

June 21, 2014 ACBC Board Meeting – unofficial notes by Karen Shaak

Board members in attendance: Ed Delahanty, Steve Morrow, Kurt Blankenship, Fred Salmon, Dustin Frederick (Suzy Palmer and Chris Hendrickson were missing)

Ed provided a new protocol stating that this was a board meeting and not a members meeting. This board scheduled NO member meetings other than the annual meeting. I am all for order and it's not easy to maintain but this board seems to loathe input from the membership; HOA rules are similar to this – do as you are told, pay and be quiet. A few folks provided input but the board seemed to not really care one way or the other; it is almost as if it was a bother that they had to meet in public. By the way, the board stated they are voting by email. These votes not recorded in the minutes if email is being used, they are simply secret. At some point the board will take action or spend money on something, an audit or law suit will occur and there will be no traceability – no votes or notes of email meetings.

The ACBC Bylaws do not cover the subject of the board voting by email. Any time the bylaws are silent on any subject the bylaws state that governance is defaulted to Robert's Rules of Order. Roberts Rules of Order say that in the case of electronic discussion everyone must be able to speak and be heard simultaneously or in the case of video chat, seen as well. There is no provision under RRO for having asynchronous dialog by email Email voting is not permitted.

The board meeting went long – more than three hours. The board members seemed more functional; nobody spoke over another board member which made the conversation easier to follow. (Suzy Palmer was not in attendance and it is generally her negativity and argumentative demeanor that causes this dysfunction.)

Here are the rules for members attending a board meeting:

- Members are limited to speaking only one minute outside of the member forum
- Member forum at the end of the meeting and is limited to 5 minutes per member

### **President's report**

ACBC received an IRS notice, a fine for late filing – an extension was filed but against the wrong EIN (doh – Sid's HOA number strikes again). Although paperwork was corrected another notice with another fine was received. The IRS was contacted and the representative gave ACBC a nine-week hold on receiving more notices of fines and hopefully the \$1300 fine will be waived when the paperwork is straightened out.

The board filed for a late filing for the last quarter of 2013 – filing is due mid-August.

Island County visited the pool in June to provide input on what it would take to open the pool. They provided a formidable list of guidelines. The Club paid the County about \$300 for a permit in order to open the pool this year. (More below in the pool section)

Wifi is now available at the shelter. Password is ACBC\_p00l (the 00 in pool are zeroes)

### **VP Report**

None - Suzy was not at the meeting; Ed commented that something came up.

### **Treasurer**

- \$60k outstanding dues exist
- Total money in the bank is about \$121K (includes reserves, restricted, and unrestricted accounts)

- New insurance quote for D&O is \$13K. The agent is looking for a better rate. The existing plan (Travelers) expires on July 17<sup>th</sup>. D&O is the insurance that covers the directors for their actions while on the board. Liability (property insurance) is a separate plan offered by Scottsdale.

### **Secretaries**

- Dustin presented the minutes from May – they were approved.
- Fred had nothing to report

### **Budget and Finance**

Dennis Egan presented an option to the board for tiered membership opportunity. This would enable members to pay less and have only basic access to the Club facility or pay more and have access to everything.

The structure of the option is similar to how country clubs are operated – an initiation fee with dues for plenty of privileges. This is an option the board asked the budget committee to explore.

The option proposes two classes of membership – basic and extended with differing benefits. Along with Associate members here is an example of how it could be arranged (high-level):

#### **A. Basic Membership.**

- Beach access
- Road access
- Play grounds
- Parking lot
- Picnic shelter \*
- Fire pit \*
- Lake access
- Volleyball area
- Any further additions to those areas
- Vote on items pertaining to Basic Membership

#### **B. Extended Membership**

- All items of a Basic Membership
- Contract required
- Use of the pool
- Use of the clubhouse
- Any further additions paid for by only by the Extended Membership
- Vote on all items

#### **C. Associate Membership**

- Annual contract required
- Depending on contract, use of pool, club house, and any items of a basic member.
- No voting rights

### Estimated costs

#### **A. Basic Membership (~\$150/yr)**

- Same as this year as the pool was not in the budget
- Increases of less than 10% unless voted on by the membership \$138
- Expect more than 10% next year due to increased insurance, attorney fees, reserve funding and the addition of professional landscape service. \$150+

B. Extended Membership (~\$600/yr)

- Cost of Basic Membership \$150+
- Initiation fee of \$2000
- Cost of pool and club house operations \$450 if there are 100 members ( less if there are more members)
- Total dues of \$600/yr + <10% increase if approved by board or other if approved by a vote of the extended members.

C. Associate Membership (200 max)

- Depends on annual contract
- Pool only (Road, parking) \$400
- Pool / Club House (Road, parking) \$450
- All facilities (Renter, local area, etc) \$600

Articles of Corporation / Bylaw changes

- No changes to AOI anticipated
- Many changes to the Bylaws to allow for tiered membership, dues and define voting.
- Contracts for Extended Membership and Associated Membership will need to be written
- Changes to the bylaws and the contracts will need to be done by the re-instated By Law Committee and should be reviewed by an attorney that understands what we are looking for in tiered membership. They would then go to the membership for a vote.
- The changes to the bylaws that pertain to tiered membership may have to be passed as a package

Questions / Possible Answers

- Q: Can a Basic member use the pool?
  - A1: Yes for a fee that would be similar to the fees at the Fort Casey Pool. ( limited to 10 swims/yr)
  - A2: No unless there is a buy-up equal to the amount of an Associate Member. ( Would not be an Associate Member)
  - A3: No
- Q: Can someone other than a Basic, Extended or Associated member use the pool?
  - A: No, unless a quest of one of the above based on what the contract says.
- Q: Can a Basic Member use the exterior restrooms?
  - A: Yes when open
- Q: Can a Basic Member vote on issues of the pool or club house?
  - A: No, only Extended Members can vote except if it is something that affects the club as a whole.
- Q: Can the initiation fee be transferred to a new owner?
  - A: No, a new initiation fee will be charged
- Q: What if an extended Member pays their initiation fee and does not pay their dues?
  - A: After 2 years, the initiation fee is forfeited and the member reverts back to a Basic Member. A new initiation fee would be required if that member later wanted to become an Extended Member.
- Q: What if the \$695,000 Refurbishment cost is not paid for by the Basic Membership?
  - A: The extended members would have to pay for not only the initiation fee, the increased dues, but add the \$695K refurbishment costs. Based on 100 extended members that would be almost \$9K per extended member. It was felt that cost would be too high unless the extended members had more control of those assets. i.e. So a group of Basic members could not change the By Laws back to where they again had use and voting rights on those assets. Also sale of the facilities to the extended members was discussed, but not sure if that is legally possible.

- Q: Why would a Basic Member pay for the \$695K for the refurbishment of the pool and not have the use of it?
  - A1: They have the option to become an Extended Member.
  - A2: They may have very limited use of the pool depending on what was decided on question 1.
  - A3: They may have a legal responsibility depending on the court regardless if we move forward with “Tired Membership”
- A question was posed as to whether ACBC as a 501( c )(7) could allow a tiered membership
- Maria pointed out that we already have a tiered member since we have perc and non-perc lots which are two classes of member with differing dues; plus we have associates.

Dustin suggested a motion to have a lawyer provide input on tiered dues structures. Steve requested the attorney also be asked about other sources of income and amounts that are allowable as a 501 ( c ) ( 7). In the past the club was counseled that 15% of income could come from non-member use of the facility and there is a provision for 30% investment income with some special clauses. It would be good to have some more input on specific amounts allowable and how to account for them and not lose non-profit status.

### **Grounds committee**

Nate was not present – no report

Ed mentioned that there had been some vandalism – beach door (between in- and outdoor shelter) was badly broken.

### **Long Range Planning Committee**

No report – Chair (Dustin) was present but no explanation for not meeting

### **Unfinished business**

Signed documents

- Ethics documents – all board members except Kurt have signed it (Kurt will sign at a later date)
- IRS documents – retention policy, whistleblower policy and conflict of interest policies were signed by all board members. Steve agreed to post them on the website.

Collections

- Kurt Blankenship spoke about collecting outstanding dues and assessments. Kurt has looked at several firms and requested the board’s permissions to interview various law firms with the intent of hiring one to collect outstanding dollars.
- Dustin inquired about the process, Kurt indicated that the firm would send letters and call members. Kurt provided more input about collections during the discussion about opening the pool this year (see below).
- Dustin motioned to have Kurt interview and select a law firm to collect outstanding dues and assessments and present it to the board.

Audit

- Ed and Steve discussed audit vs procedural reviews. Dustin thinks they only ever need a procedural review because it is allowed by the bylaws (this is true but procedural is clearly not a financial audit). They don’t believe a formal audit is required or necessary even though the dollars to cover an audit were budgeted and approved by members. These extra budgeted dollars will be going to ‘open the pool’. For members of the budget committee – the discussion we had about the board using any fund for any reason and how to prevent this from happening clearly it is a matter of ethical behavior; this is an example of the board ignoring the approved budget and moving funds around. Reserved accounts may be next. For members not wanting to pay dues because money isn’t properly handled – here is a case for neglect of your vote. Why have a budget if all funds can be moved at will; it’s become a piggy bank for directors.

- Dustin motioned that they only obtain a procedural review from Edwards and Associates

#### Security

- Security cameras are now installed (on loan) in the pool building. Ed and Steve discussed purchasing cameras. They believe that the cameras are already deterring vandalism (however, it doesn't generally start until July and the shelter door was broken, the cameras are not visible and there is no signage so how is it a deterrent yet?). I'm for security just not making up facts.
- Steve thought that purchasing a wireless camera would be about \$200 and it would likely not transfer to the rehab of the facility, it would be a sunk cost. The camera would not have high enough resolution to be able to see license plates or clearly distinguish vandals but you might recognize a vandal if you happened to know that person from the video. A motion was made to authorize \$250 for a security camera and signage.

#### Vegetable Garden

- Maria indicated she was planning to proceed with the vegetable garden (no cost to the club). She said she didn't agree with the requirements stated by the board. Excluding non-paying members and the endurance factor the board made in relation to tearing down the garden structures seemed unfair.
- No enforcement of the fishermen has ever occurred – some mornings 20 cars of Coupeville residents (who don't live in AC) show up and fish from the beach. No money or enforcement of membership occurs. Beach is open to all.
- A large July 4<sup>th</sup> party is planned on the beach by a non-resident (no money collected here either). Fireworks are fun and who would police it?
- A daycare brings its kids from Crockett estates several times a week – that's OK too. Hey, everyone likes kids, right?
- The Tuesday coffee allows members not in good standing as does the annual BBQ. No role call or sign-in is ever required for these activities – open to all.

It is curious as to why the board may have singled out Maria's proposal for a garden. It seems highly discriminatory.. She would like to proceed with the garden in the fall and would like to follow the rules but they need to be consistent and fair to all. If Maria gets treated differently something is amiss – what's different about Maria?

Ed commented that no member can use the garden if they don't pay. He also indicated that the board does not plan on controlling the beach or playground use. I guess this means they will be patrolling the garden while turning a blind-eye to who is on the playground and beach at the same time?

Maria stated she felt there was a large discrepancy between the vote that occurred at the meeting and the paperwork that ended up being written governing the garden. She told the board they are just disenfranchising more members who might want to join the club by discriminating. I guess these non-paying members should just use the facilities and be happy. I see them on the beach many mornings anyway 😊

Fred Salmon said all they are trying to do is follow the bylaws (except when it's something proposed by Maria?).

#### **Sue Corliss was recognized and spoke on the topic of good standing:**

Sue indicated that when she chaired the social committee there was no sign-in sheet or checking required allowing only members in good standing. Coffee meetings do not require only good standing members and they cost the club money; they happen every week. Sue asserted that the board is acting in a discriminatory manner by allowing other community activity to occur with non-payers and asked why. Ed said he heard her statement but didn't seem to care that the coffee meetings and other events occurred without the requirement of good standing.

**Discrimination** is action that denies social participation or human rights to categories of people based on [prejudice](#).

Hmm, smells a lot like how the board is treating the proposed garden club.

## **Pool Assessment**

Dustin made a motion to proceed with a pool assessment; he presented two options to pay but none to say no.

Option one – two part payment \$800 in 2014 and then \$800 in 2015

Option two – one-time payment due in 2014 of \$1600

All board members unanimously agreed with the motion. They discussed fund raising and community projects to offset the cost so the second year would be less if the vote was to pay over two years. But, it could very likely be more.

There would be an option for payment plans and they discussed ways to address hardship. They want to discuss that in private.

**Jackie Pritchard was recognized** and asked why the motion Dustin made includes a statement referring to Judge Hancock. The motion makes it sound like a final ruling by Judge Hancock occurred; he asked what if there is no ruling? Kurt discussed that just because the ruling is preliminary the Beach Club is still obligated to proceed and not allowed to ignore it. Pritchard challenged that the judge didn't say the pool must be preserved and maintained but Kurt claims it is so. He claims the judge has provided a directive to move forward on the pool and maintain and rehab it. The counsel I received is that there is no obligation to proceed when a case is still unsettled; this is similar to not covering the pool (a law) while the TRO is in effect. It appears the board is picking and choosing which things they are obligated to proceed with 'per Judge Hancock'. There is no obligation to be in a hurry, this is a choice the board is making. The judge only said there was reference to the pool in the bylaws and what it said – what if those references no longer exist and they bylaws changed. What then? Wouldn't the judge then say there are no references to a pool in the Club's documents?

A member asked if we will get a final ruling. Kurt said we won't get a final ruling unless one side or the other asks for a final judgment. Since there is only one side now (Dustin v Bob) it is unlikely anything that isn't a conflict of interest will occur.

A member asked whether the assessment would be per member or per lot. Dustin said it would be \$1600 per lot. The member had three lots and seemed concerned that he would be supporting the pool x3 but only has a single vote. Yep, this is true; it isn't fair and should be changed.

**Maria was recognized** and indicated to Kurt that the case has not been settled. Maria contested Kurt's assertion that the Judge directed them to move forward. He indicated that the plaintiff has dismissed the defendants and therefore the board can move forward on its own without input or concern about the defendants' opinion. She commented that this input is disenfranchising and dismissive to the membership. Kurt said he felt that the case will be resolved (not sure what he meant).

**Russell Chamberlain was recognized** and asked the board to remove the Judge Hancock statement from the wording of the motion being made by Dustin. Assessing members is not a legal directive of the court and he indicated that he felt the board was being disingenuous and attempting to trick the members into thinking the court was mandating an assessment. I think Russ is right on target; by using Judge Hancock's name in the motion it is meant to intimidate and threaten the members. Dustin always takes this tactic – the stick versus the carrot. I wonder what Judge Hancock would say about it; maybe he should get a copy to comment on his intent? During this conversation Dustin told Russ that it just 'blows his mind' that members don't read the Close documents that indicate membership is required in everyone's deeds. Dustin fails to believe that everyone's deed isn't the same and maybe some have nothing listed and there is nothing to convey about the club from the inception of the club from prior owners. Russell continued his

conversation and said he believed the board is presumptuous in thinking they can read the judge's mind by throwing his name around. He said they make the assumption that he will rule in their favor and the plaintiffs are working in the background paying off one another and the judge is unaware of what is going on and that this is unethical. The membership needs to know what deals are being made.

Dustin tried to convince the members in attendance that the scope of his motion is general but what will go to the members will be more detailed and all will be good. He feels there will be a resolution to the case prior to the voting period.

Maria reminded the board that was a TRO in place and she believes they cannot proceed with the motion.

Russell (didn't hear last name) was recognized –

This member seemed surprised by the assessment offering and demanded the board offer a no assessment option as required by the bylaws. All board members looked down and refused to acknowledge this as a requirement of the bylaws and provided this member with no input. They clearly don't care; HOA rules in effect here – what the board says goes!

Fred reread the motion aloud and the board unanimously approved the motion. The board always votes unanimously on all motions. And, all motions are made by Dustin. It appears that Ed gets to do the grunt work and wear the crown but Dustin rules the board. No surprise here.

Late fees – Dustin made a motion to add late fees to the ballot to ensure members know they have to pay late fees. Kurt said believes ACBC **CANNOT** impose a late fee without a contract with a member and indicated that he made this case at the last meeting. He asked that Dustin add the words 'assuming it is authorized by laws in the state of WA' to the motion. I'm curious as to why Kurt doesn't believe a contract isn't a requirement for dues payment and not just late fees, isn't a contract for payment for any payment? Several ACBC members have gotten this advice from Real Estate attorneys as to whether they should pay. The bylaws are not a contract to pay dues or a late fee for not paying. Do your own research and contact a real estate attorney. Most attorneys will provide you with an hour of free consultation to give you a sense of whether it makes sense to proceed with your issue and hire them, here is a good resource for finding someone to advise you: [www.avvo.com](http://www.avvo.com). It you have no notation in your deed and any prior owner/seller of your property had no filing and you have no contract to pay, then what?

**Sue Corliss was recognized** and asked they add "in accordance with ACBC governing documents" to the motion and they agreed.

Steve Morrow recommended that they ask a lawyer about the legality of adding late fees.

Steve Morrow described that for members requesting a hardship consideration for making payment arrangements would be subject to verification. The board will use the senior property tax exemption as a basis for granting a payment plan. Steve requested input for other means of verifying hardship. Steve indicated that the board doesn't think it is fair to allow payment plans without hardship. This is plainly weird – why not let members willing to pay make a plan that is comfortable without having to enforce some public hardship verification requirement – some just don't earn a large amount and live paycheck to paycheck. Hard to make ends meet but willing to pay seems like it would be more than acceptable than don't pay at all. Who cares if it takes someone 6 months longer to pay but it enables them to pay their insurance or whatever they need in their personal lives in the meantime. In my opinion, it is particularly draconian and

cold-hearted to enforce stringent verification rules, what are you going to do if someone makes up their own payment plan and pays what they can without asking? Send them to collections for trying? This happened with a \$400 assessment so good luck with your punishment attitude. But, Steve says no it must be some kind of 'official' hardship. I have no word for this other than dumb.

### **Pool Opening (this summer)**

The budget committee provided an estimate to open the pool this year indicating a variance of about \$40K. Ed says he believes it is only about \$21k to open the pool this year above operating costs. He said it would use up all available funds to open it and this is just working against an estimate so it could be more. He doesn't believe we should do this based on a financial perspective. Steve indicated that it would require ALL of the money in the checking account and would significantly erode the money market fund to open the pool.

- Dustin commented that if the Club had the dues in arrears, money wouldn't be a concern. He said he believes the pool must open this year based on the court requirement. Dustin says we must comply with the court ruling. (The court ruling says nothing about opening this year but does speak to ADA compliance which the club is attempting to avoid).
- Ed said his concern is that the Club will have NO money and this could cause serious issues for the club to continue to operate.
- Fred said he believed they needed to move forward on the collection issue to get money to open the pool this year.
- Ed estimates it would take 3-4 weeks (at least) to get stuff (parts) at a minimum to even get the project started. Middle of July would be the best case scenario to open the pool. Ed indicated that he had vacation plans.
- Kurt said he could have recommendations to proceed on collections in a week or so. He cautioned that collections would take several weeks to even get started. It would start with a letters from the collection agency and money wouldn't come in quickly. He estimated they might collect half the money by the end of the year.
- Steve commented we'd have to use the money market fund for sure to make ends meet. Bankruptcy could be a result but Steve thought they'd make it.
- Ed agreed that they'd need to have an inspection and believes the county will approve the club to open as a limited us pool but it's possible they'd spend the money and not be able to open.
- Kurt too stated he believes they should push to open the pool.
- Dustin inquired to Kurt about what happens to those members from which the collection firm can't collect. He wanted to know what the ultimate hammer that the collection agency had at its disposal would be.
- Kurt said it would be a credit ding on the member's report. He indicated that there is no ability to lien or seize property based on the Club's status. Dustin wanted to know if we could sue and lien property. Kurt did not believe that a lien as a vehicle that was available to the club, just a credit demerit.
- From my own research I've found that there are some stringent reporting requirements (by the big 3 credit agencies) to reporting an issue against someone, meaning the club has to be willing to re-report to the agencies over time for them to actually ding your record. I guess the Club can pay the legal firm or bookkeeper to continue to do this in perpetuity. Basically the agencies require they have a current status at any time in case they get an inquiry or they will remove the ding. It's a complicated process and the agencies don't ding credit in an ad hoc basis or take it lightly. Either way, it sounds like that based on Kurt's counsel you could end up with a mark on your credit if the process is followed.

- Dustin was annoyed by Kurt's answer to the lack of punishment tactics available and noted that the situation wasn't helped that the dues were not raised in the past over a period of many years (including his years on the board).
- Steve stated that he didn't think the club would go bankrupt but might have to draw into the reserve and come close. Dustin said thought members would donate money to open the pool.

**Harry Lynam was recognized** and asked who was going to do the pool work since Ed won't be available. Harry indicated that Ed had been doing 90% of the work to date and would be out of town for a fair amount of time. Nobody stepped up to take his place. Maybe the opening will need to be delayed to August? This issue was left unresolved; none of the other board members seemed to want this job.

The Insurance Company (Scottsdale) that issues the liability coverage has not inspected the pool.

Ed indicated that the pool will not be ADA compliant. He contends that we do not have to be ADA complaint and we would function as a limited use pool. To be limited use we cannot have associates. He contends there are no other issues to becoming a limited use pool. I asked Ed if he felt that the board could override the bylaws that allow Associate members. He said yes they can simply not offer them but the bylaws do not indicate those words of Associates being made optional by the board. I guess if someone sends in an application they will be denied. I think the board is violating their responsibility by eliminating Associate memberships without changing the bylaws. They're going to spend more than \$4,000 without a vote by the membership; this is also a violation of the bylaws.

Maria asked what will happen if we run out of money? Ed said we won't run out of money per Steve but he is very concerned about spending so much of the club's funds on opening the pool and leaving no buffer for other issues.

Dustin made a motion that the pool be opened as a limited use pool assuming there are funds to open. He is concerned that it will take a long time 4+ weeks to get it opened and it closes at Labor Day and that the money spent will be a lot for little value to the members. The most it would be open is 8 weeks and it could be significantly less.

Steve said he was concerned that there is no cushion in the budget and that they'd need to eliminate categories in the budget (like the audit) to spend for the pool. Steve reiterated that opening the pool would use 100% of the checking account and spend into the money market fund and maybe further. He doesn't think we'd run out of money unless there would be an emergency or something. Dustin seemed to be the only member not concerned about spending 65% of available cash. Dustin suggests cutting the hours to cut the cost. Steve said it boils down to a decision of whether it's worth spending the money. Fred said he thinks it is a good idea to open the pool and bet the farm else "we are not doing our job". He agreed that it's not comfortable but he still believes the board should do it. Dustin says they could open it but close it after spending the money if something bad happens. The motion was carried to open the pool. I guess the board intends to violate the bylaws and **NOT** offer the members a vote to spend more than their limit of \$4,000 to open the pool. This must be something that Judge Hancock mandated; that the board can violate the bylaws spending limits and open the pool.

A question came up about disabled members. Ed said that if you are disabled and in good standing that you will not be able to use the pool but you must continue to pay. If there is a disabled person that contests it then the board will deal with that person and it could be a big stumbling block – discrimination based on disability is a violation of federal law (limited use pool has nothing to do with this issue for members in good standing). He indicated that the plan is to

apologize for the discrimination and hope for the best. I am guessing this isn't going to work well. A member in attendance who is disabled and in good standing grumbled, used his cane to get up and made a comment to go file his paperwork for non-compliance and discrimination.

### **Russell Chamberlain – nominations committee**

There are four committee members and meetings are scheduled.

Three seats are open this year and Ed has indicated he will re-run for election, no other board members have made a commitment to run.

The candidate form is due in 60 days and Russell asked that it be posted on the website

Ed discussed that there is \$18k in the bluff funds to maintain the road. He wants to use this fund as landscape money to maintain the road. His logic is that the road is the bottom of the bluff.

Ed mentioned a BBQ on the weekend of the 4<sup>th</sup> and asked for volunteers for the BBQ. Sue Corliss asked if Chris Hendrickson was available to host the BBQ since she is the chairperson of the social committee. She pointed out that Chris doesn't do anything or participate in the community. I agree with Sue, why is she even on the board she's certainly not doing what her election statement said she would do? Joan Pickerell volunteered to host the annual BBQ.

The Peterson family has not paid the \$9k owed to the Club for illegal cutting of trees on the bluff owned by ACBC . There was plenty of talk of sending members to collection and potential home liens for a couple hundred dollars owed but no traction on moving forward on the \$9K. Hmm, I have to wonder what's up with this.

Ed announced a request from a marine biologist to use ACBC beach to sample red octopus.

Starting this week and lasting thru the end of August, trucks will be parked on the property and using the beach to sample octopus. Sue asked if they offered to pay for use of the facility. No donation was offered and the board is fine with non-paying member use of the property in this scenario.

### **Member forum**

**Sue Corliss asked** if the board authorized Travelers to pay Dustin or Bob any money. Ed said yes it was authorized and that it was required to be done but that he did not know any of the details. Sue indicated that the court order states there is no payment to be made to either party for the dismissal. Ed claims it was a decision made by the insurance company and he had nothing to do with it. Dustin commented that there was a check for \$10k written to Chris Skinner to pay for Bob's legal fees to sue ACBC and he wasn't involved. He says the original request by Bob was for \$20k. Dustin claims it is a settlement based on the merits of the case. I think the settlement has no merit and Bob should not have been reimbursed .01 for the privilege of suing the beach club. It was his choice to sue he should pay the entire cost for his choice. It is interesting to watch Dustin throw Bob under the proverbial bus. Wasn't Dustin a plaintiff just a few months ago?

**Sue Corliss asked**, since the only defendant remaining in the filing is ACBC whether the board will share with the membership what is going on with the case. She asked, since she is now a defendant (member of the club) shouldn't she have a say in the remainder of the case. She asked that the information be imparted as to what is going on and how it is proceeding. Sue asked to be part of the legal decision making process. Ed said no to all of her requests, and stated that only the board will be making decisions and knows what is going on. You can draw your own conclusion – Dustin was a plaintiff and is now a defendant. Why would he want your input on his outcome? If you want a say, you will need to file suit.

**Susie Pettersen contended** that the architectural control committee is required and that it should be re-instated immediately. Susie stated that wants a committee to rule over dead boats, trashy yards, rickety fences and other home owner land issues. ACBC is not a homeowners association. The contract each homeowner has (CC&R) is with Island County. The Beach Club has no jurisdiction over your land.

**Susie Pettersen requested** that only members in good standing have use of the property and be allowed on committees. She believes that members not in good standing cannot attend parties if invited by a paying member at the shelter even if other guests may not even live in Admirals Cove. I had this same argument with a board member (Suzy Palmer) who rents the shelter for non-paying members when it suits her need (what is it they say about people in glass houses?). How would this be enforced, the board already indicated it wouldn't enforce use of the property.

**Susie Pettersen expressed** concern that the board has not been reporting communications – letters and email. Ed claims they have been covered with the Presidents report. Suzy disagrees since she has communicated with the board and it was not covered in the meeting and not in the minutes. Hmm, maybe Susie is right.

**Susie Pettersen believes** it is not fair or consistent to allow the University to use the beach front without being a paying member. Research or not she doesn't believe the members should subsidize access to the property to non-paying members. At least Susie is consistent with her message; she is honest and doesn't lie about her requests. I may not agree with some of her requests but I understand her perspective.

**Maria Chamberlain contested** that the architectural committee can be in effect and only an HOA can rule over land of the membership. Susie Pettersen contended that Maria was incorrect and that the CC&Rs mandated the club be involved. Ed said the board will review all of Susie's requests

**Sue Corliss was recognized** and read the following document – an open letter to the Board of Directors:

Open Letter to the 2013-2014 ACBC Board of Director's

TO: Ed Delahanty, Suzy Palmer, Fred Salmon, Chris Hendrickson, Kurt Blankenship, Dustin Frederick and Steve Morrow (the BOD's)

Much of the discord surrounding the pool is the Motion of October 2012, at the Annual Membership meeting. The motion starts with " (1) to identify and evaluate various options related to the pool's future, included but not limited to ..." This motion does NOT exclude the option to dispose of the pool. The motion actually would include the option of disposing of the pool. After much discussion and research with experts, the findings were presented to the BOD's for their final decision. It is obvious (by the ballot) that the BOD's decided to present 'dispose' as an option to the membership, along with an option to rehabilitate the pool.

In your Newsletter of May 12, 2014, you state that the 2013 ballot the membership voted in favor of disposing of the pool was invalid. To date the Court has not RULED in favor of the Plaintiff(s). The Court did order that the Plaintiffs had sufficient cause for the Court to approve the Temporary Injunction Order (TRO). This effectively stopped all further action to dispose of the pool. This in no way should be misconstrued that the Court has made a FINAL RULING on the facts of the case. Your Newsletter is misleading. As a member of ACBC I demand you cease and desist in this line.

This BOD's needs to revisit the Articles of Incorporation concerning your responsibilities. Article V, # 5 "To sell, convey, mortgage, pledge, lease, exchange, transfer or otherwise dispose of all or any part of the property and assets." This clearly states that the BOD's are charged with the member's will. The ByLaws requires an 'approval' of the membership

for assessment. Merriam-Webster Dictionary defines approval: permission to do something. The opposite of approval is disapproval. You, the BOD's you MUST give the members of Admirals Cove Beach Club the option to Approve (YES) or Disapprove (NO) the assessment per the ByLaws of Admirals Cove Beach Club. The membership has already voted to dispose of the pool.

The action's of this current BOD's is in direct conflict with the AOI. I demand that you cease and desist. I demand that you stop all action concerning another assessment ballot.

At the May 2014 BOD meeting the BOD stated that there would be NO option to vote against an assessment to ourselves. This is ludicrous. Any ballot I have ever seen in my Voting years (here at ACBC or Public elections) that included a rate increase, bond issue, any financial issue, where the voter was asked for more money, the ballot always included a YES or NO option. Never has there been a ballot telling the voter that no matter how they feel, they have no say in the matter. When the BOD's says there won't be a NO option, they are saying to the membership: We don't care what you think, we just want your money and YOU WILL GIVE IT TO US. The BOD's are running this club like a dictatorship. I demand that you cease and desist.

Ladies and Gentlemen we live in a Democracy and this is not the democratic way.

Susan Corliss