

HERITAGE ESTATES PROPERTY OWNERS' ASSOCIATION

BOARD OF DIRECTORS MEETING

Thursday, August 5, 2021

On Thursday, August 5, 2021, at 2:03 PM President Dean Moore called to order a meeting of the Board of Directors of Heritage Estates Property Owners Association at the home of Gay Cass. Directors present were Dean Moore, President, Janet Johnson, Vice President, Jean Moore, Treasurer, Jimmy Copeland, Janice Landen, Robert Landen, Sheila Helms, and Gay Cass, Secretary. Having sold her property on Deerfield, Adele Willard has resigned from the Board of Directors.

President Moore announced the following actions had been taken, via email, since the September Membership Meeting:

- February 10, 2021 – approved a construction checklist to be used as new homes are started.
- February 22, 2021 – approved sending a letter to a member who it was believed was planning to violate the Restrictive Covenants. The letter was a reminder that homes must meet the North Carolina Building Code and must meet the RC&R minimum for square footage. Further the letter was a reminder that properties outside Heritage Estates cannot be connected to property within.
- May 17, 2021 – approved the review of the Heritage Estates Restrictive Covenants and Bylaws by an HOA attorney as a step in the plan to make recommended changes before membership vote.

Amending the 1999 Restrictive Covenants

As the Heritage Estates Community grows, so does the responsibility of the HOA to protect members and property values by adhering to county and state laws, as well as HEPOA governing documents. To amend our governing documents to better suit our needs, we had HOA attorney Lawson Newton review our documents. Following his recommendation, we will start by amending the 1999 Restrictive Covenants. The attorney advised us that this version of the Restrictive Covenants is the only valid version, and that we need to start by revising these according to the instructions in them. Please note the following bullet points we will be using to make the necessary amendments:

- Future changes to the Restrictive Covenant and Regulations will ultimately require a 67% affirmative votes from the entire membership
- Set the annual fee to read \$300

- **CONSIDER** – The 1999 Restrictive Covenant and Regulations do not allow us to do a special assessment. If we ever might want to do one, we need to amend these to allow this.
 - We will need to decide how to describe the possibility of a future special assessment. The RC&R needs to specify it will be for roads only.
 - Special assessments require sound planning and fiscal transparency for future road maintenance, as well as member votes.
- Add the set back exceptions that James Stewart's 2006 amendment attempted to add.
- Remove the clause about only lots that are contiguous to the road system pay dues.
- Add to RC&R: Board of Directors will present Bylaws to the membership. All current versions of the Bylaws are invalid, according to the attorney. The amendments to the 1999 RC&R will include allowing the Board to write the first set of Bylaws and any future amendments will require a membership vote.
- Attorney Lawson Newton will complete the document to be signed and filed for amending the RC&R.
- Eloise Stewart, developer, will need to sign that she agrees with the amendments, as per the instructions in the 1999 RC&R.
- BOD votes on the amendment(s). The signatures of a majority of the Board members to sign the document must be notarized and filed.

There was a general agreement that we will seek the advice of the attorney on how to word the voting by the membership on approval of any special assessments and on voting on approval of the Bylaws.

Jimmy Copeland moved that we accept the above recommendations for amending the RC&R and Jean Moore seconded. Motion passed unanimously. Jean Moore made a motion, seconded by Robert Landen that the attorney sends an invoice after the document is completed. Motion carried.

Status of Bylaws

A committee will be appointed to write/amend Bylaws. Suggestions submitted by the membership on the earlier attempt to revise the documents will be considered.

Treasurer's Report

Jean Moore, Treasurer gave her report which is attached to these minutes. The Board voted to accept the report as submitted.

- Audit: Jean Moore made a motion, seconded by Jimmy Copeland, that we hire a CPA to audit the books. Motion carried. The Vice President, Jimmy

Copeland will secure an estimate from at least two CPAs with consideration being given to how quickly either can begin the process.

The Audit should evaluate current procedures, check bank accounts, evaluate insurance coverage, recommend changes and recommendation for time frame for the possible future need of an outside accountant.

- Proposed budget: A Budget Committee, Duane Esarey, Jimmy Copeland, and Janet Johnson, will prepare a proposed budget to be presented to the membership prior to the Annual Membership Meeting. The budget will require membership approval. Please note that Janet Johnson and Jimmy Copeland volunteered to serve on the committee and President Dean Moore suggested that Duane Esarey should be involved.
- Items for consideration will include the cost of a reserve study and evaluation of our insurance coverage.
- A majority of the membership that votes is needed to accept the budget. Janet Johnson stated that, if a budget is not accepted, the state statute requires the previous year's budget be used.

Street Repair

Robert Landen reported to the Board that he has met with several Road Maintenance Contractors and discussed in depth our needs. To resurface all the roads would exceed \$50,000 in cost; however, to seal cracks would cost appropriately \$3,000. After extensive discussion the BOD agreed we are not in financial condition to resurface all the roads and considering that if we seal the existing cracks, we can probably get another 5 years, the Board voted to go with sealing the cracks. Prior to having the work done Robert will discuss the issue with the Road Committee to be sure they are on board with this decision.

Reserve Study: The BOD discussed the advantages of a Reserve Study, which is a professional review of common areas and roads which provide a timeline for projected maintenance and an estimated budget. The Road Committee will be asked to look into the availability of such a Study in this area, cost of services and time frame for getting the work done.

Board of Directors and Officers for 2021

The Board of Directors voted for Duane Esarey to replace Adele Willard on the Board of Directors, term ending December 31, 2021.

Effective August 5, 2021 HEPOA officers will be:

President.....Duane Esarey

Vice President.....Jimmy Copeland

Secretary.....Gay Cass

Treasurer.....Jean Moore

Assistant Treasurer.....Janice Landen

Annual Meeting

The place and date for the Annual Membership Meeting is to be announced. The uncertainties of the Covid situation is making it difficult to secure a meeting location. The membership will be advised as soon as we can confirm place and date.

There being no other business, meeting adjourned at 4:30 PM.

Respectfully submitted,

Gay Cass, Secretary