

HERITAGE ESTATES PROPERTY OWNERS ASSOCIATION
MINUTES BOARD OF DIRECTOR'S YEAR END BUSINESS TRANSACTIONS VIA EMAIL
December 27, 2022 – December 29, 2022

BOARD MEMBERS PARTICIPATING: Duane Esarey, President, Jimmy Copeland, Vice President, Gay Cass, Secretary, Janet Johnson, Treasurer, Paula Shepherd, Michele Nowak, Ginger Jordan, and Robert Landen.

With two important matters of business to be transacted before the end of 2022 and given a shortage of time, President Esarey conducted the following matters via email. Board Members were attentive to these matters and responded in a timely matter. A PDF of the email chain is on file in HEPOA archives.

Business requiring Board action:

1. Minutes for the October 27, 2022 Board of Director Meeting were presented for approval. Having received these minutes via email, board members were able to review them prior to voting. There being no corrections, the minutes were approved as presented and votes may be verified through emails submitted to the president.
2. Assessment letter and copy of annual invoice.
Janet Johnson sent a third draft of the 2023 Assessment letter and a copy of the annual invoice. Board members had offered two previous rounds of suggested changes. Board Members made 3 minor suggestions to clarify this document. A vote was taken and the Board of Directors approved the amended letter and the invoice to be sent to the membership January 1. Text of the 2-page letter requests payment of annual lot-based assessments (dues) and provides an IRS definition of vacation rentals and provides information to determine and report that status. The IRS definition of "residence" and the IRS web site for more information are included. The letter also informs members of a clear deadline for assessment submissions and guidelines for late fees going forward. Board approved the assessment letter and annual invoice. The Treasurer will move forward with distribution of the documents.

Respectfully submitted,

Gay J. Cass

Gay Cass, Secretary



January 1, 2023

Dear HEPOA Member,

Please accept this letter as notification that the Heritage Estates Property Owners Association annual assessment of \$300 per lot is due. The assessments are apportioned to the operating and reserve budgets are follows: \$120 to the operating budget and \$180 to the reserve budget.

Assessments will be considered late if not received by March 15, 2023.

Late assessments will incur a 10% fee, which will be compounded annually if not paid. Any late fees not paid will be added to subsequent assessments and compounded annually at 10%.

For HEPOA to qualify to file the tax form that we use, we must meet the condition that at least 85% of our houses meet the IRS definition of residence.

To ensure that we are completing the correct IRS tax form, please indicate on the page that you send back with your assessment check whether your home(s) complies with this definition (or NA) for empty lots.

If you have any questions or concerns pertaining to this matter, please call me, Janet, at 919-624-5107 or email me at jjohnsonesarey@gmail.com.

Please return the following page with your check.

Sincerely,

A handwritten signature in blue ink that reads 'Janet Johnson'. The signature is written in a cursive, flowing style.

Janet Johnson, Treasurer
Heritage Estates Property Owners Association



Annual fee for: Name _____

Address: _____

Lot Number(s) _____

Payment Amount:

The IRS definition of "residence" for HOAs can be found
<https://www.govinfo.gov/content/pkg/CFR-2012-title26-vol7/pdf/CFR-2012-title26-vol7-sec1-528-6.pdf> and reads,

"Notwithstanding any other provision of this section, a unit, or building will not be considered used for residential purposes, if for more than one-half the days in the association's taxable year, such unit, or building is occupied by a person or series of persons, each of whom so occupies such unit, or building for less than 30 days."

Our interpretation of this is, "The home is NOT a residence if it has short-term renters for more than half the year." Short-term means rentals of 30 days or less.

I own _____ house(s) in Heritage Estates.

____ (Number) of my houses meeting IRS definition of an HOA residence.

____ (Number) of my houses not meeting IRS definition of an HOA residence.

Please make checks payable to: Heritage Estates

Property Owners Association and mail to:

HEPOA
302 River Sound