

## HERITAGE ESATES PROPERTY OWNERS ASSOCIATION

### ANNUAL MEMBERSHIP MEETING

AUGUST 8, 2015

Members Present: Ann and Rick White; Mr. and Mrs. William VanSickle; Dean and Jean Moore; Ben and Hazeline Stroup (and daughter); Bob and Trilby Wall; Robert and Janice Landen; Jimmy and Jackie Copeland; Jim and Eloise Stewart; Jerry and Adele Willard and Gay Cass.

Welcome: Dean Moore, President called the Heritage Estates Property Owners Association to order at 5:20 PM following the meal at Smokey Mountain BBQ. Dean Moore, President, introduced Board members and officers as follows: Jimmy Copeland, Vice President; Jean Moore, treasurer; Janice Landen, associate treasurer; and Gay Cass, Secretary. At large Board of Directors were recognized: Eloise Stewart, Adele Willard, Rick White and Bob Wall. Members of the association were also welcomed to this annual meeting of the HEPOA.

Treasurer's Report: Jean Moore, treasurer, presented the Financial Statement for the Association dated January 1, 2015 through June 30, 2015. Everyone present received a copy of the report and it can be seen on the website. Jean did point out there are still a few outstanding bills and she anticipates additional expenses prior to the end of 2015. Jean reported there are still 4 property owners who are delinquent in their property owner's 2015 dues. Several attempts have been made to contact these people, including sending registered letters and all were returned "undeliverable". Liens will continue to be in force against said properties. (Jean did mention she cannot get addresses or information update on these people from the tax department). Questions concerning the financial report may be addressed to Jean.

President's Report: (notes in red are secretarial comments – used for clarification)

## President's Report – submitted by Dean Moore, President

1. Street Repair: Last year at this time we had heavy rains that caused a hole in the street on Autumn Run. We obtained a quote from Shatley Paving to give an estimate on repairs. They quoted \$3010 to tear up the road just to see what it would take to do the repair. After the rain ended I took a further look and determined that the rain had washed a basketball-size hole under the pavement. With the assistance of Robert Landen and Jimmy Copeland we were able to repair the hole and enlarge the ditch line to divert runoff into the drain pipe under the street. Cost of repair was about \$20.00.
2. Cut back of overgrown trees and removal of huge fallen oak tree: (which was on the right away) this was completed last fall by Northwest Tree Service.

3. Call Tree: A “call tree” has been created to notify owners about important events. (The Board of Directors will be making the calls to the membership at large). The need for one came to light at the passing of a member of the Board of Directors (John Cass) in the spring. The “call tree” is not intended to be a way to communicate to all property owners. It is intended to get information to owners who have a close association with the neighborhood or who have a home here.

4. Bluebird houses near the gazebo: These were supplied by Jimmy Copeland and were installed by Jimmy, with assistance from Robert Landen. (Thanks and appreciation were expressed by members present,)

5. Actions by the Board of Director that were completed by email, postal mail or by phone (teleconferences). These actions are included in this report as a means to get them into the HEPOA minutes. (Board of Directors’ minutes are available on the web site.)

- Approved a memorial in honor of John Cass (a BOD Member) who passed away in March. The donation was made to Hospice of the Piedmont in the amount of \$100.00. (Note of appreciation from the family is in the President’s files.)
- Approved Gay Cass to serve as HEPOA Secretary for the remainder of 2015.
- Approved a process to implement a secret ballot in the election of Board of Directors as is required in the Bylaws. (An official seal for the Association has been secured and the 2016 ballots have been stamped. Only one ballot per lot will be permitted. Official ballots will be mailed to property owners who were not present at the annual meeting. Returned ballots must be postmarked by September 10, 2015----Please be aware there are spaces for write-ins; however, the person must have given permissions to have their name submitted. Jimmy Copeland and Janice Landen will be counting the ballots.)
- Approved a proposal to hire Northwest Tree Service to remove a large diseased maple across the street from the entrance to the gazebo area and to remove a cedar tree at the gazebo. The cedar blocked access to the river and blocked the view of the river. Total cost was \$1300. The maple was mentioned at last year’s general membership meeting but no action had been taken.
- Approved the purchase of mulch and Roundup for the neighborhood entrance area. Total cost for both was \$80.05. The entrance has been sprayed, weeded and mulched. This was completed by a couple of residents this passed Tuesday. (Members present expressed their appreciation for all the hard work Dean and Jimmy did. It is certainly an attractive improvement. Thank you)
- Approved the renewal of Directors Liability Insurance at the same rate as last year. (The approximate cost will be \$965)
- Approved the sending of a second notice of the general membership meeting and sample ballot to property owners rather than relying solely on the Heritage Estates website. The Board felt that this was especially necessary for owners who lack easy access to the internet.

At the August 3, 2015 teleconference meeting of BOD, the Board approved Gary Roten to do the re-roofing of the gazebo in the commons area at the river. Gary does much work for owners in the neighborhood and comes with high recommendations. Last year the board obtained three estimates for this job. The quote by Gary was by far the best and Gary was willing the stand by last year’s labor quote. The cost will be \$600.00 for labor plus the cost of materials – approximately \$1400.00 total cost. (please

note the cost is a few dollars more than originally quoted; however, they will be using ¾ inch plywood rather than ½ inch.)

Also at the August 3<sup>rd</sup> meeting the Board addressed two issues. The first issue was to clarify the role/authority of the Board of Directors within the Association as a whole and the second issue was to address proposals regarding exterior lighting that had come before the BOD. The minutes of the August 3<sup>rd</sup> meeting summarize the actions of the BOD.

In the matter of BOD authority, the majority of the Board agreed that (with some exceptions that do not allow unilateral actions by the BOD – listed in sub-section (b) of NC-GS-47F-3-103), “...the executive board may act in all instances on behalf of the association.”

In the matter of the two proposals (both are a part of the minutes of the August 3, 2015 BOD meeting), both proposals were defeated by action of the Board of Directors.

Election of Board of Directors for 2016: Jimmy Copeland handed out stamped ballots (one per lot owner) to members of the Association present. Ballots will be mailed to those not present with instructions to return completed ballot by September 10, 2015.

Open Discussion: Ann White expressed concerns about the handling of the lighting issue which was brought to the attention of the Board of Directors. Please see below Ann’s statement: (This statement is directly from Ann. It has not been edited or changed in any way. gc)

Member Response to Board Action and President’s Report – Ann White

8/8/2015

I have a question directed to certain members of the board –

What is your rationale for blocking democratic process to solve a very important issue for this community?

As property owners in this association, I think we require an answer.

When Bob, Rick and I wrote our bylaws, the foundational intent was for the board to adhere to democratic processes – I believe we called it the Golden Rule in the document. Inclusion and transparency would be the goal in the management of the business of this association. It is the opinion of many members that some members of the board have confused their role. The role of the board is to serve the members in

good faith, manage and facilitate problem solving to achieve collaboration and compromise, not ignore and dictate a decision with no due process. And first and foremost to NOT allow personal interest or individual opinions about the issue at hand to cloud or influence decision-making. That is conflict of interest.

The precedent that has been set by certain members of this board, to think that 5 property owners can make decisions and block the democratic process to problem solve very important issues for this entire community is unacceptable and very concerning. That is less than 5% of our members making decisions that impact every single one of our properties. With prior executive boards and presidents, a precedent was set to use a democratic process to achieve good will and prior minutes document that. We are not talking here about small issues that the board has to deal with like tree removal or gazebo roofs. These are the big, challenging issues that affect every property owner. You need to think back 2 years ago under a different board and president, how the issue of raising the dues was managed. It also was not a popular proposal but it was not a unilateral decision of the board. It was decided by democratic process where every property owner had a vote. It is sad that at a time when new members are finally joining the board and offering to help, like Jimmy and Adele that because of group think, they are under the impression that the recent decision by members of the board is how we have historically managed big decisions in this association.

After reading the minutes from the Board's meeting this week, I do not know what Bylaws were being read, but they are not HEs. The "lone" statement that was exemplified in the minutes about the board's powers is not from HEs bylaws. The NC general statutes on POAs was cited at

this week's meeting as the basis for the skewed interpretation that the Board can just decide everything for the association. That interpretation by some of the members of this board does not make the interpretation correct. There are many other members that have a different interpretation of what the bylaws and general statutes mean. The statute says in the first sentence that the bylaws guide the boards' power and our bylaws make many statements that imply democratic process. For example – our definition of voting rights – all lot owners are entitled to one vote per lot on matters submitted to the Membership for a vote. In this case, a matter was submitted to the membership, it was seconded and we should be able to vote. The board's role is to facilitate and monitor that process. Again, we have had the precedent of using this described democratic process in prior POA decisions. So interesting also that in the minutes that only certain communication was included to be shared to the members from a member that favors the stance of denying a vote but the minutes exclude other communication besides my own that challenged it. I made a motion and another property owner seconded it and in the past that is all that was needed to bring an item for membership vote. Again prior meeting minutes document that.

I understand that certain members of the board feel I was out of line to communicate concerns to the members of this community. Another democratic right entitled to me in the 1st amendment of the constitution and I will continue to do that. I have been asked to submit my name as a write in candidate for this board election. But I have decided that I can do more good for this community NOT being on the board. If certain members of the board think that with their undemocratic decision regarding the proposed change to the covenant

or this issue of Board power has been laid to rest for good, I am ensuring you it has not and never will be as long as the current culture of exclusion and control that certain members of this board have created continues. That is the least I can do to ensure all property owners are heard on issues.

This board and association still has an opportunity to reright itself. If the board would have just facilitated a vote last year or right now, the issue may have been settled but now your stance has exposed a bigger issue regarding the board's authority and power. If you think about it, there are around 5 people who have opening expressed opposition to a restriction on exterior lighting and about 5 people who are in favor of a restriction on exterior lighting. What about the other 40 property owners? The Board has a responsibility to them. We need more exploration of this issue before it can be settled. I ask the board to reconvene soon, do some self-reflection on this new direction they have been taking this association, and work to facilitate a vote on an issue that impacts every property owner. I implore you to do the right thing. ~ *Ann White*

Several property owners, including: Eloise Stewart, Robert Landen, Bob Wall, Dean Moore and Jimmy Copeland responded to Ann's concerns. It seemed to be the consensus of those present that outdoor lighting gives one a feeling of security. The group did not come up with an official solution to the issue(s) at hand. The president did state that all members of the BOD were in attendance, that they have heard her concerns, and, "we will see how it goes."

There being no other business the meeting adjourned at 6:30 PM.

Respectfully submitted,

Gay Cass, Secretary

