

Call to order 2:02PM

Board Members

Jean Salls, Maria Chamberlain, Karen Shaak, Ed Delahanty, Suzy Palmer

Absent: Dan Jones, Bob Peetz

Memberships in attendance: 12

President's Report

Jean Salls

- IRS update – 501C7 exemption certification has been received
- Annual Meeting will be January 11, 2014 2:00PM at the Shelter

Secretary's Report

Karen Shaak

Notes of the October 2013 meeting were provided and entered into the record. No meeting was held in November.

Many members have inquired about the litigation (Robert Wilbur and Dustin Frederick vs. Admiral's Cove Beach Club), the following statement was read aloud to members in attendance.

STATEMENT REGARDING PENDING LITIGATION

As the board, we have chosen to make a limited statement regarding the current litigation pending against Admiral's Cove Beach Club and the individual board members. We will not be accepting questions or entertaining a discussion related to the litigation at this meeting. As many of you are aware, Judge Alan Hancock conducted a hearing on November 27, 2013. The hearing was to address the entry of a temporary injunction and decide whether the board members were in contempt of the court's prior temporary restraining order. The hearing was not to make any final determinations on the merits of the case. The result of the hearing is that ACBC and the board members will be temporarily enjoined from collecting or enforcing the August 2013 assessment for the removal of the pool. ACBC and the board members will be temporarily enjoined from determining that a member is not in good standing solely based on a failure to pay the August 2013 assessment. ACBC and the board members will also be temporarily enjoined from keeping any member in good standing from voting for the Admiral's Cove board of directors or running for the Admiral's Cove board of directors unless the member is otherwise precluded from doing so under the Bylaws. ACBC and the Board agreed to refrain from taking any action to remove or decommission the pool until a final determination on the merits of the case. ACBC and the Board will also be temporarily enjoined from taking any action inconsistent with the October 27, 2012 membership motion. Finally, the court held that the individual board members were not in contempt of the prior TRO and the Court denied the plaintiff's motion for contempt.

The Court made these rulings by way of oral ruling. A final written and signed order memorializing the exact language of the temporary injunction has not yet been entered. When

the order is entered, a copy of the oral ruling and the final order will be posted on the website. However, selected excerpts from the oral ruling addressing a member's ability to vote in the upcoming election will be included in the election packet.

As for the payments already collected based on the August 2013 assessment, the board will be returning those assessments to the members who paid them. However, the returning of the assessments is not an admission by the board or ACBC that the assessment was improper. The final determination as to whether the assessment was proper or improper will be determined through the litigation process. To the extent Judge Hancock already addressed the propriety of the assessment; we believe that his statements are solely for the entry of the temporary injunction and not a final ruling. We believe the final written order memorializing the court's November 27, 2013 oral ruling will indicate the limited nature of the Court's holding.

As the written order has not yet been entered, we will not be taking questions or entertaining discussion related to the pending litigation or the court's November 27, 2013 oral ruling. This process has been incredibly stressful for those involved and we ask that everyone please be respectful to all members of ACBC including those involved in the suit. We hope to resolve the litigation as soon as possible but will refrain from discussing it further at this time.

Treasurer's Report

Maria Chamberlain

- Warrants were distributed for signature
- Financial reports presented verbally and via copy to the membership
 - P & L and Balance Sheet also available on website

Motion made to initiate refund of pool assessment as soon as possible. MMSA - Director's signed motion to be provided to People's Bank

General Business

1. Illegal tree cutting:

A Farragut neighbor trespassed and cut trees on ACBC property. An arborist was hired to survey the damage – approx. \$9,000

Motion made to forward a letter to the homeowner's requesting payment for damages. MMSA

2. Neighbors on Farragut (Pritchard's) have requested to prune ACBC property to maintain their view. Pruning will be done to the specification of the arborist to ensure no further damage to the slope occurs.

Motion made to allow the Pritchard's to prune per the arborist's specification - MMSA

3. Security for annual meeting was discussed. Due to continual threats against the board
- \$340.00 is the approximate cost as quoted by a firm in Pt. Townsend
 - Member suggested we obtain legal posting for the shelter for no concealed weapons
 - Motion made to hire a security guard for the annual meeting - MMSA

Membership Open Forum

Suzy Palmer requested that it be added to these notes that she...

- does not agree with the date of the annual meeting
- does not agree with the candidate list
- does not agree with not providing the membership with litigation details
- is averse to paying for the cost of the mailing as she does not agree with it having been sent to the membership.

Dustin Frederick questioned why we hadn't covered the pool per the state law. Jean Salls reminded him that it was because he filed a temporary restraining order against doing so.

Sue Corliss questioned the TRO vs ACBC liability to cover the pool. This is a valid concern; however it is unlikely to be a problem if we are questioned due to Judge Hancock's order.

Adel Saba stated his opinion of elections and gave us a lesson on how he ran some Federal elections in his past.

There was a discussion about Perc versus Non-Perc lots and the validity of the reduced billings. Jean explained the status – lots registered as non-perc with the county are charged at half-rate on all dues and assessments per a change to the Articles of Incorporation sometime in the 1980's.

Dec 24 and 31 Tuesday coffee hours are canceled due to holiday plans.

Meeting adjourned 2:55PM