

## **Welcome to the Homeowners Association**

Welcome to the Laurel Ridge Country Club Homeowners Association, Inc. (the HOA). The following is an introduction to the HOA – what it is, how it operates, and what it does. Most of the documents related to the HOA are posted on the HOA website (link follows), and if you have any questions or comments contact any of the HOA board members; their names are listed below. The HOA website is

<https://www.laurelridgecountryclubhoa.org>

The HOA email address is laurelridgecountryclubhoa@gmail.com

### **What is the HOA**

The developer of the Laurel Ridge Country Club (LRCC) established a set of covenants to govern the use of the residential lots that were part of the development. Generally, the covenants are intended to maintain property values by controlling what can be done with each lot. The restrictions imposed by the covenants are in addition to any restrictions and requirements imposed by the city of Waynesville (zoning and land use statutes, for example).

The HOA is simply an organization made up of the owners of the lots that are subject to the covenants; if you own one of those lots, you're a member of the HOA. Generally, the role of the HOA is to ensure that lots that are subject to the covenants are used in a manner consistent with the covenants (i.e., the HOA is the enforcer). The HOA is also responsible for maintaining the covenants and modifying them to reflect the changing views of the homeowners, city and state laws, building practices and so on. The HOA can also act to implement projects and take other actions beneficial to, and approved by, the homeowners.

The HOA is a non-profit corporation registered in North Carolina. The HOA is not part of, or in any way associated with, the Laurel Ridge Country Club and Event Center (other than that the LRCC and the HOA are very dependent on each other in terms of LRCC membership and HOA quality of life and property value).

### **How Does the HOA Operate**

Overall governance of the HOA is based on lots. Lots determine what land is in the HOA, and they establish the voting rights that allow landowners to govern the HOA. The owners vote the lots that they own; one lot equals one vote. If you own one lot you have one vote and if you own five lots you have five votes. Currently, there are 184 lots voted by 158 owners. Note: no matter how many names are on the deed, each lot gets only one vote.

Homeowners vote on items that are required by the by-laws or that are introduced by the homeowners. Those items include amendments to the covenants and the by-laws, election of members of the board of directors of the HOA, approval of the annual budget and, generally, any other motion proposed by a member. Voting takes place at the annual meeting of the HOA, which is held in Waynesville in August. Voting can take place in person at the meeting (which is strongly encouraged) or by proxy.

The by-laws require a quorum of 30 percent of the lots (present in person or by proxy) to conduct the annual meeting. If a quorum is not present, the meeting can be rescheduled, and the quorum required is reduced by 50 percent in each such rescheduling. Most motions can be passed by a simple majority of

those voting. However, changes to the covenants require an affirmative vote of at least 67 percent of the lots.

The covenants allow the HOA to assess annual dues of up to \$30 per lot. The dues fund both the ongoing operation of the HOA and member-approved projects. The HOA does not own any assets and does not have expenses associated with upkeep of real property. As a result, the ongoing cost of operating the HOA is relatively small. The HOA board can, and sometimes does, forgo collection of the annual dues.

The operations of the HOA are conducted by the HOA board of directors ("the board"). There are five board members who fill the positions of president, secretary, treasurer, vice president and member-at-large. Members of the board are nominated and elected at the annual meeting and serve three-year terms. The board itself determines which members fill the different positions. The board may fill vacancies occurring before the end of a term by appointing HOA members to the board. The board may also create committees and appoint committee members.

### **What Does the HOA Do**

The focus of the HOA has changed over time. In the early years of the HOA, when construction of new homes was very active, the focus was on review and approval of proposed site plans and home designs. More recently, as new home construction has wound down, the focus has moved to maintaining the quality of the neighborhood: review and approval of architectural changes (new structures and fences, for example) and site changes (landscaping and tree cutting, for example), control of invasive plants (kudzu), upkeep of lots and structures, and property use.

The covenants require that any "improvement" to any lot be reviewed and approved by the Environmental Control Committee (the "ECC"), which reports to the board. The covenants define "improvement" to include virtually any change of any kind made to a lot ("... all buildings, out-buildings, streets, roads, driveways, parking areas, fences, retaining and other walls, hedges, poles, antennas, and any other structure of any type or kind or any land clearing whatsoever"). The requirements for review and approval of "improvements", and the process for accomplishing review and approval, are stated in an HOA document titled "Architectural Review and Environmental Control Committee Architectural Review and Approval Guidelines – 2000" ("review and approval guidelines"). That document is posted on the HOA website.

The review and approval guidelines have not been modified since 2000, and they are outdated. They focus on new home construction and are oriented toward review and approval of site plans (especially plans for clearing and grading) and the design and construction of homes and associated structures. They are cumbersome to apply in the current HOA environment where "improvements" are usually much more limited in scope and in potential impact to the quality of the neighborhood. At the same time, however, the HOA continues to have a vested interest in controlling "improvements" and meeting its responsibilities to enforce the covenants.

The board is working to determine how the review and approval process can be changed to require minimal red tape and yet provide oversight sufficient to prevent detrimental changes. For the moment, the HOA board is asking all homeowners who plan to make "improvements" to send an email to the HOA briefly describing the proposed changes and the estimated timing. The board (which is in effect

the ECC) will either approve the changes (by return email) or call the homeowner to discuss the changes. Regardless, **“improvements” must be approved by the HOA prior to commencing work, and failure to obtain HOA approval before commencing work will subject an owner to all enforcement measures available to the HOA under the North Carolina Planned Community Act.**

The HOA is also beginning to enforce a section of the covenants that requires homeowners to control invasive plants. Many developed and undeveloped lots have been infested by kudzu, and it has been spreading rapidly from lot to lot. There is an effort underway now to identify the lots that need the most attention and notify the owners that they need to take action to remove existing growth and control any new growth.

Finally, short-term rentals (such as Airbnb) are becoming an increasing problem in residential neighborhoods, and many of the HOAs in this area are looking at ways to prevent short-term rentals. Our covenants were written before short-term rentals became popular in neighborhoods like Laurel Ridge, and they don't clearly address such rentals. To correct this situation, the HOA has developed, and the membership has approved, an “HOA Rental Policy” that clarifies the restrictions to short term rentals imposed by the covenants and Waynesville's zoning. That document is posted in the HOA Documents section of the website.

### **Where Do We Go From Here**

The HOA is trying to find ways to interact more frequently with the homeowners to understand what the homeowners want the HOA to do in general and to obtain homeowner comments and suggestions regarding specific projects. Over the last two years the HOA has collected email addresses for almost all the homeowners. That will allow the HOA to conduct many more activities by email. One of the first such activities will be a survey asking for homeowner comments on several proposed projects as well as homeowner suggestions for other new projects. In the meantime, please email the HOA or contact the board members if you have any questions, comments or suggestions.

President – Richard Schley

Treasurer – Becky Nickol

Secretary – Kathy McInnis

Vice President – Open

Member-at-Large – Tom Hines

Email: laurelridgecountryclubhoa@gmail.com

### **Notes**

The two documents that shape the HOA are the covenants and the by-laws. The covenants control the use of the lots and establish the role of the HOA. The by-laws determine how the HOA is governed and how it functions to enforce the covenants and take other actions deemed desirable by the homeowners.

The “covenants” are made up of the original “Declaration of Protective Covenants, Conditions, Restrictions, And Easements for Laurel Ridge Country Club” of July 1, 1986, plus 7 amendments made between 1986 and 2000. The covenants have not been amended since 2000. The covenants use the terms “declarant” and “developer”. Generally, these two terms are synonymous. On December 28, 2000, many of the rights and responsibilities of the declarant/developer were transferred to the HOA. When reading the covenants, it is usually safe to replace “declarant” or “developer” with “HOA”. The covenants and the associated amendments can be found on the HOA website.

The “by-laws” are stated in a document titled “By-Laws of Laurel Ridge Country Club Homeowners Association. Inc.”. The by-laws were created at the same time as the covenants and have been amended several times since. In 2017, the by-laws were restated to reflect all amendments, and this restated document now represents the by-laws in their entirety. The by-laws can be found on the HOA website.

The covenants “follow the land”; changes in ownership do not change the fact that a lot is subject to the covenants and part of the HOA. Your deed should contain language to the effect that the property is subject to restrictive covenants stated in such and such page of the deed book. However, over time and as a result of changes in ownership and redrafting of deeds, that language may have changed or, in a few cases, it may be missing entirely. In some cases, it may be necessary to go back through one or more generations of the deed to find the language that makes your lot subject to the covenants.

Whether a piece of property is subject to the covenants (i.e., part of the HOA) is almost entirely determined by whether that property passed through the hands of the LRCC developer, and whether the developer at that time wanted that property to be in the HOA. It is not determined by location or proximity to other lots that are part of the HOA, nor is it necessarily determined by the county’s inclusion of the property in the LRCC subdivision. In other words, don’t expect complete geographic consistency.

Haywood county uses a construct called a “PIN” to identify individual properties for purposes of recording, taxation and ownership. In most cases, one PIN is associated with one lot. In some cases, multiple lots have been aggregated under one PIN. Voting rights and dues continue to be based on lots even when multiple lots are aggregated under a single PIN.

The Haywood County Geographic Information System (GIS) provides an easy way to find out how your property is legally described in terms of LRCC lot and subdivision. It’s also a good place to find out if the county has accurately recorded the owner’s name(s) and mailing address. The GIS website is:

<http://maps.haywoodnc.net/gisweb/default.htm>

Regarding mailing addresses, North Carolina law requires the HOA to send important correspondence (such as notices of annual meetings and enforcement actions) to the owner’s address of record. That address is the one maintained by the county and shown on the GIS. It is very important that you keep this address up to date. To change it, contact the Haywood County Tax Assessor’s Office at 828-452-6734. The HOA also maintains an alternate mailing address for correspondence not governed by North Carolina law. To create or change the alternate address send an email to the HOA or contact one of the board members.

North Carolina laws have a direct effect on the HOA. Chapter 47F of the North Carolina general statutes (the North Carolina Planned Community Act) supplements (and in some cases supersedes) the covenants and by-laws with a number of provisions concerning legal liability of the HOA, enforcement of HOA demands and fines, powers of HOAs, and HOA governance. In particular, the law gives HOAs a mechanism to enforce HOA actions (for example, unapproved improvements, unpaid dues and failure to remediate a kudzu infestation) without resorting to a lawsuit and without incurring legal fees. This mechanism specifies a process that includes notice of violations, hearings, fines and claims of lien on homeowner property.