

Arrowood Homeowners Association
PO box 1836
Manassas, VA 20108
Board of Directors Monthly meeting
Aug 2, 2006 7:30pm
Buckhall Fire Dept.

Attendees:

Mike Kendall, Debbie Kendall, Lloyd Marshall, Casey Jones, Barb Opicka, Keith Keller, Lanelle Keller, Sherry McGraff, Marc VanPelt, Tina Bregiou, Jim Ellis, Barbi Rebelo, Lonny Moyer, Karen Moyer, Tom Dewispeluere, Jennifer Clark, Kathy Hellin, Kate James, Diane Morvay, Holly Rosenthal, Linda Saunders, Kathryn Scott, John Scott, Lisa McLaren

HOA Attorney: Mr. Purnell, from the law firm of Coon and Purnell, came to speak/answer questions from community.

- Mr. Purnell explained that when each homeowner purchased a house in Arrowood/Signal Hill, each homeowner received some documents to include “the declarations”, which contain our covenants. The Virginia Property Owners Association Act governs those declarations. The declarations/covenants “run with the land” and therefore your land has restrictions as set forth in the covenants. Our declaration says that boats/trailers/RVs may not be parked upon the land/lot. Just because the Board may not have enforced the covenants previously, does not invalidate them. The Board as well as any homeowner can enforce the covenants. To change a covenant at this time (less than 20 years since it was enacted) would require a 90% (affirmative) vote from the homeowners. Once the community has hit the 20-year mark, this drops down to 75% of the community approval. Board has the right to enforce the covenant. When asked about the conflicting opinion he gave at the November HOA meeting regarding the boat/RV/trailer issue, he said that if a homeowner has made a permanent improvement to their lot based on implied consent or non-enforcement of the covenant by the previous board, they could sue the HOA. Mr. Purnell was unsure how this would be resolved in court.
- Mr. Purnell explained that Federal law has the highest priority. State law falls under federal laws but state laws can be more restrictive/protective. Same principle applies to the homeowners association—covenants supersede guidelines but guidelines can be more restrictive. Bylaws cannot be violative of the state or federal law.
- With regard to changing the ARC guidelines, Mr. Purnell says that technically, a community vote is not required. The ARC Committee can make recommendations to the Board and all the Board needs to do would be to approve

the recommendations. However, to avoid controversy, Mr. Purnell recommends that the proposed guideline changes be posted in advance and the community has the opportunity to vote/have a say before the Board enacts any changes. The Board thought Mr. Purnell's suggestion was a good one. (See written opinion from Mr. Purnell -- attached).

- Mr. Purnell says a Quorum is defined as "a majority" which equals 4 Board members for this HOA Board. It takes a majority of those present to make decisions. (See written opinion from Mr. Purnell -- attached).
- Removal of an officer, with or without cause, requires a majority vote by the members of the association either in person or by proxy at a meeting in which a "majority" of the members (at least 51%) are present and willing to vote yes. There are no provisions in the covenant that precludes Board members in violation of the covenants from performing their duties. However he stated that "good will" might dictate that they should step down. The only time Board members can remove another Board member from their position is if the Board member has missed 3 consecutive meetings. He said this is defined as a right but not necessarily a duty of the board. (See written opinion from Mr. Purnell -- attached).
- With regard to Storage sheds, Mr. Purnell says the declaration is ambiguous. However, if the shed is built upon a foundation and is not temporary, it is probably fine.
- When asked about his previous opinion on "Grandfathering" if certain covenants or guidelines were to be changed, Mr. Purnell said that "Grandfathering" is a question of fact. A "stop order" may apply. He discussed "Nonconforming use"-- something that is legal at the time it was done, therefore you can continue to do it if the rules change. However, as soon as the continuation stops, it cannot resume again. He gave the following figurative example: Pink flamingos are in a yard, guidelines are changed to prohibit pink flamingos, but the pink flamingos can stay.... however, if they are removed, they would not be allowed back.
- Mr. Purnell says that the board cannot waive the covenants. It does not have authority to approve ARC applications or grant exceptions that violate the covenants. Each homeowner also has the right to enforce the covenants against another homeowner. Homeowners don't have to wait for Board to enforce.
- Regarding the July 11, 2001 meeting minutes (section in question read aloud by Kate). The previous board said they were not enforcing the boat/RV/trailer parking restriction at that time. Mr. Purnell said that the Board did not have the authority to waive the covenants. He said that there is a question of liability if the Board allowed improvements on the lot that were in opposition to the covenants. However, that the Board can also be liable for only loosely enforcing the covenants
- Communication with the lawyer: Since July 15th, communication with lawyer has been initiated by email, which also goes to everyone on the Board. Mr. Purnell's reply also goes to everyone on the Board. Prior to July 15th, Mr. Purnell stated

that most of the time, he would get a call from Krista and she would sometimes also have Brenda on the line. Karen stated that the rest of the Board was not always notified when these calls were to take place therefore the new e-mail chain was requested. Beth stated, due to conflict of interest with Brenda, it may be necessary for Karen (VP) to initiate contact if the situation dictates as it refers to boats, trailers and RVs.

- With regard to issue of which board member should maintain possession of the HOA files, Sharon stated, according to the “Virginia Non-Stock Corporation Act” the duties of the officers, in accordance with the by-laws cannot be changed. She read aloud Section 13.1-872 and 13.1-873 that specify the duties of corporate officers. Sharon went on to say that our by-laws also say that the secretary will keep all minutes and proceedings of the board and of the members. She read aloud Article VIII, Section 8C of our bylaws and referred to Article X regarding the ability of the ARC chairman to access the files once turned over to the Secretary. The ARC chairman is currently keeping the homeowner’s files. Beth stated that Brenda gave the files to her and that she and Brenda went through the files in April 2006 and removed all confidential information. Brenda shredded the removed material. Brenda said that the intention wasn't for Beth to keep the files permanently. Mr. Purnell affirmed the Virginia Non-Stock Corporation Act and our bylaws with regard to the Secretary maintaining the files. He went on to note that our bylaws also state that records are to be available for public inspection “at the principal office of the association...”. Mr. Purnell suggested that one possible solution might be to lease an office or rent a storage space in which to keep the files since we currently have no office, nor do we employ a management company.

Conclusion of Mr. Purnell’s portion of meeting. Approx.8:40pm

Old Business

Karen stated that the February, March and April 2006 minutes had been removed from the website due to discrepancies Therefore, the Board met two different times at the public library for work sessions to listen to the tapes of the meetings and verify the information contained therein. No new business or any other business was discussed and the board did not vote on any topic. Karen read aloud the amendments to the minutes (see attached sheet.)

Karen also noted that the website still has incorrect information. Karen volunteered to be the Board liaison to the Webmaster. She stated that she would copy Brenda on all correspondence to the Webmaster. Karen motioned to be the Board liaison to the Webmaster.

Seconded by Beth.

Roll-call vote: Sharon-yes, Byron-yes, Kate-yes, Beth-yes, Karen-yes.

Treasury

See attached treasury reports. Highlights read aloud by Kate.

Kate noted that from the information she heard at the HOA law seminar, it might be that our common areas are under-insured due to the rise in property values. Kate will contact the HOA insurance rep. to check.

Kate would also like to purchase the “QuickBooks 2006” program to replace the current “QuickBooks Pro 2002”. The company no longer supports the HOA’s current version of Quick Books. Kate uses this program to balance the HOA books. She estimates the cost of the new program to be \$200. Kate motion to purchase the new QuickBooks program.

Seconded by Byron.

Roll-call vote: Karen-yes, Beth-yes, Kate-yes, Byron-yes, Sharon-yes.

The HOA’s bank account is currently at BB&T bank in an interest bearing account that charges for each check written and funds deposited. The monthly interest averages \$3 and the charges are usually \$15-20. Kate would like to look into switching to another kind of account, which is not interest bearing but also does not charge for each check and deposit. The minimum balance in this type of account is \$10,000. Kate motioned to transfer funds into the above, non interest-bearing account.

Seconded by Beth.

Roll-call vote: Sharon-yes, Byron-yes, Kate-yes, Beth-yes, Karen-yes.

Kate will do a quarterly spending budget showing actual verses budgeted. Current budget made available to community members present.

Brenda asked if the names were ever changed on the HOA CDs. Kate did not know. Brenda said she would find out from Don Markel.

ARC

Beth stated that she received more complaints regarding the boat/trailer violations. She also received a call in which the angry homeowner complained that the Board “isn’t doing anything” regarding enforcement. Beth noted that one violation has been corrected and only one remains. Beth outlined an enforcement procedure. Sharon noted a second enforcement procedure (read aloud). There was discussion by the Board regarding enforcement. The Board agreed to follow the enforcement procedure as read by Sharon (see Guidelines section 2.8). Beth stated she had prepared and would send the violation letter.

Sharon motioned to follow enforcement procedures of the one remaining boat/RV/trailer parking violation as outlined in the guidelines.

Seconded by Karen.

Roll-call vote: Sharon-yes, Byron-yes, Kate-yes, Beth-yes, Karen-yes.

ARC application from lot 190- Deck enlargement with a trellis over part for shade. All will be natural-wood in color. Application incomplete due to only one neighbor signature. Discussion with Board. Board agreed that once the homeowner resubmits the application with the required number of signatures, the application would be approved.

New Business

Brenda had received several complaints from homeowners regarding “multi-family” housing situations. Brenda suggested inviting county officials to next HOA meeting to address the issue. Kate and then Sharon suggested getting the lawyers’ input regarding our covenant that prohibits leasing portions of a dwelling. (Article VI, section 6f). Only entire houses may be leased and a copy of the lease agreement is supposed to be filed with the HOA. Karen noted more information is available on the county’s website and read aloud portions of an article entitled, “Residential Overcrowding and Safety”. Brenda stated that when she receives complaints from homeowners regarding this issue that she refers them to Prince William County Zoning Office since the HOA has no enforcement authority.

Karen wanted to clarify and formalize by vote the following: Anytime the president is going to email/contact/meet with the HOA attorney, the president will notify the entire Board so that all Board members will have an opportunity to submit questions as well. Karen motion as above.

Seconded by Beth.

Roll-call vote: Sharon-yes, Byron-yes, Kate-yes, Beth-yes, Karen-yes.

Community Time:

A homeowner asked if the software purchased for \$500 last year was being utilized. Byron stated that Krista has the “TOPS” software. Byron thought it had been downloaded onto the HOA laptop. Kate has the laptop and stated that as far as she knows, it has not been downloaded. Byron stated that the software is supposed to aid the ARC duties.

A homeowner noted that the language in the county’s petition to ban boats/trailers/RVs from the county streets differs from what is written in the regulation. He suggested that the county had made an error---and that perhaps trailers are not actually prohibited from parking on the neighborhood streets. Brenda volunteered to invite Steve Stephens to our next meeting to address this issue.

A homeowner noted from the Washington Post that the traffic light for Signal Hill/Lindenwood has been rejected. She also referenced a new development plan/rezoning for the area behind our development on Wilcoxen Station. Karen said that she would call the information number listed in the newspaper and have any new information posted to the website.

A homeowner inquired why, at the last meeting, the agenda was not adhered to. Beth answered that according to Robert’s rules, “The agenda and all committee reports are merely recommendations”. Additionally, she added, the other Board members voiced no

objections at that time. Sharon countered that according to our bylaws and the law the President presides and sets the order of business at meetings. She said that as ARC Chair, Beth had the right to address the violations, but that she should have brought them up at the appropriate time during the meeting, which was during the ARC report and that she exceeded her authority in taking over the meeting. The Board and the community members present further discussed this issue.

A homeowner asked how much the HOA has spent on the attorney regarding the Boat, Trailer and RV issue. Kate stated that \$765 has been spent on the attorney year-to-date but it was not broken down by the various issues in her report.

Brenda read some e-mails that a homeowner sent out to various other homeowners regarding the boat, trailer and RV issue and felt that certain members were acting in a calculated and inappropriate manner.

Meeting adjourned at approx. 9:15.