

BLUE RIBBON FARMS PROPERTY OWNERS' ASSOCIATION

Annual Meeting June 4, 2022

Meeting place: Dungeness School House

Board members present:

Chairman – Mark Long

Vice Chairman – Andrew Zacharias

Treasurer – Gunar Clem

Secretary – David Woodcock

Members at large - Rachel May

Keri McIntyre

Marilyn Mason

With 50 members present (including the Board) and 33 assigned proxy ballots a quorum was declared, and the meeting opened at 1:08 pm. The order of business was presented in a PowerPoint display and the meeting commenced with the introduction of officers.

Review of the 2021 minutes was presented by Dave Woodcock. The minutes are posted in full length on the POA website. A motion was made seconded and passed to accept the minutes without correction.

Officers Reports:

Chairman:

1. Mark reported on the future road construction on the curve at Kitchen-Dick Road. Surveyors are there and Federal funding is in place. The project involves considerable work in the park moving parking and trails back from the bluff. No public meetings are set yet. The new engineer of the KD/Lotz project is David Biblar.
2. Liability concerns – Drew will address the Wing Walking liability issues later in the meeting.
3. Jim and Natasha Nichols made a report to the Board on the proposed moving of their hangar and home back from the bluff. The project should have a minimal impact on the runway set back. Work is scheduled to start next month with work hours 7am – 5 pm weekdays.
4. Report – the large Anderson Homes sign has been removed and replaced with a small one.
5. Questions have been raised about who is responsible for repairs on certain roads. Maynard, Tyler View and Lands End are all private roads and the maintenance of those roads is the responsibility of the home owners.
6. Updating of Bylaws and CC&Rs. The Board and our attorney who has over 30 years of legal experience with HOAs has noted some areas of our CC&Rs require review and updating. This is a major project that requires a 2/3 majority vote of the association to modify. Input from homeowners to the Board is encouraged.

7. An insurance committee has been formed at a previous Board meeting to review our policy, other possible insurance underwriters and consider increasing limits. This is work in progress and no decision has been made as yet.
8. The Blue Ribbon Farms Short Term Rental Policy. It has been determined by our attorney that this policy put in place a couple years ago may be exceeding our authority with the current CC&Rs. It has been removed from the website for Board review.
A question was raised about the Short Term rentals. The County has an update to the rental rules but they are in draft form only at this time so existing County rules are still in place.
9. It was reported that the current Board will remain in place until next years meeting in February. We will likely need at least 3 new Board members and one of those to take the Treasurer position. A call was made for anyone to step forward to begin learning this position from Gunar who has been Treasurer for 5 years.
10. Mark described BRF equipment that is available for member use. It included a fertilizer applicator, roller, aerator, chain drag and large mower.

Airport Committee Report by John Cuny, Chairman.

1. John gave an overview of the history of BRF and the airstrip.
2. The 2022 Airport Committee met on January 20 at Mark Long's hangar at 1:00 pm, 15 residents were there. As a reminder the committee meetings are open to everyone.
3. A discussion of the variation of runway conditions at different times of year followed.
4. The traffic pattern, noise abatement and safety concerns were addressed
5. Other items discussed at the meeting included not having students from other airports using our airstrip and discouraging any local pilots from low level buzzing of the field. The wing walking school was discussed in detail recommending discontinuing any commercial operations from our airstrip per CC&Rs. It was recommended that any flights carrying wing walking clients depart from the Sequim Valley Airport.
6. John discussed increasing signage around the airport for safety awareness.
7. A very important topic was reviewed – that being maintaining the taxiway easements on Greywolf, Maynard, Lands' End and Tyler View Roads. There are a few lots that have placed mailboxes and plants that could impede aircraft access to the runway as protected by the easements. If members are landscaping the setbacks need to be followed and in the future any structures in the easements violating the setbacks may need to be moved. Maintaining these easements makes all our properties more valuable.
8. Safety along the bluff was discussed with increasing signage needed there. The Park fencing is not secure in the Kattan property area. Signage and the park fixing the fence will help prevent access from visitors.

9. The old trail leading east along the park fencing from Susong's property is no longer open. The new owners have relinquished permission to use that to view the Kattan bluff property. Any access to the bluff must be through the park proper.
10. The Airport Committee meetings are open to all members. The pilots are each contributing \$200 a year and most volunteering their time in helping with runway maintenance that includes weed control, fertilizing and mowing. The possibility of purchasing a large commercial type of mower was discussed as well as the possibility of hiring a service to maintain the runway. No decisions were made.

Unfinished Business:

The Board's duty to enforce the CC&Rs for the community was reviewed and the commercial use of the runway by the Mason Wing Walking Academy (MWWA) was addressed. Andrew Zacharias discussed the current liability concerns brought forward in a letter sent out to the POA members by Corby Somerville. This letter was not authorized or reviewed by the Board or our attorney.

Our attorney, Judy Endejan, reviewed the letter and her comments were summarized by Drew. Concerning the individual liabilities to POA members in the event of an injury or wrongful death lawsuit stemming from MWWA activities:

The MWWA has committed to no longer using the airstrip for commercial activities but the Board, under her counsel, has sued for a written legal confirmation settlement to make sure the MWWA never uses the airstrip for any commercial flights. This was necessary due to mixed signals and the recommendation of the Mason attorney not to sign the Cease and Desist agreement we presented. Since Blue Ribbon Farms POA would no longer have any involvement in MWWA commercial flights being given to clients off our airport, a plaintiff's attorney would have no basis to add BRF to any Wrongful Death suit.

BRF is a nonprofit Washington corporation which means that individual members cannot be held liable. The question of "piercing the corporate veil" was reviewed. The Board of Directors has observed proper corporate form and followed State law. A court would have to find that wrongful corporate activities or intentional corporate misconduct must be the cause of harm if a MWWA client died at the hands of the MWWA. Her bottom line was that the loss of any individual member's life savings is an extremely remote if not nonexistent possibility.

The question was asked for how long the MWWA has been moving the commercial flights to Sequim Valley Airport? It was only very occasionally last year but started in earnest earlier this year.

The question was brought forward as to the continued liability from the training in the hangar and the violation of CC&R Article V, section 6 concerning home business enterprises. Paragraphs (a), (b), and (c) of this are all being violated by MWWA. Drew discussed how the Board felt the first and immediate concern was for the commercial use of the runway and its liability. The home business violations are being addressed as settlement of the suit continues.

The Members present gave a round of applause for the Board's work this year.

Treasurer Report:

Gunar presented a proposed revised 2022 budget. The proposed budget is the same as the 2022 budget that was approved last November except for an increase in the allowance for legal expenses, which were increased from \$4000 to \$20,000 in the revised budget. A motion to accept the report was made, seconded and the revision was approved by a voice vote of the membership. (See revised budget on page 5)

New business:

1. Mark requested input from the POA was requested to aid in the project to update the current CC&Rs and Bylaws. Rachel pointed out the importance of updating as current rules only allow remedy by law making enforcement expensive.
2. A short discussion was brought up that the Board formed an Insurance Committee to evaluate our current coverage which may be inadequate.
3. Mark advised that elections for new Board members will be at the next Annual Meeting and new folks need to step forward and volunteer their time.
4. Dave Woodcock proposed investigating a management company that could possibly take over some of the Treasurer's duties, manage a new web site, do mailouts, possibly enforce CC&R violations, etc. CV Wells and Mary Lowry volunteered to join a committee to investigate this under Dave's direction. A suggestion for a possible paid position to cover a time intense position like Treasurer was made.
5. A general discussion followed on maintaining the Association common areas. Should we buy more equipment like a \$10,000 commercial quality mower and build a storage area? Should we hire a professional landscape service for mowing? There was not overwhelming interest in either proposal.
6. Corby Somerville brought several points to the attention of the members
 - The records of the Association are open to anyone for inspection.
 - He wanted to inspect the records for proof of adequate insurance coverage
 - Board meetings are open to anyone to attend
 - Corby is heading up the committee to evaluate our insurance.
 - The POA needs adequate insurance to protect us from a liability lawsuit and indemnify the association and its members.
 - Corby raised a point of order to obtain the Zoom record of the meeting, PowerPoint file, budget and spread sheets.
7. Website – we need to hire a web manager to update and maintain our website. We cannot continue to rely on our former resident Dan Masys who had moved out of state. Amber Diehl stepped forward and said she was still interested in helping in this regard. Rachel and Keri will work with Amber to construct a new website. Any suggestions about things to include are welcome.

With no further business, Wendy Chalk made a motion to adjourn. Meeting was adjourned at 3:17 pm

David Woodcock, Secretary

| Blue Ribbon Farms Budget for 2022 | | | | | | |
|--|--------------|-------------|---------------|-------------|--------------|-------------------|
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 (Rev) |
| | Actual | Actual | Actual | Actual | Actual | Approved |
| Income | | | | | | |
| Assessments - paid | 8100 | 8400 | 8550 | 8500 | 8600 | 8650 |
| Pilot Assess / Voluntary | 320 | 350 | 2300 | 1200 | 1200 | 1100 |
| Other-Interest/late fees | 1778 | 3 | 1189 | 54 | 1439 | |
| Total | 10198 | 8753 | 12039 | 9754 | 11239 | 9750 |
| | | | | | | |
| Expenses | | | | | | |
| Insurance | 2554 | 2644 | 2739 | 3067 | 3334 | 3500 |
| Maintenance | 2644 | 1051 | 1084 | 1606 | 58 | 1200 |
| Runway Drainage | | | 9807 | | | |
| Legal | 1189 | 30 | 1676 | 0 | 5320 | 20000 |
| Taxes and filing fees | 12 | 12 | 12 | 77 | 118 | 12 |
| Annual meeting & picnic | 323 | 633 | 627 | 51 | 0 | 300 |
| Admin costs; PO Box, bookkeeper, web site, postage, printing | 1027 | 390 | 612 | 686 | 622 | 650 |
| Total | 7749 | 4851 | 16,556 | 5486 | 9452 | 25662 |
| | | | | | | |
| Income less Expenses | 2449 | 3902 | -4517 | 4268 | 1787 | (15,912) |
| | | | | | | |
| 1. Bank balance as of 05/31/2022: \$39,668 | | | | | | |
| 2. Total delinquent amount as of 06/04/2022: \$ 300 [2 members] | | | | | | |
| 3. This budget is based on using an annual assessment of \$50 per lot and a runway maintenance assessment of \$100 for active pilots. The revised 2022 budget was approved at the June 4, 2022 annual meeting. | | | | | | |