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SUPERIOR COURT OF WASHINGTON FOR THE COUNTY OF ISLAND

ROBERT WILBUR and DUSTIN
FREDERICK,

Plaintiffs,

vs.

ADMIRAL'S COVE BEACH CLUB, a
Washington non-profit corporation; and
JEAN SALLS, MARIA CHAMBERLAIN,
KAREN SHAAK, ROBERT PEETZ, ELSA
PALMER, ED DELAHANTY AND DAN
JONES, individuals,

Defendants.

NO. 13-2-00741-4

DECLARATION OF KURT
BLANKENSHIP IN SUPPORT OF
DEFENDANT ADMIRAL'S COVE
BEACH CLUB'S MOTION FOR
SUMMARY JUDGMENT RE:
VALIDITY OF 2013 BALLOT TO
DECOMMISSION POOL

I, Kurt Blankenship, declare and state as follows:

1. My name is Kurt Blankenship and I am the current President of the Board of Directors ("Board") for Admiral's Cove Beach Club ("ACBC"). I am over the age of 18 and competent to testify to the matters herein.

2. Attached hereto as Exhibit "A" is a true and correct copy of the ACBC Articles of Incorporation.

3. Attached hereto as Exhibit "B" is a true and correct copy of the ACBC Bylaws.

4. Attached hereto as Exhibit "C" are true and correct copies of photographs of the ACBC swimming pool at issue in this case.

1 5. Attached hereto as Exhibit "D" is a true and correct copy of the October 27,
2 2012 ACBC Annual Meeting Minutes. The minutes document a motion that was passed by the
3 members pursuant to which ACBC, with the "overall objective of having the pool open as soon
4 as funding and construction schedules allow," investigated repair and financing options for the
5 pool.

6 6. Attached hereto as Exhibit "E" is a true and correct copy of the 2013 ballot that
7 was presented by the then ACBC Board to the club members. This ballot gave the voting
8 members the option to approve a special assessment to repair the pool in the amount of
9 \$650,000 or to approve a special assessment to decommission the pool in the amount of
10 \$200,000. The ballot did not give the members the option to reject a special assessment
11 altogether. For this reason, the current Board believes the 2013 ballot violated the Bylaws, Art.
12 XIV, Sec. 3, which requires that all special assessments be approved by a majority of voting
13 members in good standing.

14 7. Attached hereto as Exhibit "F" is a true and correct copy of the June 29, 2013
15 Membership Meeting Minutes. These minutes document the report of the ACBC Tellers
16 Committee with respect to the results of the 2013 ballot. 155 members voted in favor of the
17 special assessment to repair the pool. 166 members voted in favor of the special assessment to
18 decommission the pool.

19 8. Attached hereto as Exhibit "G" is a true and correct copy of the March 12, 2016
20 Membership Meeting Minutes. These minutes document the report of the ACBC Tellers
21 Committee with respect to the results of the March, 2016 ballot proposing two special
22 assessments. The first proposed special assessment was to renovate and repair the pool. The
23 second proposed special assessment was to install optional heat pumps. The special assessment
24 to repair and renovate the pool passed with 144 members voting in favor and 125 voting
25

1 against. The special assessment to install heat pumps failed with 130 members voting in favor
2 and 133 members voting against.

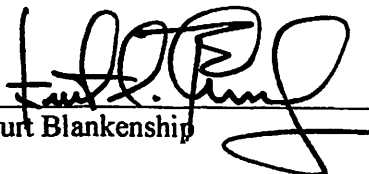
3 9. The March, 2016 ballot was carefully drafted and presented by the ACBC board
4 to all active members in good standing so as to comply with the ACBC Bylaws in all pertinent
5 respects.

6 10. Since the March, 2016 vote in which the special assessment to renovate the pool
7 passed, the club has been in the process of collecting the assessment funds from the
8 membership and has deposited the funds in a separate account. To date, the club has collected
9 approximately \$400,000. No funds have been spent toward renovation of the pool and to date
10 no renovation work has begun. However, it is the desire of the Board to begin the renovation
11 work as soon as possible and as soon as this pending case will allow.

12 11. As the Court is aware, in deference to its duties to all club members, ACBC took
13 no official position on Plaintiff's prior Motion for Summary Judgment. After almost four years
14 of litigation, however, and in light of the results of the valid March, 2016 ballot by which the
15 membership expressed its desire to supersede the invalid 2013 ballot, ACBC now asks this
16 Court to honor the wishes of the club members and declare the 2013 ballot invalid and of no
17 legal force or effect so the club can move forward with pool renovations.

18 **I declare, under penalty of perjury under the laws of the State of Washington, that**
19 **the foregoing is true and correct.**

20
21 DATED this 30 day of June, 2017, at Seattle, Washington.

22
23 
24 Kurt Blankenship

BLANKENSHIP EXHIBIT A

#95 019023 TYPE: C \$8.00
BK 698 PG 2069 11/28/95 1:17:47 PM
Art Hyland, ISLAND COUNTY AUDITOR
DEPUTY: CS REQUESTED BY:
ADMIRALS COVE BEACH CLUB INC



STATE of WASHINGTON SECRETARY of STATE

I, **Ralph Munro**, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

CERTIFICATE OF AMENDMENT

to

ADMIRAL'S COVE BEACH CLUB

a Washington Non Profit corporation. Articles of Amendment were filed for record in this office on the date indicated below.

Amending Article V, Section 8

Corporation Number: 2-198255-8

Date: March 30, 1987

Given under my hand and the seal of the State of Washington, at Olympia, the State Capitol.

Ralph Munro, Secretary of State

FILED

ARTICLES OF AMENDMENT

MAR 30 1987

OF

SECRETARY OF STATE

ADMIRAL'S COVE BEACH CLUB

Admiral's Cove Beach Club, a non-profit corporation organized under the laws of Washington comes for the purpose of amending its Articles of Incorporation, and in pursuance thereof, does hereby deliver in duplicate to the Secretary of State of the State of Washington, the following Articles of Amendment, and does state as follows:

ARTICLE I

The name of the corporation is Admiral's Cove Beach Club.

ARTICLE II

ARTICLE V, Section 8 of the existing Articles of Incorporation shall be amended to read as follows:

To levy assessments and to enforce collection of the same, against owners of property in the Admiral's Cove development and/or members of this club on a pro rata basis for the maintenance and upkeep of this corporation's property; provided, however, that owners of no-perc lots which are duly registered with the Island County Assessor and thereby granted a fifty (50%) percent tax exemption shall be subject to a fifty (50%) percent reduction on current dues and assessments.

ARTICLE III

The amendment of the Articles of Incorporation of Admiral's Cove Beach Club set forth above was adopted at the annual membership meeting, at which a quorum was present, on October 25, 1986, by an affirmative vote of more than two-thirds (2/3) of the votes which members present at that meeting or represented by proxy were entitled to cast.

ADMIRAL'S COVE BEACH CLUB

DATED:

3-21-87

By:

Joel N. Brown
President

ORIGINAL

4

Articles of Incorporation

APPROVED
AS TO FORM AND FILED

JUL 2 - 1969

ARTICLES OF INCORPORATION
of
ADMIRAL'S COVE BEACH CLUB

A. LUDLOW KRAMER
SECRETARY OF STATE
BY *Paul K. [Signature]*
CORPORATION SECRETARY

KNOW ALL MEN BY THESE PRESENTS: That the undersigned, each of whom is a citizen of the United States of America and a resident of the State of Washington, have associated themselves together for the purpose of forming a non-profit, non-stock corporation under the provisions of Chapter 24.04 of the Revised Code of Washington; and in pursuance thereof do hereby sign and acknowledge the following Articles of Incorporation in triplicate originals and stated as follows:

ARTICLE I.

The name of this corporation shall be:

ADMIRAL'S COVE BEACH CLUB.

ARTICLE II.

The principal place of business of this corporation shall be:

2230 - Eighth Avenue, Seattle, Washington/98121.

The name of the registered agent of this corporation is and shall be: ROBERT C. DETRICH, whose address is: 2230 - Eighth Avenue, Seattle, Washington/98121.

ARTICLE III.

The duration of the corporate existence shall be perpetual.

ARTICLE IV.

The number of Directors of this corporation who shall manage its affairs shall be not less than five (5).

ARTICLE V.

The purposes, objects and powers proposed to be transacted, promoted, executed and carried on by the corporation are as follows:

1. To construct, install, maintain and/or own and operate athletic and recreational facilities of all types and kinds for the benefit of the members.

2. To maintain entryways, parks and all land set aside for community development purposes and promote friendly relations and social intercourse among the owners and purchasers of properties in the Admiral's Cove development on Whidbey Island in the State of Washington.

3. To do any and all such acts and things as may be provided in the By-laws and in the manner herein provided for the administration, advancement and protection of said ADMIRAL'S COVE residential district.

4. To purchase, take, receive, lease, take by gift, devise or bequest, or otherwise acquire, own, hold, improve, use and otherwise deal in and with real or personal property or any interest therein wherever situated.

5. To sell, convey, mortgage, pledge, lease, exchange, transfer and otherwise dispose of all or any part of the property and assets.

6. To lend money to its employees other than its officers and directors.

7. To purchase, take, receive, subscribe for or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge or otherwise dispose of and otherwise use and deal in and with shares or other interests in or obligations of other domestic or foreign corporations, whether for profit or not for profit, associations, partnerships

of individuals or direct or indirect obligations of the United States or of any other government, state, territory, governmental district or municipality, or of any instrumentality thereof.

8. To levy assessments against owners of property in the Admiral's Cove development and/or members of this Club on a pro rata basis for the maintenance and upkeep of this corporation's properties and enforce collection of the same.

9. Such other powers as are authorized by the laws of the State of Washington.

ARTICLE VI.

The corporation shall have no capital stock. Membership in the corporation shall not be transferable and shall be only for the life of each member or until his membership shall be otherwise terminated according to the corporation's By-laws which shall prescribe both the conditions of membership and the causes and conditions of terminating membership in this Club.

ARTICLE VII.

The purpose for which this corporation is created and/or these Articles of Incorporation may be altered, modified, enlarged or diminished by the vote of two-thirds (2/3rds) of all of the members at a meeting duly called for such purpose, notice of which meeting shall be given in the manner provided by law for the giving of notice for the meetings of members.

ARTICLE VIII.

The By-laws of the corporation may be amended in the manner provided in such By-laws for such amendment.

ARTICLE IX.

The names and post office addresses of the Directors who shall

first manage the affairs of the corporation until the first Saturday in August , 1969, are as follows:


ROBERT C. DETRICH	2230 - 8th Avenue, Seattle, Wash./98121
ELLA JANE DETRICH	5516 N.E. 180th, Seattle, Wash.
CRAIG A. HARMON	2230 - 8th Avenue, Seattle, Wash./98121
LILA W. HARMON	8925 Inverness Dr., N.E., Seattle, Wash.
HULBERT S. MURRAY	1500 Northern Life Tower, Seattle, Wn./98101.

ARTICLE X.


The name and post office address of each of the incorporators of the corporation are as follows:

ROBERT C. DETRICH	2230 - 8th Avenue, Seattle, Wash./98121
ELLA JANE DETRICH	5516 N.E. 180th, Seattle, Wash.
CRAIG A. HARMON	2230 - 8th Avenue, Seattle, Wash./98121
LILA W. HARMON	8925 Inverness Dr., N.E., Seattle, Wash.
HULBERT S. MURRAY	1500 Northern Life Tower, Seattle, Wn./98101

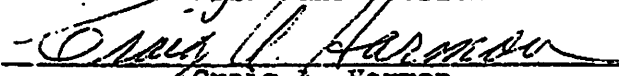
IN WITNESS WHEREOF, the incorporators have hereunto set their hands this 28th day of Feb, 1969.



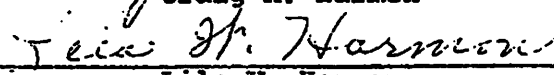
 Robert C. Detrich



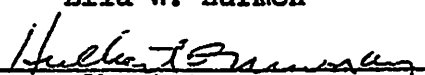
 Ella Jane Detrich



 Craig A. Harmon



 Lila W. Harmon



 Hulbert S. Murray

STATE OF WASHINGTON)
)
) ss.
COUNTY OF KING)

On this 28th day of Feb, 1969, before me, the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared ROBERT C. DETRICH, ELLA JANE DETRICH,

CRAIG A. HARMON, LILA W. HARMON and HULBERT S. MURRAY, to me known to be the individuals described in and who executed the foregoing instrument, and acknowledged the said instrument to be their free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed on the date in this certificate above written.

Charles K. Hansen-Staff

NOTARY PUBLIC in and for the State
of Washington, residing at Seattle

BLANKENSHIP EXHIBIT B

ADMIRAL'S COVE BEACH CLUB, INC

BYLAWS

PO Box 366,
Coupeville, WA 98239-0366

ARTICLE I - NAME

Sec. 1- NAME of this club shall be the Admiral's Cove Beach Club, hereinafter referred to as the club.

ARTICLE II - OBJECT

SEC. 1- OBJECT-The object of the Club shall be to:

- a. Provide and operate recreational facilities for the benefit of the members.
- b. Procure, maintain, operate, and protect the recreational (and associated safety) concerns of the members of the community of Admiral's Cove, subject to the approval of the members of the Club.

ARTICLE III - MEMBERSHIP

Section 1 – CLASSES OF MEMBERS

Membership in the Club shall be of two Classes.

- a. Active
- b. Associate

Section 2 – ACTIVE MEMBERS

Active Members shall be owners of property in Admiral's Cove Development, Division 1 through 7.

Section 3 - ASSOCIATE MEMBERS

Associate members shall be persons who are, on an annual basis, accepted upon such terms, both as to dues and assessments, as the Board of Directors shall determine. Associate members cannot exceed 250 in number. Associate members do not own property in Admiral's Cove Development.

Section 4 - GOOD STANDING

A member shall be in good standing if all current and back dues and/or assessments are paid, including a payment plan approved by the Board where payments have been made, or are being as agreed. A member in good standing during the previous year shall be considered in good standing in the current year until such time as the current dues and/or assessments are assigned and due. Dues and/or assessments shall normally be due thirty (30) days after mailing.

Section 5 – ADDRESSES FOR NOTIFICATION

ACBC BYLAWS

Every Active Member shall furnish the Club with an address to which notices of meetings, and all other matters, may be served or mailed to the member.

Section 6, ENTITLEMENT TO CLUB PRIVILEGES

Privileges of the Club, and the property thereof, shall be available to all Active and Associate Members in good standing and their families, including parents, grandparents, children and grandchildren, and their spouses/partners, subject to the rules and regulations adopted by the Board of Directors.

Other relatives than those identified in this section, and house guests, shall be considered 'guests', and may also receive the Club privileges when accompanied by an Active or Associate Member in good standing; provided that all guests shall be required to pay a daily fee, as determined by the Board of Directors, for the use of the swimming pool. No member who is delinquent in his dues or land owner or resident of Admiral's Cove who is eligible for, but has declined to pay for membership in or the privileges of the Club, may use the Club facilities as the 'guest' of a member in good standing.

Section 7 – TERMINATION BY SALE OR TRANSFER OF PROPERTY

Active Membership shall be appurtenant to the lot or lots owned or being purchased by the members. Upon the transfer of membership or making of a contract for the sale of any lot, the membership appurtenant thereon shall be deemed to be transferred to the contract purchaser or grantee. No membership may be conveyed or transferred in any other way. In the event of the death of a member, his membership shall pass in the same manner and to the same persons as does the real property itself. No compensation shall be paid by the Club upon any transfer of membership and no member whose membership is transferred shall be entitled to share or participate in any of the property or assets of the Club.

ARTICLE IV - MEMBERSHIP MEETINGS

Section 1 – REGULAR MEETINGS

Meetings of the members shall be held at least once a year at such a place or places as shall be designated by the Board of Directors. Unless otherwise ordered by the Board of Directors, the regular Annual Meeting of the members shall be held on the fourth Saturday in October of each year, unless such date falls on a legal holiday, in which case the said meeting shall be held on the next succeeding Saturday which is not a legal holiday.

Section 2 - SPECIAL MEETINGS

Special meetings of the membership may be called by the President, Board of Directors, or by a request in writing of not less than one-twentieth (1/20th) of all members entitled to vote. The purpose of the meeting shall be stated in the call.

Section 3 – ADJOURNMENTS

ACBC BYLAWS

If there is not a quorum (Article V, Sec 2) present at any duly called membership meeting, an adjournment, or adjournments, may be taken without notice being given, but any meeting at which directors are to be elected shall be continued from month to month until such directors have been elected (Article IV, Sec 3).

Section 4 - NOTIFICATION TO MEMBERS

The Board of Directors shall cause written notice as to the time, place and purpose of all meetings to be given all members entitled to vote at such meetings by depositing same in the United States Mail at least fifteen (15) days prior to the day named for the meeting, except when a mail, first class postage prepaid, ballot is involved, in which case the notice shall be sent not more than fifty (50) days prior to the date of the meeting. (Revised Code of Washington (RCW) 24.03.009 and 24.03.0850) The notice, per RCW 24.03.009 and 24.03.085, may be sent by electronic mail (email) and may be used in lieu of mail for those that request the email distribution of notices, excluding mail-in\ ballots per Article V, Section 4. Notification of the annual meeting shall include a copy of the proposed budget for the following year, a treasurer's report showing actual and anticipated expenditures and cash on hand for the current year, an alphabetical list of candidates for election to the Board of Directors together with the candidates' statement of their qualifications, as certified by the Chair of the Nominating Committee, and a mail-in ballot(s).

ARTICLE V - VOTING – QUORUM FOR MEMBERSHIP MEETINGS

Section 1 – ELIGIBILITY

Every Active Member of Record in good standing shall have the right at every member's meeting and at every mail balloting to one (1) vote, regardless of the number of lots owned, and no more than one (1) vote shall be cast per lot, regardless of the number of owners thereof.

Section 2 – QUORUM

A member's meeting, duly called, can be organized for the transaction of business whenever a quorum is present. The presence, in person or by an absentee ballot, of ten percent (10%) of the members having voting powers, shall constitute a quorum for the purpose of:

- a. Election of Directors,
- b. Action on proposed changes to, or revisions of these Bylaws.
- c. Action on proposed special assessments.
- d. Any other business which has been submitted to the membership by mail-in ballot. New business, requiring a membership vote, may not be transacted unless at least ten percent (10%) of the members having voting powers are physically present.

Except as otherwise provided in the Articles of Incorporation or in these Bylaws specifically with regard to the election of Directors as set forth in Article VI, all matters being acted upon by absentee ballot shall require a majority vote of those members voting.

ACBC BYLAWS

Section 3 - TALLYING OF ABSENTEE MAIL-IN BALLOTS

Absentee ballots shall be tallied after receipt of the mail delivery on the day preceding the membership meeting for which the ballots relate. No ballots shall be accepted after the tallying has begun.

Section 4 - BUSINESS BY MAIL BALLOT

The following must be conducted by mail-in ballot:

- a. Election of Directors.
- b. Action on proposed changes to, or revision of these Bylaws.
- c. Action on proposed special assessments.

Ballots shall not be submitted by email. All other business of the club requiring membership approval may be conducted by mail-in ballot without a membership meeting unless otherwise prohibited by the Bylaws.

ARTICLE VI - BOARD OF DIRECTORS – ELECTION – TERM OF OFFICE

Section 1 – NUMBER

The affairs of the Club shall be managed by a Board not to exceed seven (7) Directors, subject to alteration in number from time to time by amendments to these Bylaws, provided however, that the number of Directors shall never be reduced to less than five (5) as required by the Articles of Incorporation.

Section 2 – TERM OF OFFICE

Directors shall be elected for a term of two (2) years continuing until their successors are elected and duly qualified with four (4) being elected in the odd numbered years and three (3) in the even numbered years.

Section 3 – ELECTION

Election of Directors shall be conducted at the regular Annual Meeting by absentee ballot of all eligible voters. Members shall be elected to the Board of Directors by plurality vote, the candidate or candidates receiving the largest number of votes being elected. Cumulative voting is not permitted. In the event of a tie requiring additional voting to determine which candidate will be elected, it will be broken by secret ballot of the members present and voting in person at the meeting at which such Directors are being elected whether or not a quorum is physically present at the meeting.

Section 4 - RE-ELECTION

No incumbent Director shall serve more than seventy two (72) consecutive months. No Director re-elected under this provision, or who has been removed from office in accordance with the provisions of Section 6 of this Article, shall again be eligible to run for election to or be appointed to the Board until he has been off the Board for at least twenty four (24) months.

ACBC BYLAWS

Section 5 – VACANCIES

Vacancies occurring on the Board of Directors for any reason including resignation, death, by removal from office, or sale or transfer of property to which voting membership in the Club is appurtenant, shall be filled by appointment by a majority vote of the remaining directors. Directors so appointed shall hold office until the expiration of the original term of the position.

Section 6 – REMOVAL

REMOVAL OR RESIGNATION – Any Director may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect upon receipt of such notice or at a later time specified therein. Any Director may be removed without cause from the Board of Directors by a two-thirds majority vote of the remaining Directors; provided however, that the written notice of such proposed removal shall be given by mail, courier, or any electronic transmissions to all Directors including the director sought to be removed not less than ten (10) days prior to the meeting at which such proposal is to be voted upon.

ARTICLE VII - BOARD OF DIRECTORS – MEETINGS

Section 1 – LOCATION – MEMBERS MAY ATTEND

The meetings of the Board of Directors shall be held at such such places the majority of the Directors may appoint. Any Active Member in good standing shall have the right to attend any and all meetings of the Board of Directors. To the extent possible, members at large shall be notified by newsletter of the normal dates, times, and places of Board Meetings.

Section 2 – REGULAR MEETINGS

Unless otherwise ordered by the Board of Directors, a regular meeting of said Board shall be held annually immediately after adjournment of each Annual Meeting of the members at the place where such Annual Meeting is held. No prior notice of the regular meeting of the Board of Directors shall be required.

Section 3 – SPECIAL MEETINGS

Special meetings of the Board of Directors may be called at any time by the President or by a majority of the Directors.

Section 4 – NOTIFICATIONS

The President or Secretary shall give each Director notice personally, verbally, by mail, by electronic transmissions if requested, or by telephone, of all regular and special meetings at least five (5) days prior thereto, unless shorter notice is agreeable to 2/3 majority of the Board.

Section 5 – QUORUM

ACBC BYLAWS

A majority of the Board of Directors shall be necessary to constitute a quorum for transaction of business. When a quorum is not present, those directors present must adjourn the meeting to some other time.

ARTICLE VIII - POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1 - BASIC POWERS

Subject to limitations in the Articles of Incorporation and these Bylaws, and any applicable County, State, Federal laws or regulations, all powers of the Club shall be exercised by or under the authority of, and the business and affairs of the Club shall be controlled by, the Board of Directors.

Directors shall serve without compensation. The Board of Directors shall establish a procedure formalizing the requirements for preparation, submittal, and approval of an expense report when reimbursement is requested.

Without prejudice to such general powers and subject to the same limitations, it is hereby expressly declared that the Board of Directors shall have the following powers and duties:

Section 2 - MAINTENANCE AND OPERATIONS OF THE CLUB FACILITIES

To cause the properties and facilities owned by the Club to be maintained and operated in accordance with the appropriate County, State, and Federal laws and regulations, the Articles of Incorporation, and these Bylaws.

Section 3 - MANAGEMENT AND CONTROL OR BUSINESS

To conduct, manage, and control the affairs and business of the Club, and adopt, modify, and/or rescind **standing rules thereof not inconsistent with law, or with the Articles of Incorporation or these Bylaws.**

Section 4 - OTHER RULES AND REGULATIONS - ADOPTION AND ENFORCEMENT - SUSPENSION OF PRIVILEGES

To adopt rules and regulations for use, operation, and care of Club facilities, not inconsistent with law, the Articles of Incorporation, or these Bylaws, as they may deem best. They may authorize employees to enforce such rules and regulations, and may suspend Club privileges of any member for violation of any rules and regulations so prescribed.

Section 5 - SELECTION AND REMOVAL OF OTHER OFFICERS - COMPENSATION - SUPERVISION

To select and remove all other officers, agents, and employees of the Club, prescribe such powers and duties for them as may be consistent with the County, State, and Federal laws and regulations, the Articles of Incorporation, and these Bylaws, supervise them to assure their duties are properly performed, and fix their compensation, if any.

ACBC BYLAWS

Section 6 – RECORDS AND REPORTS TO THE MEMBERSHIP

Shall cause to be kept a complete record of all minutes and acts and to present a full statement at the regular Annual Meeting of the members, showing in detail the condition of the affairs of the Club, and shall cause a newsletter to be sent to all members at least three (3) times each year, reporting appropriate information concerning management and operation of the Club facilities, and other Newsworthy items.

Section 7 - DUES AND ASSESSMENTS

Shall from time to time prescribe the dues and/or assessments that each Active and Associate Member shall pay to the Club, and the time or times when said dues shall be payable. The Board shall have the power to levy assessments against owners of property in the Admiral's Cove Development on a pro-rata basis for the maintenance and upkeep of the Club's properties provided, however, that any increase of ten percent (10%) or more over the prior year's dues proposed by the Board of Directors shall be presented to the membership at large thirty (30) days prior to the Annual Meeting and shall require approval by a majority vote of those members present and/or voting by absentee ballot.

Section 8 – INSURANCE – BONDING

To procure and maintain adequate liability and hazard insurance on property owned by the Club, and shall cause all officers and employees having fiscal responsibilities to be bonded for a sum sufficient to protect the Club from financial loss, the cost thereof to be paid by the Club.

Section 9 – UNUSUAL EXPENSES

Shall not incur any unusual expense in an amount over four thousand (\$4000.00) dollars without authorization by a majority vote of the members present and voting at the Annual Meeting, or any other Regular Business Meeting, or at a Special Meeting called for that purpose.

Section 10 – AUTHORIZATION TO SIGN CHECKS

To cause all checks to be signed by any two of the following officers: (a) President, (b) Vice-President, (c) Secretary, and (d) Treasurer.

Section 11 - AUDIT

Shall cause an independent Annual Financial Audit of the books and records of the Secretary and Treasurer after the close of the fiscal year and report thereon to the membership at the Annual Meeting. Independent Annual Financial Reviews are permitted in lieu of an audit.

ARTICLE IX - OFFICERS

Section 1 – ENUMERATION AND ELECTION

The Board Of Directors, at its meeting immediately following the Annual Meeting of members each year, or as soon thereafter as possible, shall elect a President, one or more Vice-Presidents, Secretary and

ACBC BYLAWS

Treasurer. The President and Vice-President(s) shall at all times be members of the Board of Directors. The President shall have served one (1) year or more as a member of the Board prior to his election as President. The Secretary and Treasurer shall be members in good standing of the Club but need not be Directors. The Board may also at any time appoint a Corresponding Secretary and/or Financial Secretary, who need not have membership in the Club, and whose terms of office shall coincide with those of the officers who they assist.

Section 2 – TERM OF OFFICE

The officers of the Club shall be elected and/or appointed annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, be removed, or otherwise be disqualified to serve.

Section 3 – SPECIAL APPOINTMENTS

The Board may elect or appoint such other officers as the affairs of the Club may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 4 – RESIGNATION – REMOVAL - REPLACEMENT

Any officer may be suspended or removed by a majority vote of all of the Directors, when in their judgment the best interests of the Club will be served thereby. Any officer so removed who is a Director will remain a Director unless removed in accordance with Art. VI, Sec. 6.

Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein. Any vacancy occurring in an elective office shall, and any vacancy occurring in an appointive office may, be filled by the Board of Directors. The officer elected or appointed to fill such vacancy shall serve for the remainder of the term of the office he replaces.

Section 5 – EXPENSES – COMPENSATION

Officers may be reimbursed by the Club for such reasonable expenses as they may necessarily incur in the pursuance of the business of the Club, as may be fixed or determined by resolution of the Board. The Board of Directors may authorize compensation for the Secretary, Corresponding Secretary, and/or Financial Secretary or Treasurer.

ARTICLE X – DUTIES OF OFFICERS

Section 1 – PRESIDENT

The President shall be the general executive officer of the Club. He shall sign as President all contracts or other instruments in writing authorized by the Board of Directors or the members whenever he deems it necessary; he shall have and exercise under the direction of the Board of Directors the general supervision of the affairs of the Club. He shall appoint all members of standing and special committees and designate the chairman of each in accordance with Article XI, Section 1. He shall be ex-officio member of all

ACBC BYLAWS

committees except the nominating committee. He shall prepare and present at each Annual Meeting of the members a report of the operation of the Club since the last annual Meeting; shall work in conjunction with the Secretary in handling all correspondence, and shall sign all outgoing correspondence, except that which he shall authorize the Secretary to sign over his name. He shall obtain approval of the form and content of all outgoing correspondence from the Board of Directors, except in case of routine correspondence originated in the normal course of business. He shall perform such other duties as are properly incidental to this office and as shall be prescribed, from time to time, by the Board of Directors.

Section 2 – VICE PRESIDENT

The Vice President shall assist the President and in the absence of the President shall preside at all meetings of the members and the Board of Directors, and during the absence of the President or his inability to act, he shall possess the same powers and perform the same duties as the President. He shall perform such other duties as are properly incidental to this office and also, shall, from time to time, be prescribed by the Board of Directors.

Section 3 – SECRETARY

The Secretary shall have custody of the corporate seal, and it shall be his duty to affix the same to all instruments requiring the fixing of the seal. He shall keep the membership books, accounts, original warrants, and papers connected with finances of the Club. He shall keep a current list of all members of the Club with their current post office addresses, issue notices of all meetings of the members and the Board of Directors, and shall keep a fair and correct record of the proceedings of all meetings. He shall read or summarize and report on all correspondence received by the Club at the Board of Directors meetings. He shall issue billings of all dues and special assessments as provided in ARTICLE XIV of these Bylaws. He shall receive all assessment payments on his individual membership ledger records, shall promptly turn all monies received to the Treasurer, taking a receipt for same. He shall pick up swim fees collected at the pool, record them in his records and promptly turn them over to the Treasurer. He shall prepare warrants for payments of all disbursements, retaining the duplicate, and upon approval by the Board of Directors, shall turn the original over to the Treasurer for payment. He shall handle all correspondence as the President shall authorize him to sign over the President's name. He shall perform generally all the duties as are incident to his office and such other duties as the Board of Directors may, from time to time prescribe. He shall make available for inspection to any member of the Club in good standing, at any reasonable time and for any proper purpose, any and all books and records of the Club.

Section 4 – TREASURER

The Treasurer shall have general charge of the finances of the Club under the supervision and control of the Board of Directors. He shall maintain an up to date card file of paid up members for use at the Club swimming pool. He shall prepare any reports to the Internal Revenue Service as required by law, and may be authorized by the Board of Directors to expend a reasonable sum for tax consultation, if necessary in preparing same. He shall have charge of all monies, securities and similar assets of the Club, subject to the regulation and control of the Board of Directors. He shall give to the Secretary a receipt for all monies received from him, shall promptly deposit all monies of the Club coming into his hands with a bank designated by the Board of Directors, and shall disburse such funds as directed by resolution of the Board of Directors and covered by the appropriate warrants; PROVIDED, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business,

ACBC BYLAWS

such as routine bills between meetings of the Board and conducted within the limits of a budget adopted by the membership. Such disbursements shall, however, be approved by the Board of Directors at their next meeting. He shall keep a full and correct account of all monies received or delivered to the Club. He shall prepare and co-sign all checks except in the event of his incapacity or unavailability, in which case any two other officers may perform this function. He shall not maintain any detailed record of Club membership. He shall render a statement of his account to the Board of Directors monthly and at any other time the Board may require such a statement. When requested to do so, he shall produce the checkbook, and all other books and records in his possession for inspection and examination of same by the Board of Directors. He shall prepare and present an Annual Financial Report of income and expenditures, assets and liabilities, showing in detail the financial condition of the affairs of the Club, to the membership at the Annual Meeting. Copies of this report shall be furnished each member of the Club with notice of the Annual Meeting. He shall make available for inspection to any member of the Club in good standing, at a reasonable time and for any proper purpose, any and all books and records of the Club under the his control.

Section 5 - RELEASE OF BOOKS AND RECORDS

Each retiring director, officer, and committee chair shall deliver to the Board of Directors all books, records, and other material pertaining to the office no later than one working day after relinquishing the office.

ARTICLE XI - COMMITTEES – SELECTION

Section 1 - COMMITTEES

The President shall appoint members of all Standing and Special Committees for a term not to exceed the balance of the fiscal year and designate the chairman chairperson of each committee. The number and personnel of each committee shall be determined by the Board of Directors, except as otherwise set out herein, except that each committee shall include at least one (1) member, other than the President, of the Board of Directors and that the Nominating Committee shall include at least two (2) members, other than the President, of the Board of Directors. The President shall be an ex-officio member of each Standing Committee except the Nominating Committee. No paid employee who is a committee member shall have a vote on any matter pertaining to their employment. Each year, to the extent practical, at least one member of each committee shall be appointed on the next year's committee to maintain continuity of performance. Ad Hoc committees shall be formed for a specified purpose and for a specified time.

Section 2 - DUTIES OF COMMITTEES

All committees shall serve without power, except as specifically delegated by the Board of Directors, and as such shall refer all proposed actions to the Board of Directors with such frequency as the duties of the committee or the Board shall dictate, and in any event, shall make at least one report annually at the Annual Meeting of members. All Standing Committees shall provide estimates of costs expected to be incurred in the following year and submit these estimates to the Board who shall pass it on to the Budget and Finance Committee for consideration in future budgets. All Committee meetings shall be open to all.

Section 3 - SEPARATION OF COMMITTEES

ACBC BYLAWS

No committees designated in Article XII or Article XIII shall be combined into a single committee. No one person may chair more than one committee.

ARTICLE XII – STANDING COMMITTEES

Section 1 - BUDGET AND FINANCE COMMITTEE

The Budget and Finance Committee shall, with the assistance of the Treasurer who shall normally be named a member thereon, prepare a budget for the ensuing year and present it to the Board of Directors thirty (30) days prior to the Annual Meeting. The Board of Directors shall review and approve the proposed budget and furnish a copy to each member of the Club with the notice of the Annual Meeting. The committee shall also prepare and recommend financial procedures to the Board of Directors.

Section 2 - POOL – OPERATIONS AND SAFETY COMMITTEE

The Pool Operation and Safety Committee shall, with approval of the Board of Directors, set policies for operation of the club swimming pool, and establish and enforce safety rules and procedures in accordance with the requirements of the Washington State Department of Health, the Revised Code of Washington and the Washington Administrative Code, and solicit applications from lifeguards or other employees to carry out the responsibilities of the Committee and deliver all such applications to the Secretary for approval by the Board of Directors. The lifeguard or lifeguards shall be non-voting members of this committee. They shall consult freely with all committees on all matters of mutual consideration, in the best interest of the Club.

Section 3 - POOL MAINTENANCE AND IMPROVEMENT COMMITTEE

The Pool Maintenance and Improvement Committee shall be responsible to the board of Directors for maintenance of the Club Swimming Pool and the operating machinery, the buildings housing the pool equipment, rest rooms, office and fence enclosing the pool complex, pool supplies, heating, lighting, etc. They shall obtain estimates as necessary for accomplishing such maintenance and make recommendations to the Board of Directors to enable the Board to approve work and solicit bids. They shall consider and propose to the Board of Directors, as they see fit, improvements in the pool complex, such as heating methods, pool solar covers, etc. They shall consult freely with all committees on all matters of mutual consideration, in the best interest of the Club.

Section 4 – GROUNDS AND BUILDING COMMITTEE

The Grounds and Building Committee shall be responsible to the Board of Directors for maintenance of all grounds and buildings belonging to the Club, (Tract A), including but not limited to playfields, playground equipment, the shelter and stoves, picnic tables, flower beds, etc., except for the immediate swimming pool complex. They shall, within the limits of the budgeted funds, maintain to the greatest extent possible in the facilities a pleasing and safe environment for the benefit of the Club members. They shall consider and propose to the Board of Directors, as they see fit, improvements in the grounds and buildings. They shall coordinate with the Pool Maintenance and Improvement Committee in all matters of mutual concern, in the best interests of the Club.

ACBC BYLAWS

Section 5 - LONG RANGE PLANNING AND BUILDING COMMITTEE

The Long Range Planning and Building Committee shall make long range plans for overall improvements and development of major Club facilities, including study of possible expansion to include a clubhouse, additional shelters, expanded playground facilities, improved lawn and flowering plants, permanent pool cover to facilitate year round use, etc. They shall prepare and present to the Board of Directors and the membership a long range plan for such development, with several options, particularly as to building expansion, and including options which would permit development in stages, with current finances or special assessments voted by the membership would permit and on a step by step basis. They shall consult freely with the committees on all matters of mutual consideration, in the best interest of the Club.

Section 6 -NOMINATING COMMITTEE

The Nominating Committee shall comprise five (5) members appointed by the President. The Nominating Committee shall prepare a slate of candidates for vacancies on the Board of Directors each year. Members desiring to be on the Board of Directors should notify the Nominating Committee through the Club Secretary prior to August 15th when nominations will close. The Nominating Committee shall determine that all candidates selected are qualified as members in good standing in the Club. Members of the Nominating Committee are not barred from becoming nominees themselves. A copy of the Nominating Committee's final report along with candidates' resumes shall be included with the ballot. Nominees shall be listed on the ballot alphabetically.

ARTICLE XIII - SPECIAL COMMITTEES

Section 1 - TELLERS COMMITTEE

The Tellers Committee shall be responsible to the Board of Directors for counting of the ballots in any matter voted upon by the Club Membership by mail, in accordance with the provisions outlined in Article V, Section 3 and elsewhere in these Bylaws. Any member running for the position of Director may not serve on the Tellers Committee.

Section 2 - SOCIAL COMMITTEE

The Social Committee shall plan, supervise and execute all Club sponsored social functions, potlucks, picnics, etc. arranging dates and plans with the concurrence of the Board of Directors. They shall provide refreshments at all membership meetings, as they and the Board see fit. They may solicit assistance from the membership at large in discharging their functions. They shall recommend to the Board of Directors any rules for the use of the Shelter and picnic areas that they deem appropriate and, on concurrence of the Board, post such rules within and adjacent to the Shelter.

Section 3 - WELCOMING COMMITTEE

The Welcoming Committee shall keep aware of all new families moving into Admirals Cove, or building new homes in Admiral's Cove, and shall welcome such newcomers to the area. The Board of Directors is encouraged to disseminate information regarding newcomers in the Newsletter.

ACBC BYLAWS

Section 4 – GOVERNMENTAL RELATIONS COMMITTEE

The Governmental Relations Committee shall be aware of, and receive reports from other Club members, concerning any matters regarding Admiral's Cove Community which should be taken up with Island County or other officials, relating to maintenance of roads, ditches, etc. and enforcements of public laws in the community. Any such matters noted, or brought to their attention shall be investigated, evaluated and referred with recommendation to the Board of Directors for consideration. Upon Board approval, the Committee shall bring such matters to the attention of the proper officials, request appropriate action be taken, and follow up to assure resolution thereof.

Section 5 – BYLAWS COMMITTEE

A Bylaws Committee shall be appointed as needed. When appointed, the committee shall review the By Laws and recommend any appropriate Amendments.

ARTICLE XIV - DUES AND ASSESSMENTS

Section 1 – PURPOSE

The expenses incurred by the Club in carrying out its responsibilities shall be defrayed by Club dues/or assessments. The Board of Directors shall have authority to levy all dues, assessments, and other charges against members, subject to the provisions of this ARTICLE.

Section 2 – DEFINITIONS

Annual assessments for regular Club operation shall be known as "dues". Special assessments for unusual or unexpected costs, maintenance, or improvements, shall be known as "special assessments".

Section 3 – SPECIAL ASSESSMENTS

Special Assessments may be proposed by the Board of Directors, or members, at any time and must be presented to the membership at least thirty (30) days prior to a meeting called in accordance with ARTICLE IV, of these bylaws. They shall require approval by a majority vote as required by ARTICLE V, Sections 2 or 4 of these Bylaws.

Section 4 – BILLINGS AND PAYMENTS

Paid up membership shall be from January 1 to December 31 each year. Special Assessment billings shall be prepared by the Secretary promptly upon approval of any special assessments, unless a different effective date is set by the motion or other action proposing such special assessment. From time to time, as when any such dues and/or assessment, described in this ARTICLE are levied, each member with respect to the land or interests therein to which his membership is appurtenant, shall pay the amount of such dues and/ or special assessments against the same, to the Club offices, within thirty (30) days after the mailing of the notice of such dues and/or special assessments to the member.

ARTICLE XV - PARLIAMENTARY AUTHORITY

ACBC BYLAWS

Section 1 – PARLIAMENTARY AUTHORITY

The rules contained in the current edition of Roberts Rules of Order, Newly Revised, shall govern the Club in all cases to which they are applicable, and in which they are not inconsistent with the Articles of Incorporation, these Bylaws, applicable State Law, and/or any special rules of order the Club may adopt.

ARTICLE XVI - AMENDMENTS

Section 1 – AMENDMENTS

These Bylaws may be amended by a majority vote of the members present and/or voting by absentee ballot at any duly called meeting, in accordance with ARTICLE IV, Section 2 and ARTICLE V, Sections 2 & 4 of these Bylaws, provided that those sections of these Bylaws which are governed by the Articles of Incorporation of this Club and may not be amended except as provided in the Articles of Incorporation or applicable law. Any changes approved by the membership shall become effective immediately after approval, unless otherwise specified in the proposed change, or by the action proposing such change.

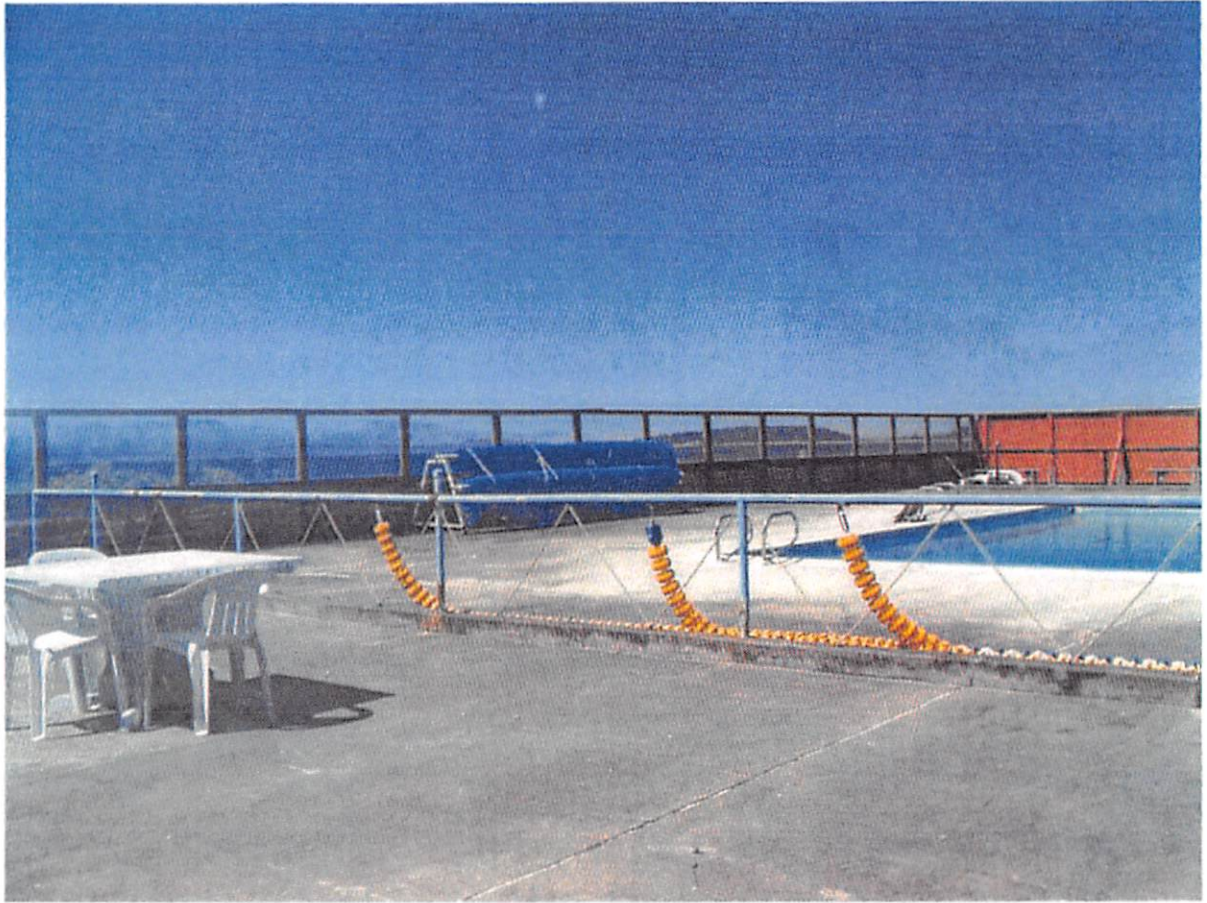
Section 2 - COMPLIANCE

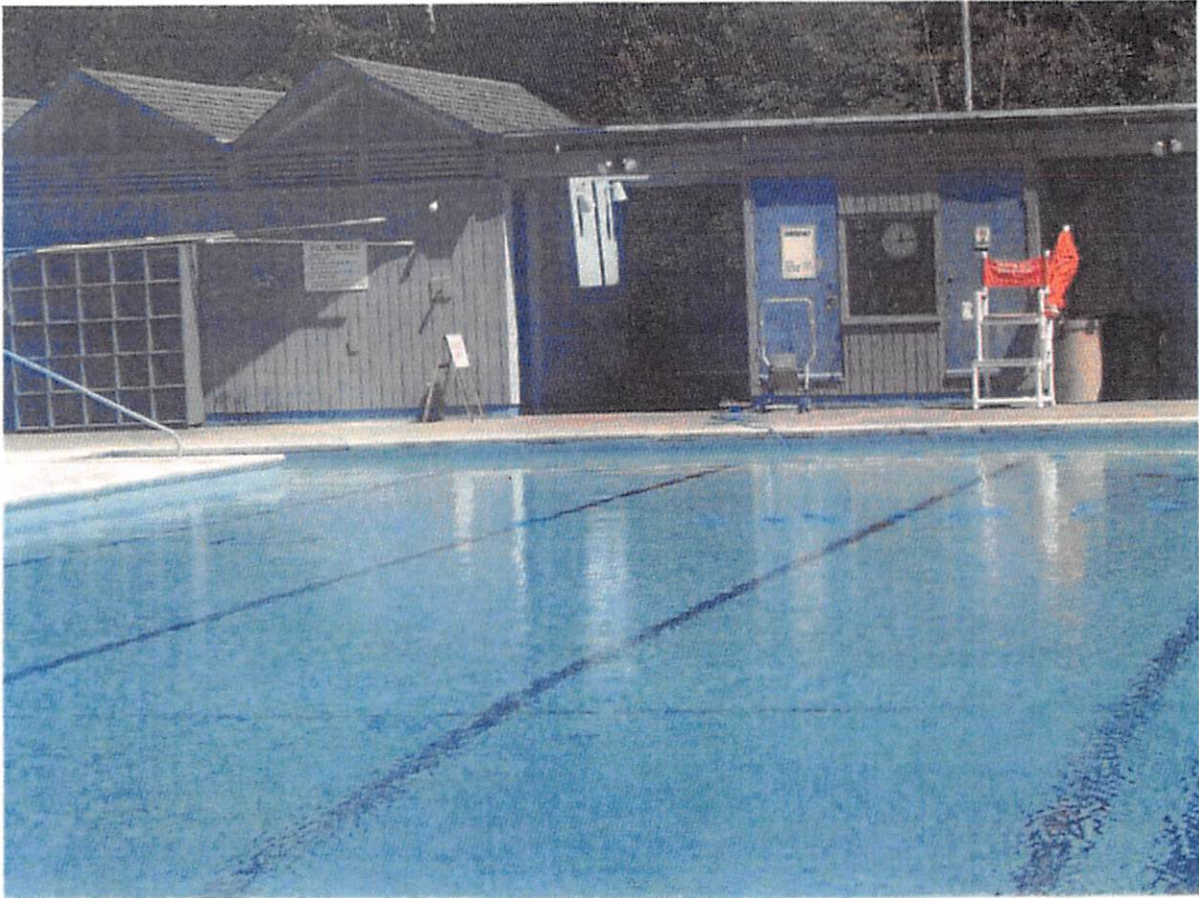
Any Articles, Sections, or elements of these bylaws found to be non-compliant with current laws and/or regulations shall be amended to become compliant so that the laws and regulations will prevail.

Section 3 - SUPERSEDING

These Bylaws, once approved and filed, shall supersede any and all previous versions.

BLANKENSHIP EXHIBIT C







BLANKENSHIP EXHIBIT D

**Admirals Cove Beach Club
Annual Meeting**

Call to Order 2:11PM

Board Members:

Jean Salls, Maria Chamberlain, Dan Jones, Dustin Frederick, Carol Delahanty, Bob Peetz, Karen Shaak

Membership in Attendance:

- 66 memberships attended
- 57 memberships in good standing
- 8 memberships not counted – proxy via power of attorney not valid

President's Welcome & Update

Jean Salls

- Jean welcomed and thanked the community for attendance. She described the diversity of the community and the need for balance to consider everyone's needs.
- New Board members have a sharp learning curve to get up to speed due to the great variety of needs and issues we face as a community.
- MaryLou Stensland was thanked for her continual volunteer efforts to maintain our flower beds which help keep the facility looking great.
- Sue and Dick Newsham were recognized for all of their efforts to keep the shelter activities going with many volunteer hours.
- Hand-outs were made available that describe the Island County Planning lake report. It is also available online at www.admiralscovebeachclub.com.

→Quorum was called at 2:20PM – more than 50 memberships in good standing were in attendance.

Grounds Update

Maria Chamberlain

- Tide Gate – preliminary permits were obtained to repair the gate earlier this year. A permit to fix the outflow pipe on the beachfront and one to repair but not alter the tide-gate can be obtained to finalize the lake project.
- Ditch repair on lower Byrd – Chad Nichols worked with the board to repair the ditch it is now operating and flowing into the lake. This project is now complete.

Pool Update

Dan Jones

- Pool repair is required to re-open the pool facility.
- Resurfacing hasn't been done for 24 years and is one of many items we must repair.
- Law will require upgrade to the plumbing to meet current guidelines to 5" pipes
- Hand rails need to be replaced
- Main drain needs to be upgraded to dual drain to remain in legal compliance
- The shell of the pool is intact as far as is known
- The deep-end of the pool is below the tide-line and makes work challenging. A potential solution to facilitate future repair is to raise the level of the deep-end above the tide-line by filling in the depth.
- New filtration is working well.
- ADA requirements were described – the pool needs a ramp or a chair-lift for disabled persons to have access.

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**Admirals Cove Beach Club
Annual Meeting**

- ADA – remainder of the complex will need to become ADA compliant (restrooms and access ways)
- Pool building problems have been discovered and need to be addressed.
- RFPs should be sent to all interested contractors so bids are equal in terms of what is requested then they can be compared on an equal basis
- A solution for funding needs to occur before an RFP is sent as bidders don't want to waste their time.
- A special committee will be appointed to study the problem and make a recommendation to the board.
- Sachet Head (So Whidbey Neighborhood) remodeled their pool which is smaller with fewer issues than ours spent and \$500k on their rehab effort.
- Some effort can be accomplished with volunteers but most will require experienced construction work.
- An assessment will be require to fix the pool and dues will need to be increased to maintain the pool
- It is important that we understand the problem to request the right amount of money up front so multiple assessments for unexpected things are not required.
- Shoreline Management Act could prevent us from putting in a new pool due to permits. It is more likely we will rehab. Instead of pursuing a new pool (this was in response to a member question)
- An A&E firm would need to be hired up-front to ensure all of the information for a bidder is available. Everyone wants the best estimate before moving forward with the actual work.
- We won't know the cost of an assessment until bids are received.
- A member asked if we could vote on an assessment since we had a quorum. The answer is no, a 30-day notice to all members is required for an assessment vote.

2012 Ballot/Voting Results

Bob Peetz

- **Ballot Mailing**
 - 497 ballots mailed
 - 235 returned ballots
 - 2 invalid
- **Bylaws**
 - All Bylaw measures passed (3:1 margin)
- **Budget**
 - Approved (vote 149 - 66)
- **Board Members**
 - Jean Salls
 - Ed Delahanty
 - Suzy Palmer

**Admirals Cove Beach Club
Annual Meeting**

Vote Tally

Directors

Candidate	Votes	% per 219 Voting Ballots
MaryLou Chandler	84	38.36%
Ed Delahanty	157	71.69%
Debi Karjalinen	80	36.53%
Suzy Palmer	124	56.62%
Jean Salls	110	50.23%
Sill Schroeder	73	33.33%

Budget

	Votes	Percent
Yes	149	69%
No	66	31%
Total	215	
Abstain	20	9%
Ballots Received	235	

Bylaws

	Article Section Paragraph	Yes	No
1	A2, Para B	162	41
2	A3, Sec 3	176	28
3	A3, Sec 4	172	31
4	A3, Sec 6	178	25
5	A4	168	33
6	A4, Sec 2	176	27
7	A4, Sec 3	174	29
8	A4, Sec 4	175	30
9	A5	174	27
10	A5, Sec 2	167	37
11	A5, Sec 3	181	22
12	A5, Sec 4	173	31
13	A6, Sec 4	170	32
14	A6, Sec 6	156	41
15	A7, Sec 4	175	30
16	A8, Sec 1	179	25
17	A8, Sec 2	176	26
18	A8, Sec 5	177	27
19	A8, Sec 9	173	31

**Admirals Cove Beach Club
Annual Meeting**

20	A8, Sec 11	170	33
21	A10, Sec 5	166	39
22	A11, Sec 1	174	28
23	A11, Sec 2	175	27
24	A11, Sec 3	173	27
25	A12, Sec 1	173	28
26	A12, Sec 2	169	31
27	A12, Sec 3	169	34
28	A12, Sec 5	172	27
29	A13, Sec 1	181	20
30	A14, Sec 2	174	27
31	A16, Sec 3	175	26

2011 Annual Meeting Minutes - read and approved for the record

Member Forum

Jean opened the member forum by addressing a few issues of procedure:

- Members cannot assess other members; it must be done with a mail-in ballot with a 30 notice. No motions of assessment can be made by members.
- Members cannot vote ad hoc bylaws into law. A ballot must be presented to the entire membership for consideration of a Bylaws change.
- Members cannot recall the board. Because the Bylaws have a provision for removal of a director the membership cannot take an action to recall. This is per the RCW and RRO.
- Members can request a vote on an issue go to the general membership

Financial Report

Income Statement (Oct-Sept)	
Income	\$88,285.00
Expense	
Administration	28,371.00
Building & Grounds	20,417.39
Pool Maintenance	21,005.73
Pool Operation	6,561.14
Road	464.58
Social	622.89
TOTAL	\$77,442.73
Net Income Pre Insurance Tax and Extraordinary Items	\$10,42.27
Acctg corrections from 2010 and estimated 2011 payables	\$14,887.71
NET INCOME (Loss)	(\$4,045.44)

**Cash Balances 2011-2012
(Oct-Sept)**

**Admirals Cove Beach Club
Annual Meeting**

Checking	7,590.34
Money Market	32,008.41
Petty Cash	0
Pool Cash Box	50.00
Certificate of Deposit	6,943.13
Total Cash Available	\$46,541.88

Member forum

Carol Delahanty

- Carol discussed the 30K in the bank as a potential source of income to fund the pool needs estimate process

Jean Salls

- Described the pool budget

Joanna Weeks

- Requested an understanding of the pool fixed asset numbers

Bob Peetz

- Requested members sign up for committees

Chris Hendrickson (a member) made a motion from the floor requesting the addition of a new ad hoc committee and read a proposal. Dan Jones responded that this could be done by the membership as it is in opposition to our Bylaws. A discussion occurred about committees having no power to spend/obligate the community financially and therefore all costs must be removed from the motion. The committee cannot establish costs or timing but can make recommendations for consideration by the Board.

The original motion was re-read by Jean Salls (as per the Bylaws)

Dan Jones suggested a 'friendly amendment' be made to be inclusive on the committee members and make no pre-requisites or restrictions of member selection. Dan suggested the ad hoc committee be required to work with/as the existing committees, this allows all or any members to participate.

Chris Hendrickson accepted Dan Jones amendment.

New Motion Reads:

By November 10 2012, Pool Planning by members of the Pool Maintenance, Long Range Planning and Budget Committees will work with a nonresident facilitator, as an ex-officio team member and may consult with legal counsel as warranted. All legal counsel expenses and other costs will require prior approval from the Board of Directors.

**Admirals Cove Beach Club
Annual Meeting**

Under the overall objective of having the pool open as soon as a funding and construction schedule allow, the committees shall have three (3) tasks to complete by February 28, 2013, or sooner:

(1) To identify and evaluate various options related to the pool's future, including but not limited to needed equipment, a permanent pool cover, and repairs to the pool and its building, foundation, plumbing, and electrical system, and to recommend the best cost and timing options. A basic and simple plan to identify projects for contractor bidding shall be developed to guide these efforts; the plan shall also recommend an implementation schedule for ADA compliance from both a financial and legal standpoint.

(2) Investigate and develop payment options related to assessment costs and dues under task one and to select the approach that produces the best balance between recreational benefits and costs to members. The assessment total will be offset by the amount of donations accumulated for that purpose.

(3) Upon completion of tasks 1 and 2, the committees shall submit the findings to the Board and subsequently work with Board as appropriate.

Discussion:

- Facilitator could be supplied by Island County
- Timeframe of completion is very important to members

→Motion to approve the committee that would study the pool as above description:

Yes = 43, No = 0, 14=abstain

Motion is carried

Dustin Frederick

Provided his input and opinion on change to Bylaw: Article 6, Sec 4 - Removal of Directors

- Removal of a directors was questioned as a valid approach
- Belief that this bylaw is counterproductive to attracting members to the board

Sid Iverson

- Lake level questions
- Requested the board make no changes to the lake as he believes the aquifer would be in jeopardy.
- Another member objected to Sid's statements as valid as he has no input from the county.
- County directed ACBC not change the level of the lake but a tide gate repair could be accommodated.
- Maria Chamberlain read the report from Island County as to what repairs were permitted

Dustin Frederick

October 27, 2012

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**Admirals Cove Beach Club
Annual Meeting**

- 5K challenge for pool donations – Dustin will donate \$5000 if 10 other people donate \$5000

Quorum ended at 4:00PM

Annual meeting adjourned 4:16PM

Notes submitted,

Karen Shaak
Secretary

BLANKENSHIP EXHIBIT E

Admiral's Cove Beach Club

OFFICIAL BALLOT

General Information:

- Vote for only one option below by checking the box
- Do not put your name on this ballot
- Place your ballot in the pre-addressed stamped envelope
- Ballot must be received by US Post by June 28th 2013
- Information about refurbishment or removal of the Pool Facility can be found on the Q & A sheet in this package.
- If members vote to refurbish the facility, a second ballot will be sent to select a finance option.

Refurbish, remodel and update the Pool Facility at a cost of approximately \$650,000.00

Remove the Pool Facility at a cost of approximately \$200,000.00

BLANKENSHIP EXHIBIT F

Call to order: 2:05pm

Board Members: Jean Salls, Dan Jones, Bob Peetz, Suzy Palmer, Maria Chamberlain, Ed Delahanty, Karen Shaak

Members present: 19

President's Report

- Jean welcomed the members
- Jean announced the pool vote and highlighted that a like number of folks voted in 2011 with a similar outcome. Seems that a fairly static number of members want the pool and the number does not appear to be increasing.
- Copy of tax filing and financial reports are available

Secretary's Report

- Edit to June 2013 Board Meeting minutes - cost of application of outflow pipe should be \$1180.00 (listed in notes as \$1,000)
- June minutes approved and entered into the record as posted

Treasurer's Report

- May 31st financial report was reviewed as posted online

Committee Reports

- Susie Corliss
- First movie night was a trial run – 3 attendees
- Next movie night is July 12, 7:00pm – Western Night
- Child movie opportunity for day time if the membership desires, would require some chaperones

Pool Vote Result

- 153 Yes – refurbish the pool
- 166 No – do not refurbish the pool
- Quorum = 10% or 49
- Teller Committee: Darla Allen, Cathie Harrison, Sid Iverson, Bonnie Noble, Richard Johnston, Harry Lynam, Dan Jones

Old Business

- Road Easement report – informal agreement is required that indicates that both parties are in agreement that the contract was valid under the prior name (ACHOA) and that the name changed to Admiral's Cove Beach Club.

Admiral's Cove Beach Club

New Business

- Tract A Land Survey – cost and registration will be about \$800; This survey will mark the lower Byrd hillside and the property line to the beach.

Member Forum

- Questions surfaced about next steps – demolishing the pool
- Questions asked about bathroom facility plans. Potential of renting some portable facilities while planning for eventual remodel of shelter to include a restroom.
- Request made for existing restrooms to be maintained and lawns mowed through this summer.
- Suggestions were made for sprinklers or sport courts
- A resident asked about liens and collection methods available to get non-payers current
- Big problem with cats – feral population is growing
- Key Pad request made for the rest room so it can be accessed during the day for neighbors using the beach.
- Identification cards/badges for members using the beach was suggested
- Request for candidates to apply as a Board Member was made. Deadline is Aug. 15.
- Long Range Planning members solicited. Interested members should contact Dan Jones

Members meeting adjourned 2:45pm

Board Member Meeting convened

Ed Delahanty

- Investigate the cost associated with closing the pool
- Ed will list the costs to acquire permits and make available the list for the July BOD meeting.
- Discussion ensued about planning for removal of the pool
- →MMSA -Pursue info of cost of permits for destruction and concrete removal

Meeting Adjourned 3:01PM

BLANKENSHIP EXHIBIT G

**Minutes of ACBC Members Meeting
ACBC-Whidbey.org
March 12, 2016
Results of Pool Renovation Ballot
Final**

CALL TO ORDER

President Blankenship called the meeting to order at 2:00 PM and stated the goal for the meeting is to report on the outcome of the pool ballot.

The "yes" or "no" vote to:

(1) refurbish the pool

(2) Purchase a heat pump if the pool vote passes

There will be a BOD Meeting on March 19, 2016 at 2 PM to conduct regular BOD business.

INTRODUCTION OF BOD

Present were Kurt Blankenship, Suzy Palmer, Steve Morrow and Dennis Egan. Absent were Greg Behan, Ed Delahanty and Mike Tenore.

REPORT FROM TELLERS COMMITTEE (Bob Peetz)

Russell Chamberlain submitted the Tellers Report to the BOD in Bob Peetz's absence. (See detailed Teller's Committee Report.)

Pool Renovation results were approved as follows:

286 Ballots were returned

7 envelopes had no ID

6 envelopes contained only "dues" payments

1 envelope contained a Shelter reservation

271 VALID ballots were counted – Pool Renovation Passed

144 Yes

125 NO

2 Abstentions

Heat Pump purchase Results: Heat Pump Option Failed

133 NO

130 Yes

MEMBERS COMMENTS

Susie Pettersen had questions about possibility of a more robust need for heat pumps if/when we refurbish the building and dressing rooms.

Elaine Fielding questioned why Phase 2 (Pool Building) and Phase 3 (Shelter) were not addressed in this assessment. It was explained that these issues had been discussed several times and specifically at the January 2016 Annual Members Meeting. The Long Range Planning Committee will consider future plans and recommend a time frame after it begins to meet in April. There is a realistic expectation of follow up assessments for the Shelter and playground and pool building at a much later date.

The "new pool" will NOT be open for this season. However the "old pool" will open for the summer season. Bids will be accepted when the funds are in an ear-marked account in the bank. The BOD is planning to begin the Pool Refurbishment in October.

ACBC doesn't intend to cause a hardship for anyone and will negotiate a variety of payment plans. There are a variety of suggestions for raising funds that will be discussed in the next few weeks.

Sue Corliss requested confirmation of the number of ballots received and the yes and no vote count on each issue. She was referred to the Teller's Committee Report.

ANNOUNCEMENTS

Marty Lull reminded everyone that Volunteer Work Parties are needed for April 9th and April 16th.

ADJOURNMENT

President Blankenship welcomes input, comments, suggestions and volunteers from the ACBC membership as ACBC moves forward.. Meeting adjourned at 2:15 PM.

Respectfully submitted,



Suzy Palmer, ACBC Secretary