

Ms. Lynn,

I received your email concerning University Woods yesterday morning. I reviewed the Condominium Declaration, Bylaws and relevant statutory law.

The answers to your questions, in order, are as follows:

☐ Per Article VIII, Section 2, unit owners are responsible for their own maintenance, including plumbing, heating, and appliances. Increasing HOA fees or using community funds for individual homeowner repairs directly violates our governing documents (this was even noted in our annual meeting with a homeowner present).

This concern is well taken. The Declaration of Condominium leaves the allocation of maintenance responsibility to the Bylaws. The Bylaws clearly separate responsibility for the Association versus the Unit Owners. The Unit Owners have responsibility for all maintenance and repair work within their Unit including, but not limited to, wiring, plumbing, air conditioning and heating equipment, appliances, interior wall, etc. Granted, the Association has the authority to gain access to a Unit and repair an area of Unit Owner responsibility where the Unit Owner fails to comply or defaults; however, the Association must provide written notice to the Unit Owner and may make that repair and assess the Unit Owner for the expense. (See Article VIII, Paragraphs 2 through 3)

☒ Lack of Meetings & Transparency – In 2024, only one official Board meeting was held with recorded notes, despite major financial decisions, including repeated fee increases and a large reserve balance with few capital improvements. Homeowners are noticing this lack of action and transparency, which is becoming a red flag.

There is no legal requirement for any particular number of Board meetings. The statutes leave that issue to the Association Bylaws and the Bylaws have no frequency requirement. G.S. §47C-3-108 (North Carolina Condominium Act) provides that meetings of the Executive Board shall be held as provided in the Bylaws. “At regular intervals, the Executive Board meeting shall provide Unit Owners an opportunity to attend a portion of the Executive Board meeting and to speak to the Executive Board about their issues and concerns.” This is all the law and your Bylaws require.

☒ Term Limits & Officer Elections—Per Article IV, Section 2, Board members serve staggered 3-year terms, and Article VI, Section 1 states that officers (President, VP, etc.) should be elected **annually**. Many of the board members have served for extended periods and may be burned out and prefer to focus on other important things. We must ensure term rotations are properly followed, allowing fresh perspectives to contribute.

The law does require that the Association have an annual meeting and the only real required business at an annual meeting is the election of Directors as provided in the Bylaws. Many Associations fail to have a compliant annual meeting due to the failure to obtain a quorum or other reasons. For this reason, a provision in the Non-Profit Corporation Law allows the Association to continue to have a valid Board of Directors with valid meetings through use of “holdover” Board members who are allowed to continue to serve until their successor is elected. The statutes allow the Association to conduct substitute annual meetings where the established time for having such a meeting has gone by. Associations that fail to have an annual meeting and elect Board members, however, for periods exceeding a reasonable period of time are asking for trouble. I have seen cases from other states where Courts have directed the Association to have annual meetings and elect proper Boards where excuses

have run out and proper Boards have not been elected for more than five years. We can't ask the Courts to be patient with these situations forever. As far as officers are concerned, the statutes do not prescribe a term for officers but the Association's Bylaws do specify that the officers should be elected annually by the Board of Directors. If the Board of Directors has not attended to this, that is a problem and should be addressed by the Board as soon as possible.

Let me know if you have any questions about any of this or if you have any comments. I would be glad to help further and may have some ideas about having an annual meeting and greater regularity of Board meetings if you give me a call.

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