



THREE COLONIES TOWN HALL

Board Members:

Brian Gaskell, Ruth Hair, Richard Hup, Jeff Jackson,
Cindy McCormic, Walt Mingle, Karen Stein, Izzy Van

Jack R. Smith II - President

Nancy Melton - Vice-President



The image shows a large, ornate sign for 'Three Colonies A Private Community'. The sign is constructed from light grey stone blocks and has a central green oval with gold lettering. It is flanked by two pillars and sits on a stone base. The background includes trees, a road, and a clear sky.

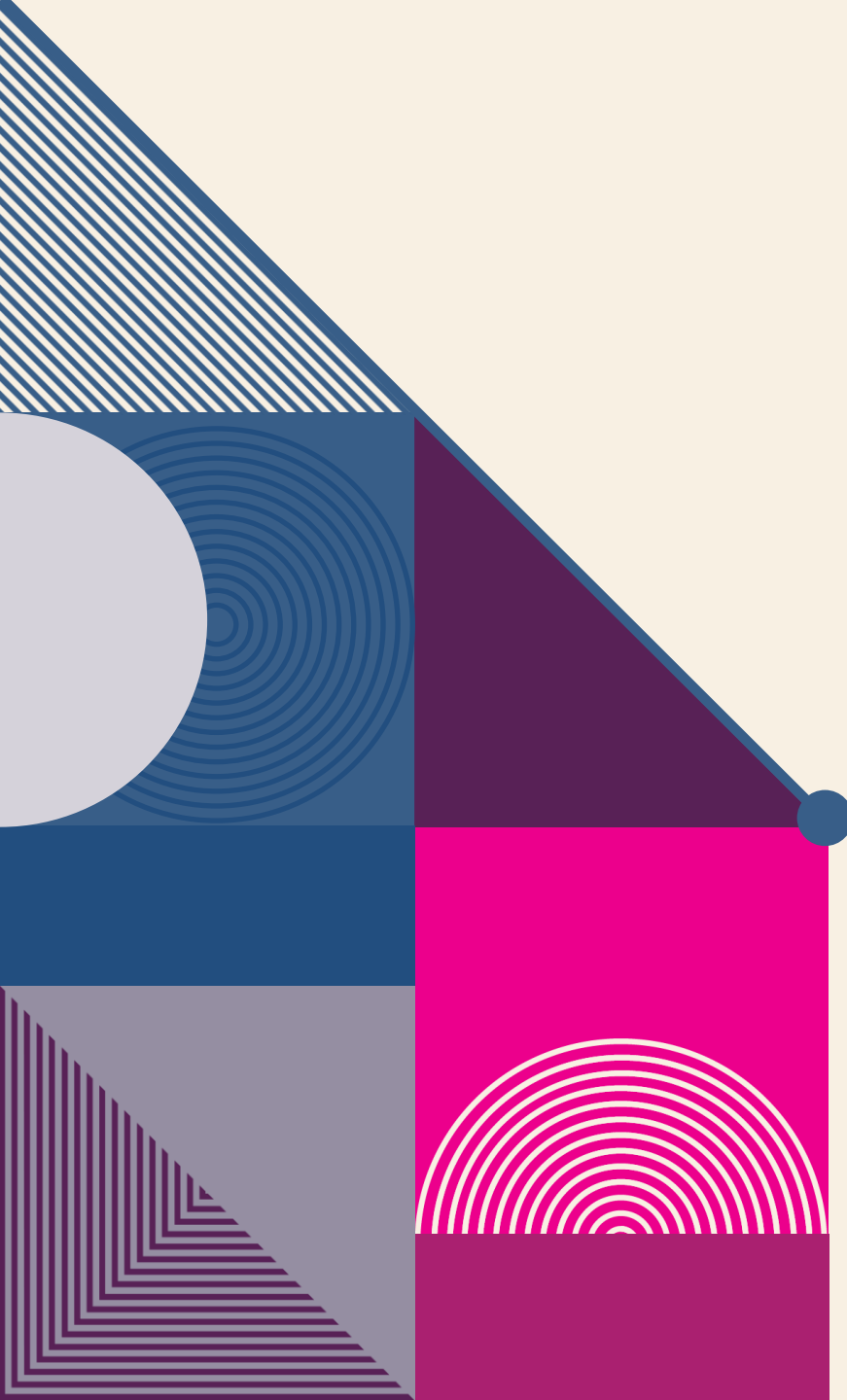
Three Colonies

A PRIVATE COMMUNITY



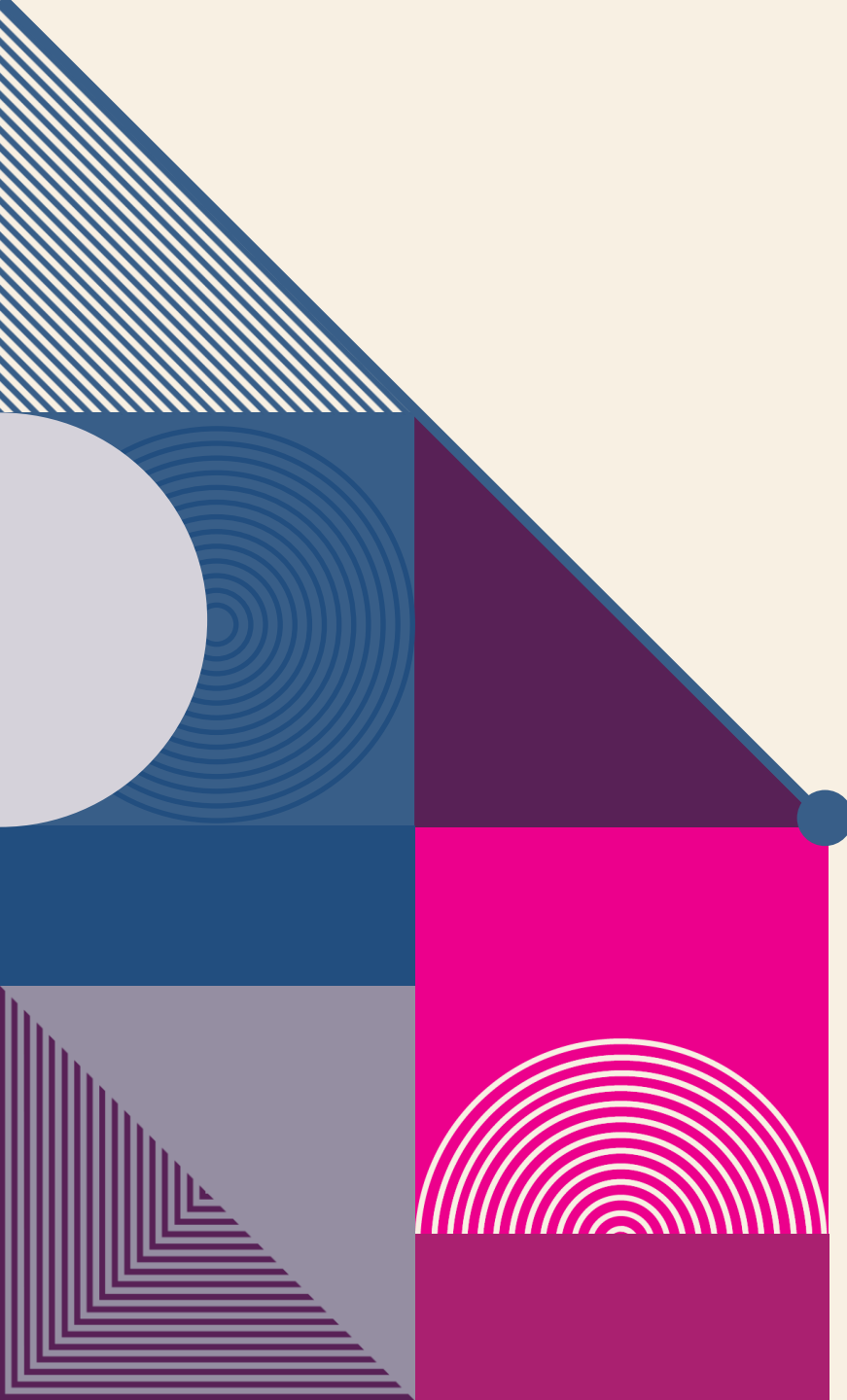
OBJECTIVES:

- Goal of the HOA Board of Directors
- 47F
- Explanation of Expenditures
- Background surrounding current situation
- Response to each of the accusations
- Summary & Conclusion
- Question & Answer session



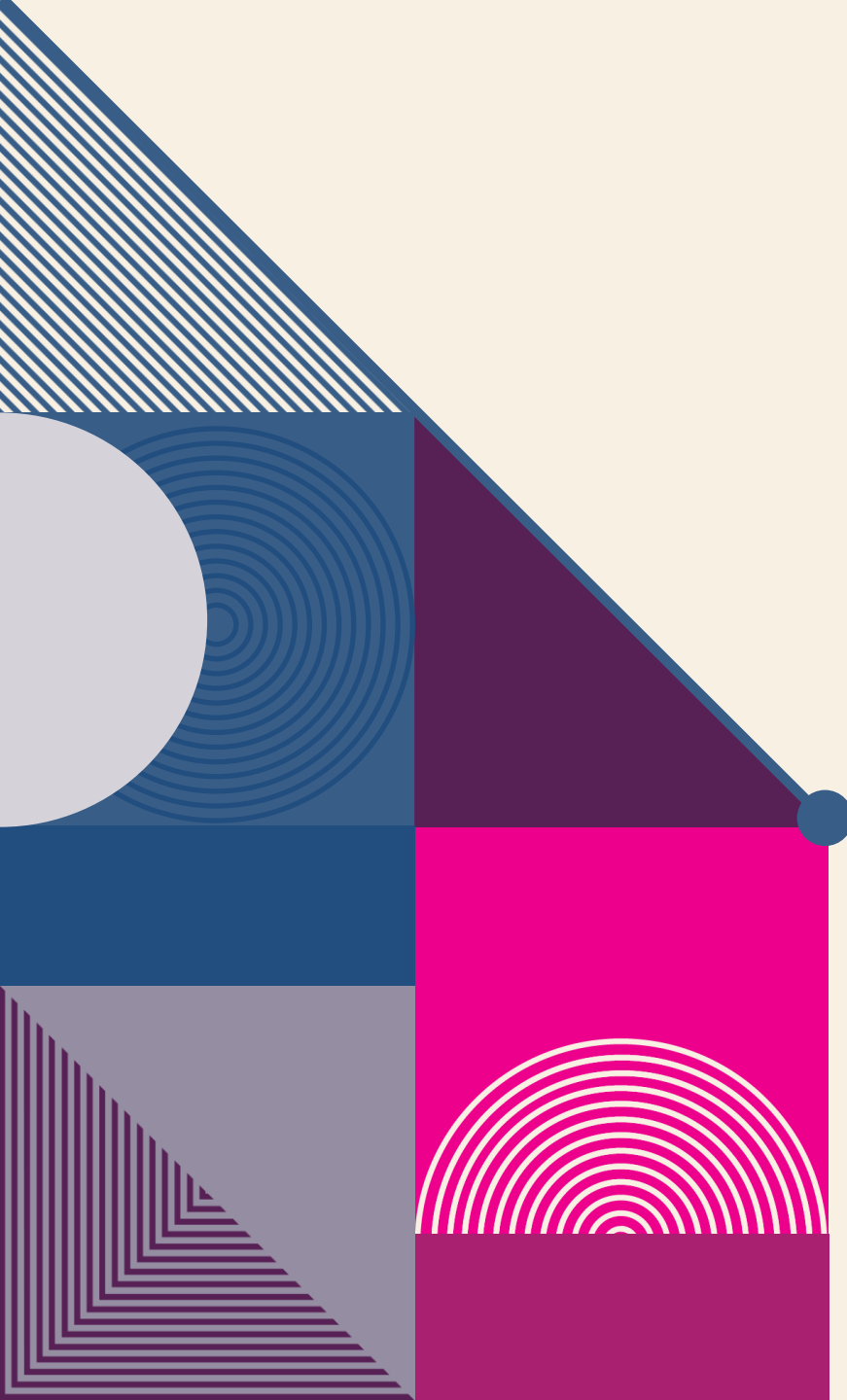
VISION STATEMENT

We envision a community of **neighbors working together** in a private, voluntary association to achieve a higher quality of life and increase property values. We **promote** active homeowner involvement to cultivate a strong sense of community. We envision a neighborhood that will be considered by residents and non-residents alike to be a premier place to live and enjoy the benefits of family, friends, pets, and community.



MISSION STATEMENT

Our mission is to enhance the quality of life in Three Colonies by managing **common areas**, enforcing **rules and covenants** to preserve property values, **supporting initiatives that strengthen bonds among residents**, and investing in **capital improvements** that benefit the greater good. The mission statement will be supported by our beliefs, principles, and values:

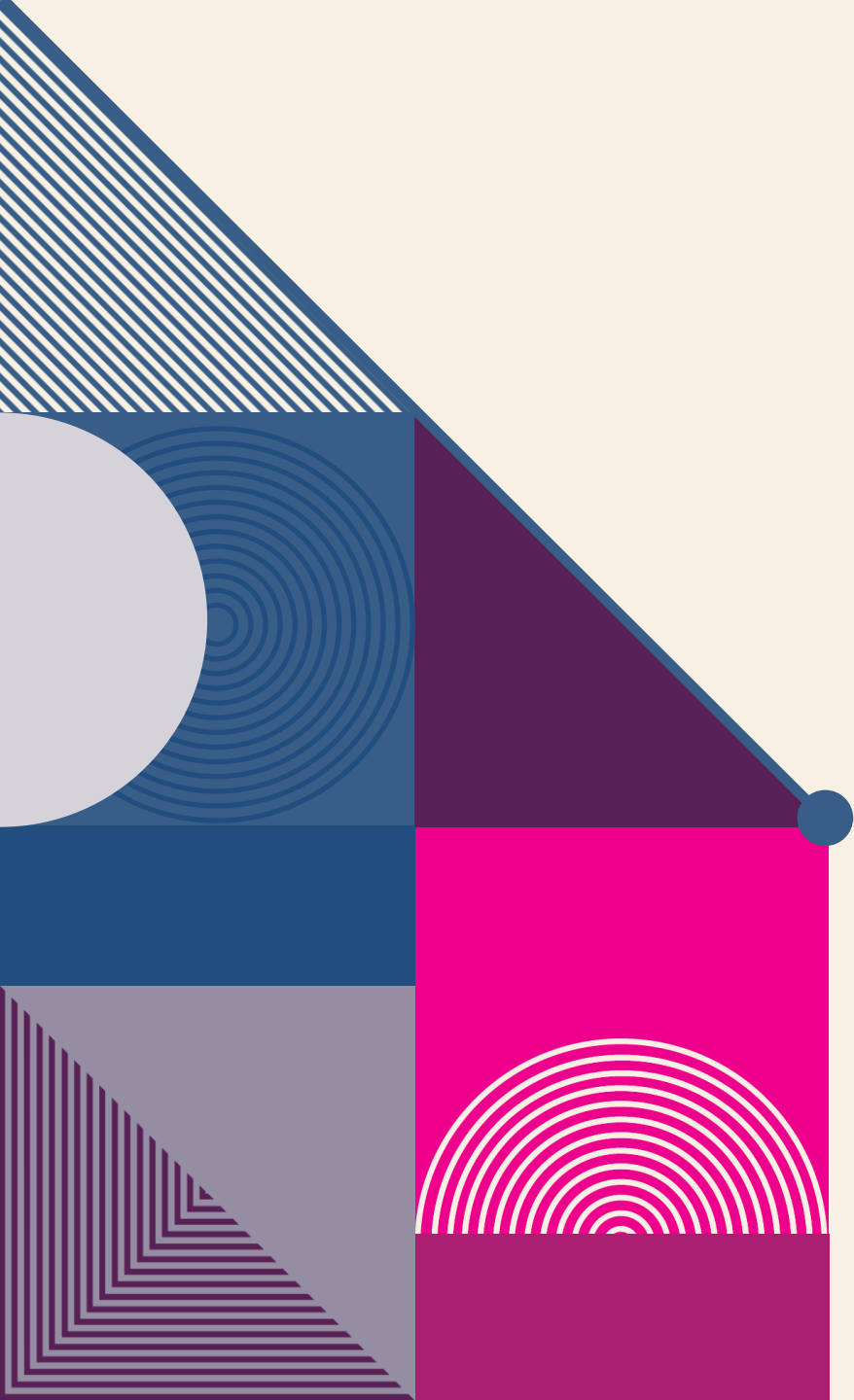


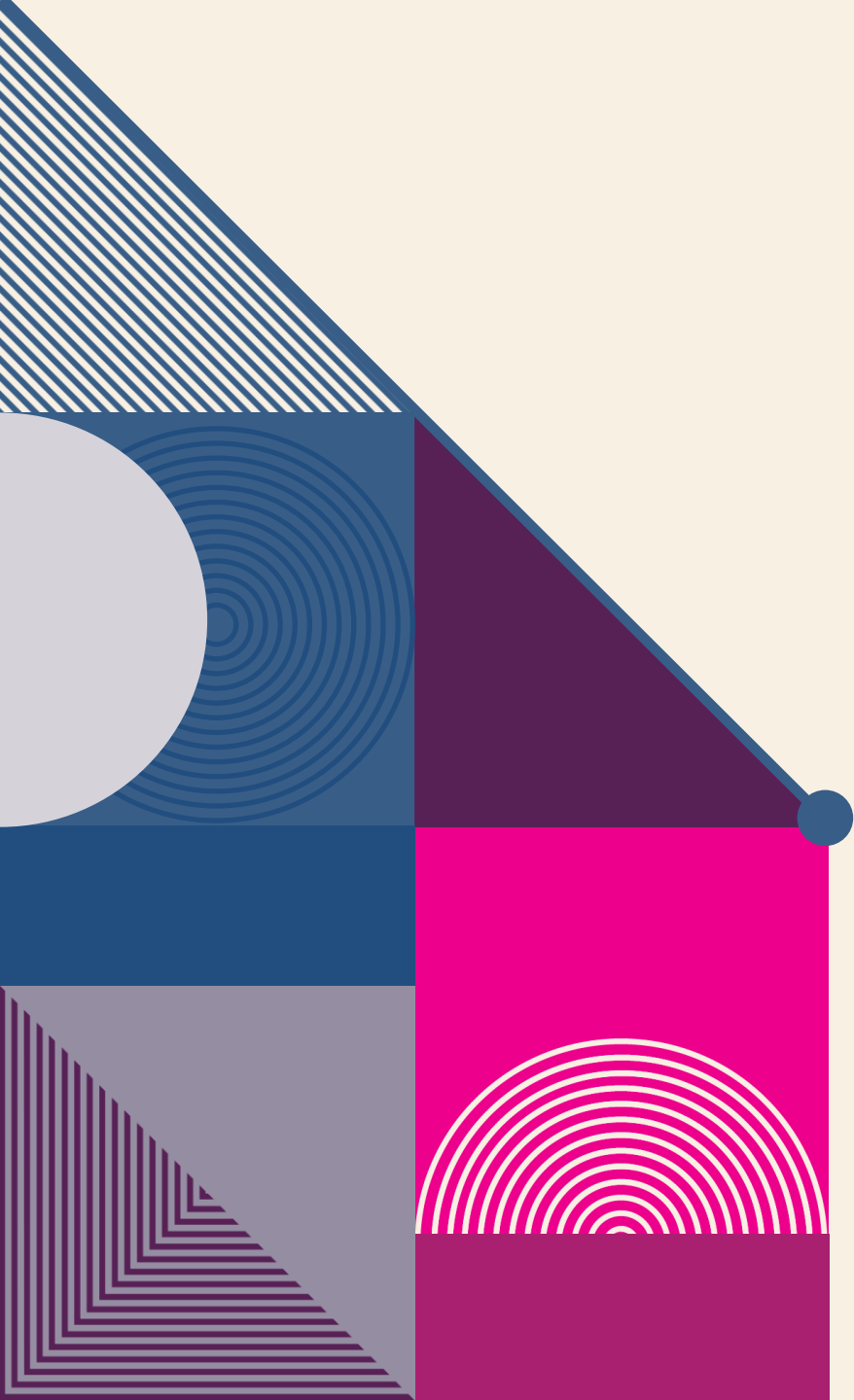
MISSION STATEMENT

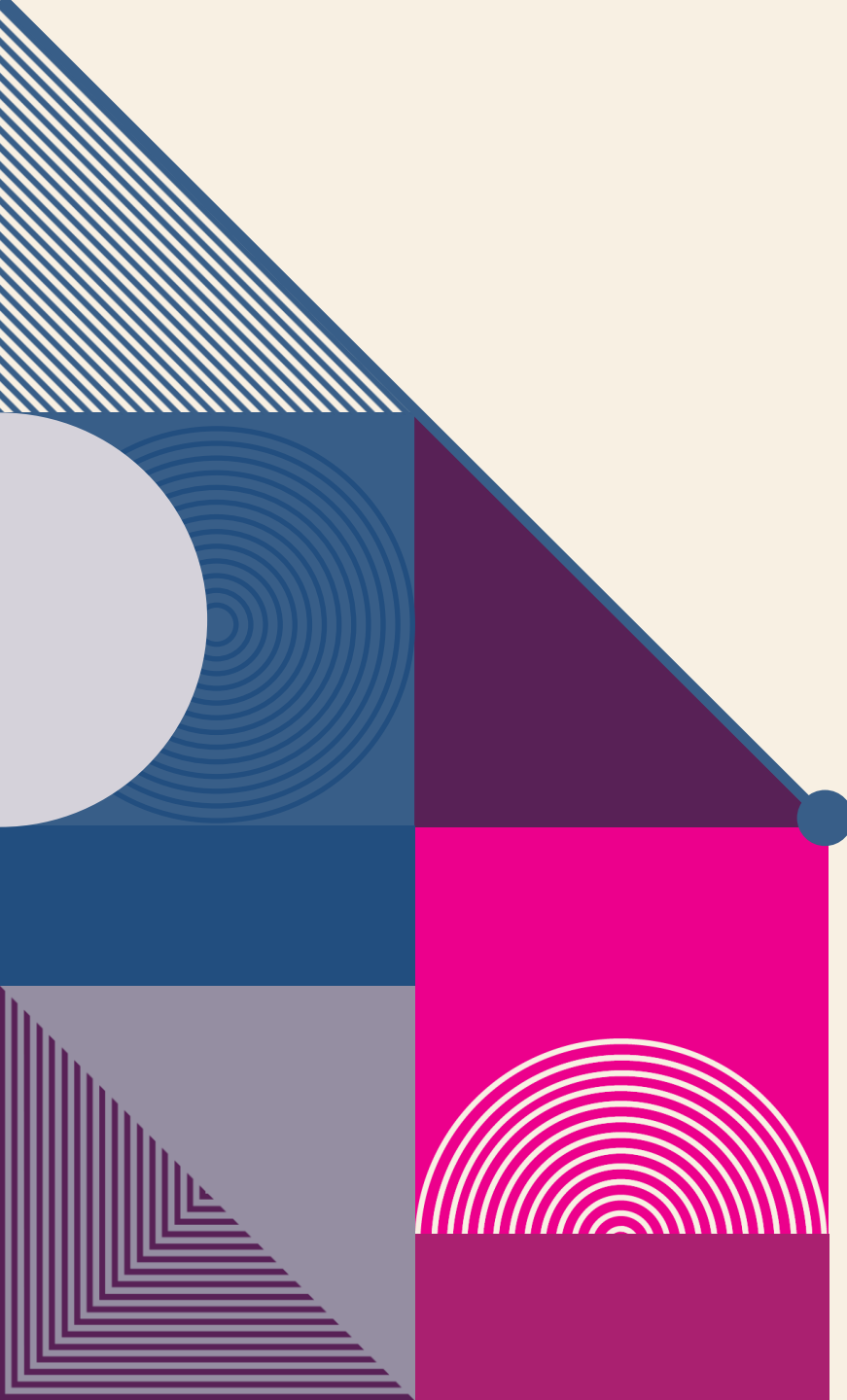
The mission statement will be supported by our beliefs, principles, and values:

- Encouraging members to be good stewards in meeting their responsibilities to each other and the preservation of the unique qualities of our community
- Responding to resident inquiries in a timely manner
- Offering opportunities for our members to participate in community activities and leadership roles
- Providing transparency of financial records and meeting minutes
- Respecting and valuing each resident and their opinion and feedback
- Creating a welcoming, inviting, open and friendly environment
- Respect and preserve the collective rights and interests of homeowners
- Promote active homeowner involvement to cultivate a strong sense of community
- Expect all homeowners to meet their responsibilities and abide by the governing documents
- Invite membership participation in the decision-making process that affects our HOA

An abstract geometric composition featuring a grid of four quadrants. The top-left quadrant is light blue with a pattern of thin, parallel white lines. The top-right quadrant is solid light blue. The bottom-left quadrant is solid light blue. The bottom-right quadrant is divided horizontally: the top half is solid light blue, and the bottom half is solid light blue. A small, solid light blue circle is positioned at the intersection of the top-right and bottom-right quadrants.







This is an absolute failure of the President and his role as President. It is a tenant of the President's duties to inform all board members and to protect the majority as well as the minority board members. The board violated my rights as a director by not informing me, by not informing the other 3 board members and your rights as homeowners. They denied me an opportunity of defense and due process. They denied you to be heard, due process and respect.

§ 47F-3-108. Meetings. (Quoted from state law)

(a) A meeting of the association shall be held at least once each year. Special meetings of the association may be called by the president, a majority of the executive board, or by lot owners having ten percent (10%), or any lower percentage specified in the bylaws, of the votes in the association. Not less than 10 nor more than 60 days in advance of any meeting, the secretary or other officer specified in the bylaws shall

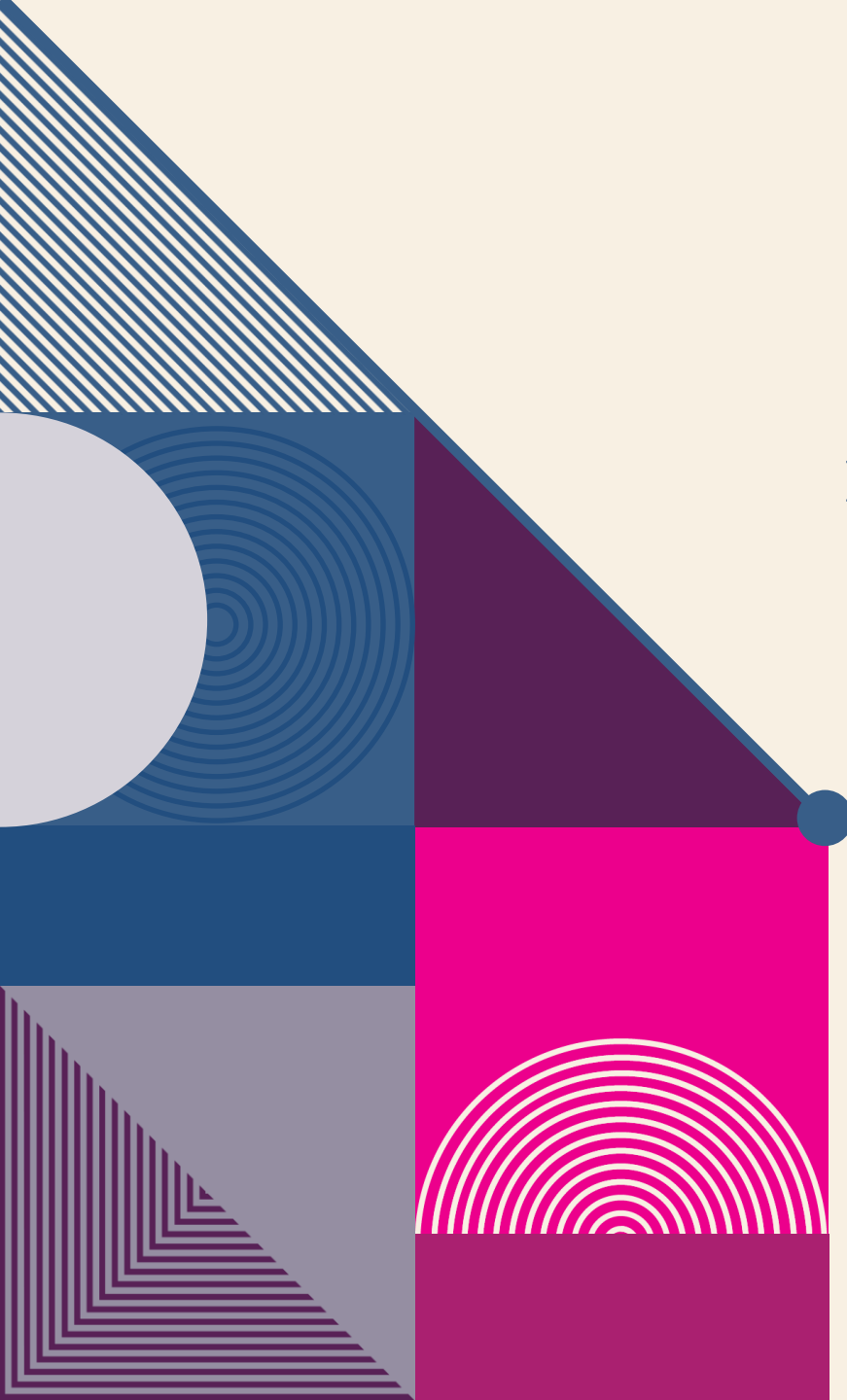
it be hand-delivered or sent prepaid by United States mail to the mailing address of each lot or to any other mailing address designated in writing by the lot owner, or sent by electronic means, including by electronic mail over the Internet, to an electronic mailing address designated in writing by the lot owner. The notice of any meeting shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the declaration or bylaws, any budget changes, and any proposal to remove a director or officer.

What can you do? I will let you know shortly. Thank you for your time.

Sincerely,

Former Board Member

[Redacted signature]

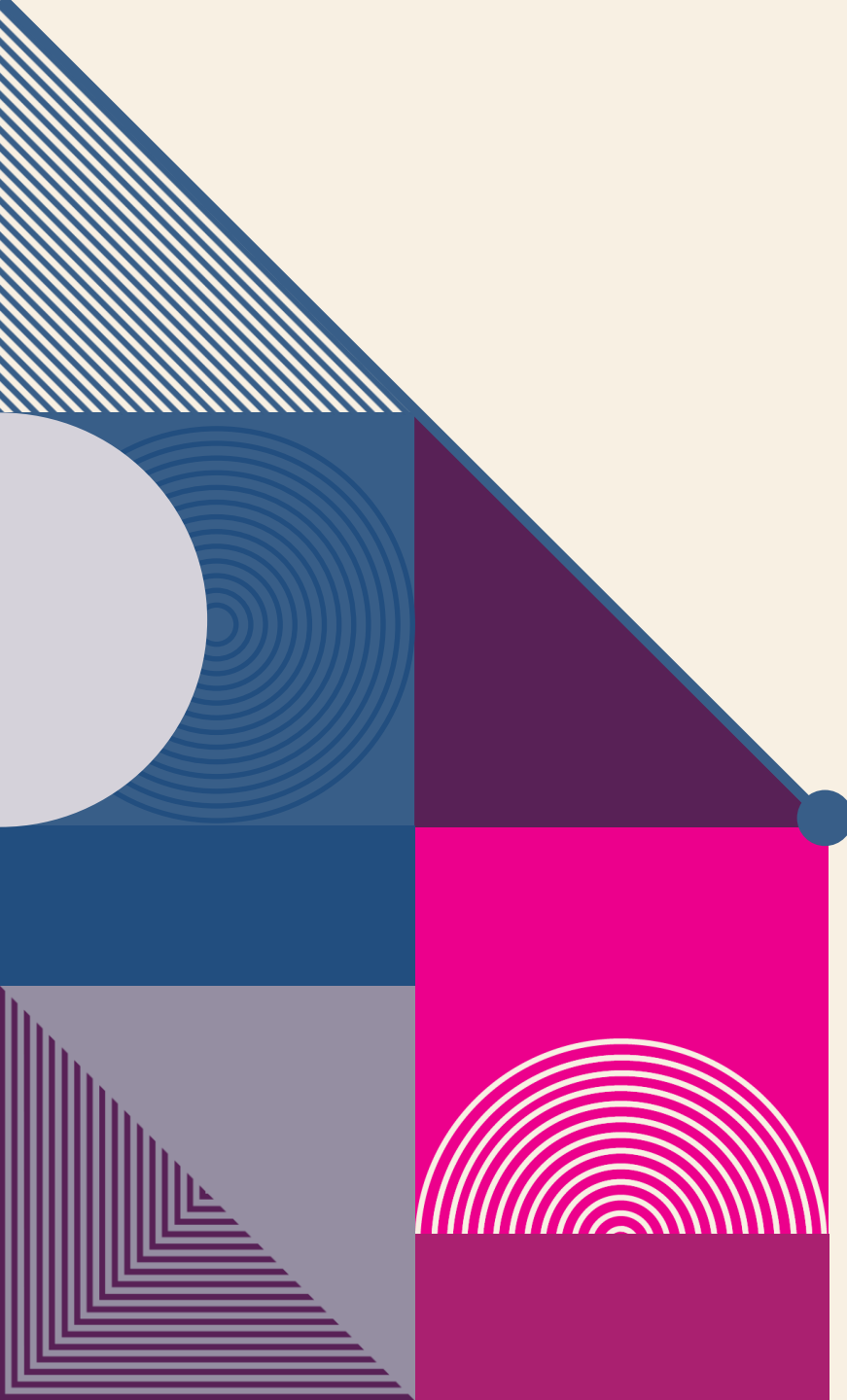


“NC General Statute 47F that has never been read or followed by any of our current or previous boards.”

CHAPTER 47F NORTH CAROLINA PLANNED COMMUNITY ACT

ARTICLE 1 GENERAL PROVISIONS

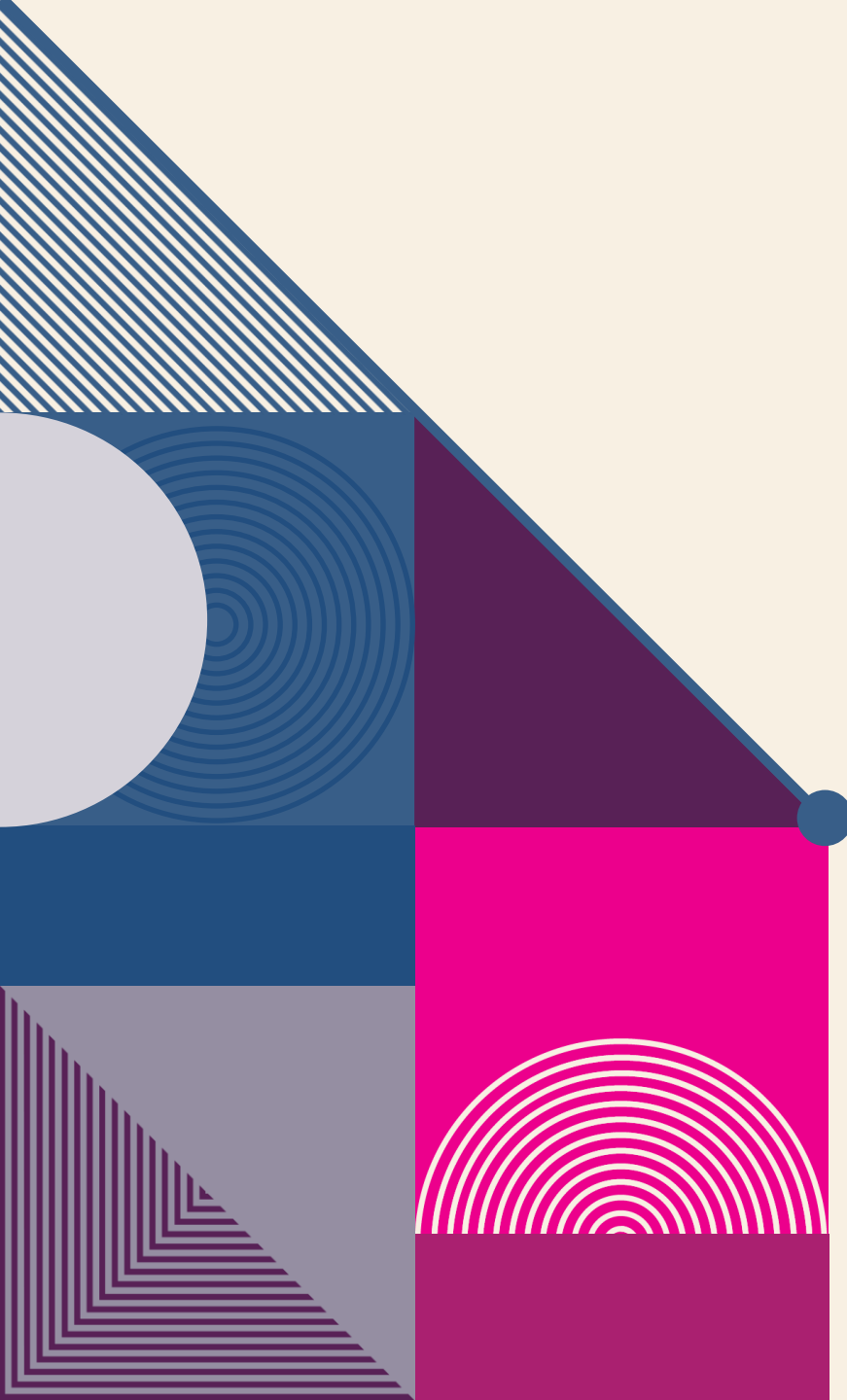
§ 47F-1-102. Applicability. (a) This Chapter applies to all planned communities created within this State on or **after January 1, 1999**, except as otherwise provided in this section.



LEGAL RESPONSE

“NCGS 47F-1-102(a) states clearly that **Chapter 47F applies to planned communities created on or after January 1, 1999**. NCGS 47F-1-102(d) goes on to state that planned communities created prior to January 1, 1999, **may elect to apply the provisions of Chapter 47F only where the Declarations are amended to expressly do so upon the vote of at least 67% of the lot owners**. Three Colonies was created prior to January 1, 1999, and has not amended its Declaration to apply Chapter 47F. Based upon the above, it is my opinion that **Chapter 47F does not apply to Three Colonies at this time.**”

(legal council)

A decorative geometric pattern in the top-left corner of the slide. It consists of several overlapping shapes: a light blue circle, a dark blue square with concentric circles, a dark purple triangle, a light blue square with concentric circles, a dark blue square, a light blue square with concentric circles, a dark purple square, and a light blue square with concentric circles. A small dark blue circle is located at the intersection of the dark purple triangle and the light blue square with concentric circles.

“This board has already spent \$40,000 more than the budget allowed in just the first 6 months of this year and most of that spending occurred behind closed doors.”

APPROVED BUDGET 2023 – OCTOBER 2022

EXPENSES – FIXED, GENERAL & ADMINISTRATIVE

Telephone (Clubhouse & Guard House)	\$ 2,921.00
Utilities (Electricity, Water & Sewer)	\$16,050.00
Waste Management (Trash Pick-up)	\$ 1,590.00
Office Supplies, Postage & Printing	\$ 2,451.00
Insurance (Hazard & Liability)	\$ 9,800.00
Legal, Accounting, Professional Services	\$14,481.00
Subscriptions/Contributions/Website	\$ 2,700.00
Payroll Taxes	\$ 2,500.00

Expenses – General Grounds & Amenities

Grounds Landscape Maintenance Contract	\$56,400.00
Grounds Landscape Replacement & Improvements	\$ 2,000.00
Repairs/Replacement of general Amenities	\$ 1,000.00

Expenses – Pool, Clubhouse & Tennis Courts

Pool Chemicals, Supplies & Maintenance	\$5,000.00
Labor- Pool Attendants & Off Season Maintenance	\$3,500.00
Clubhouse Supplies, Repairs & Maintenance	\$1,500.00
Tennis Courts & Playgrounds	\$ 400.00

EXPENSES – SECURITY

Security Guard Contract	\$73,080.00
Other Security Related Expenses (Supplies)	\$ 750.00

SOCIAL FUND/COMMUNITY EVENTS EXPENDITURES

\$ 2,500.00

THREE COLONIES EXPENSES JANUARY - JUNE 2023

Budgeted and Unbudgeted Items

Pool Repairs

Repairs to pool pump and cleaning of pool

4,483.46

operating account

Voted and approved Feb/2023

Approved: Hup, McCormic, Melton, Mingle,
Stein, **Thompson**, Van

Absent: Smith, Foster, Hair

General Repairs

2,534.10

operating account

Holmes Security, Irri-Tech, Vic's Heating and
Air, Clay's Heating and Air

Tennis Courts

1,038.84 (400)

over \$638.84

Pressure washing and sign

Budget \$400.00 Voted and approved April/2023

Unanimous approval, all members present

General Grounds

1,237.68 (1,000)

over \$237.68

Landscaping improvements

Cont.

THREE COLONIES EXPENSES JANUARY - JUNE 2023

Budgeted and Unbudgeted Items

Tree Removal (27)

26,570.00

operating account

Voted and approved Jan/2023

Approved: Smith, Foster, Hup, McCormic,
Melton, Mingle, Stein, **Thompson**, Vann

Against: Hair

Removal of 5 small trees on fence

450.00

Entrance Sign

7,131.19

overage after
insurance payment

Voted and approved Mar/2023

- First vote not to exceed **\$5,000**

Unanimous approval by all members, except
Foster was absent

- Second vote not to exceed **\$8,000** due to
change in insurance payout

Approved: Smith, Stein, McCormic, Melton,
Hup, Hair, Van, Mingle

Against: **Thompson**

Total Expenditures

42,045.27

“Last month the board voted to increase the guard's hours by a few hours each week for the rest of the year. In reality this means spending an additional \$10,000 that had already been diverted toward the other excess spending.”

SECURITY GUARD/CONTRACT

(\$73,080.00)

June 2023 HOA mtg, Cindy McCormic detailed that after reviewing the remaining funds budgeted for Security that we could increase the security guard hours by 2 hrs/day (Monday - Saturday) with money left in the budget for the year. Guards will work **56 hrs/wk**

- Requested an increase in hrs. due to increasing number of non-residents entering community & car tampering issues
- Financial Report (June 2023) there was **\$45,871.50 remaining** in security contract budget.
Proposal to begin July 1 – 31
December to increase hours (see below)
 - Monday – 12:00pm – 9:00 pm**
 - Tuesday, Wednesday, Thursday – 10:00 am – 7:00 pm**
 - Friday, Saturday – 2:00 pm – Midnight**
- - **\$6,000.00 (approx.) will remain** in the security contract budget end of the FY 2023

Approved: - Unanimous approval Hup, McCormic, Mingle, Melton, Van.

Absent: Stein, Smith, Hair

“State law requires the board of directors to inform the association members in advance of a vote to deviate from the budget which to my knowledge, has never been done.”

- Our By-Laws & Covenants, or state laws do not require advance notice to association members of the amending of the annual budget.
- A vote of a quorum of Board of Directors is the only vote required.



CLAIM:

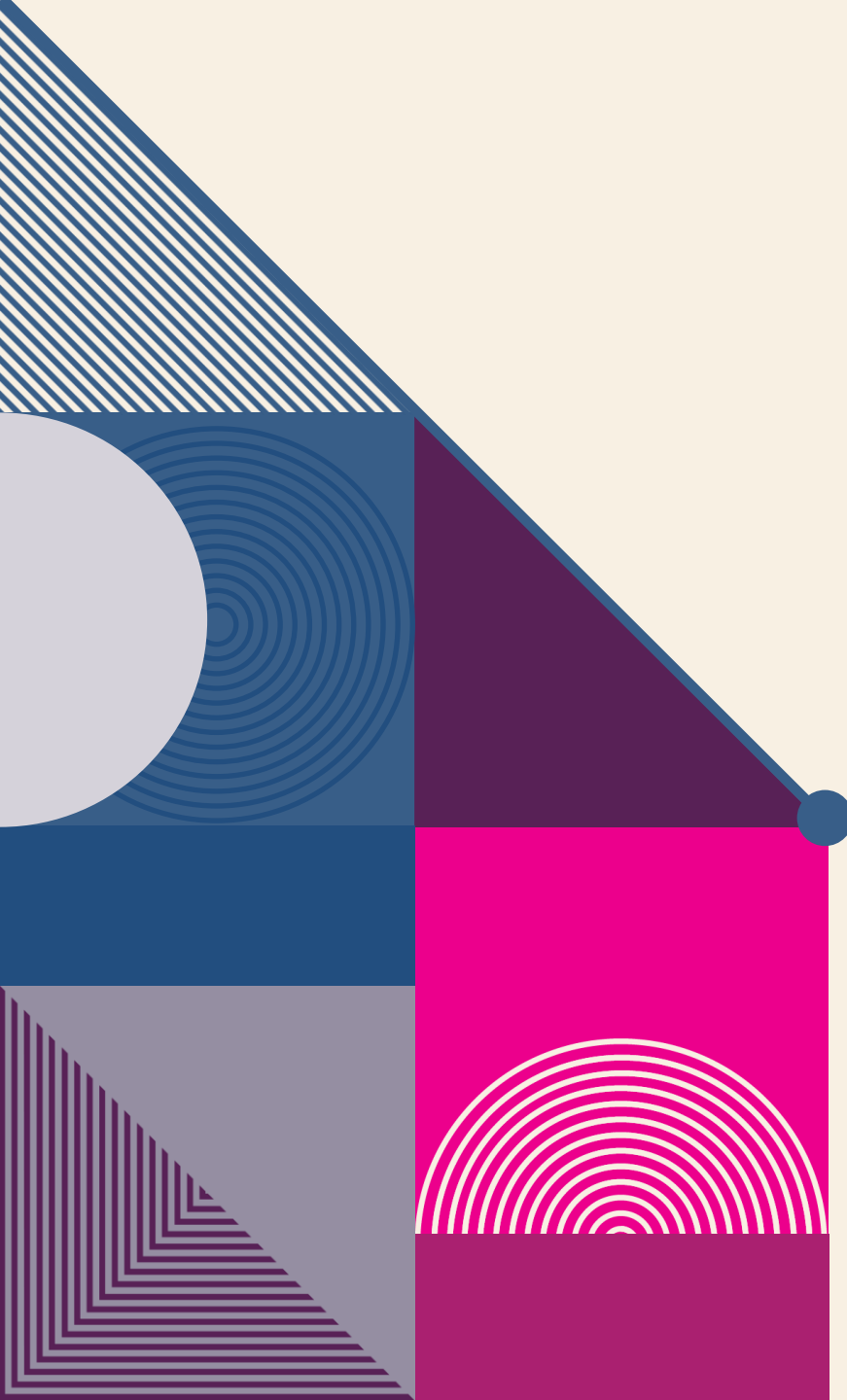
Former board member states he **did not** submit a letter of resignation.

“I AM NOW OFFICIALLY WITHDRAWING FROM THE BOARD...”

FORMER BOARD MEMBER

RESPONSE:

- All 3C keys **returned** to CH and retrieved by Richard Hup
- All credit cards **returned** to CH and destroyed by Treasurer
- Legal Council:
 - **“statement and actions are reflective of a letter of resignation”**

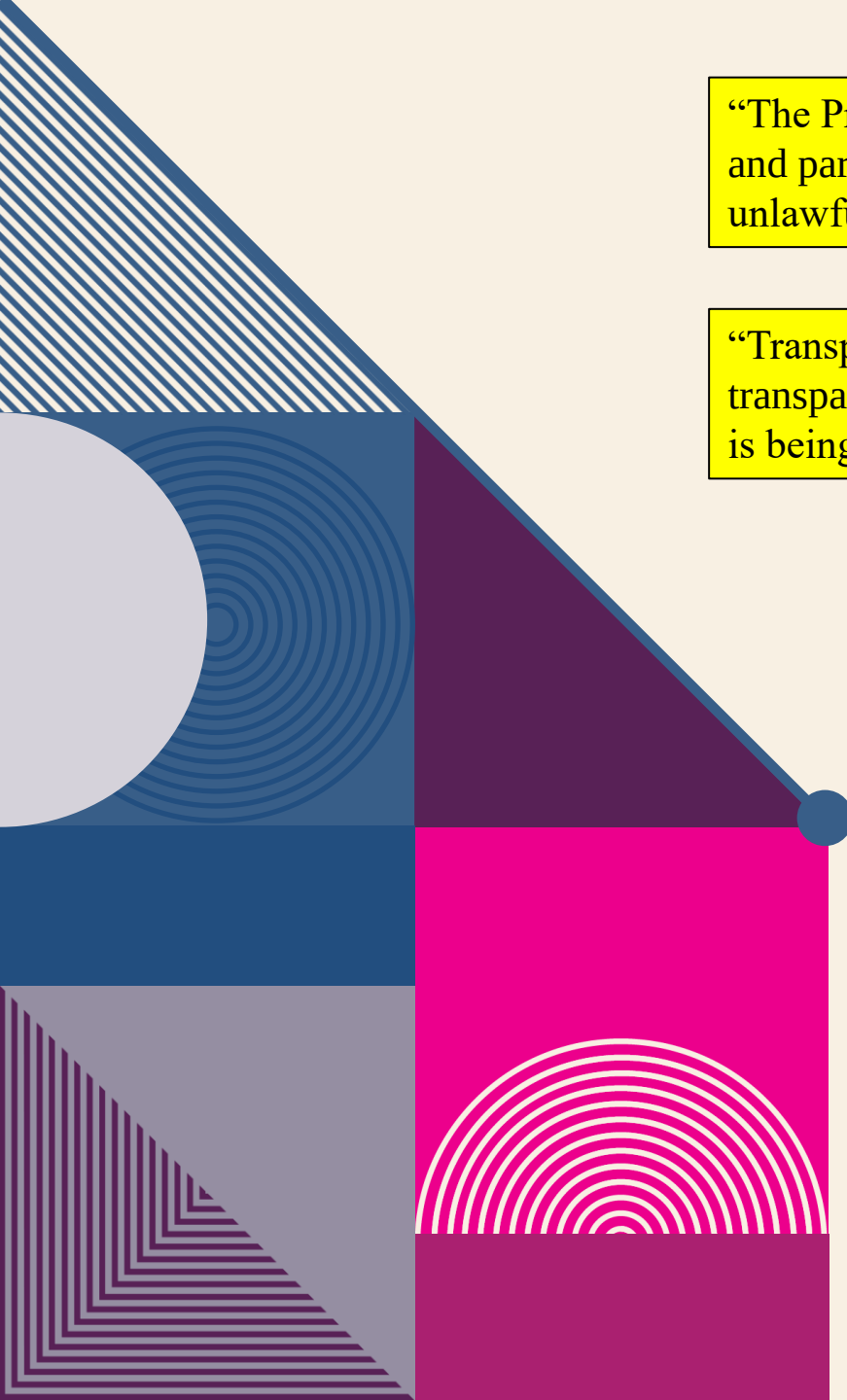


“ I wc,s [sic] asked by the president via text from the treasurer...
if I was going to submit a termination letter.”

RESPONSE:

The President **DID NOT** request the treasurer to ask (former board member) for a letter of termination

- Per a signed affidavit from the 3C Treasurer.



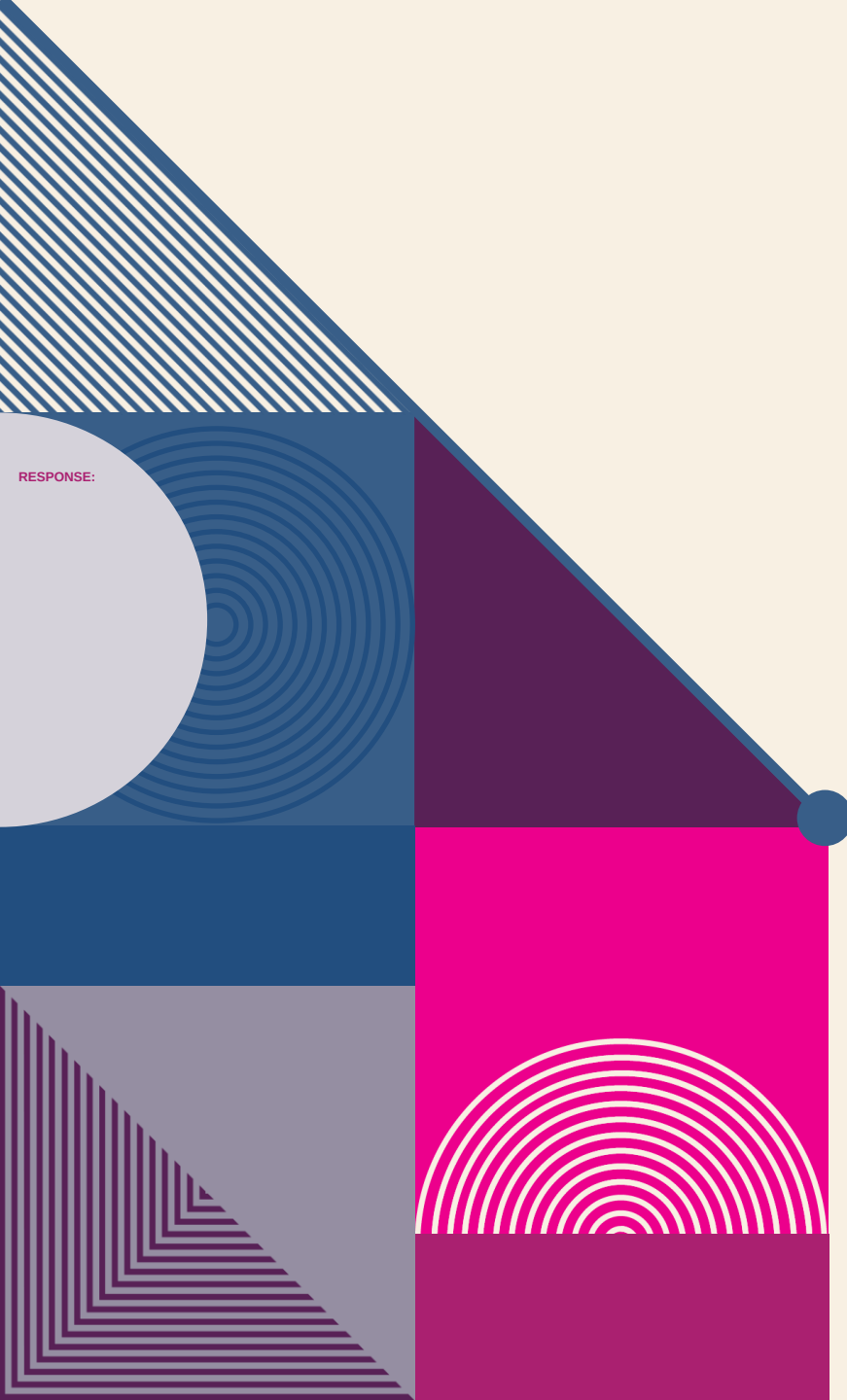
“The President over my objections continues to schedule board meetings without the knowledge and participation of the homeowners even though he has been informed that this practice is unlawful. This is problem number one. Secret board meetings are unlawful for a reason.”

“Transparency is paramount and the lack there of is problem number **two**. There is no real transparency of what actually transpires in those meetings while the homeowners are unaware what is being discussed and denied a chance to be heard at these meetings.”

Secret (defined): “is a fact that is hidden or concealed and is known by only a small number of people and is not told or shared with anyone else.”

- **There are NO secret board meetings!**
- HOA working group (WG) meets 1-wk prior to monthly meeting
- 3C By-Laws, Article VI, Sections 2 & 3 address special meetings
- WG – meets at the **Clubhouse**
- **NO voting occurs behind closed doors**
- **Secretary** present taking minutes
- **Minutes** uploaded to 3C website
- **Legal Counsel -**

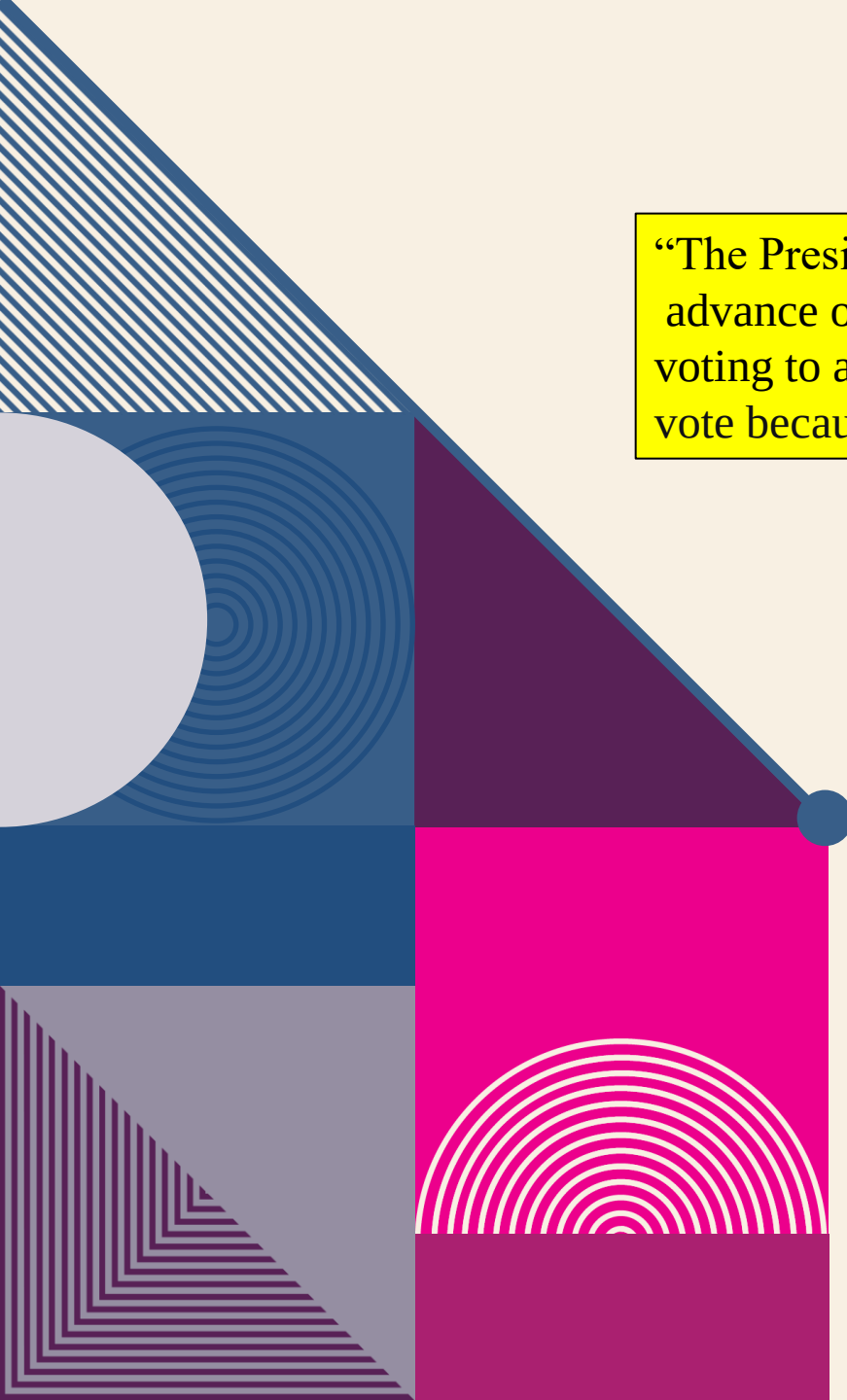
“board meeting can occur at anyplace at anytime”



“I was unilaterally told by the President that he was not going to let me meet the attorney even though he has no authority to deny me my rights of authority and oversight as a director.”

As President, it falls under my purview being defined as an
Executive Function

- Queried **10** board members
- **6 responded**
- **6 agreed** - function of **P & VP**
- **Legal Council:**
 - **Stated it was an “Executive Function”**
 - **Would not meet with a group**
- **All board members** asked to submit **questions/concerns** and I would share with our legal council & obtain a response.



“The President then proceeded to only inform five of the nine board members in advance of the meeting that night about his intentions to remove me from the board by voting to accept a termination letter that was not given. One board member even refused to vote because of the blindsided actions of the board toward other members.”

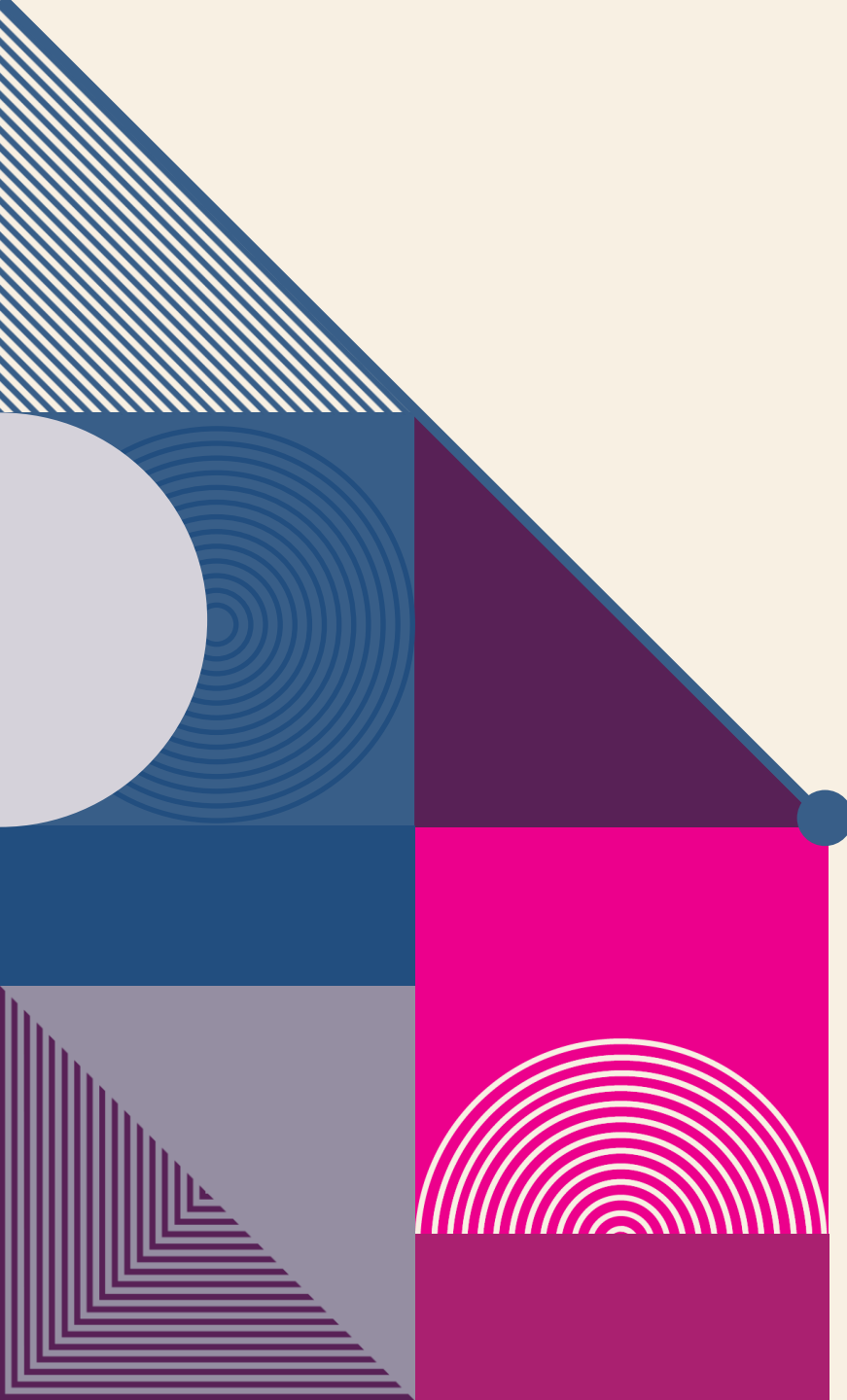
- Vice-President Nancy Melton presided at the June board mtg. The President had an excused absence. Acceptance of the resignation was on the June Agenda and a quorum of the Board of Directors **voted to accept the resignations of Mr. Thompson & Mr. Foster.**
- **There was never a discussion of “intentions to remove” the former board member**
- The Board announced the vacancies and their responsibilities. It was also stated that anyone could sign up at the end of the meeting if they were interested in serving.

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hand-deliver or send prepaid by United States mail to the mailing address of each lot or to any other mailing address designated in writing by the lot owner, or sent by electronic means, including by electronic mail over the Internet, to an electronic mailing address designated in writing by the lot owner. The notice of any meeting shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the declaration or bylaws, any budget changes, and any proposal to remove a director or officer.”

**As previously stated,
Statute 47F does not apply to Three Colonies
HOA**

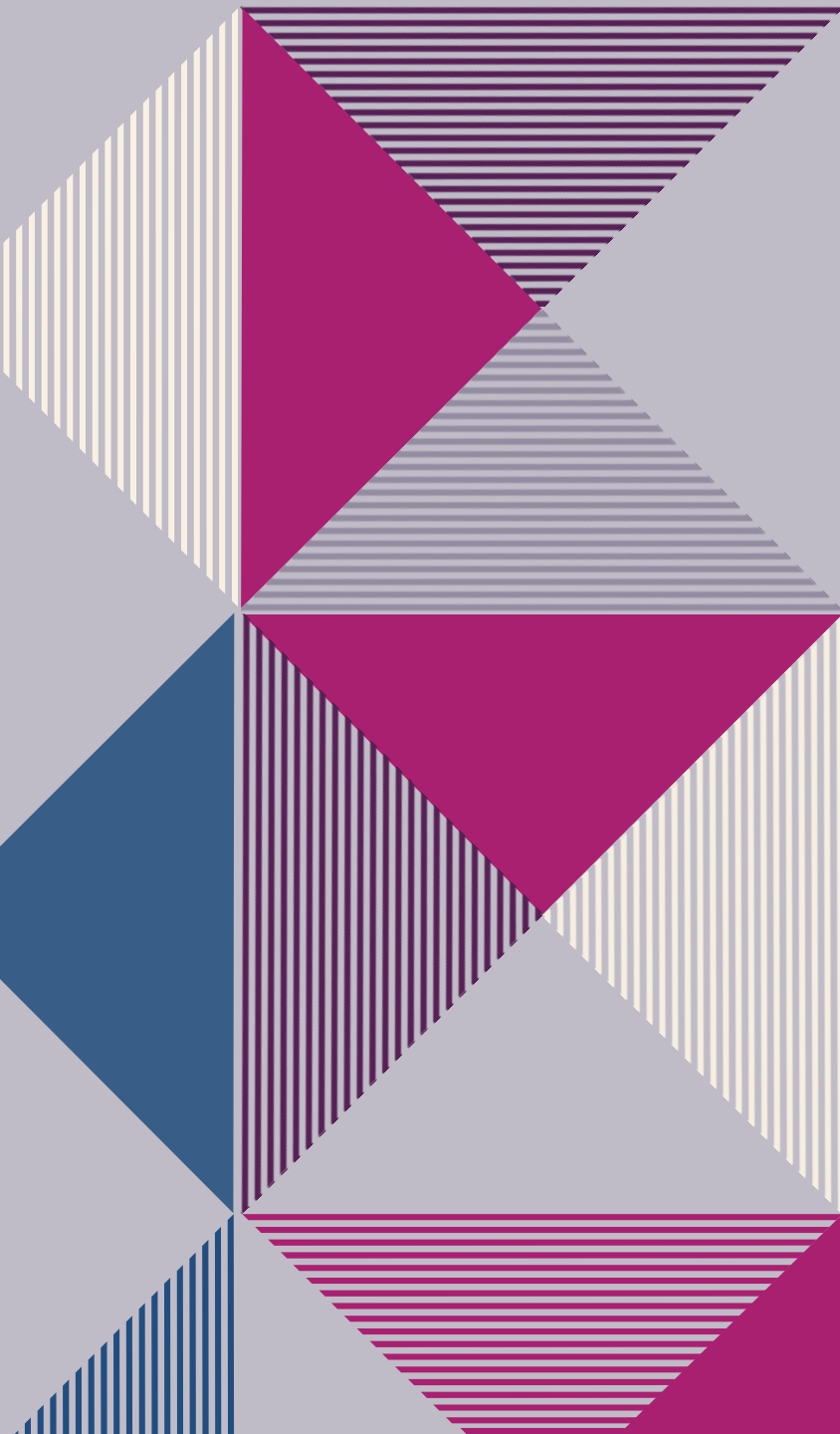


LEGAL RESPONSE TO PETITION

Petition for reinstatement to 3C Board of Directors

“I can find no provision of the Bylaws which allow a resigned Board member to be reinstated by petition. Rather, the Board is obligated under the Bylaws to fill the vacancy through the end of the unexpired term of the resigned member. If no other obstacles appear, the resigned member may, of course, stand for election to an open seat during an appropriate future election cycle.”

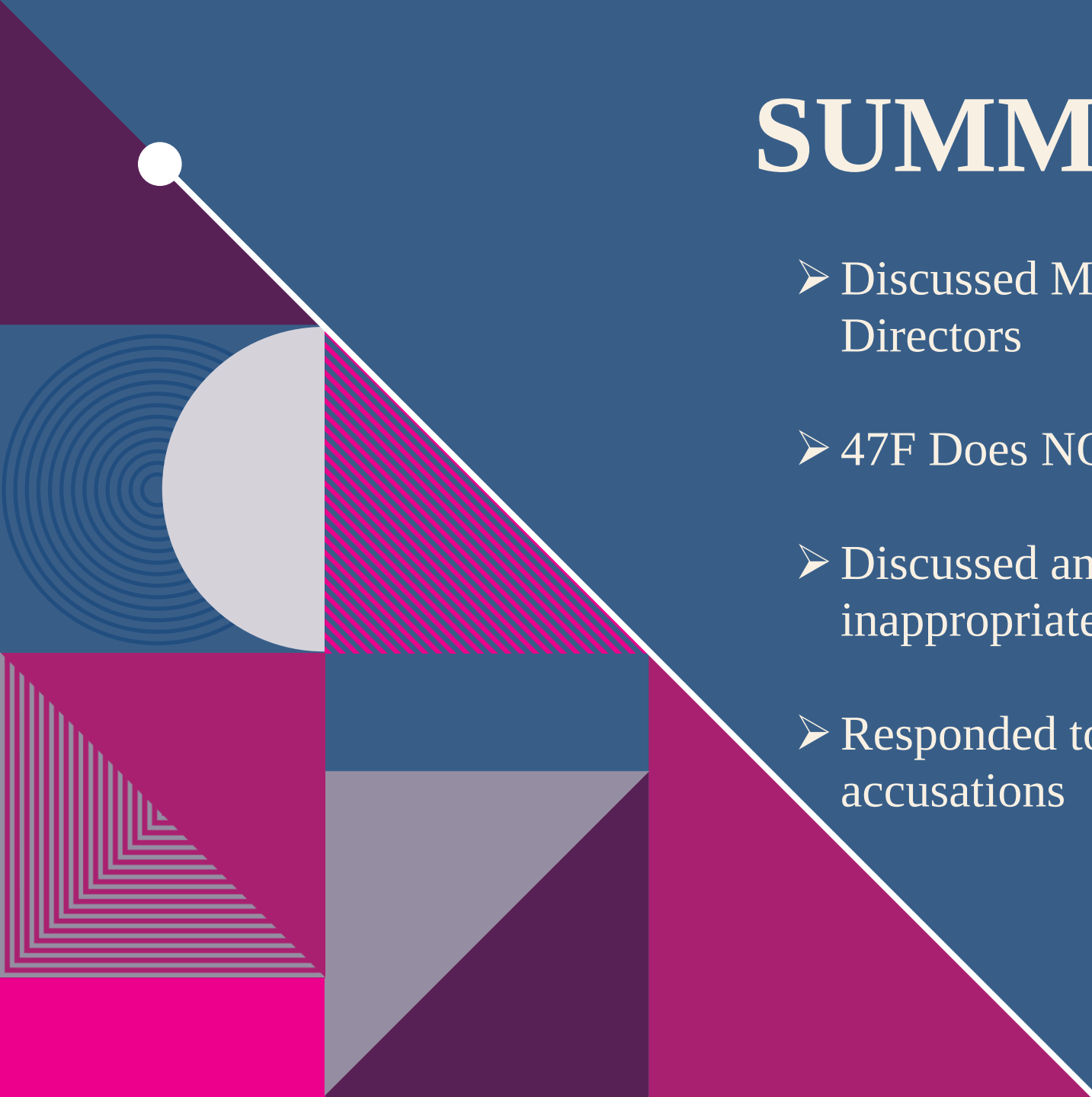
Legal Council



FUNDING FOR REMAINDER OF 2023:

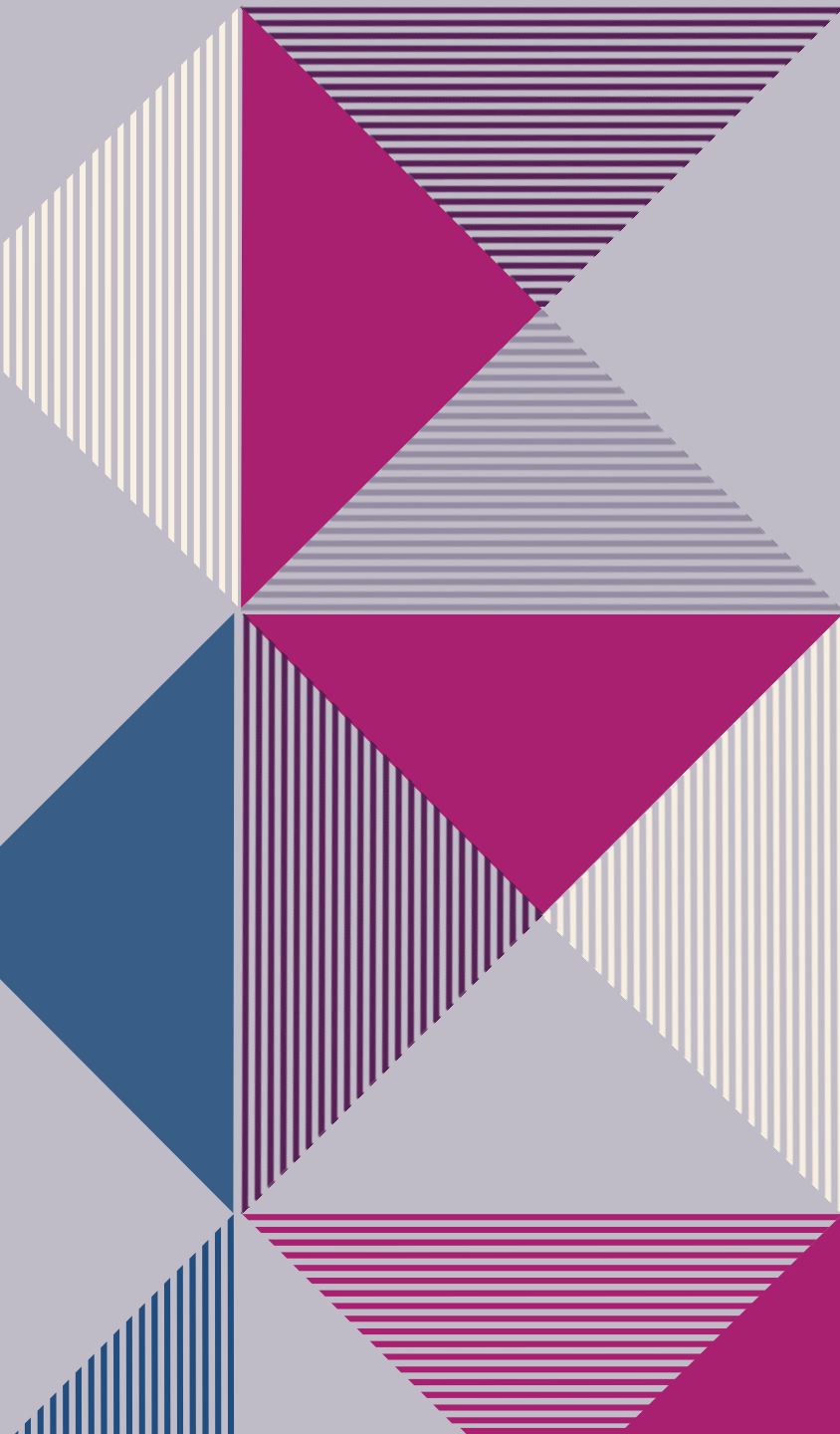
Community Concerns:

- Fencing on Fox Court - \$25,310.00
- Additional tree removal - \$15,000.00
- Clubhouse repairs – deck, rotted wood
- Stop Signs - \$1,500.00



SUMMARY:

- Discussed Mission & Vision of the HOA Board of Directors
- 47F Does NOT apply
- Discussed and clarified false accusations of inappropriate expenditures
- Responded to and rebutted each of the false accusations



CONCLUSION:

This presentation has depicted events as they occurred by accurately presenting the facts. The goal of the board is to put this issue behind us, and to do the work that moves the community forward, making Three Colonies a premier community in which to live.

An abstract geometric design on the left side of the slide. It features a dark blue background with various geometric shapes and patterns. A white circle is positioned near the top left. Below it, a light blue semi-circle is visible. To the right of the semi-circle, there are concentric circles. Further right, there are diagonal lines. At the bottom left, there are concentric squares. The design is composed of various shades of blue, purple, and pink.

QUESTION AND ANSWER