

Minutes of the Meeting of the
Board of Directors of the
Blue Ribbon Farms Homeowners' Association

April 15, 2023

DRAFT

The meeting of the Board of Directors of the Blue Ribbon Farms (BRF) Homeowners' Association (HOA) was called to order at 10:04am by Vice Chair Drew Zacharias. In addition to Mr. Zacharias, also present were board members Paul Allsing, Andre Baritelle, Carmen Lynaugh, and Natasha Merkuloff Nichols. Members Dave Woodcock, and Mark Long were absent. Guests included Cindy Allsing, Corby Sommerville and Gary Gordon, all members of the Insurance Committee.

Mr. Zacharias stated that this meeting was meant as a work session, and the purpose of this work session was three-fold: to finalize direction to the Insurance Committee to obtain the \$5million liability policy in light of new information obtained by Ms. Allsing; to review and attempt to finalize a procedure for violation of the HOA's CCR's; and to develop an approach to review the HOA's governing documents and perhaps, begin that review.

Insurance issue:

Ms. Allsing informed the Board that the Chubb agent had provided an additional option for acquiring the new \$5million insurance policy. The policy would cover bodily injury and property damage. There is an option to lock in a three year price guarantee, but the cost of the annual premium would be \$3138. This is higher than the one year quote of \$2615. This amount is only \$150 more than what the HOA is currently paying for only \$1million in coverage. There is also the ability to purchase additional coverages for war and for acts of terrorism. She pointed out that there will be a 10% fee for cancelling the existing policy, which will be about \$100. After analyzing the quotes and speaking to the agent, Ms. Allsing recommends the Board approve the one year policy without the additional coverages.

Ms. Allsing also provided specific information about a question which was raised at the last meeting regarding whether the taxiways would be covered by this policy. After speaking with the agent, Ms. Allsing informed the Board that the Chubb policy speaks of premises which are necessary or incidental to aviation operations,; the taxiways are covered.

It was moved by Mr. Allsing and seconded by Mr. Zacharias to accept Ms. Allsing's recommendation and authorize the Insurance Committee to proceed with obtaining the new one-year policy from Chubb and cancelling our current policy.

On the question, Mr. Sommerville pointed out that there are insurance companies in existence which insure too much liability and then do not have enough assets to cover that exposure. Specifically he mentioned the impact of the losses that aviation insurance has taken over the past years. However, he agreed with Ms. Allsing that Chubb is one of the best insurance companies for aviation and is highly rated. Ms. Sommerville also asked whether there would be any benefit to coordinate implementing the new policy with the renewal of the Errors and Omissions policy. As the two policies are from different companies, although both under the Chubb umbrella, it was decided not to coordinate the two policies.

The question was called: the vote was unanimous to proceed with obtaining the \$5million insurance from Chubb.

While on the issue of insurance, Ms. Lynaugh called the Board's attention to minutes of a 2018 meeting where it was determined that each pilot at Blue Ribbon Farms (BRF) would be required to list

the HOA as an additional insured. Mr. Sommerville told the board when he was a tenant at the Port of Oakland, the Port required all resident airplane owners to have the Port listed as additional insured. There was discussion about itinerant traffic, guest pilots and the like. The Board requested the Pilots' Committee to discuss this issue and return to the Board with a recommendation. Mr. Baritelle is the Pilots' Committee liaison.

Violation Procedure:

There ensued a general discussion about a formal violation procedure, as the current CCRs do not have any specific process in place. The CCRs from a number of different HOAs were referred to, specifically their violations clauses. Ms. Lynaugh presented a draft procedure which was reviewed and discussed in detail. Members made a number of suggestions. Mr. Zacharias expressed the view that if there is an appearance of a violation, the parties should be urged to settle things between themselves. After a good amount of input, Ms. Lynaugh agreed to update her draft to include the comments from today. Ms. Allsing indicated he may take a stab at drafting some wording that would be a bit more colloquial. The matter will be returned to the Board at the next meeting.

Review of the HOA's governing documents:

It was noted that there is nothing in the governing documents of this HOA about conflict of interest, specifically if a Board member was the alleged violator. It seems that as part of the review, this needs to be addressed. Mr. Sommerville felt there should be a working group to review the CCRs. Pearson, Stellar and Mattawa airport communities were mentioned as locations which may have CCRs more closely allied with our needs. Ms. Lynaugh commented that while it would be good to get info from other HOAs but in the end we should have an attorney draft them with our guidance on what we want to regulate. This is something that will need to be budgeted and approved by the members. Mr. Allsing stated it would be less costly to borrow from other CCRs than create a document from scratch. Mr. Zacharias felt that the CCRs could be broken up by one or two of their Articles and distributed to Board members to review and rework. A discussion followed about including a request for volunteers to help with the reworking of the CCRs in the newsletter. Mr. Zacharias said he and Mr. Long will take the information that Mr. Woodcock and others had suggested for a newsletter and take a stab at drafting something for the Board's next meeting. He felt it would be good to get the newsletter out soon. Then the request for help on the CCRs would be out soon. The Board could proceed to divide up the CCRs and individual board members could each work with a group of volunteers on a couple of articles.

Mr. Sommerville expressed the hope that the character of this place, as a residential airport, could be preserved. He also hoped that the review of the CCRs be equitable and transparent, so all members could have confidence in the result.

There was discussion about the need to change the website to reflect the call for volunteers. Some conversation occurred about the practicality of having more frequent meetings, so that we could continue the discussions on violations and CCR without slowing down. There was some interest in holding our next meeting in May.

Adjournment

It was moved by Mr. Zacharias, seconded by Mr. Baritelle and carried to adjourn with no future date set for the next meeting of the Board.