

Greene Valley VII Improvement Association, Inc.

Post Office Box 726
Stanardsville, VA 22973-0726
gvs7ia@gmail.com

June 30, 2024

Dear Greene Valley VII Members,

Home Owners Association fees due: Please find accompanying this letter your Greene Valley VII Improvement Association, Inc. (GV7IA) fees due for the year 2024.

Enclosures: 2023 Treasurer's report, 2024 Budget and 2024 Reserves for Capital Components.

The HOA board wishes to thank all members who pay their dues. Without these funds it would be impossible to maintain the roads, perform snow removal and maintain the dam. For the HOA as a whole 60% of lot owners paid dues for 2023.

Collection of Back Dues:

The HOA has been successful in collecting past due amounts of \$2,129.00 during the past year.

Status of Greene Valley VII Improvement Association:

Greene Valley VII Improvement Association, Inc. is registered with State Corporation Commission and the ID number is 11612615.

Treasurer's Report:

The Treasurer's Report is for the year 2023. The balance at the end of the year is \$9,749.23. Keep in mind that most of these funds will be expended to repair accumulated damage that occurred during the winter and any snowplowing occurring in the early part of 2024.

Property Sale: If your property is for sale it is important that the prospective buyers are informed that the property is part of an HOA. If your property has transferred ownership, please let us know so we can coordinate with the new owners. Also, if your property is a rental or someone else is caring for it, please ensure all occupant of the house are aware of the HOA rules and regulations.

Roads: The speed limit on all roads in the subdivision is 15 mph. By state law, ATVs are not permitted on any subdivision roads. Road conditions are affected by speed-- the faster vehicles go, the faster the roads deteriorate. Spinning tires, particularly at entrances, causes damage to the roads by digging potholes. To help roads last longer and stretch association funds, please accelerate gently and drive slowly.

Future Meeting:

Planning is under way to hold a meeting. This letter should be considered as background information on topics that may arise at the meeting. The most important issue to deal with at the meeting is the election of 3 Directors to run the HOA. A letter will be sent out announcing the time and place of the meeting.

Home Owners Association organization: Directors versus Officers

A corporation is an artificial person or legal entity managed by a board of directors, consisting of one or more individuals, who collectively elect officers to run the corporation's day-to-day business activities. (This statement is from the Virginia SCC website.)

It is important to understand the difference between Directors and Officers. While these roles can be filled by the same people the differences are important. The Board of Directors is tasked with managing the operation of the association. Directors are each entitled to vote on issues before the Board and usually have equal rights and preferences. Since Directors are elected by the membership it requires a membership vote to remove Directors from the Board. Officers are not required to be members of the Board. Officers are people who have a specific job title (President, Vice President, Secretary, or Treasurer). Officers are appointed by the Board of Directors. The Board can vote among themselves to remove an Officer from that position. A person can be a Director and then the Board also appoints that person the President. That person would then be both a Director and an Officer. A person could be an Officer without being a Director.

The main differences between Directors and Officers are:

Directors (Board Members)

Elected by the homeowners.

Vote on issues.

Appoint Officers.

Removed by homeowner approval.

Officers

President, Vice President, Secretary, or Treasurer.

Selected by the Board.

Do not vote on Board issues unless also a Director.

Removed by a vote of the Board of Directors.

Voting:

Chapter 18. Property Owners' Association Act.

§ 55.1-1807. Statement of lot owner rights.

Every lot owner who is a *member in good standing* of a property owners' association shall have the following rights:

2. The right to cast a vote on any matter requiring a vote by the association's membership in proportion to the lot owner's ownership interest, unless the declaration provides otherwise.

The primary requirement to be a *member in good standing* is to be paid-up on HOA dues.

Members shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members but one vote for such lot shall be exercised as they determined by and between such Property Owners.

Subdivision and Home Owners Association:

Over the past year the board of directors is still having to deal with claims that there is no HOA/Subdivision. If you examine the deed on your property you will see the following statements:

All that certain lot or parcel of land together with all improvements thereon and appurtenances thereunto belonging, lying and being situate in the Stanardsville Magisterial District of Greene County, Virginia, and being known and designated as Lot (insert number) on the plat of a subdivision known as Greene Valley, Section VII, which is of record in the Clerk's Office of the Circuit Court of Greene County, Virginia in Plat Book 3 at Page 41.

*The above property is conveyed subject to all **covenants, easements, conditions, restrictions, and reservations** contained in duly recorded deeds, plats, and other instruments constituting constructive notice in the chain of title to the property, which have not expired by a limitation of time contained therein or otherwise become ineffective.*

These covenants, easements, conditions, restrictions, and reservations are on file at the Clerk's Office of the Circuit Court of Greene County, Virginia. The covenants are contained in the *Dedication*

of Plat and Statement of Protective Covenants Greene Valley Subdivision, Section VII which are recorded in Deed Book 58, pages 379, 380, 381, 382, and 383 in the Clerk's Office of Greene County, Virginia. This document is also available from the HOA. When you purchase a lot in this subdivision you are automatically bound by these rules.

Impact of the Protective Covenants:

The covenants discuss a number of issues such as maintaining the common areas which include the roads, the common lot, and the dam. Even if the HOA ceased to function these lots are still in a subdivision. I would like to call your attention to paragraph 18 in the covenants:

18) If the parties hereto, or any of them or their heirs or assigns, shall violate or attempt to violate any of the covenants herein, it shall be lawful for any other person or persons owning any real estate situated in said subdivision to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenant either to prevent him or them from so doing or to recover damages, or other due for such violation.

I have always taken this paragraph to mean that any lot owner has standing to sue other lot owners over a violation of the covenants. For example, even if there were no active HOA and a lot owner could not access their property due to roads not being maintained this lot owner could sue all other lot owners in the subdivision to obtain the necessary funds to repair the roads the subdivision is required to maintain. If this situation ever occurs I am sure someone will consult a lawyer to find out what this paragraph means.

The contact information for GV7IA board members is listed below.

Board Position	Name	Address	Phone	Elected
President	Junior Rogers	385 Bird Lane	434-960-6345	2017
Vice-President	Chris McCann	10 Bird Lane	434-466-6165	2017
Secretary	Vacant			
Treasurer	Vincent Dale	20 Ramsey Lane	434-985-3477	2017

Sincerely,

GV7IA Board

2024 Budget and Reserves for Capital Components

The Property Owners' Association Act Chapter 18 § 55.1-1826 requires the board of directors to provide a budget and to conduct a study to determine the necessity and amount of reserves required to repair, replace, and restore the capital components as defined in § 55.1-1800.

2024 Budget

A reasonable projection for a budget for 2024 is:

Road repair:	\$4,500
Office supplies:	\$150
Snowplow:	\$850
<u>Miscellaneous:</u>	<u>\$50</u>
Total:	\$5,550

This estimate has been obtained by averaging the expenses during the years 2013-2023.

The 2024 budget amount of \$5550 covers a typical year. Unfortunately, every few years we have an atypical year where all roads are hit with larger than normal amounts of damage and Rocky Rock gets hit the hardest due to the presence of the river. Therefore it is imperative that reserves funds are available to handle sudden unexpected repairs.

2024 – Reserves for Capital Components

The HOA needs to have \$15,000 in reserves to handle storm damage to the roads and the dam that occurs every few years. The current estimate for reserve for capital components is:

Roads:	\$ 5,000
<u>Dam:</u>	<u>\$10,000</u>
Total:	\$15,000

At the present time the HOA has no reserve funds. In order to build up the reserve funds of \$15,000 over a 5 year period a dues increase of \$45/year would be required. Even without inflation current dues need to be \$160.00/year to meet the needs of the HOA and to be prepared for emergencies.

Dues and Inflation: I assume everyone has noticed price increases due to inflation. The price of everything has increased in the past year to include gravel. Dues are going to have to increase in order for us to properly maintain the roads. The covenants did not anticipate high levels of inflation so dues increases are limited to 10% per year. This issue will have to be addressed at some point. The only way we have at present to handle the issue is to have a special assessment.