

March 10, 2011
Property Owner
Address
City State Zip

RE: Notice of Admiral's Cove Dues and Assessments

Dear Admiral's Cove Property Owner,

Following legal review of the Admiral's Cove Homeowners Association, Inc. (ACHOA) governing documents and the outcome of a recent court challenge to these documents, it has been determined that no lot may be identified as "Exempt" for the purposes of ACHOA dues and assessments. Island County Superior Court has determined that the ACHOA Board of Directors has jurisdiction to collect dues and assessments from all Admiral's Cove property owners for maintenance and improvements of Tract A, our commonly owned property and facilities.

Exemptions create an unfair burden on the remaining property owners who pay dues and assessments for each lot owned within our subdivision. Any owner not paying for their lot(s) is thus "unjustly enriched." We have been advised to immediately correct this disparity of ownership.

In any event, all previously "exempt lots" lose that status at the time a property changes ownership whether by sale, inheritance, quit claim or warranty deed, by court decree or any other transfer or change in ownership name or type. Such property then becomes immediately subject to all dues and assessments of Admiral's Cove. The "exemption" did not "run with the land."

The change affecting your property occurred ~~in~~ with the change in title or the deed filed with Island County. Even though exemptions were not technically valid and we now have a court ruling that clarifies they are not permitted, the Board will not require you to pay any dues or assessments imposed prior to 2011 since you were unaware that the exemption was not valid. Your current (2011) dues are \$ _____

You will receive notification 2012 dues and any upcoming assessments approved by our membership via mail. If you have any concerns or questions, please do not hesitate to contact me.

Sincerely Yours,

Dustin Frederick
President
Admiral's Cove Homeowners Association

cc: file