



A Community Spirit

WVHOA General Meeting

May 18th, 2004

Mark Hunsinger (Vice President)

Chris Merrill (Recording Secretary)

Eric Tjalma (At Large Member)

Open - Judy Wewerka resigned (Corresponding Secretary)

Walter Whaley (Treasurer)

Marla White (At Large Member)

Craig Wooster (President)



A Community Spirit

Agenda

- General Neighborhood FAQs
- Macon Road Sign Update
- Financial Update
- Lawsuits Update
- By-laws/ Articles of Incorporation
- Open Discussion



A Community Spirit

FAQs

- Property ownership by the WVHOA: *None*
- Our covenants: *We have covenants today*
- Covenant Referendum: *Closed*
- Directory: *Penny Tate*
- WVHOA & WVSRC: *Terms pending*
- Others?



A Community Spirit

FAQs: Covenants

- **Neighborhood is comprised of several different sets of covenants**
- **Terms of modification of covenants are unclear**

The wording “then owners of the lots has been recorded agreeing to change said covenants in whole or in part.” was omitted from the 5/11/77 filing of the covenants. The covenants were amended on 1/31/78 to fix this problem but during this time period at least 31 lots were transferred subject to the 1977 filing since the 78’ covenants hadn’t been recorded. As a result the lots transferred during this time period (1, 6-13, 33, 35-37, 138, 140, 142-144, 146, 148, 152-160, 162 and 163 are not bound by the 78’ amendment and thus provide no provision for ever being revised. Four other lots, 2-4 and 162, have a similar situation which applies such that they are not held binding to the revised 78’ version of the covenants either.

- **There is no legal connection between the WVHOA and Leesville Development Corp.**

The WVHOA was formed by residents, not LDC. Since the covenants were created by LDC, a corporation that no longer exists, and since no successor in interest to LDC exists, the WVHOA has no binding rights to modify or control the covenants.



A Community Spirit

FAQ: WVHOA Dos and Don'ts?

DOs

- Sponsors and pays for the following activities:
 - Easter Egg hunt
 - Newsletter preparation, publication and distribution
 - Spring Ice Cream social
 - Manage budget
 - Maintenance of neighborhood common areas
 - Fall neighborhood garage sale
 - Halloween hot dog supper
 - Visit from Santa and bonfire
 - Web site
 - Facilitating other projects of common neighborhood interest
 - Solicits funding
 - Contributes to 4th of July fireworks
- Assist neighbors in resolving conflicts with property related issues

DON'Ts

- Enforce covenants
- Own property
- Manage architecture board
- Impose liens or mandate any expenses



A Community Spirit

Macon Road Sign Update

- **Penny Sheppard leading group to get this built**
- **Bids pending, hope to begin construction in June**
- **Money in place to cover project**





A Community Spirit

Income/Expense Report (03-04' fiscal year)

Income	Actual (10/1-5/15)	Budget (12 months)
Interest	36	100
Dues	13,676*	14,820
Newsletter Ads	205	500
Total	13,917	15,420

Expenses		
Grounds maintenance	3,000	4,500
Electricity	279	500
Water	190	500
Repair and upkeep	0	500
Holiday events	756	2,000
Newsletter	999	1,300
Web site	0	350
Postage	1,028	1,000
Office Supplies	221	0
Covenant preparation	1,488	1,000
Legal	6,324	4,000
Covenant preparation	1,398	4,000
Dyson lawsuit	921	0
McLain Lawsuit	4,005	0
Liability insurance	0	1,500
Bank service charges	41	50
Miscellaneous	119	200
Contingency	0	500
Total	\$14,445	\$17,900

Notes:

1. Budget approved on 12/9/2003
2. Income assumes 380 homeowners pay at \$39 each
3. Pending expense, not budgeted: Macon Road sign (est. \$5,500)
4. \$4,500 est. legal fees expected not budgeted
5. Report date: 5/15/2004
6. * - Some members over or underpay so total \$s may not match paying members*\$39



A Community Spirit

Balance Sheet

Assets

Cash

Checking, Wachovia 4,576
(4/22/04 statement
plus deposit after 4/22 and
net of outstanding checks)

Savings, Wachovia 12,656
(4/30/04 statement)

Certificate of Deposit 5,000
(0.8% due October 14, 2004)

Dues checks in hand 234

Total **\$22,466**

Liabilities and Equity

Accounts Payable 0

Reserve, Macon Road sign 5,500

Equity 16,966

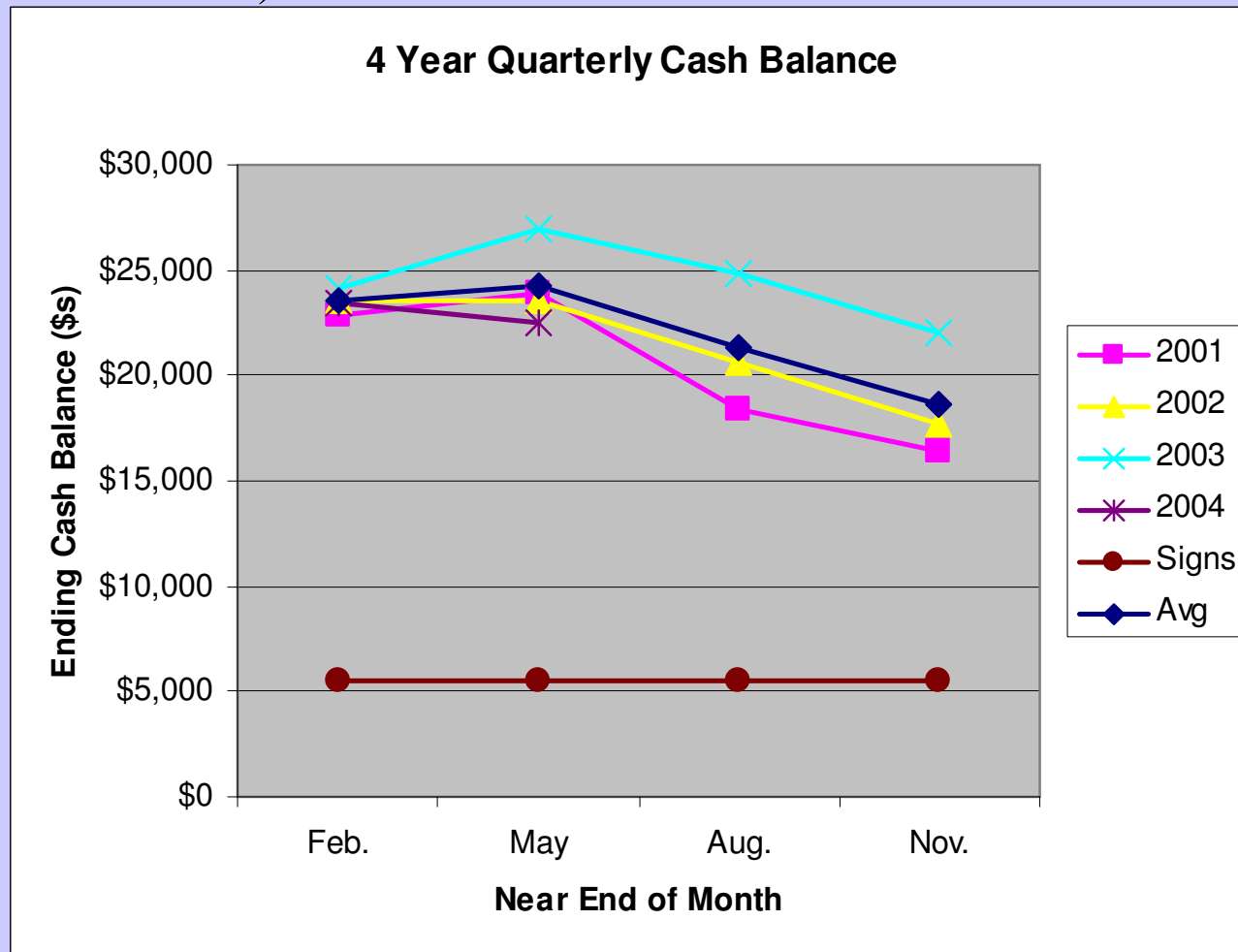
Total **\$22,466**



A Community Spirit

Financial Update

- 78% of dues paid: collected \$13,676 (newsletter halts for non-paying members after June)



Note: May 04' number as of 5/15/04



A Community Spirit

Cash Flow Projection

Cash balance as of 5/15/04	\$22,466
Dues remaining to be collected prior to year-end*	\$1,170
Cash available prior to year-end	\$23,636
Projected cash outflow 5/15/04 through year-end	
Budgeted expenses for balance of fiscal year	\$5,779
Estimate future 2004 legal expense	\$4,500
Oct-Dec expense estimate (\$1,100/mo.)	\$3,300
Macon Road sign	<u>\$5,500</u>
Total cash required thru remainder of year	\$19,079
Projected cash balance 12/31/04	\$4,557

* - estimates dues paid for up to 380 members



A Community Spirit

Lawsuits Update

- Dyson: Closed; total expenses to WVHOA - \$921
- McLain:
 - \$4005 expenses to WVHOA to date
 - 2 lawsuits
 1. Property / covenant rights (against the WVHOA board and 5 named defendants)
 2. Defamation of character (against the WVHOA board and 1 named defendant)
 - Both suits still pending
 - Latest status:
 - Attempts at resolution outside litigation have failed to date
 - Mediation date being set (next step, required by law, in advance of trial date)
 - Estimate on remaining potential expenses by attorney; \$1500 mediation, \$3000 trial



A Community Spirit

WVHOA By-laws/Articles of Incorporation

- Mandate from members to propose changes in 2004
- Changes needed to fix a variety of legal, fiscal and administrative inconsistencies / issues

Why else should we care?

- Potential lawsuit issues
- Miscommunication and false expectations
- Define roles/responsibilities with the WVSRC
- Clarify HOA scope, i.e. beyond Wood Valley, e.g. Heavens Ridge?
- Ensure WVHOA is apolitical, neutral, legal and focused on the fundamental needs of the neighborhood



A Community Spirit

What are the Inconsistencies/ Issues?

- Membership and Voting:
 - exclusive of non-Wood Valley residents
 - misalignment with voting and dues payment schedule
 - unclear rights on what must be voted on, or not, e.g. board today could instate new by-laws without membership vote
- Assessment and liens: WVHOA granted this power via the by-laws but there are no legal provisions within the covenants to support this
- Misc.: each new home owner must record a copy of their deed with the WVHOA
- Fiscal Year ends in Sept. vs. January
- Architecture committee: WVHOA granted this power via the by-laws but legal power granted to LDC which is now defunct
- Covenant enforcement: No power granted to the WVHOA

Note: A broader list will be on the WVHOA web site by the end of May.



A Community Spirit

WVHOA: Our Ability to Influence

- Ability to influence:
 - Funds to promote neighborhood communication and to preserve and beautify our neighborhood
 - Leverages the size and demographics of the neighborhood for representation in civic matter and effective cost savings for its' members
 - School districting matters
 - Public service hearings
 - Bulk purchases such as pine straw, landscaping items
 - Source of information and advice to aid its members
 - Promote and support individual homeowner covenant enforcement
 - Suggested architectural guidelines – writs of 'Opinion of Compliance'
- Outside our ability:
 - To modify the covenants
 - Enforce architectural guidelines
 - Mandate dues
 - Place liens of properties



A Community Spirit

Next Steps

- Form group of volunteers to submit proposed revision to the association
 - Target:
 - publication in Sept.
 - review at Sept. general meeting
 - voting, fourth quarter
 - Analyze other neighborhood documents, ones drafted by 2003 board, and others submitted by members



A Community Spirit

Open Discussion



A Community Spirit

Meeting Adjourned

