

March 2, 2012 Presentation to:
The House Committee on House Select Committee on
Homeowners Associations
By Peter Drez

Good afternoon Representatives,

My spouse and I are thirteen-year residents of Fairfield Harbour, a pre 1999 planned community, located just south of New Bern, on the Neuse River.

The common controlling community Declaration of Restrictions, filed in 1972, provides for a very limited set of POA responsibilities and lawful uses of a single annual uniform assessment. Being a pre 1999 planned community, these DOR's are the contractual obligation of the individual property owners.

The root problem seriously dividing our community is between those who assert that the community is as defined by our 1972 DOR's and those who believe they have the authority to change the community as they collectively desire, including the setting of the annual assessment at the increased level necessary to fund these changes.

With many of us content with enjoying life, those with change on their minds, have taken over the POA Board and all sponsored committees, locking out any opposing views. POA Board meetings have been closed to members, POA financials are now protected by a team of POA attorneys, questions submitted by members go

unanswered, and all POA business is declared as confidential and not available for inspection by members. The POA Board controls everything from qualifying and counting election votes, to appointing only like thinkers to committees, to using a team of attorneys to delay, and delay, any lawful requests for association information.

The POA Board uses our annual assessment as they desire, ignoring the very clear restrictions in the 1972 DOR's. They have used large amounts of dues to sue property owners, including myself, for notifying them that a proposed \$15 to \$20 million dollar real estate purchase was unlawful and would be challenged in court, even though the POA Board already had six identical attorney opinions. The POA set up an unlawful roadblock to attempt to intimidate those that opposed their goals and employees were fired for receiving copies of emails opposing the purchase. I could go on with examples, but I now want to focus on how you can help fix the problem.

The solution in a word is "accountability". When the POA Board in Fairfield Harbour decided to spend \$15 to \$20 million on real estate, one of their first actions was to secure \$5 million liability policies for each member of the Board. Thus the problem is two folds, unlimited access to POA funds to pay for attorneys to intimidate POA members, and personal protection from any accountability for their actions.

My request is that the Planned Community Act be amended to limit liability insurance protection of Board Members and sponsored

committee members to \$50,000. This will highly encourage Board members and sponsored committee members to fully research their actions prior to implementation. In my opinion, no other single change to the Planned Community Act would provide more overall positive results. North Carolina needs a Planned Community Act that encourages Board Directors that respect their authority and limitations, and discourages those seeking Board positions to test the limits of their authority for personal agendas.

Thank You