



SUNSHINE ACRES PROPERTY OWNERS ASSOCIATION
P O BOX 824 | SEQUIM, WA 98382 | sapoasequim.org

Dear Member:

We trust you are staying safe and healthy during these uncertain times. Since the first of the year, your volunteer board of directors has been working with legal counsel to address your concerns, clarify the relationship between the Bylaws, Articles of Incorporation, and Protective Covenants and ensure our guiding documents are consistent with RCW Chapter 64.38, state law governing homeowners associations.

The enclosed packet of information and ballots represent the culmination of that work. **Please read it carefully.** The packet contains:

1. Cover letter from attorney Jeff Davis, Bell and Davis, PLLC
2. Proposed Bylaws
3. Proposed Budget
4. Ballot Instructions
5. Ballots for Board of Directors, Bylaws and Budget
6. Ballot Return Envelope

Eligible Voting Members

Ballots have been mailed to 419 members; however, only members in good standing i.e. members who have paid dues through 2020-2021 (as assessed September 1, 2020) are eligible to vote. We understand there may be confusion as the association has not sent invoices for dues the past few years, so if you have questions regarding your dues status, please contact us through the website or email at sapoasequim@olypen.com.

Budget

We'd like to point out a couple of budget items, but encourage you to review the detailed notes that have been included with the proposed budget before casting your vote.

1. **State Law Mandate for Reserve Account Study.** Washington state law requires SAPOA to, every three years, have a professional firm conduct a financial review of the association to ensure we are adequately insured, that reserve accounts exist and are adequately funded for common areas, and the association is in sound financial condition. This proposed budget is based on the findings of the studies that were recently done. The studies are posted on SAPOA's website and a copy is available (by appointment) at the Diamond Realty Group office at the airport.

2. **Retention Pond Reserve Account.** To meet requirements in the reserve studies, the board of directors will move \$15,000 from the General Account Fund to the new Retention Pond Reserve Fund. (The Mussel Beach Reserve Fund has adequate funding.)
3. **Dues Assessment.** While costs have increased, the budget and dues structure haven't changed in 12 years. After an in-depth review, we found that to meet all the requirements, including new state law mandates regarding common properties owned by homeowners associations, two changes must be made. Effective with the 2020-2021 budgeting period, **dues will be assessed per lot**, regardless of how many lots a particular member may own and **dues will be increased to \$90 per year, per lot.** In the past, the budget was based on dues assessment for 404 property owners, when in reality, it should have been based on 464 lots or parcel numbers. A previous board of directors arbitrarily decided that members with multiple lots in SAPOA would pay dues on one lot and thus have one vote in any election, which is inconsistent with the interpretation of the Plat Covenants and methodology for equitable reserve funding as stated in the reserve studies. Members who have already paid this year will have the option of paying the additional assessment now or when next year's dues are assessed.
4. **Mussel Beach Road Access.** The access road will be closed November 1 for the winter months. During that time, the board will consider a proposal to add picnic tables near the parking area and explore options for a new key access system to ensure only members in good standing have access and won't be inadvertently locked out.
5. **Website.** SAPOA's new website is sapoasequim.org. The former Google site had security issues and the platform would lose Google support in November 2020. We opted for a new, more secure platform. We are also exploring options to invoice members (with a valid email address) to accept payment through the website.

We recognize the sensitivity of increasing dues and don't take that lightly. In fact, we explored every option including hiring a management firm, and concluded that our current volunteer governing structure would be the most prudent and cost-effective way to proceed. But we must approve the Bylaws and budget as presented to demonstrate fiscal responsibility and compliance or we risk losing our liability insurance protection. The membership and volunteer board members just cannot take that risk. We trust you will thoughtfully consider the Bylaws and budget as presented before casting your vote.

Ballots must be returned by November 27, 2020. Should you have questions, you may contact any member of your board of directors. Contact numbers are on our website.

Respectfully,

SAPOA Board of Directors

David Wescott, Loren Erpelding, Bob Salisbury, Lynnette Will, Christine Stallard

Enclosures [8]