

HERITAGE ESTATES PROPERTY OWNERS ASSOCIATION (HEPOA) BOARD AND COVENANTS COMMITTEE
MEETING VIA VIDEO CALL
MON, JUN 1, 2026

Covenant Committee Members: Duane Esarey, President; Jimmy Copeland; Vice President; Paula Shepherd, Secretary; Janet Johnson, Treasurer; Emily McNeely, director at large; Joe Millner, director at large; Susan Grayson; Covenants Committee; and John Sheldon, Covenants Committee.

At 7:03 pm on June 1, 2026 Duane Esarey declared a quorum and called the meeting to order.

Orientation

- This regularly scheduled Board meeting is joined by Covenants Committee, as we have been for two recent special meetings (April 30 and May 4).

Secretary Report

- Paula made a motion, seconded by Emily to approve the April 6 Board Meeting minutes. Motion passed.
- Janet made a motion, seconded by Joe to approve minutes of the April 30 Special Meeting with the Covenants Committee. Motion passed.
- Joe made a motion, seconded by Paula to approve minutes of the May 4 Special Meeting with the Covenants Committee. Motion passed.

Treasurer Report

- All assessments have been paid as of late April.
- We have \$33,000 in a money market account earning almost no interest. Our flex CD earns 2.8% interest. Janet suggested moving a sum over to the higher earning account. Paula made a motion, seconded by Emily to move \$28,000 from the money market to the Flex CD. Motion passed.
- Two potential new items for our next budget:
 - Maintenance of the front entrance. Volunteers no longer have time to maintain it. The mower said he would give us an estimate.
 - New Guardrails to add to areas without current guardrails. Last winter, a car slid off the hill in an area with no guardrail and had to be pulled out. We do have money in the reserves to replace the current aging guardrails. Buying used metal guardrails is an option.
- New budget will be created in the next few months.

Old business

- What is the best way to move forward with the Covenants effort?
- All agree we need to give members a review and feedback period.
- Atty Swanson reworked the Covenants incorporating our comments from Nov 23 and making other suggestions. We received this new version on May 19.
- This is a better version but contains verbiage we cannot have (like needing permission to cut down a tree) and leaves out non-negotiables (like limiting conditions for special assessments).

- The Covenants Committee reviewed each paragraph tonight and made changes to the following sections: 3.1, 5.05, 5.06, 5.09, 6.02, 6.03, 6.04, 7.03a, 7.03c, 7.03d, 7.07, 7.10, 11.01.
- Atty Swanson's version, with our changes redlined, will be sent out to the members via email for review and feedback.
- John offered to have his lawyer also review the document.
- An open meeting will be scheduled after the members have time to review.
- After this process, we see three options:
 - Atty Swanson accepts it and sends it to our members for approval
 - Atty Swanson does not agree with our changes. We send it to members for approval anyway.
 - We are left with our original Covenants and the financial burden of nullifying all the invalid ones

New business

- Noting that next regular meeting is August 3, annual meeting planning must start soon.
- Following a call for other business, Paula moved to adjourn, seconded by Janet. Motion passed.
- Adjourned at 9:03 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).

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.