

## PPFPOA Board Meeting – 10/17/18 – 2 pm

- **In Attendance**

Board

Tony Carollo

Becky Dodrill

Barb Harrah

Jennifer Peyton

Patrick Kelly (via phone)

Others

Harv Adler

- **Treasurer's Report**

We have collected 98.9% of 2018 assessments. The majority of the outstanding funds are monthly payments. However, we did have to place one lien on a lot owner for failure to pay or even respond to multiple calls, letters & email.

Expenses since last Board meeting include Web hosting fee for 3 years, Insurance (okayed by J. Todd), and lawyer consult. We also had \$5.25 payment to the IRS for interest on the 2016 federal return. No word yet on penalties. Repair of Falcon & PFD gravel on back side of loop totaled \$10,583.37 and repair of PFD at Taylor Curve was \$2,100.

Our road repair costs we covered by reallocating funds especially from the attorney and the paved road resurfacing budgets. We have the additional amount of \$2838 from 2017 Herriges impact fee that the Association voted at the last annual meeting to allow into spending this year. This will be added to the \$47,600 in assessment income (total of \$50,438). I did some figuring on what we can spend this year. We can spend \$50,438 this year. We have spent \$30,681. We will probably spend \$11,005 more. (\$100 on the annual mtg, \$1000 more for the lawyer, \$4500 for the Maintenance Manager, \$725 for PFD repair above Butterfly, \$4780 to do Overlook)

This would total \$41,686 in total expenses leaving \$8752 left to spend for the year. It seems that the bottom of the PFD loop will be expensive to repair. We need to discuss what other expenses we will/might incur and rethink this.

Herriges & Menendez homes should be completed or nearly so.  
Olaski's & MacGowen's building has begun. We have their impact fees.

Dave Adams suggested another impact fee for Elliot's rebuild. (Board discussed and decided no impact fee would be assessed since this is not "new" construction.)

A rudimentary proposed 2019 budget was reviewed by Board. Barb recommended requesting approval from Association members to include the \$7500 impact fees from 2018 as well as any unspent funds from the 2018 budget in our 2019 spending plans. After a discussion, some funds were reallocated from legal costs to road maintenance. Barb will prepare a revised budget to present at the annual Meeting.

Board discussed increasing the annual assessments due to anticipated road maintenance costs. A 15% increase was unanimously recommended by the Board. This would equate to \$603.75 for a lot with a house and \$201.25 for a vacant lot and would net \$7971.25 in additional annual income to the Association.

- **Roads Report**

Jennifer and Becky walked the road at Butterfly and the Pisgah Forest looking for needed repair.

Jennifer and Jeremy Peyton, Shumaker Builder, Chan Hubbard with Juan, Dave Adams and myself met to discuss drain issue at Pisgah Forest Drive. Chan and Builder agreed to call 811 to get buried cable location.

Chan suggested getting bids for replacing broken drain running under Pisgah Forest Drive. Waiting on bid from Cane Creek Concrete, Owner Chris. After rain, drain appears to be draining.

Time frame for Mike Miller to start repair is Mid November. Mr. Miller has not communicated his fixed cost, labor cost or priority of work.

Board discussed several road issues including repairs needed on back side of Pisgah Forest Drive and at the end of Sunflower. Discussed which repairs the Association is responsible for. Barb stated that the policy has always been that if a section of road serves two or more properties, it has been considered a roadway and PFFPOA is responsible for maintenance. If a single property is served, it is considered a driveway, and the property owner is responsible.

Also discussed erosion issues related to construction at the McGowan property. Board will advise property owner to install vegetation to help stabilize hillside.

Deficiencies in maintenance contractor work this year were discussed. Board members agreed that Chan was not fulfilling all of his obligations under the contract. Board members will review contract and schedule meeting with Chan to address these issues.

- **Bylaw/Covenant Review & Update Status**

Board decided that only covenant change to be presented at annual meeting is change to the covenant amendment process. Proposed language would require 67% vote, but not signatures of property owners. Proposed language mirrors language in the North Carolina Planned Community Act. A copy of the preliminary proposed amendment has been included with these minutes for review.

The corrective instrument regarding nullification of the 2008 Amendments to the Covenants do not appear to have been recorded yet. Jennifer will follow up with the Attorney to determine status.

Next meeting scheduled for 10/27/18 @ 12:30 pm for remaining agenda items.

Adjourned at 4:07 pm

**Pisgah Forest Farms Property Owners Association  
2018 Budget**

16-Oct-18

<u>Line</u>		<b>Beginning Balance 12/31/17</b>		<b>\$72,460.59</b>
		<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIATION</u>
1	<b>ADMINISTRATIVE EXPENSES</b>			
2	Association Meetings	\$ 375	\$ 124.73	\$ 250.27
3	Attorney - Legal	\$ 5,000	\$ 422.50	\$ 4,577.50
4	Beautification	\$ 100	\$ 24.77	\$ 75.23
5	Insurance	\$ 1,000	\$ 984.00	\$ 16.00
6	State / Federal Tax	\$ 25	\$ 322.07	\$ (297.07)
7	Office Supplies & Expenses	\$ 400	\$519.89	\$ (119.89)
8	<b>Sub-Total</b>	<b>\$ 6,900</b>	<b>\$ 2,397.96</b>	<b>\$ 4,502.04</b>
9	<b>ROAD EXPENSES</b>			
10	Gravel Road Maintenance	\$ 1,000	\$ 10,583.37	\$ (9,583.37)
11	Paved Road Maintenance	\$ 5,200	\$ 2,100.00	\$ 3,100.00
12	Paved Road Resurfacing	\$ 10,000	\$ -	\$ 10,000.00
13	Snow Removal	\$ -	\$ -	\$ -
14	Tree Removal	\$ 500	\$ -	\$ 500.00
15	<b>Sub-Total</b>	<b>\$ 16,700</b>	<b>\$ 12,683.37</b>	<b>\$ 4,016.63</b>
16	<b>MAINTENANCE MANAGER</b>	\$ 18,000	\$13,500.00	\$ 4,500.00
17	Material Expenses	\$ 3,500	\$ -	\$ 3,500.00
	<b>Sub-Total</b>	<b>\$ 21,500</b>	<b>\$13,500.00</b>	<b>\$ 8,000.00</b>
18	<b>FIREWISE COMMITTEE</b>	\$ 1,750	\$ 2,100.00	\$ (350.00)
19	<b>EMERGENCY / CONTINGENCY</b>	\$ 2,500	\$ -	\$ 2,500.00
20	<b>TOTAL EXPENSES</b> *	<b>\$ 49,350</b>	<b>\$ 30,681.33</b>	<b>\$18,668.67</b>
21	<b>ASSESSMENT INCOME</b> *	\$ 47,600	\$ 47,734.33	\$134.33
22	<b>INTEREST INCOME</b>	\$ 600	\$ 695.42	\$95.42
23	<b>IMPACT FEES</b>	\$0	\$ 7,500.00	
24	<b>2017 CARRYOVER BALANCE</b>	\$ 72,460	\$ 72,460.59	
25	<b>TOTAL INCOME</b>	\$ 48,200	\$ 55,929.75	\$7,729.75
26	<b>TOTAL EXPENSES</b>	\$ 49,350	\$ 30,681.33	\$ 18,668.67
27	<b>PROJECTED YEAR-END BALANCE</b>	\$ 73,357	\$ 97,709.01	\$24,351.61
<b>28</b>	<b>ACTUAL BALANCES - CHECKING</b>	<b>\$20,577.35</b>	<b>\$ 45,110.35</b>	
	<b>- SAVINGS</b>	<b>\$601.04</b>	<b>\$ 601.18</b>	
	<b>- DUKE</b>	<b>\$51,302.20</b>	<b>\$51,997.48</b>	
		<b>\$72,460.59</b>	<b>\$97,709.01</b>	

The Association wishes to amend the language for Article XIX AMENDMENT of the 1995 Covenants to create a reasonable process for amendment of the community governing documents.

#### Current Language

This Declaration may be amended unilaterally at any time and from time to time by Developer (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule or regulation or judicial determination which shall be in conflict therewith;; (b) if such amendment is reasonably necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the lots subject to this Declaration; (c) if such amendments is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the lots subject to this Declaration; or (d) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the lots subject to this Declaration; provided, however, any such amendment shall not adversely affect the title to any owner's lot unless any such lot owner shall consent thereto in writing.

In addition to those instances set out in the preceding paragraph where this Declaration may be amended unilaterally at any time and from time to time by Developer, this Declaration may be amended at any time and from time to time by recordation in the office of the Register of Deeds for Transylvania County, North Carolina, of a written amendment to these restrictions signed by the owners of the majority of the lots in the Development and also by the Developer so long as Developer shall own any lots which are subject to this Declaration. The signatures of such lot owners and Developer shall be properly notarized and any such amendment shall become effective upon the date of its recordation in the office of the Register of Deeds for Transylvania County, North Carolina, unless a later effective date is specified therein.

#### Proposed Language

Alteration and Termination of Planned Communities.

Section A. Amendment of declaration.

(1) Except in cases of amendments that may be executed by a declarant under the terms of the declaration or by certain lot owners under Section B(2), the declaration may be amended only by affirmative vote or written agreement signed by lot owners of lots to which at least sixty-seven percent (67%) of the votes in the association are allocated, or any larger majority the declaration specifies or by the declarant if necessary for the exercise of any development right. The declaration may specify a smaller number only if all of the lots are restricted exclusively to nonresidential use.

(2) No action to challenge the validity of an amendment adopted pursuant to this section may be brought more than one year after the amendment is recorded.

(3) Every amendment to the declaration shall be recorded in every county in which any portion of the planned community is located and is effective only upon recordation.

(4) Any amendment passed pursuant to the provisions of this section or the procedures provided for in the declaration are presumed valid and enforceable.

(5) Amendments to the declaration required by this Chapter to be recorded by the association shall be prepared, executed, recorded, and certified in Transylvania County, North Carolina.

#### Section B. Termination of planned community.

(1) Except in the case of taking of all the lots by eminent domain, a planned community may be terminated only by agreement of lot owners of lots to which at least eighty percent (80%) of the votes in the association are allocated, or any larger percentage the declaration specifies. The declaration may specify a smaller percentage only if all of the lots in the planned community are restricted exclusively to nonresidential uses.

(2) An agreement to terminate shall be evidenced by the execution of a termination agreement, or ratifications thereof, in the same manner as a deed, by the requisite number of lot owners. The termination agreement shall specify a date after which the agreement will be void unless it is recorded before that date. A termination agreement and all ratifications thereof shall be recorded in every county in which a portion of the planned community is situated and is effective only upon recordation.

(3) A termination agreement may provide for sale of the common elements, but may not require that the lots be sold following termination, unless the declaration as originally recorded provided otherwise or unless all the lot owners consent to the sale. If, pursuant to the agreement, any real estate in the planned community is to be sold following termination, the termination agreement shall set forth the minimum terms of the sale.

(4) The association, on behalf of the lot owners, may contract for the sale of real estate in the planned community, but the contract is not binding until approved pursuant to subsections (1) and (2) of this section. Until the sale has been concluded and the proceeds thereof distributed, the association continues in existence with all powers it had before termination. Proceeds of the sale shall be distributed to lot owners and lienholders as their interests may appear, as provided in the termination agreement.

(5) If the real estate constituting the planned community is not to be sold following termination, title to the common elements vests in the lot owners upon termination as tenants in common in proportion to their respective interests as provided in the termination agreement.

(6) Following termination of the planned community, the proceeds of any sale of real estate, together with the assets of the association, are held by the association as trustee for lot owners and holders of liens on the lots as their interests may appear. All other creditors of the association are to be treated as if they had perfected liens on the common elements immediately before termination.

(7) If the termination agreement does not provide for the distribution of sales proceeds pursuant to subsection (4) of this section or the vesting of title pursuant to subsection (5) of this section, sales

proceeds shall be distributed and title shall vest in accordance with each lot owner's allocated share of common expense liability.

(8) Except as provided in subsection (9) of this section, foreclosure or enforcement of a lien or encumbrance against the common elements does not of itself terminate the planned community, and foreclosure or enforcement of a lien or encumbrance against a portion of the common elements other than withdrawable real estate does not withdraw that portion from the planned community. Foreclosure or enforcement of a lien or encumbrance against withdrawable real estate does not of itself withdraw that real estate from the planned community, but the person taking title thereto has the right to require from the association, upon request, an amendment excluding the real estate from the planned community.

(9) If a lien or encumbrance against a portion of the real estate comprising the planned community has priority over the declaration and the lien or encumbrance has not been partially released, the parties foreclosing the lien or encumbrance may, upon foreclosure, record an instrument excluding the real estate subject to that lien or encumbrance from the planned community.

#### Reference Links

[https://www.ncleg.net/EnactedLegislation/Statutes/HTML/ByChapter/Chapter\\_47F.html](https://www.ncleg.net/EnactedLegislation/Statutes/HTML/ByChapter/Chapter_47F.html)

[http://www.lawfirmcarolinas.com/uploads/NCGS47F\\_NCPlannedCommunityAct\\_1\\_2018.pdf](http://www.lawfirmcarolinas.com/uploads/NCGS47F_NCPlannedCommunityAct_1_2018.pdf)

#### Recommended verbiage for round 2 updates:

For situations not specifically stated herein, the community has elected to make the provisions of the North Carolina Planned Community Act, Chapter 47F, applicable to this planned community.