

**HERITAGE ESTATES PROPERTY OWNERS ASSOCIATION**  
**MINUTES FOR OPEN BOARD OF DIRECTORS MEETING VIA VIDEO CALL**  
**FRI, Sep 12, 2025**

Directors present: Duane Esarey, President; Jimmy Copeland, Vice President; Paula Shepherd, Secretary; Janet Johnson; treasurer; and Emily McNeely, director at large.

Members present: Andy Fox, Michael Shepherd, Karen Bobbit, and Michael Sipple.

At 7:03 pm, on September 12, 2025 President Duane Esarey declared a quorum (5 BOD members present) and called the meeting to order.

**President's Report:**

- Our last Board meeting was August 4, 2025.
- Board meetings are typically held on the first Monday evening every other month (Feb, Apr, June, Aug, Oct, Dec).
- Tonight's open board meeting is for member feedback on the draft Covenants distributed on August 22. We will also review comments received in the interim.
- We are abbreviating the format tonight in favor of taking as long as needed to hold an Open Floor opportunity for the members.
- We are working to incorporate feedback to create an updated version of the Covenants.
- New Covenants will be adopted after receiving notarized support forms by 2/3rds of the membership.

**Secretary Report**

- To save time – we will put off review and approval of the previous BOD minutes until next meeting.

**Treasurer Report**

- The website has been redesigned. Financial information has been updated. The password is the same.
- Assessment remains the same as last year.

**Cost of new vs old Covenants**

- Our only valid Covenants are the originals. Several others filed with the courthouse were not properly passed and, therefore, are invalid and put us at risk for legal action.
- If we do pass new Covenants, it nullifies the invalid ones and there is no cost to the community.
- If do not pass new Covenants, the invalid ones must nullified by a judge. Our lawyer said this costs approximately \$10,000. This will be paid by members at a cost of \$200-\$300 per lot.
- Duane said our new Covenants were drafted with legal assistance to assure we are on firm ground. We are willing to revise or delete some items that would make people less likely to approve them. We want to know now if something in the Covenants would stop someone from voting yes.

**Old business**

- At the August 4 meeting, the Board approved the draft 2026 budget created by the Treasurer. This was subsequently mailed to the membership along with other annual business meeting notices.

- Tomorrow is the Annual Business Meeting for the Association. Handouts and ballots are ready for distribution and we have received enough proxy requests to assure we will have a healthy representation of member input for the election and budget ratification.

### **New business**

- No new business was brought up.
- Might take 6 months, or even a year to get the Covenants approved. We can keep accumulating notarized statements until we get approval or not.
- Duane shared his screen so we saw changes already made from comments received by email or phone
- Open Floor - Call for comments and discussion on draft Covenants.
- Article 7.01 Residential Use - Member requested the article be modified because Lot 31 has only a garage (originally built and used by the Developer to house equipment). Member requested grandfathering language allowing the received condition of Lot 31. The board agreed this was a reasonable exemption.
- Article 7.07 Due to a member request, allowable signage was changed from “for sale” to “real estate signs” which reflects we have rentals.
- Article 5.05 Regular Annual Assessments – Negative feedback on the ability to raise assessments up to 20% without member approval. The lawyer said we need this clause so we can pay our bills if prices go up unexpectedly. The 20% was a cap. Since the 20% is raising concerns, we agreed to consider altering or deleting this [post-meeting note – this point was raised again the next day in the Annual Meeting and there will be a committee appointed of members and Board members working out the final language.]

Janet explained the relevance of our two separate budgets – Operating and Maintenance.

Duane said we have now reverted state law verbatim in this section (which we have been following already). Note - If a budget gets rejected, it reverts to the previous year’s budget.

There would have to be a serious concern from the members because rejecting a budget takes a majority (51%) ballot of all possible votes to reject an annual budget.

- Article 5.06 Special Assessments – member feedback led to deleting the words “repair, replacing or repaving of capital improvements.” Since road repair is in our maintenance budget, we should not need to levy a special assessment. This section applies to unexpected costs such as those incurred by the hurricane or legal fees. We were fortunate not to have to levy a higher assessment since donations and volunteer labor took care of hurricane Helene damage.
- Item 6.03 Impact Fee – Added a \$500 road impact fee. This was a suggestion by the builder working on lot 38. He said most communities have impact fees for new construction and was surprised our community did not. Discussion on who pays if the road is damaged; is it the builder or the homeowner? Who would enforce this? (To be resolved at annual meeting or subsequent language committee deliberations.)
  - The builder said his opinion is that we have the best HOA in Ashe County and we hope he may build additional houses. Andy asked how many lots are unbuilt. Duane said there are currently 54 lots and 21 houses. But some of the empty lots were purchased as buffers. That leaves at least 12 lots available for new construction.
- Article 7.04 – added a lot to this section (17, 38, 39, 52 and 53) that the lawyer dropped.

- Jimmy asked if the Covenant changes are being posted to the website because four or five people are watching to see any updates. Currently, it has the lawyer's version on it. (NOTE: Janet posted the new revised version shortly after this Open Board meeting.)
- Janet said the sticking point in covenants approval may be people making the effort to get their votes notarized. The board discussed whether we should have a deadline. Jimmy and Janet suggested a 3-6 month deadline.
- Duane thanked Karen, Mike, and Andy for their attendance.
- Jimmy made a motion to adjourn, seconded by Emily and the motion passed.
- Adjourned at 8:13 pm

**Call for any other business at all.**

**Call for motion to adjourn**

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).

Our purposes and obligations – to plan for annual and perpetual maintenance of our private roads and common area(s), ensure the maintenance of collective property values by enforcing our Covenants and Bylaws, and otherwise serve the common interests of the community while meeting state and federal requirements and regulations.