

HERITAGE ESTATES PROPERTY OWNERS ASSOCIATION
MINUTES FOR BOARD OF DIRECTORS MEETING VIA VIDEO CALL
WED MAY 22, 2024

Directors present: Duane Esarey, President; Jimmy Copeland, Vice President; Paula Shepherd, Secretary; Janet Johnson, Treasurer; Michele Nowak, Assistant Treasurer; Gay Cass, director at large and Ginger Jordan, director at large. At 6:02 pm, on Wednesday, May 22, 2024, President Duane Esarey declared a quorum and called the meeting to order.

News

- Trees trimmed on Lower River Sound. Thanks to McIver, Nowak, Esarey, Jordan.
- Next target for trimming overhanging limbs is Heritage River Road.

Secretary Report

- Minutes and a motion from March 12, 2024 BOD Zoom meeting were reviewed. Duane suggested removing unnecessary details from the Minutes and redacting sensitive information from the Motion. Paula made a motion, seconded by Janet, to accept both suggestions. Motion passed.

Treasurers Report

- **Special Assessments clarification** – The HEPOA covenants do not allow special assessments. If HEPOA gets an unexpected expense, a lawsuit for example, members must pay and collecting the money is a regular assessment. New projects or new structures are special assessments. Expenses for operating are regular assessments, including unpredictable things like legal expenses and trees falling.
- **Misconceptions** - It is incorrect to believe assessments are hard-wired at \$300. That is a remnant from the Developer's "road fund" and should have been erased when we transitioned to an HOA. HOA assessments are to be based on costs. Money from our reserves (road fund) routinely covered the shortfall in operating costs. Catching up our reserves will require about \$420 assessment per lot going forward (replenishing the reserves and covering \$8500 annual operating budget).
- **2025 Budget** – Janet cannot formulate a budget until all 54 lots have paid assessments. On a happy note, our CD has earned over \$3000 interest and is soon to be renewed.
- **Corporate Transparency Act (CTA)** – New federal law requires HOAs to submit personal information of all Board Members to the Treasury Department by Dec 31, 2024. This will require inputting data from Board Members federal picture identification (driver's license) to a federal database. Failure to comply can result in fines to the HOA of \$500 per day up to \$10,000. CPAs and lawyers do not want to do this for HOAs and Directors insurance is rising due to the risk of liability if done wrong. Note that this will require keeping up with new Board Members. Janet suggested a data destruction policy so personal information is NOT retained in HEPOA files.
- Janet will send out the instructions and forms for the Corporate Transparency Act to all board members for review.
- **Bill Pay policy** - Bill Pay is when the bank sends a check directly to an individual or company (lawn mowing service, etc.) Janet suggested using Bill Pay and instituting a policy with similar protections as when the Treasurer writes a check (review by a second board member). **Paula made a motion, seconded by Ginger to approve a bill pay policy. The motion passed.**
- **Legal Expenses and Loan from Reserves** – Previously, the Board approved borrowing \$4000 from our Reserves to fund legal bills, with a repayment plan over ten years. We cannot formulate a repayment plan until legal matters have been settled and we know the final cost.

Michele made a motion to accept the Treasurers report, seconded by Jimmy. The motion passed.

Closed Session 6:47 pm – 7:05 pm

New Business

- **Revise Covenants** - Suggestion to form a committee to address revising our covenants, including inviting non-Board members to participate. Janet and Duane will come up with a first draft and seek additional volunteers.
- **Myths and Meetings** – Continue efforts to ensure members understand their financial and legal responsibilities. All agreed to send out the HOA Myths information sheet to members. Next mailing will also include the invite to an Open Board meeting on Zoom (August 15) and an invite to the next community meeting (September 28). Information to post on the website includes an HOA formation and management checklist with references to statutes and laws and an annual calendar with deadlines for necessary actions.

Jimmy made a motion to adjourn, seconded by Janet. Motion passed. Meeting ended at 7:34 pm

Respectfully submitted,
Paula C. Shepherd (Secretary)

HERITAGE ESTATES PROPERTY OWNERS ASSOCIATION, INC., is a non-profit corporation empowered under the Planned Community Act (§ 47F-3-102) and other laws of the State of North Carolina to serve the interests, uses, and benefits of our community, and to enforce the real covenants in order to preserve appearance and property values to which the Declaration and Bylaws have been made applicable. Member's per lot rights and obligations under the Declaration and Bylaws are allocated memberships, assessments, and voting rights as defined in NCGS § 47F-1 (103) (2-6).