

NEWPORT YACHT BASIN ASSOCIATION BOARD MEETING

TUESDAY FEBRUARY 22, 2011 2:30PM

Present at meeting: Paul Shook, Jeannette Schulz, Jeff Hoyt, Sid Rubin, Karl Lang, Tom Lisk (in office)

The meeting started at 3:05PM. NYBA received a letter from Al Boling stating that the former board voted not to charge dues on slips D1 and D2 and the fuel dock. Kyle Anderson was contacted and he said it never happened, no such agreement was ever made with Al Boling.

June 2008 NYBA board was told that SBC was not paying dues on D1, D2, and fuel dock but they would keep up the maintenance on those properties. Sid contacted Kyle Anderson to see if he could remember the details about the dues.

November 2008 NYBA board sent a letter to SBC to collect outstanding dues on slips D1 and D2, the fuel dock was not included at this time.

NYBA will collect dues that are outstanding since November 2008 to present. SBC has been invoiced for the back dues.

We discussed the closure of the east entry to the parking lot. NYBA will pick up 5 or 6 more parking spaces. NYBA removed the line across the east property. In consideration of SBC's offer to negotiate a settlement, NYBA removed the line.

SBC has requested copies of the minutes of the 2011 annual meeting be sent to them. On advice of counsel SBC was notified that they would need to send a representative to our office and under NYBA supervision they could listen to the recorded minutes and read the paper copy. SBC did have representation at the annual meeting.

NYBA was told by Mary and Chris that an appeal to the Supreme court could be dragged out up to 2 years.

It is our goal to arrive at a settlement with SBC. The parking issue has been discussed and a proposal was made by SBC for approximately 35 parking spaces that would be dedicated for NYBA's exclusive use along B dock. The overburdening of the water channel needs more progress in this area.

Sid has contacted a new law firm that specializes in condo law. They are the CONDO LAW GROUP. Their fee schedule is less than we are being charged by David Tracey. David Tracey has not been very responsive when contacted about our business with him. One issue is that NYBA will enforce repayment of all legal fees on all liens.

LEASED PROPERTY The rent for the leased area of \$100.00 will be paid by NYBA to both SBC and the Bank. The taxes for this area will be paid only to one party. According to King County the taxes have not been paid for the last two years plus this year 2011. \$52,000.00 is the amount owing to King County.

We need proof that the taxes are paid to King County. Do we ask Charter Bank if they want to sell us the piece of property that we are currently leasing?

The value of the property according to Charter Bank is 1.25 million, there are 5 lots on the road and 3 lots below.

CONDOMINIUM LAW GROUP

The board discussed hiring this new firm. We would like to meet their representative in person and probably hire them at that time. Things to discuss with them is the reserve account, are we in compliance with the new condo law of 1990 and do we incorporate the association? A motion was made by Jeff and seconded by Paul that we do incorporate NYBA. This was also discussed at the annual meeting.

Sid will set up a meeting with this new firm ASAP, probably only need 15-20 minutes presentation by them.

Our current insurance carrier will be contacted to find out about earthquake insurance and what kind of protection do we have for the directors and officers. A meeting will be set up with them on the same day as the Condo Law Group comes to the office.

SETTLEMENT CRITERIA

What is important to us? Proceed with the appeal and WIN. Parking along B dock.

Al Boling did state that he would be willing to give up the 27 space rack. His plan is for 173 spaces total. He wants another entrance in the leasehold area so he would have clear access across the leasehold to launch boats. He wants to reconfigure slips D1 and D2 and possibly D3(which he owns) for staging boats.

Paul wants us to continue with the appeal and we all agreed. Jeff stated that SBC is not offering us anything substantial.

The appeal is due on April 15, 2011, The plan is to have the appeal written up by

March 31-April 1, 2011. We will win the appeal and the deed will be enforceable. We will gain 14 and 5 more parking spaces. SBC will need to reconfigure their plans for D1 and D2 and be aware of the overburdening of the waterway that will occur, possible dredging that will need to be done if they overuse the channel.

We will notify Mary and Chris to proceed with the appeal. Settlement discussions are continuing.

Tom will get the leased area surveyed so we are 100% sure of the boundary lines. That is our plan of attack that we have the correct lines on the leased area.

Paul presented some long term plans for the marina. G dock is at the top of the list. It is very dangerous and getting worse.

The meeting adjourned at 5:10PM.

A handwritten signature in cursive script that reads "Jeannette Schulz". The signature is written in dark ink and is positioned above the printed name.

Jeannette Schulz

Secretary