

Dennis Vackanoff

Members of the Senate and House:

Thank you for allowing me the opportunity to speak you today on HOA issues that need to be addressed by legislation.

A brief history, my wife and I moved into Carolina Gardens, Fuquay Varina in August of 2021. When we signed our contract we were informed, as others were, that the Amenity Center, workout area, indoor pool, pickleball courts, etc. would be started 12 months after the first owner moved in, February of 2021. Well that turned out not to be the case. We sit here today with a facility not yet open, later promised January 1, now maybe the 20th, with the indoor pool now pushed off until April.

Shame on me, I did not pay attention to the HOA documents that said Pulte controls the HOA Board until all, 820 homes are built and sold!!!

Why should the owners have a say in what is happening?

Well,

The North Carolina legislature when they passed the “model” Community Planning Act and I am sure after much lobbying by the major builders, decided to not include the following section:

(d) Election of members during transfer of declarant control.--Not later than 60 days after conveyance of 25% of the units which may be created to unit owners other than a declarant, at least one member and not less than 25% of the members of the executive board shall be elected by unit owners other than the declarant. Not later than 60 days after conveyance of 50% of the units which may be created to unit

owners other than a declarant, not less than 33% of the members of the executive board shall be elected by unit owners other than the declarant.

Why does this concern me:

1. The owners have basically been told we have no input on the operation of the HOA until all houses are built and sold.
2. Trying to get oversight on basic money issues is a challenge.
3. Until some of us raised the issue, our HOA, via Associa, who Del Webb hired to manage the operation, had \$600,000 in a non interest bearing checking account.
4. Today, still over \$225,000 is in a non interest bearing checking account.
5. All funds were with a PacWest, a questionably solvent bank. Since, the bank has merged with Banc of California. By the way, they donated \$1,000,000 to the City of Los Angeles.
6. The HOA has denied an owner the right to have solar panels, which I believe is contrary to the State statute and a NC Supreme Court decision. (To enforce the owner's rights, he may have to bring litigation)
7. The HOA documents required a "mediation" to occur. Yet Pulte to date has refused to participate in their mandated requirement.
8. Owners are required to "sue" to a publicly traded company. Hardly fair.

As it currently stands, Pulte has all 3 members on the HOA board. The person who purchases the land for the development, the

person in charge of the development and the financial person of Pulte in Raleigh.

We have no “conflict of interest”? We have no idea what specific actions the HOA board decides are HOA costs, vs costs that the developer should have covered.

I understand only certain things can be accomplished. At the same time, it is time for the North Carolina legislature to require more from the large developers:

1. Commit to a time frame to build the amenities, at the time of the purchase of the home/lot.
2. Put the Model act language back in to have owners on the HOA board. It is still on 1/3 of the HOA Board, but at least the owners have some oversight.
3. Require HOA funds to be deposited in NC financial institutions.
4. Allow the Attorney Generals office to enforce State statutes that the HOA board refuses to follow(Solar Panels)



Dec 2023 - HOA Meeting follow up items

3 messages

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Mon, Dec 18, 2023 at 5:02 PM

Dennis

I had three items to follow up on after the HOA Meeting last week.

1. Representation of Bill Palmeri. Bill will not be represented by Dennis Valkanoff per a follow up communication received.
2. Alert the Carolina Garden residents that the rules for the amenity are posted on the community website. Notice was sent out.
3. Provide a list of accounts used by the HOA. The List is below is the HOA account info as of 11/30/23.

PacWest	Operations	Checking	\$226,594.13	0.00%
Truist Lifestyle	Operations	Checking	\$11,251.90	0.00%
Truist Garden Club	Operations	Checking	\$1,088.00	0.00%
PacWest	Operations	CD	\$103,636.60	5.15%
PacWest	Operations	CD	\$75,000.00	5.50%

PacWest	Operations	CDARS	\$200,000.00	4.25%
PacWest	Reserve	MM	116,486.67	2.01%
PacWest	Reserve	CDARS	\$75,000.00	4.25%
PacWest	Reserve	CD	\$100,000.00	5.03%

Please also note that you were correct that our maintenance technician has already started his employment with the HOA. He started his employment last week because the HOA had several handy man type tasks to be complete and the maintenance technician was able to complete them at a cost less than we would have paid hiring third parties.

I hope you and your family have a great holiday.

Thanks

Chris R

Chris Raughley

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