

# BLUE RIBBON FARMS PROPERTY OWNER'S ASSOCIATION

Annual Meeting February 11, 2023

Meeting place: Dungeness School House

Board members present:

Chairman – Mark Long

Vice Chairman – Andrew Zacharias

Treasurer – Carmen Lynaugh

Secretary – David Woodcock

Members at Large – Rachel May Duerst

Marilyn Mason

Keri McIntyre (via Zoom)

With 41 voting members present and 31 signed proxy forms a quorum was declared and the meeting began at 2:05 pm. The total number of possible votes based on multiple lots owned was 90. The order of business was presented in a PowerPoint display. Members Paul and Cindy Allsing and James Macki were also present on Zoom.

Mark explained that this was a 2-part meeting. The first portion was a Special Meeting referred to in the Annual Meeting Announcement per Bylaws Article VI, Section 6. "Removal of Directors. Any director may be removed with or without cause, by concurrence of a majority vote at a meeting of the Association called for that purpose and called with notice in strict accordance with Article V of these Bylaws. The vacancy on the Board of Directors so created shall be filled by the members of the Association at that meeting." The purpose of this Special Meeting was to remove Marilyn Mason from the Board of Directors due to her conflict of interest with respect to ongoing legal action against the Masons from their violations of the CC&Rs. Mark Long made the motion to remove Marilyn from the Board, seconded by Drew Z. Discussion followed from the floor including a short statement from Marilyn asking to remain on the Board. Krystyna Gordon added some past BFR history where a conflict of interest existed with one Board member who wisely resigned rather than remain on the Board. The Association legal counsel has also recommended that due to the ongoing appeal process that Marilyn cannot remain on the Board. A vote was called for and the motion passed with a majority. The Special Meeting portion ended at 2:12 pm.

The regular Annual Meeting began at 2:15 pm with the order of business.

## **Reading and disposition of the minutes from the 2022 Annual Meeting – David Woodcock**

Summary bullet points were posted on the PowerPoint slide. With the approval of the membership, due to the length of the written minutes, the full reading was dispensed with other than the correction. Full minutes are posted on the BRF website.

Under the Airport Committee Report, paragraph 9, the correction from the property owner on the corner at Lotzgesell and Kitchen-Dick Roads is "There is no public or community access across private BFR properties to the Dungeness Recreation Area, nor to the bluff edge west of

the park. The path mowed prior to 2015 leading north along the park fencing from Lotzgesell is no longer accessible. Any access to the bluff must be through the park proper. Gunar Clem moved to accept the minutes with the correction, seconded and passed.

### **Chairman Report:**

Mark Long discussed his annual report to the membership. He discussed our unique property with the airstrip, wonderful views, protected green belt, safe walking areas and, because of this, our enhanced property values. He discussed how we were able to collectively bargain with other property associations to control the Cascadia water rates. He discussed how our CC&Rs protect property owners and maintain property values compared to other areas in unincorporated rural Clallam County without the protection of CC&Rs. Mark introduced new property owners:

Robert and Kimberlee Fortin – 133 Greywolf  
Steve and Priscilla Kessler – 94 Buckhorn  
Michael Rosenkranz and Kathryn Taylor – 135 Buckhorn  
Laura Schneider and Kate Orzikh – 284 Greywolf  
Mike and Lisa Baxter – 191 Buckhorn

### **Old Business:**

1. An update on the current state of the legal action with regards to the Mason Wing Walking Academy was presented. Mark discussed the primary duty of the Board is to enforce the CC&Rs for the good of the property owners. He reviewed how Article VII, Section 1 on enforcement of our CC&Rs led to the current legal action and how the POA and our attorney won our case in all respects. He reviewed main points of the Judges Summary Judgement opinion.
  - a. The Masons can no longer use the airstrip for any commercial purposes.
  - b. They can no longer use the hangar for training purposes.
  - c. They must repay BRF for all attorney and court costs.

The current status of the case was reviewed. An appeal has been filed by Masons. No moneys have yet been received. There is a Writ of Garnishment on their bank account and the court has imposed a property lien.

2. Corby Somerville requested to present an **Insurance Committee report** prior to the presentation of the budget. The committee consisted of Corby, Gary Gordon and Cindy Allsing. We currently have:
  - a. Airport Liability policy of \$1,000,000 from the Old Republic Ins. Co. with a \$2350 annual premium. A new quote from ACE Property and Casualty for \$5,000,000 has a \$2500 annual premium. The committee recommends this change – Five times the coverage for only \$150 more.
  - b. Directors and Officers Errors and Omissions policy. Our current policy with the Federal Insurance Company of \$1,000,000 coverage has an annual premium of \$867. A new quote form Continental Casualty for the same coverage was \$1769. The committee recommends staying with our current policy.

- c. Comprehensive General Liability – We do not currently carry this coverage. Quotes ranged from \$3154 to \$4519 annual premium. The committee recommendation – no action. The association has minimal risk other than the runway which is protected by the Airport Liability policy. The CGL premiums are unreasonably high for our minimal exposure.
- d. The new premium should fit nicely into the 2023 budgeted amount for insurance according to Carmen. A “straw vote” from the membership was unanimously in favor of having the Board move to this new policy when the existing one expires in May.

**3. 2023 Budget:**

*Thanks and a round of applause was given to Gunar Clem for his years of hard work as the Association Treasurer.*

Carmen presented the budget, but considerable discussion followed regarding the additional fee that pilots pay listed as a voluntary donation. Keri reviewed that at the 2019 Annual Meeting this was approved as a \$100 / year fee for pilots using the airstrip and could thus not be changed to voluntary without a proper motion and vote for rescinding the 2019 motion. Jennie Peterson also confirmed this fact. Jeanne Martin also reminded folks that we are not a 501c.3 charity and any donations are not tax deductible. Pat Schoen spoke how in the past that some of the major runway projects were paid for voluntarily by pilots. Gunar Clem quoted from the WA State code for Homeowner Associations that associations can legally place a use fee on owners for using portions of the association property. Other discussion followed with the conclusion this be placed as a \$100 pilot assessment.

<b>APPROVED 2023 BUDGET</b>						
	2018	2019	2020	2021	2022	2023
	Actual	Actual	Actual	Actual	Actual	Approved
<b>Income</b>						
Assessments - \$100/lot	8,400	8,550	8,500	8,600	8,450	17,200
Special Assessment-One time \$200/lot						34,400
Pilot Assess \$100/Pilot & Voluntary	350	2,300	1,200	1,200	1,500	1,000
Legal Judgement						0
Legal Action Loan					12,550	
Other-Interest/late fees/ Reimbursables	3	1,189	54	1,439	200	0
<b>Total</b>	<b>8,753</b>	<b>12,039</b>	<b>9,754</b>	<b>11,239</b>	<b>22,700</b>	<b>52,600</b>
<b>Expenses</b>						
Insurance	2,644	2,739	3,067	3,334	3,332	3,500
Maintain-Common Area	1,051	1,084	1,606	58	1,695	1,500
Runway Drainage		9,807				
Legal	30	1,676	0	5,320	41,561	25,000
Repay Loan						12,550
Taxes and Filing Fees	12	12	77	118	42	40
Annual Meeting&Picnic	633	627	51	0	134	400
Admin Costs: PO Box, Bookkeeper, Web Site, Postage, Printing, Zoom	390	612	686	622	1,658	1,200
Reimbursable Expenses						0
<b>Total</b>	<b>4,760</b>	<b>16,557</b>	<b>5,487</b>	<b>9,452</b>	<b>48,422</b>	<b>44,190</b>
<b>Income Less Expenses</b>	<b>3,993</b>	<b>-4,518</b>	<b>4,267</b>	<b>1,787</b>	<b>-25,722</b>	<b>8,410</b>
1. Bank Balance as of 12/31/2022: \$13,839						
2. Total delinquent amount as of 21/31/2022: \$300						
3. This budget is based on using an annual assessment of \$100 per lot and a Special Assessment of \$200 per lot. Plus a runway maintenance assessment of \$100 for active pilots.						
4. This budget is based on receiving no Judgement payment this year. But included the re-paying of the Legal Action Loan regardless of receiving the Judgement payment.						

Discussion followed with the presentation of budget numbers. Anne Marie Grey felt the jump from \$50 to \$100 was too much of a jump at one time and opposed it. Another member felt the low existing \$50 / year amount was absurd and the \$100 / year was totally justified. Jennie Peterson moved to increase the yearly lot assessment from \$50 to \$100. Seconded by Corby S. Motion passed. Discussion followed on the one-time Special Assessment of \$200 per lot. Mark mentioned that if the Mason attorney and court costs were repaid, we may have a future budget surplus for the Board to deal with. Repayment of loans for legal expenses should be done first. One member felt we should maintain some sort of permanent legal fund for the future. Jennie Peterson moved to accept the proposed one-time Special Assessment for this year only of \$200 per lot commencing with the due date of March 15, 2023, when statements are sent out. Seconded by Gary

Gordon. Approved – 67 yes, 23 no. Mark moved we accept the 2023 proposed budget with the pilot assessment of \$100 per year added. Carmen noted that “voluntary” word in the budget is for non-pilot members who have traditionally contributed for runway improvement and maintenance. Seconded by Gary Gordon. The motion passed with 67 yes and 23 no votes. 2023 Budget approved.

4. Nominating Committee Report – Rachel May - Chair

Members:

Keri McIntyre

Pat Schoen

Corby Somerville

Summary from Rachel: “Pat called and emailed many leads. Pat and Rachel considered driving around and canvassing the neighborhood by knocking on doors, but the day we planned to do that turned out to have an atmospheric river of rain in its forecast. Pat and Rachel met with one neighbor in person, she was not interested. Rachel met with another neighbor in person, and she was also not interested.

We heard from many that they appreciated our time and efforts but had other obligations and could not join the board at this time.

We heard from some that they felt there is no need for the HOA/POA and they asked how to disband it/opt out. Future boards may consider reviewing Article 2, Section 2 of the Amended By-Laws as they state: **The purposes for which this Association was created may be altered, modified, enlarged or diminished by vote of a majority of the membership** at a meeting duly called for such purpose, notice of which meeting shall be given as herein provided.

Article 5. Section 2. Of the Amended By-Laws state: Special Meetings. **Special meetings of the Association may be called for at a generally convenient time and place**, by the Chairman, a majority of the Board of Directors or **by owners having ten percent of the votes in the Association, and whom, upon calling such a special meeting, shall be permitted to copy the Association’s record of owners for the purpose of giving notice of said meeting**, but no Association funds shall be used for calling or holding a special meeting unless such expenditure is authorized by a majority of the Directors.

After all of Pat & Corby’s work, we did hear from a few neighbors that they had an interest in joining us. Those neighbors are:

Paul Allsing

Andre Baritelle

Natasha Nichols

To note, I hope that more members from the greater member organization consider serving the board in the future. Having a board that reflects diversity offers a stronger board. Let's take notice of all actions the new board makes as it shifts to those living in a more concentrated area along Greywolf and the runway. If you don't volunteer your time, you can't help steer the ship. Each of the nominees including Carmen Lynaugh who took over Gunar Clem's vacated position as Treasurer introduced themselves."

5. Elections. The following persons are nominated for the Board of Directors:

Mark Long

Drew Zacharias

David Woodcock

Carmen Lynaugh

Natasha Nichols

Andre Baritelle

Paul Allsing.

Vice Chair Drew called three times for any nominations from the floor. With none coming forth, Gary Gordon moved to accept the new slate of officers, seconded by Pat Schoen. Motion passed.

6. Airport Committee Report was presented by Andre Baritelle in lieu of John Cuny's absence. He reviewed the runway conditions that have not required a displaced threshold this year due to the drainage modifications that seem to be working. He reviewed the traffic pattern rules and the new signs (recommended by our insurance carrier) that have been installed by the committee members to enhance safety.

7. The Lotzgesell Curve Committee report by Rachel May, Chair

### **Curve Committee History:**

This information has been informally gathered from many sources. Please share any corrections with us.

In the **1980's** the county approached the then owners of the lots and requested they give them the land to use for a road-changing project. At that time, there were only two homes in the area. In the early **2000's** Clallam County decided to move forward with the Curve Project. They had monies allocated for this purpose and were ready to begin work. The BRF HOA/POA successfully challenged the county, found a political ally to defend their challenge, and the project was canceled. Circa **2018**, the county began to float the idea of adding more RV + tent camping spaces + four permanent cabins to the Dungeness Recreational Park. Many of us attended planning meetings and voiced our concerns and opinions. The county, because of our voices, reconsidered their original plan and decided to remove the cabins altogether as well as reduce the

number of additional camping spaces. This project remains active and unfinished. We learned around this time that the county's ultimate goal was to make the park their main priority for increased tourism. The curve, in the county's planning, is Phase One. Phase Two is expansion of the road in front of the park, adding a permanent, dedicated, turning lane into the park. Phase Three is the park expansion.

**Concerns:**

~The county has not yet conducted any current traffic volume/speed studies on Lotz between KD and Cays.

~Our neighborhood has changed since the 1980's. More homes, more pedestrians, etc.

Per current county engineer (who is soon to retire):

~Proposed curve is being designed **for traffic traveling 50 mph.**

~The county considers Kitchen-Dick (K-D) to be a **main artery** in Clallam

County (park)

~Another county department sets street speed limits

~Only a couple of police are responsible for enforcing speed limits

~Current engineer is retiring soon. He does not expect to have the curve project finalized before his retirement.

~Proposed curve impacts traffic entering/exiting Maynard + Tyler View

~Southbound traffic from Maynard will have greater difficulty accessing K-D

~Proposed curve impacts safety of homes alongside K-D and Lotzgesell accessing the road from their driveways

~Drop-off and pick-up times at Five Acre School are already times of traffic congestion (per FAS, approximately 90 cars each morning and afternoon)

~Pedestrian and cycling safety with potential for increased car speeds

~Ingress and egress easements to Lotzgesell Road are, in essence, extensions of the properties they serve. In the case of Lotzgesell Rd from MP 0.0 to approximately MP 0.8 (Hogback Rd) there are no less than 18 driveways entering the roadway that serve approximately 23 adjacent homes/properties including FA School and the Dungeness Recreation Area. In the case of Holgerson Rd, which feeds directly onto Lotzgesell Rd, there are approximately 38 homes all with vehicles that must traverse this roadway at approximately MP 0.7. Additionally, offices of the U.S. Fish and Wildlife Service, Dungeness National Wildlife Refuge are located on Holgerson Rd which results in daily commuter traffic for those employees traveling to and from work. In the case of Nisbet Road, which feeds onto Lotzgesell Rd directly across from the Five-Acre School driveway, there are 12 homes all with vehicles that also traverse the roadway.

BRF neighborhood is, for the majority, an area comprised of older people

~Issues regarding hearing, mobility and quick responses due to those challenges may make the proposed curve less safe for our neighborhood

~This road splits our neighborhood. Increasing speeds will lead to greater safety concerns for neighbors wanting to visit each other when having to cross the road. It also may pose a safety concern for those wanting to cross the street to visit the park.

Discussion followed and it was clearly felt that the Board should send a letter to the Clallam County Commissioners advising them of our safety concerns and the overall negative effect on our community and others close to us. Andre Baritelle agreed to take over chairmanship of the Curve Committee.

**New Business:**

1. Discussion of a recent break-in with extensive property damage to a new home under construction along Kitchen-Dick Road was brought up. Questionable people and vehicles have also been seen in our area at night. Formation of a Neighborhood Watch may be needed.
2. Sally Kincade discussed the Ladies of Greywolf community group and the Book Club. She explained the format of the groups. She explained it as a wonderful way for new residents to get to know the community and that it is also a great way to disseminate information about the Association.
3. Mark discussed the possibility of another BRF picnic in August or September.
4. Dark Sky policy was brought up. This is not a BRF rule but a recommendation that motion sensor lights are more effective than leaving lights on all night for security and also kinder to neighbors.

**Other Business:**

Josh Durest presented information on bicycle races that have been held on a property within the Association in the past with permission of the property owner. The following two pages are very important for everyone to review concerning the liability to property owners and our Association for hosting events such as this.

*Note: The Board has not verified the accuracy of the statements made in the following letter regarding legal liabilities and the information should be treated as unconfirmed by the Board.*



To The Association Members and Board of Directors,

I cannot be there in person so I have asked Josh Duerst to speak on my behalf.

It is my understanding that a bike racing organization has requested the use of an association member's property as a staging area for multiple bike races. These races are for the express purpose of raising funds for the organization, which is a commercial use of property and increases the liability exposure for our association. In addition, I understand our board of directors is considering endorsing the bike racing activities, which may be a violation of our bylaws restricting commercial activity and further increases our liability.

As a retired insurance professional, I am concerned about the multiple liability exposures these activities present to the association. If there is an accident or injury to a participant or spectator, they will look to all involved parties for compensation. This would include the property owner and the association.

Our property owners association currently has no general liability insurance policy in force to protect us in this situation. The only liability insurance policies in force protect the runway and the board of directors. Consequently, the association would be forced to pay any damage awards from our own resources, including special assessments.

Another concern is the commercial nature of the bike racing activities. Our bylaws restrict commercial activities of our own members. We risk even more liability exposure to the association if third parties are allowed to conduct commercial activities within the boundaries of the association.

I strongly urge the board not to endorse the bike racing activities and to actively discourage the property owner from allowing their property to be used by the bike racing organization. In fact, a letter from the association attorney to the property owner warning of the potential bylaws violation should be sent.

Respectfully submitted,

Cindy Allsing

After looking at these two links, I don't see any protection for us. There is no mention about property owners/landlords being covered for the use of their property for race activities. In fact, the summary states that ancillary activities are excluded and must be added by endorsement. Staging locations are not stated specifically but they would fall under the category of ancillary activities.

The covered activities and persons are defined very narrowly as the biking participants and officials during the actual races. Even then, all participants must sign hold-harmless agreements and provide proof of proper licensing.

In another section, the summary states that the race organization policy is secondary and the participant policies are primary and must pay first. Another key phrase says the policy only covers USAC sanctioned events. What that means to us is that we would have to obtain proof that the event is sanctioned from the local club. We would also want to be added as additional insured on the ancillary event policy to have proof of protection, which they may not be willing to do.

The bottom line is that there is no automatic coverage for us and obtaining proof of protection will be an onerous burden. Allowing this event to happen on association property provides no benefit to us. There can only be negative consequences: increased liability risk, increased traffic and congestion, and physical damage to private property.

<https://usacycling.org/resources/insurance>

<https://s3.amazonaws.com/usac-craft-uploads-production/documents/2023-Event-Insurance-Coverage-Summary.pdf>

Cindy

Mark VanDoren from Port Angeles representing the race group was in attendance and said the race was scheduled for March 10 and 17 unless the owner of the property says no. It was reported that the property owner said no to allowing the event on her property and it will be cancelled.

Corby made a motion to set up a Standing Insurance Committee to monitor our coverages. Gary Gordon seconded. Approved by the members remaining.

With no further business Mark called for adjournment, seconded and approved. Meeting adjourned at 4:50 pm. *Post meeting note: Zoom meeting recordings have been deleted.*

*David Woodcock*, Secretary.

