

TO: MEMBERS OF STONEWATER OWNERS ASSOCIATION, INC.
FROM: BOARD OF DIRECTORS
RE: NOTICE OF SPECIAL MEETING
DATE: June 21, 2021

Please be advised that a Special Meeting (the “Special Meeting”) of the Stonewater Owners Association (the “Association”) will be held as follows:

Place: New Covenant United Methodist Church
14514 Lucia Riverbend Hwy
Mt Holly, NC 28120
Date: August 20, 2021
Time: 7:00 pm EDT

The purpose of the Special Meeting will be to vote on whether Pearl Shaffer should be removed as a Director. This is the only matter that will be discussed.

In March of 2021, the Board of Directors (the “Board”) became aware of the fact that in February of 2021, Mrs. Shaffer shared confidential information (made available to her solely as a Director) with certain other Members of the Association. Those other Members (the “Plaintiffs”) have now filed suit against the Association. Mrs. Shaffer neither discussed her proposed actions with the Board beforehand, nor did she voluntarily advise the Board of her actions afterward. Instead, the Board discovered the violation when the Plaintiffs’ attorney, Jim Surane, attempted to open the Boat Slip general account ledger using the Board-level “read-and-write” access that had been provided by Mrs. Shaffer to the Plaintiffs. The ledger shared by Mrs. Shaffer includes specific account information of all the Boat Slip Lot Owner Members, including the amount of the assessments paid, when they were paid and whether late fees have been assessed.

Sharing personal financial information of Members with persons not on the Board is a violation of Mrs. Shaffer’s fiduciary duties to the Association and a violation of North Carolina laws, including, without limitation, the terms of N.C. Gen. Stat. §§ 75-50 to -56. The Board has also discovered that other documents were shared with the Plaintiffs by Mrs. Shaffer using her husband, Don Shaffer’s, email account. **At the time the information was shared, Mrs. Shaffer had actual knowledge that (i) the Plaintiffs intended to file suit against the Association and (ii) such suit would relate to, and was likely to benefit from, the information contained in the documents that Mrs. Shaffer shared.**

Now that the Members with whom Mrs. Shaffer shared the information have sued the Association, the Board of Directors believes that you should be informed of the situation and make the determination of whether Mrs. Shaffer remains on the Board. If you would like to discuss any of the allegations that have been made, do not hesitate to contact any of the current Board members. We urge you to attend the Special Meeting so that the allegations can be discussed, and the community can decide how to proceed.

If you cannot attend, you are urged to appoint a proxy to vote or otherwise act on your behalf as permitted by N.C.G.S. § 55A-7-24. Your proxy will be effective when received by the Secretary or other officer of the Association and shall be valid for a period of eleven (11) months. You may revoke your proxy by either attending the meeting and voting in person or by signing and delivering to the Secretary or other officer of the Association a writing stating that the appointment of the proxy previously delivered is revoked or a subsequent appointment form.

This notice is being given pursuant to the requirements of the Association’s Bylaws and N.C.G.S. § 55A-7-05.

Regards,

Board of Directors
Stonewater Homeowners Association