

PORT OF BELLINGHAM

Washington State

March 5, 2013

Letter #3

Dear Boathouse Owner:

As you recall, the Port is sending letters to the condominium-style boathouse owners to keep you in-the-loop regarding discussions on the proposed policy changes affecting your boathouses. While all boathouse owners are welcome to attend these meetings, the Port will send out a letter after each meeting summarizing the discussion. This is the **third** letter being sent to inform you of the discussions held at the Marina Advisory Committee (MAC) sub-committee meeting on February 11, 2013, and the Marina Advisory Committee (MAC) meeting, held on February 12, 2013.

At the last meeting, the MAC sub-committee reviewed a copy of the Harbors' Rules, Regulations, and Procedures proposed draft boathouse policy and after a lengthy discussion agreed on three significant issues that need further discussion before making a recommendation on an implementation strategy. The three issues are:

- 1) Drafting an Organizing Agreement for the condo-style boathouses (being done by a boathouse owner),
- 2) Clarification of issues regarding insurance required by the Port, and
- 3) City of Bellingham requirements for new sprinkler system.

At the February 12, 2013 MAC meeting, the sub-committee updated the full-body MAC on these issues which are summarized below.

Organizing Agreement

The Harbors' Rules, Regulations, and Procedures proposed draft boathouse policy will require the condo-style boathouse owners to form and maintain a Boathouse Organization (i.e. partnership, association, LLC, etc.) and on behalf of the MAC sub-committee, Bob Tull, sub-committee member, has agreed to draft an agreement for the condo-style boathouse owners (Owners) to review. At the request of several Owners, the Port has agreed to briefly delay the timing of Commission consideration on the Harbors' Rules, Regulations, and Procedures proposed draft boathouse policy until a draft agreement is available for Owners review. A draft of this agreement should be available for review in early March.

Insurance Requirement

A number of questions have been raised regarding the new proposed insurance requirements so sub-committee member, Ken Culver, has agreed to meet with Port Staff during the first week of March to discuss this issue further. Mr. Culver has significant experience in marine insurance and will be able to help guide the discussion.

Sprinkler System Requirements

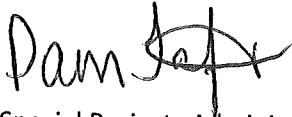
With the adoption of the City of Bellingham's new fire ordinance, the Port is required to upgrade the dry standpipe system at Gate 3 (Squalicum Harbor). The Port has begun the design and will be able to complete construction within the two-year City of Bellingham requirement.

The ordinance also requires the condo-style boathouses to provide an automatic sprinkler system throughout their boathouses within the next five years. The condo-style boathouse owners have requested that the Port initiate a technical study to determine the best way to provide the water to the boathouses. The cost to the Port to conduct this study would be approximately \$15,000-\$20,000 and since the marinas are a closed-loop system, this cost would have to be paid for through moorage rates. The Marina Advisory Committee was opposed to the whole marina paying this cost since it is a requirement only affecting condo-style boathouses, but agreed for the time being to postpone the decision on who will pay the cost and recommended the Port proceed with a preliminary study. Port Staff has agreed to take this item to the Port of Bellingham Commission as soon as possible, likely in April.

If you would like to provide comments and/or suggestions on this proposed policy, please send them to me at pamt@portofbellingham.com and I will forward onto the Commission.

The Port encourages you to attend the Marina Advisory Committee meetings which are held the second Tuesday of the month at the Squalicum Harbor Office in Bellingham. If you would like to provide additional comments, you may send those to the email mentioned above.

Regards,
Pam Taft

A handwritten signature in black ink that reads "Pam Taft". The signature is written in a cursive style with a large, stylized initial "P".

Special Projects Administrator
Port of Bellingham

cc: Dan Stahl
Chris Tibbe
Andy Peterson