesen, seconded by Lee Dormuth, and passed with -0- nays as follows:

To adjourned the meeting at 11:30 a.m.

These minutes have not been approved by the Board of Directors  
Respectfully Submitted by: Sheila Hedlund

Guest

Gail Hagen

Ron Gruszczynski GRUSZCZYNSKI

Robbi Albutz

Roger Albutz

ROGER DERHEIM

Don Cox

Tillie Waldron

Lindi Smith

Karen Kuhler

Chris Johannesen



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### January 2008 Financial Recap

	2008	2007		
Cash in Bank Admin	63,303.96	76,114.96		
Cash in Bank Water	69,475.30	199,220.86		
Reserves Admin	98,182.22	143,249.90		
Reserves Lake Mgmt	4,773.07	5,077.55		
Reserves Water	203,462.00	0		
	JAN 2008	JAN 2007	YTD	YTD vs Budget
Revenue Admin	63,131.82	56,618.45	256,876.22	258,503.32
Gross Revenue Sales	39,246.71	39,105.80	194,655.27	212,362.49
<hr/>				
Net Income	102,378.53	95,724.25	451,531.49	470,865.81
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Direct Costs	12,281.15	7,476.57	52,185.53	42,827.00
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Gross Profit	90,097.38	88,247.68	399,345.96	428,038.81
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Expenses	100,090.68	115,076.33	357,771.57	393,463.84
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Operating Profit	(9,993.30)	(26,828.65)	41,574.39	34,574.97
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Other Income/Expenses	1,593.74	29,347.66	4,228.56	4,575.72
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Net Profit	(8,399.56)	2,519.01	48,802.95	39,150.69

2007 – Reserves for water were in the checking account as interest was more than in the savings account.

Other income/expenses had the sprinkler system assessment

	<u>Jan 08</u>	<u>Jan 07</u>	<u>ytd</u>	<u>Budget</u>
Ordinary Income/Expense				
Income				
Gross Revenue Golf				
Golf Adult Punch Cards Member	0.00	138.50	313.94	192.00
Golf Adult Punch Cards Public	0.00		13.85	0.00
Golf Annuals Members	0.00	500.00		391.05
Golf Annuals Public	0.00		650.00	6,680.40
Golf Cart Shed Rentals	0.00			0.00
Golf Dailies Member	141.28	535.54	2124.62	3,219.48
Golf Dailies Public	613.95	514.33	3061.75	6,069.00
Golf Trail Fees Member	0.00	75.00	30.00	165.00
Golf Trail Fees Public	0.00		5.00	17.00
Golf Youth Punch Cards Public	0.00		83.10	0.00
Golf Youth Punch Cards Member	0.00		55.40	206.40
Pro Shop Cafe Member	2,866.97	2639.45	16299.74	12,614.14
Pro Shop Cafe Public	693.87	1258.14	1467.07	6,064.80
Pro Shop Cart Rental Fee Member	-2.00	155.00	322.28	459.90
Pro Shop Cart Rental Fee Public	202.00	134.50	467.18	2,366.70
Pro Shop Merch Sales Member	366.65	445.04	4713.63	2,702.70
Pro Shop Merch Sales Public	69.00	140.64	177.20	2,394.00
Pro Shop Rentals Member			15.00	
Pro Shop Rentals Public	24.00		379.98	
Total Gross Revenue Golf	<u>4,975.72</u>	6536.14	30179.74	<u>43,542.57</u>
Total Income	4,975.72	6536.14	30179.74	43,542.57
Cost of Goods Sold				
Direct Cost	9,496.54	5928.83	22896.37	12,070.00
Direct Costs Social				
Social Direct Costs	<u>0.00</u>			<u>100.00</u>
Total Direct Costs Social	0.00			100.00
Golf Cart Lease	0.00			1,415.36
xLess Ending Inventory	<u>-3,153.17</u>	(2813.85)	(20560.26)	<u>13,585.36</u>
Total COGS	<u>6,343.37</u>	3114.98	17634.63	<u>13,585.36</u>
Gross Profit	-1,367.65	3421.16	12545.11	29,957.21
Expense				
Advertising	584.17	19.50	624.51	100.00
Cash Over/Short	-26.60	(27.80)	34.61	66.64
Dues & Subscriptions	100.00	475.00	263.50	240.00
Employee Expense				
Education of Employees	80.00		275.00	666.64
Health Insurances	3,933.35	2006.38	5905.47	5,440.00
L&I Insurance	105.36	351.15	831.17	935.00
Payroll Tax Expense	1,039.38	1421.19	4959.79	4,250.00
Retro Tax Expense	0.00			83.36
Salaries & Wages	9,523.38	11363.19	44788.85	31,382.00
Vacation & Sick Leave	<u>0.00</u>		353.54	<u>1,333.36</u>
Total Employee Expense	14,681.47	15141.91	57113.82	44,090.36
Equipment Lease Golf	1,839.28	3678.56	9758.38	9,333.36
Equipment Rent	0.00			833.36
Insurance	0.00			1,500.00
Laundry	373.26	449.57	1562.10	433.36

License & Permits	630.00	739.00	960.00	
Office Expense	0.00		84.91	66.64
Payroll Tax Clearing	0.00			0.00
Postage	0.00			10.00
Professional Services			57.33	
Promotional Expense	99.00	58.41	432.16	366.64
Repairs & Maintenance				
Equipment	185.28	230.35	1971.12	4,666.64
Extraordinary	0.00			0.00
General	0.00	339.25	373.42	4,666.64
Golf Carts	62.60		62.60	66.64
Irrigation	454.86	1317.97	725.61	1,666.64
Total Repairs & Maintenance	702.74	1887.57	3132.75	11,066.56
Service Contracts	0.00			1,666.64
Supplies	247.39	289.27	1909.78	3,333.36
Supplies Fertilizers Golf	0.00		4610.55	7,000.00
Taxes				
WA St Excise Tax	24.36	30.51	202.32	500.00
Total Taxes	24.36	30.51	202.32	500.00
Utilities	205.48	209.68	406.35	366.64
Vehicle Expense	0.00		579.60	1,166.64
Total Expense	19,460.55	22951.18	81732.67	82,140.20
Net Ordinary Income	-20,828.20	(19530.02)	(69187.56)	-52,182.99
Other Income/Expense				
Other Income				
Miscellaneous Income	-231.00	0.00	(939.18)	833.36
Total Other Income	-231.00	0.00	(939.18)	833.36
Other Expense				
Miscellaneous Expense	0.00	0.00	0.00	33.36
Total Other Expense	0.00	0.00	0.00	33.36
Net Other Income	-231.00	0.00		800.00
Net Income	-21,059.20	(19530.02)	(70126.74)	-51,382.99

	<u>Oct '07 - Jan 08</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
Gross Revenue - Inn				
Inn Charges	0.00			
Inn Member Sales	49,693.42	43,700.00	5,993.42	113.72%
Inn Public Sales	6,536.21	4,600.00	1,936.21	142.09%
Inn Social Privilege Dues	910.00	600.00	310.00	151.67%
Lounge Darts Member	31.25	116.00	-84.75	26.94%
Total Gross Revenue - Inn	<u>57,170.88</u>	<u>49,016.00</u>	<u>8,154.88</u>	<u>116.64%</u>
Gross Revenue Banquets				
Banquets Hall Rent Members	592.00	2,164.00	-1,572.00	27.36%
Banquets Hall Rent Public	250.00	2,340.00	-2,090.00	10.68%
Banquets Member	1,276.54	3,300.00	-2,023.46	38.68%
Banquets Non Club Event	3,444.06	3,000.00	444.06	114.8%
Banquets Public	361.73	1,500.00	-1,138.27	24.12%
Total Gross Revenue Banquets	<u>5,924.33</u>	<u>12,304.00</u>	<u>-6,379.67</u>	<u>48.15%</u>
Total Income	<u>63,095.21</u>	<u>61,320.00</u>	<u>1,775.21</u>	<u>102.9%</u>
Cost of Goods Sold				
Beginning Inventory	10,520.92			
Direct Cost	30,192.16	26,450.00	3,742.16	114.15%
xLess Ending Inventory	-11,529.11			
Total COGS	<u>29,183.97</u>	<u>26,450.00</u>	<u>2,733.97</u>	<u>110.34%</u>
Gross Profit	<u>33,911.24</u>	<u>34,870.00</u>	<u>-958.76</u>	<u>97.25%</u>
Expense				
Advertising	60.48	66.64	-6.16	90.76%
Bank Service Charges	96.31			
Cash Over/Short	102.16	6.64	95.52	1,538.55%
Credit Card Service Charges	200.70	166.64	34.06	120.44%
Dues & Subscriptions	131.30	100.00	31.30	131.3%
Employee Expense				
Education of Employees	0.00	50.00	-50.00	0.0%
Health Insurances	3,705.31	4,333.36	-628.05	85.51%
L&I Insurance	869.27	989.00	-119.73	87.89%
Payroll Tax Expense	5,068.86	3,910.00	1,158.86	129.64%
Retro Tax Expense	0.00	100.00	-100.00	0.0%
Salaries & Wages	45,031.78	31,050.00	13,981.78	145.03%
Vacation & Sick Leave	-589.16	1,393.36	-1,982.52	-42.28%
Total Employee Expense	<u>54,086.06</u>	<u>41,825.72</u>	<u>12,260.34</u>	<u>129.31%</u>
Equipment Rent	836.64	1,000.00	-163.36	83.66%
Insurance	0.00	0.00	0.00	0.0%
Laundry	2,455.64	3,000.00	-544.36	81.86%
Legal Fees	0.00	933.36	-933.36	0.0%
License & Permits	640.00	0.00	640.00	100.0%
Office Expense	84.91			
Promotional Expense	50.00			
Repairs & Maintenance				
Equipment	245.09	666.64	-421.55	36.77%
General	907.19	500.00	407.19	181.44%
Total Repairs & Maintenance	<u>1,152.28</u>	<u>1,166.64</u>	<u>-14.36</u>	<u>98.77%</u>
Supplies	3,745.16	4,000.00	-254.84	93.63%
Taxes				
WA St Excise Tax	394.78	500.00	-105.22	78.96%
Total Taxes	<u>394.78</u>	<u>500.00</u>	<u>-105.22</u>	<u>78.96%</u>
Utilities	587.63	508.36	79.27	115.59%
Total Expense	<u>64,624.05</u>	<u>53,274.00</u>	<u>11,350.05</u>	<u>121.31%</u>
Net Ordinary Income	<u>-30,712.81</u>	<u>-18,404.00</u>	<u>-12,308.81</u>	<u>166.88%</u>
Net Income	<u>-30,712.81</u>	<u>-18,404.00</u>	<u>-12,308.81</u>	<u>166.88%</u>



**Lake Limerick Country Club**  
**Profit & Loss Prev Year Comparison**  
**January 2008**

	Jan 08	Jan 07	\$ Change	% Change
Ordinary Income/Expense				
Income				
Gross Revenue - Inn				
Inn Member Sales	8,529.34	5,851.61	2,677.73	45.8%
Inn Public Sales	1,019.61	940.78	78.83	8.4%
Inn Social Privilege Dues	280.00	210.00	70.00	33.3%
Gross Revenue - Inn - Other	0.00	0.00	0.00	0.0%
<b>Total Gross Revenue - Inn</b>	<b>9,828.95</b>	<b>7,002.39</b>	<b>2,826.56</b>	<b>40.4%</b>
Gross Revenue Banquets				
Banquets Hall Rent Members	0.00	231.00	-231.00	-100.0%
Banquets Member	0.00	813.27	-813.27	-100.0%
Banquets Public	230.84	0.00	230.84	100.0%
<b>Total Gross Revenue Banquets</b>	<b>230.84</b>	<b>1,044.27</b>	<b>-813.43</b>	<b>-77.9%</b>
<b>Total Income</b>	<b>10,059.79</b>	<b>8,046.66</b>	<b>2,013.13</b>	<b>25.0%</b>
Cost of Goods Sold				
Direct Cost	7,868.08	5,199.38	2,668.70	51.3%
xLess Ending Inventory	-2,386.81	-906.30	-1,480.51	-163.4%
<b>Total COGS</b>	<b>5,481.27</b>	<b>4,293.08</b>	<b>1,188.19</b>	<b>27.7%</b>
<b>Gross Profit</b>	<b>4,578.52</b>	<b>3,753.58</b>	<b>824.94</b>	<b>22.0%</b>
Expense				
Advertising	20.16	19.50	0.66	3.4%
Cash Over/Short	21.37	0.00	21.37	100.0%
Credit Card Service Charges	0.00	86.55	-86.55	-100.0%
Dues & Subscriptions	131.30	0.00	131.30	100.0%
Employee Expense				
Health Insurances	2,473.83	1,804.77	669.06	37.1%
L&I Insurance	131.14	320.20	-189.06	-59.0%
Payroll Tax Expense	1,236.60	1,289.17	-52.57	-4.1%
Salaries & Wages	10,856.24	10,347.79	508.45	4.9%
<b>Total Employee Expense</b>	<b>14,697.81</b>	<b>13,761.93</b>	<b>935.88</b>	<b>6.8%</b>
Equipment Rent	197.32	151.16	46.16	30.5%
Laundry	622.32	903.64	-281.32	-31.1%
License & Permits	640.00	550.00	90.00	16.4%
Promotional Expense	50.00	0.00	50.00	100.0%
Repairs & Maintenance				
Equipment	86.64	147.30	-60.66	-41.2%
General	428.33	92.83	335.50	361.4%
<b>Total Repairs &amp; Maintenance</b>	<b>514.97</b>	<b>240.13</b>	<b>274.84</b>	<b>114.5%</b>
Supplies	911.33	690.59	220.74	32.0%
Taxes				
WA St Excise Tax	47.87	35.91	11.96	33.3%
<b>Total Taxes</b>	<b>47.87</b>	<b>35.91</b>	<b>11.96</b>	<b>33.3%</b>
Utilities	308.28	270.60	37.68	13.9%
<b>Total Expense</b>	<b>18,162.73</b>	<b>16,710.01</b>	<b>1,452.72</b>	<b>8.7%</b>
<b>Net Ordinary Income</b>	<b>-13,584.21</b>	<b>-12,956.43</b>	<b>-627.78</b>	<b>-4.9%</b>
<b>Net Income</b>	<b>-13,584.21</b>	<b>-12,956.43</b>	<b>-627.78</b>	<b>-4.9%</b>

**CONSENT AGENDA**  
**February 16, 2008**

WATER COMMITTEE: No motions

LAKE/DAM COMMITTEE:

Motion #1: I move that the budget for the fishing contest be increased to \$2000. Motion made by Tom Penski and seconded by Rob Koenig. Motion carried.

GREEN COMMITTEE ~ No Motions

INN COMMITTEE: No Motions

YOUTH COMMITTEE: No Meeting

ARCHITECTURAL COMMITTEE::

Motion made by Tillie Waldron and 2<sup>nd</sup> by Ed Toner with no nays that:

1. Architectural committee ask the board to put the following properties in non-compliance of CC&R's, & fine 600.00
2. Jerry,s crew be able to go in clean up properties and charge the owners accounts the dump fee .
  - A. Div 4 Lot 112 Penske, Tom Non-compliance & 600.00 fine unsafe singlewide trailer
  - B. Div 4 Lots 128 & 129 Grice, Robert Non-compliance with LLCC Arch Permit, Lots for Sale, County permits lapsed for houses 600.00 fine on each lot
  - C. Div 4 Lot 168 Herigstad non compliance, fine 600.00 and Jerry's crew to clean up& charge account cleanup fee and dump fee
  - D. Div 5 Lot 107 Gustafson Jerry's crew to clean & take to dump. Dump fee charged to owners account
  - E. Div 5 Lot 52 & 53 Tina Nelson Non Compliance & fine 600.00 for allowing non member to live in 5<sup>th</sup> wheel on her lot. no wintertime permit (no house on either lot)

EXECUTIVE COMMITTEE. : No Motions

HEARING COMMITTEE: Report only

To: LLCC BOD  
From: Greens Committee  
Date: February 8, 2008

The following is a follow up on a proposal Gail and Ron submitted back in October of 2007. What is important to remember is that the October proposal which requested hiring a Pro or a person of good golf knowledge for approximately 32 hours per week for approximately 6 months, April through September, for approximately \$9,000-\$11,000, IS WITHIN OUR BUDGET. Unfortunately, this bit of information was omitted in the October proposal and so was incorrectly stated in the October 2007 BOD's minutes that this proposal was not in the budget.

A person needs to be hired to fill the hours needed at the golf desk during league play. We have a candidate who is willing to fill this position. His name is Karel Jacobs, an "acting Pro" currently working on getting his Professional certificate. He is willing to work 35 hours per week at \$12.00 per hour for 6 months without benefits.

Per your request, the following are reasons why the Greens Committee and many in our golfing community recommends having a Pro or person of good golf knowledge work at the Pro Shop:

- Run and promote tournaments
- Build and promote our business
- Be available for leagues to assist, clarify rules, answer questions, etc
- Be knowledgeable regarding equipment (hard goods ie. clubs, balls etc.)
- Order special requests especially hard goods
- Marshall
- Conduct and participate in Pro Ams and "Beat the Pro" events with our members
- Conduct youth and adult clinics (on his own time)
- Be available for golf lessons for all ages (on his own time)
- Grip clubs (on his own time)

Thank you for considering having a Pro during the 2008 golf season.  
Greens Committee

**LAKE LIMERICK COUNTRY CLUB**

**RESOLUTION NO. 2006-9**

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**VIOLATION REMEDIATION – AMENDMENT TO RULES**

**1. Regulation**

Lake Limerick Country Club has the authority to enforce protective covenants and other rules that apply to the Lake Limerick Country Club development. Lake Limerick Country Club also has the authorities specified in the Washington State Homeowners' Association Act at RCW 64.38.020. Pursuant to these authorities, the Board of Directors adopts this Resolution No. 2006-9, Violation Remediation. The purpose of this Resolution is to provide notice to members of the applicable rules and regulations, and the enforcement system adopted herein.

All property conditions and activities within the Lake Limerick Country Club development are subject to all applicable local, state, federal and other laws and regulations, including those administered by any and all Mason County agencies. All permits granted by Lake Limerick Country Club are specifically conditioned on agreement to comply, and continued compliance with, any and all such laws and regulations. Failure to comply with any such laws and regulations will automatically make void, and not voidable, any Lake Limerick permit.

Rules that apply to the Lake Limerick development are provided for and contained within the applicable Lake Limerick Covenants, Articles of Incorporation, Bylaws, and other rules and regulations properly adopted. It is the responsibility of each member to understand and abide by these rules.

Each member is responsible for any and all actions of his or her family members, social or business guests, and tenants, when such actions involve in any way property or activities within the jurisdiction of Lake Limerick Country Club and /or violations of any Lake Limerick Country Club rules. Landlords are specifically responsible for all actions of their tenants, and all property conditions caused by their tenants. Landlords are responsible for both controlling behavior and conditions, and payment of any resulting fines and other related fees and charges.

## **2. Violations – Penalties and Requirements**

**A. Violations.** The Board of Directors, by its President or other designee, and/or the Hearings Committee, may assess a fine of up to \$250 for any violations of Lake Limerick Country Club rules or regulations. They may also assess a fine of up to \$500 for the second violation of the same or similar rules by the same member, and up to \$1,000 for the third or subsequent such violation. Fines may be imposed only once for any particular violation, and are not to be imposed on a daily, or other recurring basis unless specified. New fines may be imposed for additional or changed violations. For example, if a fine has been imposed for allowing four inoperable vehicles, no more fines can be imposed for the same four vehicles, but if one is removed and another placed on the lot, a further fine can be imposed for the additional new vehicle.

**B. Basis for Determining Amount of Fine.** The amount of any fine shall be fair and reasonable under all of the circumstances, and may take into account the scope of the violation, its effect on the community, the difficulty of remedying the violation, any excuse or explanation, the degree of culpability, the cooperation of the violator after discovery, the need to deter other such violations, and any other relevant factors.

**C. Corrective Action.** In addition to a fine, the Board may impose requirements for corrective action and additional permit conditions, and/or continued stop work orders. These requirements shall be as needed to bring the member into compliance, and may take into account those factors specified in section B above.

**D. Restitution.** A member may also be required to pay an amount equal to the costs of responding to the violation, including restitution for work performed, and reasonable costs associated with the association's response, as specified in the Bylaws.

## **3. Investigation and Resolution – Steps**

**A. Complaint.** A member's written complaint of violation of association rules by another member must be submitted to the Board. The complaint may be of a violation of a specific rule from a resolution, or of any other Lake Limerick covenant, rule, or regulation. The Board will then refer the complaint to a Board committee that applies, or if none, it will retain the complaint with the Board as the "committee." When the term "committee" is used, it means the applicable committee to which the complaint is referred, or the Board itself if the complaint is not referred to a separate committee.

**B. Initial Investigation.** The committee chair then appoints an investigator to look into the matter. The investigation can include, but is not limited to, a site visit, talks with the responsible owner and other persons with knowledge, and consideration of other evidence. The investigation will be fair and reasonable, so that an unbiased member would be satisfied if he or she were the member investigated. The investigator shall begin with an open mind, and treat all members and others with respect, and shall conclude the investigation as quickly as reasonably possible.

**C. Initial Determination.** The investigator shall report the results of the investigation to the committee chair. If the committee chair determines that the complaint should not be followed up on, he or she shall discuss the matter with the President of the Board (unless the matter has not been referred to a committee, which means that the investigator will have already reported to the Board President), who shall have the final say. If the decision is to not continue the matter, this will be communicated to the member and the complainant. If the President determines that the complaint should be further considered, the investigator will proceed under Step D below.

**D. Negotiation.** If the complaint is to be further considered, the President of the Board shall try to reach an agreement with the member. The President shall attempt to work out a solution with the member that is reasonable and fair, and protects the rights of the entire membership, while giving the responsible member a reasonable opportunity to resolve the problem. If an agreement can be reached, it shall be reduced in writing and proposed to the Board for approval. If the Board approves, the parties shall sign the agreement.

**E. Board Determination.** If no agreement is possible, the President shall determine a response to the Complaint, as specified in Section 2 (Violations) above. This response shall be mailed to the member by both regular and certified mail. It shall also include instructions telling the member how to appeal the determination of the President to the Hearings Committee.

#### **4. Hearings Committee - General**

The member may either accept the decision of the President of the Board, and comply with its terms, or ask for a hearing about the matter. If a member wants a hearing, he or she must make a request within ten days of the date the notice is mailed, by orally or in writing notifying the President of the Board of his or her desire to have a hearing. If a hearing is requested,

the matter shall then be referred to the Hearing Committee for action. If the member does not appeal the decision, it becomes final after the time for appeal ends.

The member shall be notified of the time and place of the Hearing Committee meeting. The member may be granted one continuance request upon good cause shown; the Committee shall use reasonable efforts to arrange a meeting that the member can appear at. At the Hearing Committee meeting, the member, the association, and any other interested members shall be given a fair opportunity to explain the circumstances and recommend a result. All Hearings Committee procedures shall be reasonable and fair to all concerned.

The Hearing Committee shall attempt to arrive at an agreed solution to the issues presented, while protecting the interests of the general membership; it may not at any time agree to or determine any result that is inconsistent with the Lake Limerick Covenants or controlling law.

If no agreement is possible, the Committee shall first determine whether a violation has occurred. If a violation has occurred, it shall take appropriate action, as specified in Section 2 (Violations) above. The Hearing Committee shall provide for a clear conclusion, specifying the rules violated and the fines and/or requirements imposed. It may also include reasons for its decisions. If the Committee does not reach a result at the hearing, it shall do so within 10 days after. It shall notify the member in writing as soon as it reaches its decision.

## **5. Enforcement**

**A. Failure to Comply.** If a member fails to comply with a Board or Hearings Committee decision or agreement issued pursuant to the provisions of this Resolution, the Board may institute any and all available proceedings, both legal and equitable, to require that he or she do so.

When the failure to comply has to do with a lot condition, Lake Limerick also has the right to enter upon the property of a member and remove all weeds and rubbish, and do all other things necessary to place said property in a neat and orderly condition. The costs and expenses of doing so shall become due and payable from the member within its successors or five days after written demand for payment.

**B. Fees and Costs.** Any fees, expenses or costs to remediate violations, including attorney fees, and all other costs reasonably expended, of any nature whatsoever, in support of the proceedings, shall be paid by the member to the Association. This applies whether the Association proceeds

pursuant to the system established pursuant to this Resolution, or whether it proceeds pursuant to any other available legal or equitable remedy; it also applies when the Board responds to any proceeding brought by anyone else.

**C. Liens and Lien Foreclosure.** Any amounts due the Association pursuant to this Resolution, including but not limited to fees, expenses and costs as set forth above, shall constitute a lien against the member's property or properties, the same as Association liens for nonpayment of assessments; all as specified in the Bylaws. The Board may file and, if necessary in its judgment, foreclose such liens in the same manner; and it may also ask the Court for injunctive relief, requiring that the member comply with the applicable rules and regulations as well as the orders of the Board. In the event that the Board is required to seek judicial relief, the Court shall award to the association, in addition to any other judgment, its fees and costs as set forth above. The provisions of this Resolution are in addition to, and not in replacement of, any and all other remedies available to the Board for the violation of any of its rules and regulations of any nature.

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### **6. No Waiver**

Under no circumstances may the investigator, the Board President, the Board, the Hearing Committee, or anyone else acting for the association waive or agree to any violation of any Lake Limerick covenants, rule or regulation, unless clearly allowed by the same. The approach of the association will be to try to resolve any violations by friendly communication and collaboration with the member. However, the covenants are absolute, and cannot be waived. Any waiver by the association would still be subject to the continuing right of each member to enforcement of the covenants on his or her own behalf. If a particular rule or regulation (not covenant) specifically provides that it may be waived, and under what circumstances, then waiver of that rule or regulation will apply as specified.

This includes in particular covenant setback requirements. If Mason County permits a setback that is less than the Lake Limerick setback as specified by the covenants, then the Lake Limerick covenants still apply.

### **7. Application**

The terms of this Resolution apply to all members, who are responsible for the actions of and conditions caused by themselves and their family members, guests, and renters, and anyone else for whom they are responsible. In addition, these others are also directly responsible for their own actions, and Lake Limerick may take action against them as provided herein directly. Any such person who enters or remains within the Lake



Limerick development agrees to abide by all of the Lake Limerick covenants, rules and regulations as discussed above, and to be responsible as provided herein if he or she fails to do so.

The terms of this Resolution apply to all circumstances currently existing at the time of its approval, except when to do so would interfere with existing, vested rights. Existing, vested rights are limited to those matters that are in compliance with all relevant Lake Limerick Rules, including project approval Rules, as of the time of approval. Notice of previous similar fine and violation systems constitutes notice of this Resolution amending the same.

The terms and provisions of this Resolution control over any inconsistent provisions of any Resolutions, regulations, or other Rules of the association; they do not control over any inconsistent provisions of the Covenants, Articles of Incorporation and Bylaws.

### **8. Other Remedies**

The system adopted by this Resolution is in addition to all other available remedies for property condition and activity violations. If the Board determines, at any time during the process, or before it begins, that an emergency exists; or that the member involved would not likely cooperate with the system established herein, and the use of the system would probably only cause delay in resolution of the problem; it may choose to seek an immediate injunction and/or any other available remedy, including entering the member's property and remediating conditions as set forth in ¶ 5A above, upon ten days' written notice. Individual members also have individual rights to enforce Lake Limerick covenants.

### **9. Severability**

If any provision of this Resolution is found to be unlawful, the remainder shall not be affected.

We certify that the above Resolution No. 2006 - 9, Violation Remediation, was duly adopted by the Board of Directors on the \_\_\_ day of \_\_\_\_\_, 2007, and duly amended by the Board of Directors on the \_\_\_ day of \_\_\_\_\_, 2008.

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President, Board of Directors

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Secretary, Board of Directors





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### February 2008 Financial Recap

	2008	2007		
Cash in Bank Admin	12,271.14	62,975.03		
Cash in Bank Water	25,849.58	208,279.28		
Reserves Admin	48,859.78	127,876.35		
Reserves Lake Mgmt	177,477.73	0		
Reserves Water	7,937.07	7,894.77		
	<u>FEB 2008</u>	<u>FEB 2007</u>	<u>YTD</u>	<u>YTD vs Budget</u>
Revenue Admin	63,342.22	57,573.40	320,218.44	323,116.66
Gross Revenue Sales	68,100.49	54,792.82	262,755.76	275,020.21
Net Income	131,442.71	112,366.22	582,974.20	598,136.87
Direct Costs	8,747.23	9,337.78	61,248.36	54,793.75
Gross Profit	122,695.48	103,028.44	521,725.84	543,343.12
Expenses	61,132.26	99,414.74	419,456.85	492,905.11
Operating Profit	61,563.22	3,613.70	102,268.99	50,438.01
Other Income/Expenses	(80,724.49)	1,837.50	(75,312.97)	5,715.38
Net Profit	(19,161.27)	5,451.20	26,956.02	56,153.39

2007 – Reserves for water were in the checking account as interest was more than in the savings account.

Other income/expenses has \$83,000 in taxes paid out this year.