

THE ESTATES HOMEOWNERS' ASSOCIATION, INC.  
4200 Academy Drive, Opelika AL 36801  
www.estatesopelika.com

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**2018 Annual Meeting Minutes**  
**August 28, 2018**

**I. Call to Order**

The meeting was called to order by the President, Sam Phillips, at 7:42pm.

**II. Certification of Quorum**

The President, acting as Chair for the meeting, certified the mailed notice of the annual meeting to all homeowners. The President and Secretary certified that quorum, by representation of a sufficient number of homeowners in person or by proxy, was obtained and the meeting could proceed. The President gave notice to those in attendance that the Board of Directors previously established that the meeting would be run in accordance with Roberts Rules of Order.

**III. Reports of Officers**

**a. Secretary**

The President gave a report on communication and website updates in light of the Secretary's absence from the meeting. The President took questions from homeowners. The President received a request to make the 2017 Covenants available to the homeowners in a more accessible manner.

**b. Treasurer**

The Treasurer, Nate Arthur, presented the 2017 Income and Expenses (Schedule A) and took questions from homeowners. The Secretary received a request to make more detailed financial information available on the HOA website.

**c. Vice President – Community Relations**

Vice President for Community Relations, Caleb Pipes, gave a report on actions by the prior Board of Directors that resulted in the current serving Board members, Officers, and ACC members (Schedule B).

**d. Vice President – ACC Liaison**

Esther Flitcroft of the ACC gave a report on ACC enforcement in light of the Vice President – ACC Liaison's absence from the meeting.

**e. President**

The President gave a report on legal threats against the HOA and directed homeowners to review a written report (Schedule C).

**IV. Old Business**

There being no old business, the President proceeded to new business.

**V. New Business**

Upon a motion from Lot 46 and a second from Lot 84, the homeowners adopted the proposal to admit new homes as outlined on Schedule D.

Upon a motion from Lot 10 and a second from Lot 118, the homeowners increased membership fees by \$50.00, provided that the Board surveys the HOA before undertaking major improvement expenditures.

Upon a motion from Lot 47 and a second from Lot 92, the homeowners adopted an amnesty program as outlined on Schedule E.

A motion from Lot 79 and seconded by Lot 79, holding a proxy, to amend the amnesty program to require a list of eligible violations was not adopted by the homeowners after the vote failed.

Discussions on other topics brought by homeowners, including sidewalks, covenants, and ownership of streets, did not yield any further motions.

Upon a motion from Lot 14 and a second from Lot 42, the homeowners closed new business and moved to elections.

**VI. Elections**

The President opened the floor for nominations for the 2018-2019 Board of Directors.

A nomination by Lot 46 and a second by Lot 84 nominated the slate listed on Schedule F.

The President closed the floor to nominations.

Upon a motion made by Lot 35 and seconded by Lot 47, the nominated homeowners were elected by unanimous consent without objections.

**VII. Adjournment**

There being no further business before the homeowners, the President adjourned the meeting.

**Schedule A:**

**2017 INCOME & EXPENSE STATEMENT**

Estates Homeowners Association, Opelika, AL  
Statement of Revenues and Expenses  
January 1, 2017 Thru December 31, 2017

**Revenue**

Homeowner Dues	\$29,520.00	
Stone Creek Residents Pool Use	\$5,800.00	Transferred to Reserved Account
Insurance Reimbursement	\$43.00	
<b>TOTAL REVENUES</b>	<b>\$35,320.00</b>	

**Expenses**

Utilities - Water	\$745.25
Utilities - Electric	\$2,480.26
Common Grounds Maintenance	\$8,255.00
Pool Maintenance	\$5,176.00
Pool Supplies	\$1,929.57
Pest Control	\$400.00
Trash Services	\$106.00
Professional Services	\$3,598.50
Insurance	\$5,535.00
Clerical	\$786.50
Website & Development	\$504.00
Property Taxes	\$12.96
Income taxes	\$0.00
Transfer to Improvement Acct	\$5,800.00
Community Activities	\$97.72
<b>TOTAL EXPENSES</b>	<b>\$35,426.76</b>
<b>TOTAL REVENUE (from above)</b>	<b>\$35,320.00</b>
Beginning Balance Jan 1, 2017	\$13,743.58
Ending Balance Dec 31, 2017	\$13,636.82

**July 2018 ending balances of accounts:**

General Account: \$19,535

Reserve Account: \$21,764

Sidewalk Account: \$900

**December 2018 estimated balances of accounts:**

General Account: \$10,000

Reserved Account: \$21,764

Sidewalk Account: \$900

## **Schedule B: 2018 Board Appointments and Officer Elections**

Pursuant to the Covenants and Bylaws, upon removal or resignation of any Board member, the remaining Board members may appoint new Board members which serve until the next regular election.

The following is the makeup of the Board of Directors for the HOA since June of 2018:

Caleb Pipes (appointed by 2017 elected Board; 4004 Stratford)  
Connie McFarland (appointed by 2017 elected Board; 1203 Northwick)  
Sam Phillips (appointed by May 2018 Board; 4002 Chesham)  
Eric Rusca (appointed by May 2018 Board; 4204 Academy)  
Nate Arthur (elected in 2017; 1401 Southwick)

The Board of Directors elected the following officers in June of 2018:

Sam Phillips, President and Chairman of the Board  
Connie McFarland, Vice President – ACC Liaison  
Caleb Pipes, Vice President – Community Relations  
Nate Arthur, Treasurer  
Eric Rusca, Secretary

The Board of Directors reappointed the following to the Architectural Control Committee in June of 2018:

Esther Flitcroft (1101 Hampstead)  
Connie McFarland (1203 Northwick)  
Cody Foote (1402 Warwick)  
William McCrary (4008 Stratford)

### **Schedule C: Legal Fees and Recommendations**

The Board of Directors retained J. Tutt Barrett (Dean and Barrett, Opelika) as legal counsel for the HOA. Mr. Barrett has represented the HOA, Board, and ACC in correspondence with an attorney representing a homeowner. The homeowner's grievances are related to drainage issues on the homeowner's property.

Mr. Barrett has given the Board the opinion that neither the HOA, nor the Board or ACC, are liable for the drainage issues. Following correspondence between the attorneys, the homeowner gave notice to the HOA's insurance carrier of a possible claim.

The President of the HOA inquired with Mr. Barrett as to his estimation of the minimum legal costs of defending a suit without merit. Mr. Barrett advised as follows:

*"A case like this would be handled on an hourly fee basis. It is always difficult to predict the number of hours required to handle a case start to finish because all the twists and turns along the way.*

...

*My best guess at this point would be a range of \$15,000 to \$25,000. It is possible some claims would be covered by insurance but probably most would not. If any claims do fall under the insurance coverage the insurance company would provide the attorney."*

Legal fees to date on this matter total \$4,700.00.

**Board Recommendation:** Increase in membership fees to establish legal defense reserve. See Schedule E.

## **Schedule D: New Home Construction by Stone Martin**

Stone Martin Builders is under contract to build fifty-two single-family homes on the land currently under development at the end of Hampstead Lane. The Board has inquired with the developer and builder about their plans for the community, and has ascertained the following information:

- The new homes are part of the “Estates” subdivision and will be advertised as such.
- The only access to these homes will be through Hampstead Lane.
- The new homes will not have a pool or any community property.
- Home sizes will be substantively similar to the existing homes in The Estates.
- The builder has expressed interest in having the new homes join the HOA.

The Board negotiated with the developer in an attempt to have the builder and developer contribute to renovations and enhancement of the existing pool to accommodate the new homeowners. Neither the developer nor the builder had any interest in contributing any funds, given the small project size and expected ease of sale. Further, the builder made it very clear that they are not willing to submit construction plans to our ACC as they will be using the same or similar models they use in other communities in the area and are unwilling to change those models.

The Board therefore considered whether admission of the new homes was in the interest of the HOA. The Board considered the following:

- As the homes fall in the “Estates” subdivision, they will gain the benefit of being in, and will positively or negatively impact the home prices in, our “neighborhood”.
- If the homes are not admitted, we cannot control maintenance standards after the homes are completed. Controlling maintenance standards is the best way we can protect home prices in the area.
- Charging an “admission fee” on 52 new homes would greatly increase the improvement surplus. Annual membership fees would increase by 40%, allowing for a long-term renovation of the pool and creation of a clubhouse, both large enough for the increased community size.

**Adopted action:** the homeowners adopted the following:

- (1) New homeowners must follow all covenants after closing (covenants for construction are waived, per builder requirement).
- (2) Initiation fee at each home’s closing, to be negotiated with builder at the Board’s discretion, but not less than \$600, which will include first year membership fee to the HOA.
- (3) Builder will cover a portion of attorney fees for amending covenants, at Board’s discretion.
- (4) Builder will indemnify the HOA, Board, and ACC for all construction related claims, suits, threats, by whatever name called.

- (5) Builder will complete and maintain basic landscaping if any home is not sold within one year of substantive completion.
- (6) Builder will provide examples of models to the Board and ACC for confirmation of standards, at their discretion.
- (7) Builder, if possible, will complete first two homes on each side of Hampstead Lane to mitigate sound and construction inconvenience for our existing homeowners on that road.

## **Schedule E: Proposed Amnesty Period for ACC Violations**

The Board received a proposal from the Architectural Control Committee to begin enforcement of common violations which have recently gone unchecked. These include, but are not limited to:

- Unapproved additions or modifications to homes or landscaping
- Grass and landscaping maintenance
- Compliance with garbage requirements

The Architectural Control Committee also noted violations of covenants which are not easily corrected. The Board has reservations against enforcing on current homeowners rules which have not been enforced in several years and which would negatively impact homeowners. Examples of such violations:

- Number of pets in excess of the permitted amount
- Fencing or other exterior improvements that were not approved
- Landscaping additions that were not approved.

**Adopted action:** the homeowners adopted the following:

An amnesty period through October 31, 2018 where a homeowner may identify to the ACC a violation of the covenants which would cause hardship to bring to compliance. The ACC would be given the authority to accept or reject the amnesty application, and the homeowner may apply to the Board with an appeal of any rejection. Amnesty would not be granted for any action taken by a homeowner after the proposal date of the program (August 22, 2018).

## **Schedule F: Board Proposed Slate**

Only the Board of Directors are elected by the members. Officers are elected by the Board, and ACC appointments are made by the Board. The Covenants and Bylaws suggest five Board members, permit additional members, and require a minimum of three.

The current Board of Directors have volunteered to serve in their respective roles since June of 2018. They are all willing and able to complete the next full term.

Therefore, the Board recommends the following slate for the 2018-2019 term:

Caleb Pipes (4004 Stratford)  
Connie McFarland (1203 Northwick)  
Sam Phillips (4002 Chesham)  
Eric Rusca (4204 Academy)  
Nate Arthur (1401 Southwick)