

Secretary resignation announced

Roll Call

Attendees: Bill Buegel; Gene Borgomainerio; Bill Cummings; Brad Luton; Christine McClellan; Dennis Augustine; Frank Fox; Bruce O'Connor

Absent: Dennis Hardin

Pledge of allegiance

September meeting minutes:

Motion to defer approval of September Meeting minutes to November Board Meeting made to allow review by Board – Approved

Agenda review:

Additions: New Articles of Incorporation will be presented by Brad Luton;

Add committee reports at end of New Business

Deletions: None

Comments from the community: None

Officer Reports:

President:

Dredging - DNR permit almost complete. Paperwork and check signed and submitted. Post dredge survey complete will be sent to ABA. We will have a clear definition of what needs to be done soon. There are approximately 4000 cubic yards & some private docks need to be dredged. Probable start date is November 1.

Community question regarding the purpose of the DNR permit - Basically it is to cover the additional work to be done and requires filing a new set of forms. These are in process. Because the project is coming to a close the DNR is reviewing the final paperwork closely.

Bill Buegel, Steve Lindberg, Gary Eden and Bill Masterson will be planting the required vegetation to comply with the permit on Saturday. There are (4) different plants at a cost of approximately \$850 dollars.

Vice President – No report

Secretary – Absent (see deferred September meeting minutes and resignation)

Treasurer

Reviewed legal expenses to date and presented the Check Register. She would like to present in that format in the future and move to approve based on the contents of that document. That was deemed as an acceptable practice.

Review of delinquent dues:

- 50 members are passed due by 90 days or more (2nd letter has gone out)
- \$32,000 is outstanding for the \$102 special assessment
- \$66,000 total in delinquent dues and assessments

Legal Fees process review – The current process for approval is to have Bruce O'Connor review the billing for accuracy and then it is passed to Bill Buegel for final approval.

Summary:

The 9/23/08 billing is for charges in August.

The 10/9/08 billing is for charges are in September. However, this does not include the last court appearance.

\$30,000 cap for legal fees may have been exceeded, if so, we need a Board motion to approve the excess costs expenses. We will need a full accounting for the legal fees to date prior to making the motion. The Treasurer will review them and report next month.

Motion to approve check register as presented - Approved without dissent

Follow up on open business:

Feola, Willets and Smith litigation

Litigation summary:

- 1) DKC has no right to record liens
- 2) DKC has no right to record corporate documents against personal property
- 3) Relief of all dues and assessments

DKC answered these claims and filed a counterclaim that we can collect dues, assessments and record liens.

Summary judgments were requested by the Club and by the claimants.

On August 19th the court said they would review and respond on September 23rd. That was delayed to October 3rd.

Decision: The Court dismissed (4) DKC arguments. The main one was that the Feolas, et al, should be barred from proceeding with this action by previous actions that have failed. The judge did not agree. These proceedings were based different claims.

The Court ruled that all plaintiffs had notice of DKC dues and assessments – they had prior knowledge; there was an implied contract. Their property values were increased by virtue of membership in the club.

The court dismissed the Plaintiff's motion for summary judgment.

The court upheld DKC motion for Summary Judgment.

The court did not hold the plaintiffs accountable for attorney's fees and court costs because there were only oblique reference in the clubs Articles and Covenants to the ACC rules.

The Court Order was not registered. The opposing attorney was not ready. He needs more time to review the order.

Bruce has included a clause in to enjoin Feolas from ever taking this type of action again. They may not accept this.

Plaintiffs have 60 days to file an appeal.

- One order for past dues and assessments to be filed

There is good potential for insurance coverage for club costs for this litigation because the of the court decree that this was a different claim from the previous claims and that the District Court did not have jurisdiction.

Playground Plan and Budget review by Rob Lanfear –

The Long Term planning committee agreed to do the playground project. There were a series of Focus Groups that came up with a plan for a park. This was a total volunteer effort

Opportunity to purchase a used playground set – Community member funded the purchase up front.

Fund raiser was held and donations were made to reimburse costs.

\$500 from one community member

\$5300 earned from the Community Garage Sale

\$10500 in raised.

Budget submitted

- Only 2 people are authorized to make withdrawals against the budget
- There is a pending donation from nonprofit group (potential \$4500) Kitsap Rotary

Proposal:

- Maintain existing Swing Set
- Maintain Sports Court
- Maintain current playground footprint
- Add a Wheelchair Ramp for ADA compliance

Need approval by Board for final plan next month

Governance Committee Report

The Final Report was submitted for the restated Bylaws

Motion to accept report made and seconded – Approved without dissention

A Work Study session will be held to review the new Bylaws

Bruce O'Connor submitted a Sunset Report – Final report of the Governance Committee

This recommended that we overhaul the ACC documents as a next step.

The Board agreed to accept the report and disband the Governance Committee

Articles of Incorporation Focus Group Report

The restated Articles of Incorporation Focus Group Report was submitted on Thursday, October 2nd to the Board. It is currently under consideration.

- Essentially, the Focus Group did not agree with the restated Articles as presented. They did not recommend approval of these by the Board.
- The Focus Group also noted that there was a new draft of Articles that were submitted to them after a review with the Club's Special Council. These were more "readable" due to a format change and many of the Focus Group requests were included, but not all of them. The Board agreed that a Final Draft should be prepared from the Focus Group recommendations and the Special Council's rewrite. Brad Luton presented this document at the Board meeting and it will be considered as the Final Draft.

A recommendation was made that Brad Luton create a cohesive set of documentation of the new Bylaws, the minority Bylaws, and the Articles to use at a Board Work Study Session in order to finalize the Governance Documents.

Bruce O'Connor entered his objection to the Focus Group Report. His reasons were:

1. the report was given only in a hard copy format that is very difficult to analyze and impossible to distribute to the community
2. the report was given only a week ago
3. there are many, many items in the report that require comment
4. the Focus Group went far beyond its instructions from the Board and did a job that it was not asked to do, i.e., comment on all of the provisions in Restated Articles
5. the Focus Group ignored, and totally so, the report from the Governance Committee (contained in the instructions to the Focus Group)
6. the report urges rejection of the Restated Articles without any consideration of most of the major changes in that document proposed by the Governance Committee (e.g., two class memberships, authority of the Club over all property in Driftwood Key, confirming the ability of the Club to exercise its powers over developed lots, including the legal descriptions of the property in Driftwood Key)
7. the Focus Group was really concerned only about Article II-18 of the Restated Articles, because its remaining comments are clerical and non-substantive
8. the report's tone and the tone of the Focus Group in presenting the report to the Board at the last workshop are dismissive of any one's viewpoint other than its own
9. despite its self-stated characterization as a broadly based community group, the Focus Group was in fact dominated by a faction that has a very narrow viewpoint as to Article II-18
10. the report is unclear in what the Focus Group wants the Board to do
11. the report includes inaccurate statements of fact and law.

There were comments made by other Board members that did not agree with Bruce's assessment. These are available through the recordings of the meeting. Essentially the Board members that disagreed with Bruce felt that the work done by the Focus Group, the Governance Committee and the Legal Council should be reviewed by the Board and a final solution should be adopted from the collective body of work.

Motion made to accept the Focus Group Report and Brad Luton's work on the restated Articles – The Motion was approved with Bruce O'Connor dissenting.

Marina loan to Dredging fund

Bill Cummings discussed credit market impact on Dredging fund loan from Marina. He wanted to make motion to pay off debt to the marina by borrowing against DKC's open credit line and ensure that there is funding available to pay off the completion of the dredging project.

A motion was entered to draw \$200,000 and an additional amount of \$150,000 to ensure that we have funds to cover ongoing dredging expenses against the open credit line. It was withdrawn until a Treasurer's report is made.

New Business:

Motion regarding the Caretaker Position: Ask to suspend the search until the 1st part of March, maintain w/volunteers; use savings to offset legal fees. - Approved without dissention

End of March hire date agreed upon

Motion made to set Caretaker Bonus @ ¼ bonus \$750 motion agreed

Keynotes (interim assistance)

June Bissel volunteered for Keynotes until I get up to speed on Secretary responsibilities. Keynotes need to be delivered to June Bissel by October 15th. Bill will get this month.

It was noted that this has not been a responsibility of the "Secretary". We will ask for a volunteer for Keynotes in this month's Keynotes.

Reasonable accommodations policy

- Swimming Pool Rules
- Swimming Pool Policy

Review: Human Rights Commission (HRC) stated we may be covered by fair housing law; requires that reasonable accommodation policies must be in place such that requests for accommodation for disabilities must be addressed. A determination of expenses for physical changes to property can be assigned to the requestor.

CP10 & revised Swimming Pool rules; revised Swimming Pool schedule (which eliminates the Adult Swim time) were entered for review by the Board. The Adult Swim is replaced by lap swim, pool aerobics and reasonable accommodation times. Little change to current pool management except as stated.

The Building & Grounds Board member will have authority to change pool schedule as necessary.

In summary:

- There will be no Adult Swim.
- There will be times for restricted pool activities (Aerobic Swim and Lap Swim).
- There will be "Reasonable Accommodation" times for persons with disabilities.

An agreement was sent to HRC. HRC will present it to the Plaintiffs for concurrence.

Motion to approve the policy and rule changes made - Approved without dissention

A decision on enforcement needs to be made

Purchase of Legal Books on Nonprofit Governance (\$145)

Dennis Augustine will check with the Public Library for availability to review before a decision to purchase is made.

Interpretive Sign

A new Interpretive Sign was proposed by Constance Borgomainerio. The sign would be similar to the Sand Dollar sign. The format was presented to the Board. The only change to the format is to add a safety notice at bottom of sign. This is privately funded

Motion made to accept the sign- Approved without dissention

Just for the Record for new board members, G. Borgomainerio entered e-mail regarding the cap for attorney fees. This was clarified that this was for "Special Council". We need to research archives for the cap. Bill Buegel will research this.

Change in Board Officers and Committee Chairs

Dennis Hardin resignation requires re-organization of the Board

Frank Fox to take over as Secretary

Gene Borgomainerio to take over as VP & Lot Clearing

Bill Cummings will give up the VP position and take over Building and Grounds

We will make a request in Keynotes for volunteers to fill the open Board position

Motion to approve these position changes- Approved without dissention

Lot Clearing

There is an open View Obstruction and Lot Clearing issue regarding the Nakayama property on Olympic View that needs to be addressed. A response to the Nakayama attorney will need to be made when we finish our Governance documents.

We will form a Lot Clearing committee chaired by Gene Borgomainerio with support from Frank Fox. The focus of the group will be to take a more "pro-active" approach to resolve issues with potential complaints.

A request for committee members will be placed in the Keynotes

ACC Report

Request for approval of two construction applications entered:

- recommendation made for approval of garden shed at 5037 Willow Pl NE
- recommendation made for 37571 Vista Key Dr. - Improvements to house and deck additions

Motion for approval of both construction applications made- Approved without dissention

Dredging Committee

Motion to withdraw the charter and to require an after action report made- Approved without dissention

Building & Grounds Report:

Need to have lawns mowed by volunteers using club equipment in the absence of a Caretaker. Permission requested to use club equipment so that volunteers can maintain club property with proper training. This was deemed to be acceptable with the exception that only Board members may use the tractor after being trained.

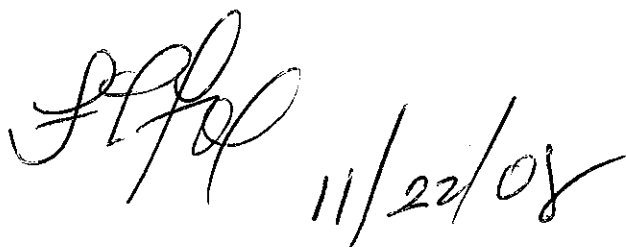
Policing of dock needs to be covered as well.

Marina rebuild project – Engineer's assessment received. The contract needs to be reviewed. Bruce O'Connor will review the contract.

There may be a need for a Special Board Meeting to approve the report and contract.

Move to Adjourn- Approved without dissention

Secretary Signature:

Handwritten signature and date: 11/22/08