

**VILLAGE OF PINEHURST
VILLAGE COUNCIL
CLOSED SESSION –February 12, 2013**

**395 MAGNOLIA ROAD
CONFERENCE ROOM
PINEHURST, NORTH CAROLINA
4:30 PM**

MINUTES

During the Work Session of the Pinehurst Village Council held at 4:30 p.m., Tuesday, February 12, 2013 in the Conference Room of the Pinehurst Village Hall, 395 Magnolia Road, Pinehurst, North Carolina, Councilmember Strickland moved to recess the work session and enter into a closed session pursuant to NCGS 143-318.11 (a) (3) to consult with the Village attorney in order to preserve the attorney-client privilege between the Village Attorney and the Village Council. The motion was seconded by Councilmember Cashion and carried unanimously. The following people were present:

Ms. Nancy Roy Fiorillo, Mayor
Mr. John R. Cashion, Councilmember
Mr. Mark W. Parson, Councilmember
Mr. John C. Strickland, Councilmember
Mr. Andrew M. Wilkison, Village Manager
Mr. Michael J. Newman, Village Attorney
Mr. Jeff Batton, Assistant Village Manager
Ms. Natalie Dean, Assistant Village Manager

MAYOR NANCY ROY FIORILLO CALLED THE MEETING TO ORDER.

The Council discussed with the Village Attorney, the Village Manager and both Assistant Village Managers the status of the litigation between Mr. Mike McCrann and the Village of Pinehurst, legal issues related to proprietary information and a proposed marketing/advertising joint venture between the Village of Pinehurst and Fields and Fairways, the foreclosure status of the Traditions of Old Town property, and a potential claim regarding possible liability on the part of the Village concerning residential construction in the Lake Pinehurst area, and certain flood levels.

The NC Court of Appeals ruled in favor of the Village of Pinehurst, Pinehurst, LLC, and the Village Chapel on all claims in the appeal by plaintiff McCrann of the Moore County Superior Court decision. Because of the unanimous decision in favor of the Village by the NC Court of Appeals, the plaintiff's only recourse is to petition the NC Supreme Court for discretionary review, which is unlikely to be granted.

The Village Attorney cautioned the Village against securing proprietary information from area businesses and then conveying that to Fields and Fairways for their mobile advertising campaign. Consensus of the Council was to revert to the earlier position of the Village to partner with Fields and Fairways by supporting individual retail events held in the Village Center during the year.

The Village Attorney also reported that the foreclosure sale for the Traditions of Old Town property has been postponed once again.

The Village Attorney alerted the Council that they may be approached by Mr. Bill Kerchof, a resident of the Lake Pinehurst area, who may claim that the Village of Pinehurst owns the dam for Lake Pinehurst, and therefore ought to install a spillway under Diamondhead Drive, to in effect lower the flood level of Lake Pinehurst, so that Mr. Kerchof and perhaps other properties are no longer located in the floodplain for Lake Pinehurst. Mr. Newman disabused the notion that the Village of Pinehurst owns the dam, and that in fact Pinehurst, LLC, owns the dam for Lake Pinehurst as well as Lake Pinehurst itself.

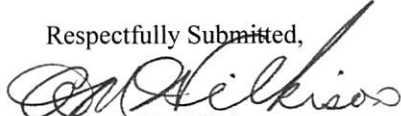
ADJOURNMENT.

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Upon the conclusion of the Closed Session, Councilmember Strickland moved to adjourn the Closed Session and re-enter the Work Session. The motion was seconded by Councilmember Cashion and carried unanimously.

The Closed Session adjourned at approximately 5:25 p.m.

Respectfully Submitted,



Andrew M. Wilkison,
Village Clerk