

PORT LUDLOW  
ASSOCIATES LLC

September 13, 2006

Via Hand Delivery

Al Scalf  
Barbara Nightingale  
Jefferson County Department of Community Development  
621 Sheridan Street  
Port Townsend, WA 98368

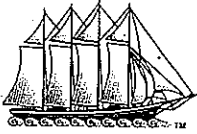
Re: Port Ludlow Associates LLC  
Major Resort Plan Revision (File No. ZON03-00044)  
Shoreline Substantial Development Permit (File No. SDP05-00019, consolidating former  
File Nos. SDP00-0014 and SDP04-0028)  
Boundary Line Adjustment (File No. SUB05-00030)  
Administrative Code Interpretation (File No. ZON05-00035)  
Plat of Ludlow Bay Village and Unplatted Admiralty III

Dear Mr. Scalf and Ms. Nightingale:

Over the past several months, Port Ludlow Associates has held several meetings with Port Ludlow community organizations and individuals regarding the Ludlow Bay Village and Admiralty III resort completion project. As a result of those meetings, PLA has offered not to build some of the improvements described in its applications and to enhance some additional amenities. I am writing to describe the details of PLA's proposal and to suggest that the Hearing Examiner add conditions to his approval of PLA's applications to ensure that the proposed modifications are made a part of the decision.

This is PLA's proposal to Jefferson County. Except for Item 1 (withdrawal of application), this proposal is subject both to the approval of the other applications described above and to future land use decisions based on new applications. This proposal relates to PLA's pending applications only, but PLA does not presently intend to submit new applications in the future that would be inconsistent with this proposal:

1. **No Over-Water Construction.** PLA hereby withdraws its application for an administrative code interpretation relating to residential over-water construction on the artificial lagoon or pond (File No. ZON05-00035).
2. **Less Density in Ludlow Bay Village.** PLA will build no more than 42 new residential units in the Plat of Ludlow Bay Village. The locations of the new residential units are shown on the attached drawings. This reduction will eliminate 20 proposed units from Ludlow Bay Village.



3. **Less Density in Admiralty III.** PLA will build no more than 38 new residential units in the area commonly known as Admiralty III. This reduction will eliminate one proposed unit from Admiralty III. The attached drawings show the locations.

4. **Fewer Marina Slips.** PLA will build no more than 64 new moorage slips within Port Ludlow Marina. The attached drawings show the location of the new slips in red. It should be noted that some of the slips were removed to improve the setback and scenic views from the Scott Dock.

5. **Elimination of Certain Nonresidential Improvements.** PLA will not build the following nonresidential improvements, whether or not they are approved by the Hearing Examiner, unless they are required by the Hearing Examiner:

Parking lot elevator

EMS helipad<sup>1</sup>

Private recreational facility

The elimination of these amenities requires a revised amenity-phasing schedule. PLA's proposed revised amenity phasing schedule is attached to this letter.

6. **Gull Drive Setbacks.** PLA will provide a setback from Gull Drive that is greater than the three feet required under Jefferson County Ordinances. In most areas, the setback will exceed 20 feet.

7. **Amenities.** PLA will provide or enhance the following amenities, which are illustrated on the attached plan:

Yacht club gathering areas (two to be provided)

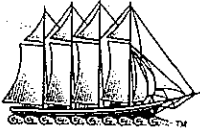
Walking paths (to be extended as shown in yellow on the attached drawings)

Admiralty III park/play area (to be provided as shown in green on the attached drawings)

After the resolution of all land use approvals and appeals relating to the project, PLA intends to offer the Admiralty III park/play area to the PLVC as a community amenity. If the PLVC does not accept it and agree to maintain it, then PLA intends to offer it to the LMC under the same conditions. If the LMC also declines, then it will be part of the common area or common element for Admiralty III and will be maintained by an owners association.

---

<sup>1</sup> This alters PLA's proposed phasing plan, as described in the letter dated June 23, 2005, from Mark Dorsey to Al Scaff.



8. **Marina-only Parking Restrictions:** PLA will restrict 70 stalls to Marina use only during the hours of 5:00 a.m. to 5:00 p.m.

9. **Inn/Town Home Parking:** PLA is willing to enhance Inn and town home parking areas as shown on the attached drawings. The proposed bollards will be eliminated to increase the circulation area. In addition, the town home parking spaces will be improved, and parallel parking will be added along Heron Road to improve guest parking in this area. We are also prepared to provide an easement for the benefit of the existing 25 town home owners to assure them that a minimum of 1.5 parking spaces will be available for their use. In addition we want to incorporate design elements to improve traffic safety by slowing down cars in this area and to screen the parking area from our Inn guests and town home residents.

PLA is not proposing to revise its applications, and PLA is not requesting environmental review of any additional alternatives. This proposal is simply a proposal not to build certain improvements and to enhance certain amenities, subject both to the approval of the applications described above (except the over-water administrative code interpretation) and to future land use decisions based on new applications. If you have any comments or questions, please do not hesitate to contact me. Thank you very much for your consideration.

Sincerely yours,

Port Ludlow Associates LLC

Diana Smeland

cc: Mike Bergstrom  
David Alvarez  
John Fischbach  
Elizabeth Van Zonneveld, PLVC  
Les Powers  
Rick Rozzell  
Mark Dorsey

Randy Verrue  
Troy Crosby  
Gregg Jordshaugen  
Peter Joseph  
Lewis Hale  
Bruce Schmitz  
Marco de Sa e Silva

**Port Ludlow Associates LLC  
Ludlow Bay Village and Admiralty III  
Resort Completion Project  
Proposed Amenity Phasing Schedule  
Revised September 13, 2006**

<b>Development Phase</b>	<b>Maximum Permitted Residential Units</b>	<b>Amenities to Be Provided or Bonded</b>	<b>When Amenities Must Be Provided or Bonded</b>
1	26 units (for example, Buildings R-1, R-2, 3, R-4, R-5, and 2 units above Restaurant)	<ol style="list-style-type: none"> <li>1. New Marina Retail/Office building</li> <li>2. Boardwalk (that portion landward of Ordinary High Water)</li> <li>3. New Harbormaster Restaurant</li> <li>4. New parking for Marina and Restaurant</li> </ol>	Prior to issuance of building permits for Phase 2
2	16 units (for example, Admiralty III portion)	Admiralty III Park/Playground	Prior to issuance of building permits for Phase 3
3	14 units (for example, Buildings R-6, R-7, R-8)	<ol style="list-style-type: none"> <li>1. Inn parking lot and fire lane improvements</li> <li>2. Gull Drive reconstruction (expand to two lanes)</li> <li>3. Lagoon Landscaping and Restoration, south and west sides</li> </ol>	Prior to issuance of building permits for Phase 4
4	22 units (for example, Admiralty III remainder)	Signs (community parking lot, trail, educational)	Prior to issuance of final complete certificate of occupancy for any buildings within Phase 4

**REVISED LUDLOW BAY VILLAGE PLAN**

	1994 Approved Plan	2003 Proposed Plan	2006 Proposed Plan	Changes From 2003 Plan
Ludlow Bay Town homes Existing	25	25	25	-
Ludlow Bay Town homes Future	28	40	26	(14)
Ludlow Bay Restaurant Town homes	-	-	2	2
Harbor Master Restaurant	Remained	To be relocated	To be relocated	
Harbor Master Residential Units	-	14	6	(8)
Single Family Homes	5	8	8	-
Sub Total LBV	58	87	67	(20)
Admiralty III	Not Included	39	38	(1)
Marina Slips	Not Included	100	64	(36)
Parking	Not Included	387	421	34
<b>OTHER FEATURES:</b>				
Over water Construction		Proposed	Eliminated	
Marina Elevator		Proposed	Eliminated	
Emergency Helipad		Proposed	Eliminated	
Marina (LBV Recreation Facility)		Proposed	Eliminated	
Port Ludlow Yacht Club Space		Proposed	Proposed	
Yacht Club Gathering Area		Eliminated	Proposed	
Marina Only Parking		Unrestricted	Restricted	
Building Set Backs (3' Required)		3' From Gull Drive	Approx. 20' from Gull Drive	
Walking Paths		Some Provided	Extensive	
Children's Play Area		Not included	Proposed	
Village Park		Not included	Proposed	
Inn Parking		Restricted	Unrestricted	
Town home Parking		No Additional Provided	Additional Parking	