

## **SOUTH POTOMAC VALLEY PROPERTY OWNERS ASSOCIATION**

Minutes of Meeting Held February 1, 1986

The meeting was called to order at 1:30 p.m. Saturday, February 1, 1986, at Shelley's Restaurant, Romney, West Virginia, by Acting Board Chairman Dick Gorham. Mr. Gorham stated that he had been asked by representatives of B. K. Haynes Realtors to serve on a temporary Board of Directors during this organizational meeting of the South Potomac Valley Property Owners Association. Others so invited were Donald Haiber and Richard Brown, both of whom were unable to serve. Mr. Haiber's replacement would be David Carpenter, but Mr. Brown's slot still remained vacant. Mr. Gorham added that if there were no objections he would continue as temporary chairman until permanent arrangements could be made.

Nominations for the third Board vacancy were then opened. John Miller was nominated and seconded. No other names were submitted, the nominations were closed, and Mr. Miller was elected by unanimous affirmative vote.

Mr. Gorham asked for a volunteer to serve as temporary Board Secretary. Phyllis Palmer was nominated but declined. Jodie Alcorn was nominated and accepted.

Mr. Gorham introduced Ray Fletcher and Ms. Williams from B. K. Haynes Realtors; the developer, Homer Feller; and Mr. Feller's attorney, Oscar Bean. Ms. Williams presented several suggestions and an Outline of Purpose memo (both attached) for possible use in organizing the association. She then invited Mr. Bean to review the respective advantages of remaining a landowners' association (unincorporated) or becoming a "legal entity" (incorporating) in order to enjoy the liability protection afforded under state corporate law. Mr. Bean stated that an unincorporated landowners' association involves more liability for members, since each can be sued individually. An incorporated association, however, is a "legal entity" in its own right and may sue or be sued. Financial liability is limited to association corporate assets. Incorporation requires a charter (\$50 fee), one full members' meeting annually, and the filing of certain state and Federal forms annually. The association may incorporate as either profit or non-profit, depending on whether profits are returned to members or reinvested in the association. Mr. Bean recommended incorporation and offered to provide the name of a local attorney to assist the association in taking the necessary steps.

Mr. Gorham asked if the decision to incorporate can be delayed. Mr. Bean replied that waiting one year would probably do no harm, but he urged all landowners to add their property at Levels to their homeowners' insurance. He emphasized that common areas, such as the boat landing site, carry a high risk for the association. The association, and its individual members if unincorporated, are legally liable if outsiders trespass and are injured. This is particularly so if the association fails to object to trespassers or to "reasonably regulate" access to land and common areas. Security measures should be agreed to and implemented as soon as possible. In Mr. Bean's opinion, risk will be acceptably low until the river access is complete.

In response to a series of questions about the covenants, Mr. Bean stated:

- For an incorporated association, if proper notice is given of a public meeting, a majority of those present will constitute a quorum with decision-making power. This provision of the Covenants may be changed by vote of the members.
- Proxies can be given and are usually mailed with meeting notices.
- Currently, this association has only one obligation to the IRS: To obtain an Employer Identification Number. If and when incorporated, and when fees have been collected, the association may incur an obligation to the state of West Virginia.

Juanita Wolfe asked why this meeting was not held in September as specified in the Covenants. Mr. Bean replied that Mr. Feller is an orchardist, and September is his busy season. Mr. Feller assumed B. K. Haynes would set up the meeting, while B. K. Haynes assumed Mr. Feller would. Mr. Bean apologized for any inconvenience caused by this delay.

Jodie Alcorn pointed out that the delay in collecting fees has in turn delayed necessary road repairs, particularly to those areas damaged in the November flood. Ralph Hofer also noted that several months of interest income was lost as well. Mr. Bean replied that road repairs could not have been effected by now in any case, and the amount of lost interest income was not measurable.

Mr. Gorham asked if the owner and developer believe they have fully discharged their obligation to the property owners. Mr. Bean replied that as far as he knew, yes. Mr. Fletcher (B. K. Haynes) said that he had supervised the lot and road layouts, and to the best of his knowledge all roads have been completed.

Several members stated that they had been told by B. K. Haynes personnel that "bluestone" roads would be laid. Mr. Feller stated emphatically that he had never promised bluestone roads. The signed contract only specified gravel roads in good state and usable by ordinary motor vehicles. Mr. Bean acknowledged that he had heard comments about bluestone being laid, but Mr. Feller had no contractual obligation to provide them.

It was noted that an accurate mailing must be developed before association fee invoices could be mailed. Mr. Bean indicated that he would provide a list. (Secretary's Note: A partial list was provided by B. K. Haynes at the meeting.)

Mr. Bean was asked if the association can contract on behalf of individuals for services such as drilling wells, and then have the individual reimburse the association. Mr. Bean recommended against this practice, at least for well-drilling. The incidence of customer dissatisfaction is high, and the association would risk being sued.

Mr. Davis asked what can be done about trespassers. Mr. Bean replied that the best course of action is to call the local police. He did indicate that "reasonable force" may be used to remove trespassers, but none that results in bodily harm.

Mr. Carpenter mentioned two apparent violations of the existing covenants: Construction of a cabin on a treeless lot, and sale of two lots to a sporting club, Anglers Unlimited. Mr. Bean stated that in the first case the association may either enforce the covenants or change them. In the case of Anglers Unlimited, unless the club creates a burden on the other property owners, no violation exists because "residential" use of land is considered the same as "recreational."

Six lots remain unsold and therefore the property of Mr. Feller. He plans to sell them within six months to a year and will first notify the owners of the adjoining lots. Mr. Bean recommended trying to keep re-sales of property within the development as a good way to protect property values.

Roger Asbury asked about mineral rights on development land. Mr. Bean replied that the local gas and oil company is presently leasing those rights, but has not paid leasing fees for the past two years. If paid, the funds belong to the association. However, since the gas and oil company is more than 60 days in arrears, the lease may be cancelled. Mr. Bean recommended this course and volunteered to handle details of the termination. It was moved, seconded, and unanimously voted to accept Mr. Bean's offer and cancel the lease of mineral rights.

Other items of information passed on by Messrs. Bean, Feller, and Fletcher included:

- The development contains approximately two miles of road to be maintained.
- County road maintenance extends to the entrance to the development (estimated to be 100 yards beyond the first gravel pile). Mr. Bean recommended contacting the surveyor for an exact determination. He also recommended negotiating with the other landowners' association about the possibility of sharing maintenance costs of common road areas.
- Development roads and common areas are actually owned by individuals because property lines were run to the center of roadways. The association owns only an easement.
- Residents from beyond the development are entitled to uninhibited access but incur a responsibility to share in maintaining the roads. The limit of that responsibility should be determined by the association.
- It is not advisable to request county maintenance of development roads, because then access can not be controlled.

After a brief recess, the meeting reconvened. The following decisions were moved, seconded, and unanimously approved.

- The fiscal year (October 1-September 30) outlined in the provisional covenants will be retained. Annual association fees and Board Members' terms of office will be based on this fiscal cycle.
- The size of the Board of Directors was established at five. Messrs. Carpenter and Miller were retained as Board Members, Mr. Gorham as Board Chairman. Jim Curtis and Tom Masarick were elected to fill the remaining

two Board vacancies (roster of Board Members attached).

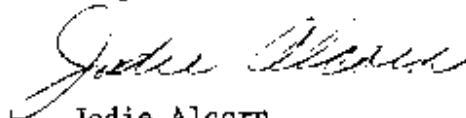
- The office of Secretary was established, and Jodie Alcorn elected.
- The office of Treasurer was established. Bill Palmer and Ralph Hofer were nominated. Mr. Hofer was elected.
- Four standing committees were established: Security, Road Maintenance, Utilities, and Social (membership rosters attached). Establishment of a committee on restoration of flood damage was deferred until the extent of assistance available from the U. S. Soil Conservation Service is known.  
(SECRETARY'S NOTE: PHONE NUMBER FOR THE U. S. SOIL CONSERVATION SERVICE IS: (304) 822-5902.)
- The scope of the Utilities Committee was expanded to include a continuing supplies and construction information function.

Mr. Miller reported that he had contacted the electric company about bringing electric power into the development. He was told that cost goes down as the number of applicants goes up. If utilities acquisition is negotiated by the association, setting a "non-participation" fee should be considered.

- The suggestion to establish an architectural committee was discarded as restrictive and premature at this time.
- A one-time donation of \$5.00 per person was approved to cover initial postage, stationery, and other incidental costs. Mr. Hofer received a total of \$105.00
- The board members agreed to meet briefly immediately after adjournment to set task assignments and schedule the next board meeting.

The meeting adjourned at 3:20 p.m.

Respectfully submitted,



Jodie Alcorn  
Secretary

Attachments:

List of Organizational Suggestions  
Outline of Purpose (on back of above)  
Rosters of Board Members and Standing Committees

# M E M O

Memo as to matters which may be helpful to you in organizing the Home Owners Association and making it work.

1. Suggest that two signatures be required for each check that is written out of the account to pay bills - avoids problems later.
2. Suggest that three people be authorized to sign checks so that if one is out of town, the two authorized signatures can be obtained.
3. Suggest that the possibility of incorporating the property owners association be looked into and that a set of by-laws be established -- see legal counsel for information.
4. Most property owners associations have their roads graded, and if needed, gravelled two times a year - once in the spring and once in the fall.
5. Most property owners associations also have a road work day as many times as needed throughout the year to make sure that all culverts and ditches are free of blockage to prevent rutting of the roads.
6. Some subdivisions have a display made and posted near the entrance covered with glass containing a plat of the subdivision. This is usually done when there are structures on the property and it helps visitors locate a lot owner.
7. Some subdivisions furnish their local fire department and police department with plats showing where dwellings are located so they don't have trouble finding the property if a call to either department is made.
8. Most subdivisions do mailouts to property owners -- called newsletters -- to keep them posted of what's happening in their area.

## PROPERTY OWNERS ASSOCIATION

### PURPOSE:

The purpose for which this association is formed is:

- A) To provide an entity to maintain and operate the subdivision.
- B) To collect annual road maintenance fees and maintain accurate records of all expenditures.
- C) To promote civic and social improvements within the subdivision and the community therein; to preserve and protect the property values of the community; and to promote the peace, health, safety, comfort, and welfare of the owners and inhabitants of the subdivision and community therein.
- D) To do any and all lawful acts which it determines are necessary, suitable, and proper to effect the foregoing purposes, subject to the restrictions contained in the Protective Covenants and any amendments thereto.
- E) To effect the foregoing purposes, the association shall be entitled to the following: 1) To the extent permitted by law to do anything that in the opinion of the Property Owners Association will promote the common benefit and enjoyment of the owners of the lots within the subdivision; 2) To fix, levy, collect, and enforce payment by any lawful means against the lot owners charges and assessments made by the Association on account of the subdivision and the Association; 3) To enforce any and all covenants running with the land and restrictions applicable to the subdivision, and 4) to perform all duties and obligations of the Association set forth in the Protective Covenants, and any amendments thereto.

## ROSTER OF STANDING COMMITTEE CHAIRMEN AND MEMBERS

### SECURITY

Robert R. Koslow, Chairman  
8547 Greenbelt Road T-3  
Greenbelt, MD 20770  
(301) 552-3978

David Carpenter  
12800 Nathan Court  
Herndon, VA 22070  
(703) 437-3631

Kevin Kirkpatrick  
716 Giles Place  
Sterling, VA 22170  
(703) 450-5490

John Miller  
1404-1C Northgate Square  
Reston, VA 22090  
(703) 790-5060

### UTILITIES

Robert Evans, Chairman  
13156 Pavillion Lane  
Fairfax, VA 22033

Keith Biddlecomb  
8537 High Ridge Road  
Ellicott City, MD 21043  
(301) 465-1802

James T. Curtis  
413 Adahi Road S. E.  
Vienna, VA 22180  
(703) 281-6562

Thomas J. Masarick  
8200 S. Lomond Drive  
Manassas, VA 22110  
(703) 368-8308

Bill Palmer  
2229 Harwood Lane  
Bowie, MD 20715  
(301) 262-4804

### SOCIAL

Angela L. Asbury, Chairman  
17460 Hoskinson Road  
Poolesville, MD 20837  
(301) 972-8093

Marie Biddlecomb  
8537 High Ridge Road  
Ellicott City, MD 21043  
(301) 465-1802

Sheila Bushness  
18435 Stone Hollow Drive  
Germantown, MD 20874  
(301) 972-1242

Eleanor Milliken  
320 Margaret Ave.  
Baltimore, MD 21221  
(301) 687-8848

Phyllis Palmer  
2229 Harwood Lane  
Bowie, MD 20715  
(301) 262-4804

Juanita Wolfe  
1404-1C Northgate Square  
Reston, VA 22090  
(703) 437-7833

### ROAD MAINTENANCE

Bruce Dunn, Chairman  
6526 Terry Drive  
Springfield, VA 22150  
(703) 451-9414

Roger Asbury  
17460 Hoskinson Rd.  
Poolesville, MD 20837  
(301) 972-8093

Mary Evans  
13156 Pavilion Lane  
Fairfax, VA 22033  
(703) 378-9051

Bill Palmer (see UTILITIES)

Note: Board Chairman Dick Gorham serves ex officio on all standing committees.

ROSTER OF BOARD MEMBERS OCTOBER, 1985 THROUGH SEPTEMBER 1986

Dick Gorham, Chairman  
10947 Swansfield Road  
Columbia, MD 21044  
(301) 730-2151

David Carpenter  
12800 Nathan Court  
Herndon, VA 22070  
(703) 437-3631

James T. Curtis  
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John Miller  
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Reston, VA 22090  
(703) 790-5060

Jodie Alcorn, Secretary  
13021 Victoria Heights Drive  
Bowie, MD 20715  
(301) 464-0243

Ralph Hofer, Treasurer  
720 Elysian Ave.  
Morgantown, W. VA. 26505  
(304) 292-5285