

Bolin Forest Phase II Homeowners' Association

Minutes of the Board of Directors meeting, Wednesday April 14th, 2004; 7.30 pm.

Board members present- Cliff Haac, John Rintoul, Bob Ross, Cameron Binnie.
(Gary Giles- absent)

Other homeowners present- Jim Neill, Meg Molloy.

Minutes of Prior Meeting

The minutes of the meeting of February 12, 2004, were reviewed and upon motion made by John and seconded by Bob, the minutes were unanimously approved.

Website

Jim had done some comparison shopping for website hosting services for the BFIIHOA website. Powweb.com offers many services at very reasonable cost. Cost is \$7.77/month which represents \$93.24/year, and they will register our domain for free. The minutes of meetings will, in future, be placed on the website. The website will also contain electronic copies of the covenants and the Bylaws, official notices and announcements, and a "Classified Section"- where homeowners can post messages.

Jim has volunteered to set up and curate the website, and Cliff will carry out duties as content gatekeeper.

If the name is available, the website will be named: www.BFIIHOA.org (ie www.BFcapital "i", capital "i", HOA.org).

Meta-tags will not be placed on the site so it will not be searchable by, for example, Google. This has the effect of not publicizing the site.

A motion was made by John to fund the website not to exceed approximately \$100/year, talk about new things as they come up, and populate the website (as described above). Seconded by Cameron and passed unanimously.

Members with ideas for helpful website content should contact one of the Board members.

Discussion of Proposal for Communication Guidelines

A proposal for Communication Guidelines created by Meg Molloy was circulated to homeowners in the meeting notice for the February Board meeting but was not discussed then due to time constraints. The Association Bylaws have not been easily accessible in the past. This proposal was created before seeing the Bylaws but they will be made available to interested neighbors on the website. In the meantime John took the time to look into each of the suggestions and consulted the Bylaws to see what was currently written down. John also checked and confirmed that the Board itself does have

the authority to amend the Bylaws. These responses are outlined in the accompanying document (JWR Summary of Molloy suggestions.pdf). The outcome for each of the discussion points is outlined below.

1. Procedure for members to bring issues to the Board.

With the distribution of BF HOA Board of Director meeting-notices to the homeowners, the meetings the opportunity for neighbors to bring up issues is already happening largely. When the website becomes available this will provide further accessibility and transparency to the information. Cameron expressed a preference that if a neighbor wants an issue brought up at a scheduled meeting that she/he should contact a board member. Contact well in advance of the meeting is appreciated so it can be listed on the agenda and perhaps even be given some advance thought.

2. Procedure of the Officers in responding to Members.

Allocation of HOA funds for routine budget items (insurance, grass cutting) is not a concern so discussion centered on whether for policy or non-routine spending a super-majority (4 of the 5 officers) as opposed to the routine simple majority was needed. There was agreement that with better communication in the future there would be less need to change this. Bob and John, with long experience on the board stated that in general there is almost always unanimous agreement of the board. There was also general concern about confusion down the road. What if a tree fell down- is that routine or not routine. Bob made a motion to leave Bylaws unchanged. Cliff seconded and passed unanimously.

The secretary will keep minutes of all meetings, so we just need to adhere to the Bylaws.

For reporting decisions of an issue we will have the website in future that will list meeting minutes.

There was discussion about the need for an appeal process. John stated that generally there is not an appeal process for a corporation. Meg agreed that it will help if outcomes are clearly explained in the minutes of meetings. John made a motion to stick with not changing the Bylaws. Bob seconded and passed unanimously.

Regarding the issue of quorum, John made a motion to leave this as stated in the Bylaws presently. This was passed unanimously.

3. Procedure for Routine Policy and Budget decisions made by the Association.

This was a repeat of the decision above. Cliff made a motion to take no action. Bob seconded and passed unanimously.

4. Procedure for Non-Routine Policy and Budget decisions made by the Association.

N.C. Statutes require five days advance written notice for Bylaw revisions. This was considered to be adequate, therefore, no change to the Bylaws is needed.

In case of absence, members can vote by proxy, therefore no change to the Bylaws is needed.

Majority vs. supermajority was dealt with above. No change to the Bylaws is needed.

5. Communication

Communication has improved, is improving and will improve with the website. No change to the Bylaws is needed.

1. Meetings of the Association.

Currently the Bylaws specify that the board holds monthly meetings. Cameron expressed his preference to eventually move to meetings every two months. This will be brought up at a future meeting for discussion. No change to the Bylaws is needed at present.

2. Special Events/Work Days.

No change to the Bylaws is needed.

3. Finances of the Association.

A change to the Bylaws will be sought as outlined below.

4. Records of the Association.

No change to the Bylaws is needed.

5. Officers Terms.

A change to the Bylaws will be sought to coincide the Annual meeting with the Fall party "in the fall" – removing the language that requires the meeting to be held on the second Monday of November.

6. Nomination of Officers.

The Board felt that the present nominating process was not in need of change. The three streets in Phase II are represented. Cliff made a motion to leave the Bylaws unchanged. John seconded and passed unanimously.

7. Election of Officers.

A change to the Bylaws will be sought as outlined below to authorize the Board to provide notice via email instead of postal mailing.

Flyer addressing speeding and parking

The board discussed a draft of a flyer to the Homeowners intended to raise awareness about speeding through the neighborhood, the need to slow down in such cases, and the desire to reduce curb-side parking. Bob offered to re-write the message and circulate to the board for corrections before printing and delivering to the neighborhood. Post-meeting note: You should have received the flyer over the weekend. If not please contact a board member for a replacement copy.

Workday

Gary was absent from the meeting, however the board felt that as he was the best person to decide what projects should be carried out for the workday Gary would be asked to make a list.

Due to a number of people (including Cliff) not being in town for the May 15th the date of the workday has been pushed back one week to Saturday May 22nd.

Please note the BFIIHOA spring workday will now be held on Saturday, May 22nd.

A rain date will be set for the second weekend after that, June 5th. (Weekend of 29/30 May is Memorial weekend). Cameron will circulate a flyer to the neighbors to advertise the workday when details are known. This will be a morning activity and includes lunch/pizza etc. for individuals working on projects.

Signs

The covenants are very restrictive on the use of signs. Basically, we cannot use signs except "House For Sale" signs. John highlighted that this comprehensive restriction has prevented even reasonable use (such as identifying Private Property!) to pedestrians and animal owners passing by or through our neighborhood. After some debate by the Board, Cliff made the motion that the covenant should be interpreted to mean signs of a commercial nature are prohibited. (ie a "Private Property!" sign is acceptable but a "Brake Jobs- \$153.95 per axle!!!" is not.) John seconded, and passed unanimously. What constitutes an acceptable sign will be passed to the architectural review committee (Jock Wick, Molly Drake, Ann O'Hale & Gary Giles) for content, style and materials and how to implement. Any sign proposed by a member must be reviewed and approved before it can be posted. Having voted for it Cameron did have some second thoughts about perhaps opening a pandora's box but was happy to proceed and see how things went. Neighbors with a view are invited to comment.

Changes to the ByLaws

John suggested that a small number of changes be made in the Bylaws. He passed out a draft notice to amend the Bylaws during the next board meeting that will be circulated to the homeowners. In brief summary, the proposed changes are:

- 1) For "written notice" as used in the Bylaws to include using e-mail, so long as the member has agreed to receiving email from the Association.
- 2) To define and split the roles of the Secretary and the Treasurer
- 3) To create a Finance Committee. This committee will be Board member and an at-large member and is intended to independently audit the HOA books. (John had called and got quotes for an accountant to do our books and they were roughly a quarter to a third of the HOA total income!).

4) To amend the Bylaws to allow the annual membership meeting to be held at the annual fall homeowners' get together whenever that occurs rather than on a specific day in November.

Post meeting note- John finalized the notice to change the Bylaws and has stamped and mailed (one of the requirements up for change) this to the neighbors. Member should review the proposed changes. If members have any concerns or questions about the proposed changes they should plan to attend the next Board meeting to make their views know. The time and place of that meeting is specified in the notice mailed to each member.

Other Business

Cliff agreed to be listed as the registered agent for the BFIIHOA corporation, and Ron Wells (the developer) is currently listed as the registered agent and will be replaced. Every corporation is a required to specify the name and address of its registered agent in the N.C. Secretary of State's office.

The town will meet with Gary and others on the design of the sidewalk.

Meg asked about whether the recent Bond approval will be used to fund the greenway. This was not known. Bob made the comment that the unresolved fate of the Adams tract remains a continuing concern for the neighborhood.

Cliff made a motion to adjourn at ~10.30 PM. John seconded and passed unanimously.

Summary of Malloy Memo

Note: Meg Malloy's Original Memo in Black; Relevant Bylaws and Covenants in Blue

1. Procedure for Members to bring issues to the Board

Members can bring neighborhood issues to the Association leaders at least (X ? 7-10 days) in advance of Board meetings (in person, phone call, email). The member may attend the Board meeting to discuss the issue and answer questions.

Members should be encouraged to bring homeowners' association issues to the Board at any time. The Board should either deal with the issue at the regularly scheduled meeting, or in the event the issue requires urgent attention the Board should schedule a special meeting.

Article VI, §1 of the Bylaws specifies that the Board will hold **regular monthly director meetings**. Article VI, §2 authorizes the President to call **special director meetings**.

2. Procedure of the Officers in responding to Members

Association officers will place the item on the agenda of a BOD meeting and discuss the issue and vote to determine course of action (if further information is needed, feasibility, legality, etc).

Need to decide if a majority is a simple majority (51%) or a supermajority (2/3). For the BOD, suggest simple majority for routine issues, and supermajority in non-routine issues.

Article VI, §3 of the Bylaws specifies that a **simple majority** of the directors present is decisive. The Bylaws would need to be amended to require a supermajority for specific actions.

The minutes of the meeting will reflect the item/issue brought forward, the discussion, and the votes made on the issue, and the outcome. Should the issue not be taken up, the minutes will reflect the reasons why the issue was not addressed.

Article VIII, §8(c) of the Bylaws requires the Secretary to "keep the minutes of all meetings and proceedings." As a practical matter the minutes should make reference to the agenda. It would be appropriate to clarify in the minutes why any listed agenda item was not addressed.

The Chair/President will notify the member about the decision and process if the issue is to be taken up by the Association.

The Bylaws do not require such notification, but it should certainly be done as a courtesy.

The member can appeal the decision if s/he is in disagreement.

Need to develop an appeals process: As a first step, suggest that the member may submit the issue again and clarify questions or add new information. Additionally, the member may seek and include the written support of other members in forwarding the issue. It could be a final appeal procedure that they could appeal to the full membership to seek a supermajority vote of a quorum of members.

The Bylaws do not specify an appeals process although they could be amended to include one. Article III, §2 of the Bylaws specifies that **special meetings of the members** may be called at any time "upon the written request of the members who are entitled to vote one-fourth of all

votes.” Theoretically, such a meeting could be called to rally the membership to discuss any issue.

As a practical matter, there needs to be an end to all discussions. If there has been a thorough discussion of the issue, there is nothing to be gained resubmitting the issue to the Board simply because a member is not satisfied with the outcome. Traditionally, in homeowners’ actions the appeals channel has been to run for election to the Board at the next available opportunity, to seek mediated resolution through the Dispute Settlement Center, or to file suit against the Board.

Need to define quorum. Suggest 2/3 of the members responding within a specified time must vote to have a quorum.

Article III, §4 of the Bylaws defines a **quorum** for a **members’ meeting** as one-fifth of the votes, for BF HOA II this would equate to 6 households.

3. Procedure for Routine Policy and Budget decisions made by the Association

For routine business and budget issues, the officers will vote on policy and budget issues and record the outcomes in the minutes.

Article VIII, §8(c) of the Bylaws requires the Secretary to “keep the minutes of all meetings and proceedings” (i.e., both members’ and directors’ meetings)

Need to decide simple or supermajority? I’d suggest for the routine to use the simple majority.

Article VI, §3 of the Bylaws specifies that a **simple majority** of the directors present is decisive. The Bylaws would need to be amended to require a supermajority for specific actions.

4. Procedure for Non-Routine Policy and Budget decisions made by the Association

a. For bylaws revisions, Association members will be notified of the proposed bylaws changes in writing and given at least (X? 7-10) days notice of an Association meeting where a discussion will take place and a vote taken. Opportunity to submit an absentee vote will be made with the written notice.

Need to decide: simple or supermajority? I’d suggest for the non-routine that we use the supermajority.

Article XII of the **Articles of Incorporation** require the “assent of sixty-six and two-thirds percent of the entire membership” to amend the Articles. Article IX, §4 of the **Covenants** requires the signatures of “sixty-six and two-thirds percent of the Lot Owners” to amend the Covenants. While the **Bylaws** are silent as to the amendment process, one could argue by inference that sixty-six and two-thirds percent of the members would also have to approve any amendment to the Bylaws.

b. For budget-related issues outside of routinely budgeted and required items (i.e. insurance, maintenance, fall social event, holiday social event), the Association members will be notified of an issue in writing (flyer, email, or memo) debating the pros and cons of the issue, and give

advance notice of an Association meeting where a discussion will take place and a vote will be taken.

Opportunity to submit an absentee vote will be made with the written notice.

As to absentee ballots, Article III, §5 of the Bylaws authorizes members to vote by **proxy** at all membership meetings.

Need to decide: simple or supermajority – I'd suggest for the non-routine, that we use the supermajority.

Article VI, §3 of the Bylaws specifies that a **simple majority** of the directors present is decisive. The Bylaws would need to be amended to require a supermajority for specific actions.

5. Communication about non-routine policy and budget decisions to the Members of the Bolin Forest Phase II Homeowners Association

Communication about non-routine policy and budget decisions will be made to members following BOD meetings via email or if requested in writing.

While the agenda for Board meetings could be circulated routinely as a courtesy to the members, it would be very difficult to define “non-routine” to the satisfaction of every member. The Board may want to adopt this suggestion as a broad policy of courteous communication, but not as a hard and fast requirement.

The items below may be in the bylaws but perhaps could be supplemented here or clarified in the bylaws to make it easier for members to understand an/or participate.

1. Meetings of the Association

Officers will meet (periodically, quarterly, ?). The President will set out a schedule of dates for the year which will be communicated to the Association via email or in writing. Meetings are open to Association members.

Article VI, §1 of the Bylaws specifies that the Board will hold **regular monthly director meetings**. Since monthly meetings are generally not necessary, the Board should adopt an abbreviated meeting process for e-mail meetings. “We met on this date via e-mail. There were no action items. The meeting was adjourned by unanimous acclamation.”

2. Special Events/Work Days

Special Events/Work Days of the Association will be held (periodically, spring clean up day, fall potluck, holiday party, other). Dates will be set by the Officers or the President or the Secretary and communicated by email or in writing to the Association Members at least X? days in advance.

No comments

3. Finances of the Association

Financial account status of the Association will be maintained by the Treasurer and submitted to the Secretary at the Officers meetings to be accurately reflected in the minutes of the meetings.

A summary of the proposed budget of the Association will be submitted at Officers meeting and if routine, approved by the Officers (simple majority required).

Article VIII, §8(c) of the Bylaws requires the Treasurer to “keep proper books of account” and “cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year” and to “prepare an annual budget and statement of income and expenditures to be presented to the membership at its regular meeting.” We need to build this cost into our expenditures.

Should there be a non-routine budget item, see #4, Non-routine Policy and Budget Decision making process.

4. Records of the Association

Minutes of the meetings will be kept by the Secretary and made available to the members upon request.

Article VIII, §8(c) of the Bylaws requires the Secretary to “keep the minutes of all meetings and proceedings” (i.e., both members’ and directors’ meetings)

5. Officers Terms

Terms are for one year and are renewable. Terms follow the calendar/fiscal year or begin in X and ending in X.

Article IV, §2 of the Bylaws specifies two year terms starting and ending on the date of the annual membership meeting. Article III, §1 of the Bylaws requires a regular annual meeting of the membership to be held on **the second Monday of November of each year**. So all terms begin and end on the second Monday of November. Since the terms are staggered, I assume that the current terms for Bob, Gary and Cliff will end on November 8, 2004. Cameron and I have terms that end on November 14, 2005.

6. Nomination of Officers

Two months prior to the end of the term, the Officers will manage a nominating process that is inclusive, diverse and proactive (i.e. potential candidates are contacted to consider running). One officer will oversee the process and may recruit/assign this role to Members who are willing to serve on a Nominating Committee.

Article V, §1 of the Bylaws specified the nominating process. A nominating committee made up of one Board member who will serve as chair plus at least two other members. All are appointed by the Board. They are required to nominate at least enough candidates to fill available vacancies. Board members do not have to be members. Nominations may also be made from the floor at the annual membership meeting.

(Many boards have the Vice Chair oversee the annual bylaws review, and another Bd member without routine duties oversees Nominating).

The board shall prepare a slate that attempts to reflect the diverse neighborhood as views may vary by location within the neighborhood or other characteristic. The slate shall include nominees that representing all streets in Association and a reasonable balance of gender, age, length of home ownership.

This is not a requirement of the Bylaws as currently written.

7. Election of Officers

Ballot is presented to members in writing. Members are given 7 days notice to submit written/signed ballot to Nominating Chair.

Article III, §3 of the Bylaws requires that notice of the annual membership meeting be given “**by mailing a copy of such notice, postage prepaid, at least fifteen days** prior to the meeting.

That notice should include an agenda and a list of candidates for Board vacancies. Any member who wishes to vote but cannot attend the meeting can vote by proxy. Article III, §5 of the Bylaws authorizes members to vote by **proxy** at all membership meetings.

Since the Bylaws currently require a postal mailing as opposed to an e-mailing, we might consider preparing a Waiver of Notice for each member to sign authorizing the Board to provide notice via e-mail or via a flyer attached to the mailbox.