

AN IMPORTANT ANNOUNCEMENT ABOUT THE POOL LAWSUIT

Your Board of Directors believes that the 2016 ballot to renovate the pool represents the will of the current membership of ACBC and should prevail over the 2013 ballot to remove the pool. A great deal of hard work by the Board and several committees went into that ballot. Numerous meetings were held over many months at which pool issues were thoroughly discussed and vetted. Throughout the process, this Board and the Committees worked very diligently to make the process and the choices as transparent as possible and to give the membership as much information as possible. The success of the past several swim seasons is further testament to the will of the Community regarding the pool. Nevertheless, we also recognize that it will be some time before these issues are finally settled in the courts.

In light of the uncertainty created by the Appellate Court's ruling, the BOD's interpretation of good standing and stance regarding collection of the pool renovation assessment are being altered effective immediately, pending resolution of this issue.

Please note that the case is not yet over. It remains in the appeal process until at least August 22nd, after which, if no further action is taken, it is returned to Superior court for further adjudication. On the advice of counsel, the Board is going to file a motion for reconsideration by that date to point out some inconsistencies and ask for clarification of some points. The decision does not specifically say that the 2013 vote is reinstated. It simply says that the AOI and by laws do not prohibit disposing of the pool and that doing so was not a violation of the October 2012 motion approved by the members. It does not address the effect of the 2016 pool assessment that passed.

The Board, and the ACBC Community, are now confronted with two conflicting member votes:

- 1) The 2013 ballot, which provided two and only two options: repairing the pool at a cost of \$650,000 with a \$1000/perc lot assessment, or a \$450/perc lot assessment for removal of the pool facilities and restoration of the site to its natural condition. No opportunity was provided to the members in that vote, as required by the ByLaws, to vote "no" on either choice, nor were the ballots signed by those casting votes.**
- 2) The recent 2016 ballot, which also offered two choices: a \$1,000/perc lot assessment for renovation of the pool and an option to include installation of heat pumps. Both options included the opportunity to vote "no", as required by the ByLaws. All ballots had to be signed in that vote. The assessment for renovation passed by a larger margin than the 2013 vote to decommission the pool. Generous payment plans were offered. Since the passage of that assessment, \$370,000 has been collected and funds continue to come in at a steady pace from those who elected payment plans.**

We intend to ask the Court to rule on whether the 2016 vote supersedes the 2013 vote, since that is the most recent expression of the will of the Community. Either way, there is a substantial assessment involved. If the 2013 vote prevails, estimates for decommissioning the pool and restoring the site to its natural condition would have to be updated and a new assessment issued for same.

Until this issue is resolved, we encourage continuing to make payments on your payment plans and leaving your assessment payments on deposit with ACBC. All assessment payments are being accounted for separately and held in segregated accounts. None of these funds have been spent nor will they be spent until these issues are resolved. Any member in good standing is welcome to examine the financial records to verify this upon receipt of a written request for same.

Return of Assessment Payments:

While we do not encourage this until the issue of which vote prevails is resolved, you may request a refund for your pool assessment payment(s) ONLY, not any dues or fees. Please note that payments have been applied to any prior balances first and thus to prior dues and fees before being applied to the assessment. To request a refund OF YOUR ASSESSMENT PAYMENT(S) ONLY (again, no refunds will be made for dues or fees), send a letter to: ACBC, PO Box 366, Coupeville WA 98239-0366. Include your lot number(s) (S6010-0x-xxxxx-x), name, property address(es), address for remittance of the refund, phone and/or email in case questions arise, and state your request (eg, 'Please refund my 2016 ACBC pool assessment payments for the properties listed above.') with your signature and date. We will mail a refund check to you within 30 days of receipt of your letter. In the event that it is ultimately determined that the 2016 vote prevails, those who request refunds would obviously be re-billed for the assessment. In the event that the 2013 vote prevails, then all collected pool assessments will be refunded even without a request for same. A new assessment will then have to be calculated with updated costs of decommissioning, etc. Note that if you have received free swim punch cards for the 2017 swim season as a result of your assessment payment, these will no longer be valid if a refund is issued.

For now, we will make the following changes pending a resolution of which vote prevails:

Good Standing:

A member whose dues and fees (excluding the pool assessment) are paid in full or who is current on a payment plan for same initiated on or before August 5th, will be considered to be in Good Standing (entitled to use ACBC facilities and to vote). Members initiating payment plans for their dues and fees after August 5th will be considered in Good Standing after their fourth timely monthly payment, or upon payment in full, and will be considered in Good Standing for pool and shelter usage for the remainder of 2016 as long as they remain current with their monthly payments. Note that payment in full including the assessment prior to November 20th will still entitle you to 10 free swims per lot for the 2017 swim season – another reason to complete your payment plan on time.