



Board of Directors Meeting Minutes July 25, 2017

Attendance:

BOD Present: David Malloy, Scott Salvage, Chris Zangara

BOD Absent: None

Management Present: Kris Milstead

6:34pm: Regular Meeting Called to Order by David Malloy

6:34pm: Status of Walking Horse Trail (WHT)

- Diana Coad, Attorney with Rogers Townsend retained by HOA, addressed the Membership, reviewed the litigation to date and detailed all of the involved parties. The HOA position remains that the developers and builders remain responsible and are pursuing this claim in the courts.
- Chris Zangara outlined recent meetings with the North Carolina Department of Transportation (NC DOT) in which it was confirmed that NC DOT is requiring the entire road surface be milled and repaved.
- Many questions/comments were fielded from the Membership present. Topics included:
 - Fixing the worst sections/pot holes due to the safety concern: Diana has advised the BOD to not make any repairs as that will shift liability for those repairs to the HOA as well as weakens our position that we are not responsible for maintaining the road.
 - Possibility of reducing the repair requirements from NC DOT or getting another governmental body involved: Chris Zangara reiterated that NC DOT confirmed the repair requirements originally communicated in December 2016. NC DOT is the only government body with jurisdiction over the road.
 - Potential that individual owners had documents from closing stating that road was to be maintained by developer and turned over to NC DOT: Diana Coad reiterated her position that individual homeowners, especially those with language in their contract on this topic, have the strongest case in the matter. David Malloy added that the topic of individual homeowners looking at their closing documents and pursuing action on their own was discussed at the February 2017 Annual Meeting.
 - Questions to clarify the original developers: Diana Coad stated that in late 2016, she was in direct contact with Mr. Foster and Mr. Niblock. At the time, Mr. Foster gave an indication that he would assist with getting WHT turned over to NC DOT. David added that he had previous conversation with John Shea who stated that he would repair the entire length of WHT if they developed the proposed ~39 new lots, which they have since canceled plans for.
 - This prompted a question regarding “worst case scenario”: Diana Coad reviewed information that has been discovered thus far and highlighted



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that if litigation is not successful, the funds could be raised via Special Assessment.

- This prompted a question on the cost: Chris Zangara reviewed that a bid of \$188,261 was secured in December 2016. Based on that price, and divided by 148 lots, the cost would be \$1,272 per lot. It was clarified that any assessment would be divided by lots, not homes.
- Use by other builders on a privately maintained road: Chris Zangara reviewed that although WHT is a privately maintained road a 50' Public Right-of-Way is in place. This covers the area 25' in either direction perpendicular to the centerline of the roadway. The existence of the right-of-way was confirmed in a conversation with NC DOT as well as the Iredell County GIS system (iredell.connectgis.com).
- David Malloy reviewed the cost to the HOA thus far in pursuing this litigation has been approximately \$3,000.
- Who actually owns the land of WHT: Diana Coadá clarified that this is the crux of the litigation. She clarified that although she does not represent individuals and solely represents the HOA, she did suggest that individual Shea homeowners on WHT review their contract and closing documents.
- Discussion of other courses of action like the Better Business Bureau or a local news broadcast: Diana Coadá advised that anything could help but action from the HOA would remain only via the ongoing litigation.
- What if a Special Assessment was not approved by the Membership: Diana Coadá highlighted that that is the only method of raising the funds needed to pay anything outside of what is covered by Annual Assessments. If it would not pass, then there is no way for the HOA to fund the repairs. It was originally stated that 2/3 of Membership would need to pass a Special Assessment. This was later clarified that the threshold was "a majority" but would be limited to common area improvement, which at this point the HOA believes WHT is not.
- Individual avenues for recourse were revisited: Diana Coadá reiterated that she has been retained by the HOA yet feels the strongest course of action is from individual homeowners that have language pertaining to WHT in their contracts and closing documents.
- Can we be liable for other's legal fees if the HOA does not succeed in litigation: Possibly.
- Request for HOA coordination of individual owners action: Diana Coadá advised that any action from an individual owner be on an individual basis and should not be coordinated by the HOA. Chris Zangara commented that on this topic, as well as the issue of fixing the potholes, although the BOD is very aware of and sympathetic to the concerns, the BOD and HOA will be following the advise of counsel.



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- The danger posed by the main pothole across from Lot 119: The BOD repeated that they are sympathetic to this issue but on the advice of counsel will not make repairs at this time.
- Impact of development of Riverstone Drive WHT: This question was deferred to later in the meeting when the new development will be discussed.

7:31pm: Landscape Contractor

- Chris Zangara announced to the Membership that, effective August 1, 2017, the BOD has contracted with Landscape Solutions, a new vendor for landscape maintenance. Chris Zangara highlighted that he has met with Jason Hathcock, co-owner of Landscape Solutions, on four occasions and reviewed the neighborhood and its needs. It was agreed that in week one of the new contract specific attention will be paid to critical areas. Those are:
 - Mowing all appropriate areas including all of the common space along WHT (much of which has been neglected by previous vendor)
 - Weed control along entire length of both sections of walking trails
 - Cutting back overgrowth encroaching on walking trails
- Chris Zangara also reviewed that a big improvement will be made in entrance annuals with the fall planting of flowers.
- Chris Zangara introduced Jason Hathcock. Jason introduced himself, as well as Justin Brown, Maintenance Supervisor, to the Membership and reiterated the discussions had with Chris Zangara. He committed to high quality service and a quick improvement in annuals at the entrance. Jason reminded those present that rehabbing the turf will take time and asked for patience in that aspect.
- Chris Zangara opened the floor for questions to Landscape Solutions, none were asked.

7:40pm: Approval of prior meeting minutes

- Motion made by: Chris Zangara; Seconded by David Malloy; Passed 3-0

7:40pm: Financial Review

- Kris Milstead reviewed the financials through June 30, 2017.

7:46pm: New Business

- Riverstone Drive development
 - Chris Zangara stated that Steve Bailey with Hawthorne Development Group planned on attending to address the Membership but due to a death in his family could not attend.
 - Chris Zangara added that he had been in communication with Mr. Bailey who provided the site plans and drawings of proposed homes, which he



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displayed for Membership. Chris walked through the location of the new development and the open item of connecting to Johnson Dairy Road, a decision that has not yet been made. Chris reviewed that discussions are ongoing about this development being annexed into Anniston but there is no obligation on their part to do so. If they do not annex into Anniston they would not fall under our CC&R's or Design Guidelines and would not be permitted to use our amenities like walking trails or playground.

- Chris Zangara answered the earlier question around the new developer helping to fix WHT. This conversation has just begun and occurred before most recent clarification from NC DOT. Chris will engage developer again when he returns from family business.
- Creation of an Architectural Control Committee (ACC)
 - Scott Salvage introduced the idea of creating a separate ACC comprised of the Membership. This would shift some workload off the BOD and serve to get more owners involved with the neighborhood. Scott asked for any volunteers and several came forward.
- Violations process review
 - Kris Milstead reviewed the process for violations being two letters followed by a hearing with the BOD.
- Orange yard markers
 - Chris Zangara raised the issue of orange sticks being used to mark yards with no active construction on adjacent lots. Although sympathetic to the issue of drivers hitting yards, the sticks are not within guidelines.
 - The BOD agreed to discuss and make a determination at a later time.

8:16pm: Social Committee Update

- Tami Schauf updated the BOD on recent events. The recent Ice Cream Social was a success and had 68 attendees. The Committee will be meeting in approximately two weeks to discuss plans for the remaining part of the year.

8:18pm: Open Forum

- Comment: River Run County Club is a good choice of venue for the meeting
- Question regarding dead trees in the walking trails. BOD will pursue a quote to remove the dead trees.
- Question on Fire Department coverage for back part of WHT. Kris Milstead clarified that the paperwork to transition the section in question to Mount Mourne Fire District is in process and should be completed in the near future.

8:26pm: Meeting Adjourned

- Motion made by: Chris Zangara; Seconded by Scott Salvage; Passed 3-0