



January 2025 Issue LXII

Carolina Preserve

HOA NEWS

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# 2025

## Amberly Master 2025 Budget Final Summary

There have been many questions about the Amberly Master Association assessment for Carolina Preserve since it was announced as part of the 2025 CP Proposed Budget earlier this year. This is a complicated topic and there have been several meetings at which this issue has been discussed, most recently a supplemental December 30, Board Open Working meeting where the timeline from the past several months and other supporting documents were reviewed.

As of December 23, 2024, an Amberly Master Association 2025 budget has been approved and ratified. The impact on CP of this new 2025 budget has a 15.7% increase from the 2024 Amberly Assessment. This is a decrease from the 19.2% percent reported in October during the Carolina Preserve budget development process. **It should be emphasized once again that for each CP household the 2025 CP Assessment for non-villa households will be \$307, a 2.3% increase in the assessment.**

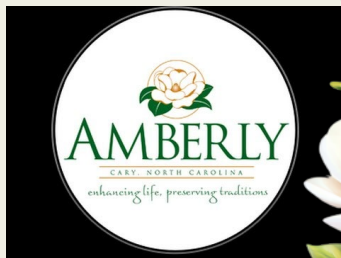
During this period, there have been questions regarding the ability of the Carolina Preserve Board representative to use weighted voting to impact budget decisions. The following interpretation of the By-laws and Master Association Covenants has been confirmed by the Master Association attorney.

- Article I, Section 5. Voting of the Amberly Master By-laws states: Each Sub Association, through its appointed Master Board Member, shall be entitled to one (1) vote in the affairs of the Master Association, except in matters where weighted votes apply. Matters that require weighted voting include:...rejection of the annual budget. The interpretation of the Master Board attorney is that rejection of the annual budget only applies to budget ratification and not to budget approval. Therefore, a yearly budget can be approved by a simple majority of the Master Board, with each representative having only one vote. In this case Carolina Preserve has one of 8 votes.
- The language in Article XII – Assessments, Section 2, Paragraph 3 of the Amberly Master Covenants is too cumbersome to reproduce here. However according to this Master covenants section, if the assessment percentage increase is 10% or less, it requires 100% of the total votes to reject the budget. If the assessment percentage increase is greater than 10%, the budget can be rejected by 75% of the total votes. Once again, this is total votes by weighted vote or density. So in this type of vote, Carolina Preserve has 41.54% of the vote on its own.

Section 6 of the 4<sup>th</sup> Amendment of the Master Association Covenants says “the Base Assessment levied against the Age Restricted parcels” (CP) “shall be sixty-four percent (64%) of the Base Assessment levied against all other Parcels”. Combined with CP’s number of households, this reduces CP’s percent responsible for the Master Budget to 31.260%

Both the weighted voting amount and the Master Budget percentage are included in a letter from the Master Association attorney. [Here is a link to that letter.](#) Overlooking the total of 3125 which should be 3274, the rest of the calculations were verified by a 2025 Board member.

The timeline of the 2024 Master Association budget approval ([see timeline here](#)) establishes that guidance from the Master Association lawyer was not received until mid-December. The timeline shows that, in an abundance of caution, for votes taken before that date, CP was able to exercise its weighted vote both for the budget approval and ratification and that a majority was used as the determination of success or failure. With these final numbers and guidance, all members of the Amberly Master Board and residents in the subassociations will have a clear understanding of how budget voting should be conducted in the future.



## Pavilion

In response to the report of the Bradford Hall Back Yard Task Forces, the Pavilion Project was initiated on or about December 17, 2020 by the CP Board of Directors (Board) to provide an outdoor covered venue for resident activities. The Board authorized its property management company, Kuester Management Group (“Kuester”), to move forward with the initiation of the Pavilion Project. Kuester’s on-site Facilities Director, Robert Hamilton, was assigned to act as the “point man” for the project. In this capacity, he handled the gathering of quotes, contracting with general contractors for services, and communications with the Town of Cary (“TOC”).

The Board selected the Playworld Preferred (Playworld) bid for the structure construction. When initiated in late 2020, the hoped for project completion date was mid-2021. However, due to Covid-related delays, the Playworld contract was not signed until November 10, 2021. At that time, the Playworld contract was for an estimated price of \$139,741.39 that included: the materials for construction of the structural elements of the pavilion and for labor costs for the construction, but explicitly excluded site preparation, electrical wiring, or custom stonework for columns. Though listed as project general contractor, their contract excluded them from the supervision of work by other contractors. After researching the issue of Pavilion cost, Jerry Warren, the 2023 Treasurer, reported at the October 17, 2023, Board Open Working Meeting that, at the time of the Playworld contract execution, the total allocated project Budget was approximately \$180,000. The contract was subsequently amended via change order on January 11, 2023 to add \$4,200 for the removal of rock from the construction site. Following the change order the more precise total budget was \$184,590.83.

Though Playworld complied with its contractual obligations and was paid in full, in 2022 delivery of the building components and beginning construction was delayed two to three times from May 2022 until October 2022. The discovery of bedrock at the construction site at the end of 2022 delayed construction in early 2023.

Much of the permitting delay in the remainder of 2023 can be attributed to issues with electrical contractors. Since the agreement with Playworld explicitly excluded electrical wiring, an electrical contractor was required to complete construction. Though United Electric Company of Cary, Inc. (“United Electric”) was initially listed as the electrical contractor on the permit applications with TOC, they backed out at the last minute and only assisted with preparation of drawings.

Miles Electric was subsequently hired without a quote or written agreement for the scope of work to be performed nor with approval by the Board. Though a licensed electrical contractor in North Carolina, Miles was on probation with the state at the time they started work on the Pavilion, for among other things, failing to have written contracts for projects in excess of one hundred dollars. Miles completed work on the Pavilion Project and issued an invoice for \$26,750.00. Despite not having a written contract, Robert Hamilton caused the Miles Invoice to be paid in full. The brief description of work in the Miles invoice was not adequate to determine if Miles completed its scope of work. However, the work did not pass TOC inspection.

By the end of 2023, both the on-site Facilities Director and the General Manager had resigned, and the Pavilion had failed to receive a Certificate of Compliance. Kuester corporate staff stepped in to continue to move the project forward, while working with the CP Board of Directors to fill the vacant on-site positions.

Issues that still impeded obtaining a Certificate of Compliance at the beginning of 2024 included the following:

- To remedy the absence of a valid General Contractor, the TOC required two things: 1) the Pavilion Project could not pass final inspection until it passed a framing inspection. The TOC required a third-party letter of confirmation showing inspections of the steel erections and bolt connections had been done and passed. 2) Since Playworld reiterated in late 2023 that they were not the project general contractor, the TOC required a licensed general contractor on the permit.
- The TOC did not approve the electrical work performed by Miles pending corrections to the installed conduit.
- The TOC required approved building plans revised to match what was actually constructed. Specifically, the plans originally showed brick columns, but the site did not have brick at the bottom of the columns. Additionally, the site was missing a tree that was included in the plans.

Kuester corporate staff coordinated with Playworld to obtain the necessary documentation from a third-party to obtain framing approval on January 12, 2024. Kuester coordinated with the Pavilion Engineer to obtain approval for modified building plans excluding the pillars on March 4, 2024. Kuester pursued electrical inspection approval requiring no destructive measures. These results were completed at no additional cost to the HOA. In February 2024, with Board approval, Kuester engaged Onofrio Construction Inc. at an additional cost of \$2,681.25 to be listed as the general contractor and to shepherd remaining inspections to completion. The Pavilion Certificate of Compliance was issued March 4, 2024.



In April 2024, after a review of the Pavilion project total costs, the Board reported to the community that the final budget for the Pavilion project was \$184,590.83. With total expenses of \$224,142.39, the overage was reported to be \$39,551.56.

Also in April 2024, the CPHOA issued, through counsel, a demand letter to the Kuester corporate office seeking reimbursement for the overages on the Pavilion Project. Kuester responded in May, disputing the HOA's claims. Following an in-person meeting between Kuester corporate representatives and Board representatives, the Association sent a line-item breakdown to support its position. Kuester reiterated its position that Kuester was not responsible for the Pavilion Project budget overruns and rejected the Association's demands. Kuester corporate and the Association continued to exchange counterproposals, and ultimately, the Board communicated to Kuester on September 20, 2024, that it would exercise CPHOA's option to extend Kuester's management contract for one year only while continuing to negotiate a final resolution on the outstanding issues.

Conclusions from the Pavilion Audit conducted by the HOA's legal team at Jordan Price suggest the highest probability of recovery is related to irregularities associated with the Miles Electric invoice, specifically the inadequate contract and subsequent payment of \$26,750.00 for electrical work that subsequently failed TOC inspection. The \$2,681.25 fee paid to Onofrio for being general contractor might be worthy of consideration as well. However, the Audit report also notes that there are risks and expenses with pursuing litigation. With the contract extension executed, the 2025 Board has the opportunity to continue negotiation while investigating other management company alternatives.

In spite of a tense backdrop of disagreement with Kuester corporate over the Pavilion project's history, the Association's current on-site General Manager and Facilities Manager have worked hard with other staff this year to transition from a difficult history and to reestablish trust and a positive, helpful environment in Bradford Hall and elsewhere in the community. Members of the community have repeatedly expressed their appreciation for this new direction.



## News in Brief



On Jan 2, 2025 the Board approved a **new Code of Ethics**. This document supersedes any previously signed “Code of Ethics” and “Confidentiality and Nondisclosure Agreements”.

The major changes were:

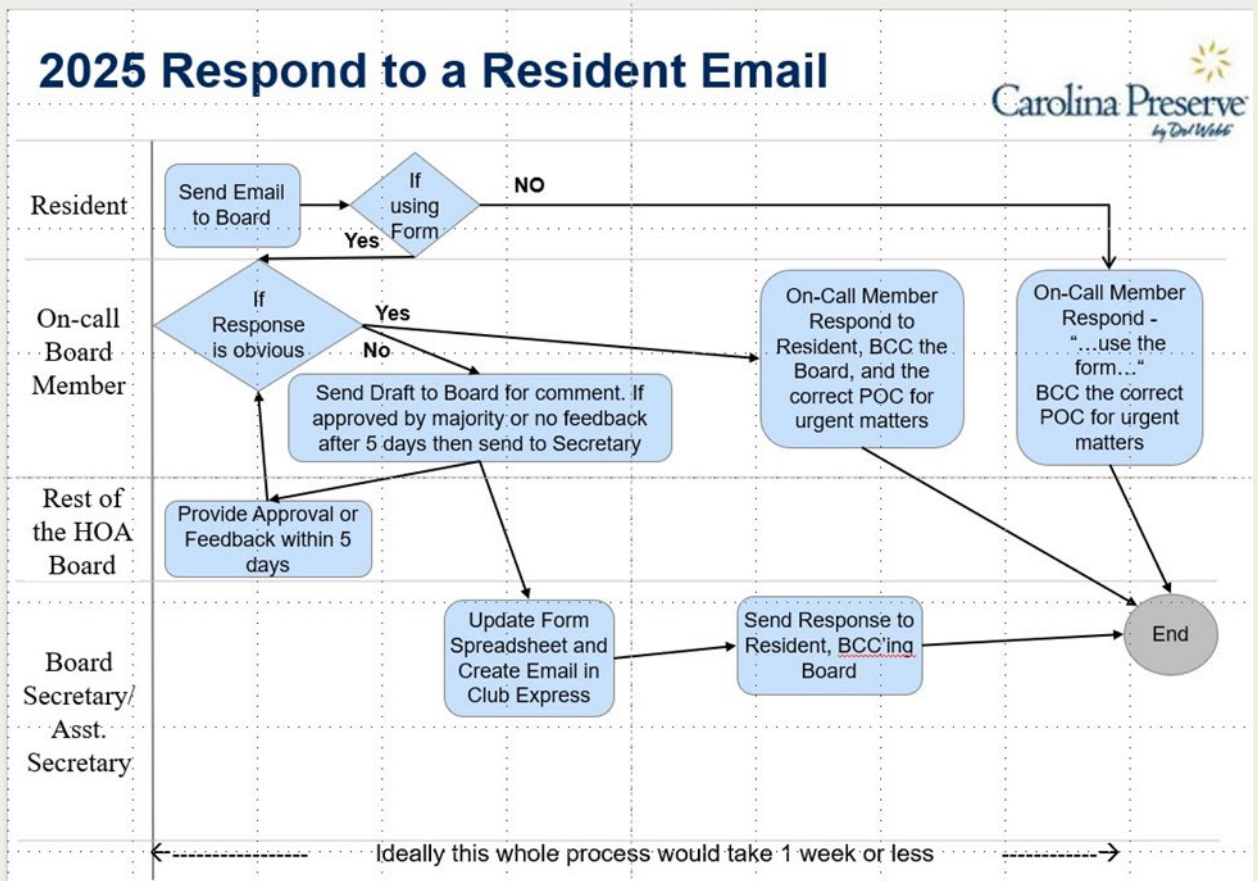
- Now it applies to Board members, committee members, task force members, and counselors.
  - Strengthens the confidentiality requirements.
  - Clarifies some of the restrictions.
  - Supersedes and replaces any previously signed “Code of Ethics” and “Confidentiality and Nondisclosure Agreements”.
- 

On Jan 2, 2025 the Board approved a **new Board Operating Procedures**. The major changes were:

- Provides for Carolina Preserve representation on the Amberly Board of Directors and the sharing of information received
- Two or more Board members may together add agenda items without the approval of the President
- Helps to ensure that all HOA related conversations by a Board member with non-Board members are documented and shared with the Board e.g. attorney, management company.
- Ensures document access for all Board members.
- Increases the release of information to the community e.g. contract statements of work
- Increases training of new Board members
- Replaces the need for a non-disclosure form.
- Increases communications with the community
- Simplifies the Board response to emails and focuses on the use of the Resident Communications form as the primary means for residents to provide input to the Board, Committees, or the Management Company.
- Increases community observation of Board meetings and opportunities to provide input.
- Strengthens the use of Roberts’ Rules of Order for the conduct of meetings
- Clarifies the liaisons’ role on Committees and allows for Board members to attend committee meetings.

## HOA Inquiry Form and Response Procedure

AS A REMINDER - We have implemented a form for residents to input their questions, complaints, recommendations, or statements. If a resident emails directly to the Board the response will probably be to resubmit by using the form. The reason for this is that using the form allows the resident to get faster acknowledgement. It also allows for tracking of the status for both the resident and the Board. This should reduce delayed responses and workload significantly. It will take us awhile to work through the new process so please be patient AND try to use the form instead of directly emailing the Board. The new Board handling of input is as depicted in this diagram:







## Remarks of the HOA President

Welcome to the New Year at Carolina Preserve. I am honored to serve as President of the HOA Board of Directors for 2025. The torch has been passed to the new Directors (see their positions and responsibilities above) and we are excited and challenged to do our best as your elected representatives. We are here to listen to your issues, needs, and desires and will be instituting several “Town Hall” style gatherings this year. This will be an open forum for residents to ask questions of the board members outside of the formal Board working meetings. We will keep you posted on upcoming opportunities.

We have moved the normal board meeting dates to the fourth Tuesday of each month to allow our new Treasurer, Ron Lepionka, a chance to receive and evaluate the monthly financials received on the 15<sup>th</sup> of each month from the management company and be prepared to give the community his evaluation of our position and comments about cash flows.

You will also note that we will be opening what used to be referred to as the closed working session of board meetings to being viewed by residents. Part of this could include executive session/meeting agenda topics. It would exclude truly confidential matters regarding contract negotiations, personnel or resident issues, or litigation. At some point, we may merge the morning and afternoon meetings into one, based on your feedback to the new arrangement.

We have extended the management agreement with Kuester for one year and are working with the new staff to simplify operations and communications for all involved.

I am happy to report that we will shortly have the final survey of the Marsalis Project in January, and the project will have been completed on time and on budget. The Locker Room project will be about 45 days behind as it completes in February, but it too will be on budget. The new sound system has been installed, and our new internal networking system will be completed shortly. A second internet provider will be added using a fiber connection to improve throughput and reliability to give us a backup supply less dependent on copper or cable connectivity. In addition, a new phone service for our emergency lines will be installed this month, saving us approximately \$2,000 per month. A new voice telephone system for the office and rooms within Bradford Hall will allow greater flexibility, communication from all rooms, and a PA capability, along with simplified audio and visual conferencing with recording capability.

As was mentioned in the above remarks, we are using the new web-based form system to make communications and tracking easier and both more visible and organized. The next interim (not quite finalized – but complete through 12/30.2024) report from our outside firm is presented below.

As a new initiative, the board will be working on an outreach project to members of CP who have not regularly used the facilities and amenities of CP and Amberly Master to understand why not, and potentially implement changes to enhance the use of those benefits. Due to the somewhat surprising increase in Amberly Master dues this year, we will be taking a more active roll in understanding its operations as it pertains to CP.

The board had obsoleted the use of the Non-Disclosure Agreement for board members, clarified the Ethics Statement and Agreement, and made several changes to the Board Operating Procedures and we will be publishing these documents for resident viewing. We are working to finalize bringing back the Facilities Advisory Committee and combine and/or coordinate the operations of the Landscape Advisory Committee and the Energy Efficiency Task Force with the Facilities Advisory Committee.



# 2024 Financials At A Glance

By David Jackson, HOA Treasurer

OPERATIONS (\$000'S)				
	November YTD			Full Year
	Actuals	Budget	Difference	Budget
Income	4,828	4,712	116	5,138
Uses:				
Reserves	-820	-820	0	-925
Expenses	<u>-3,929</u>	<u>-3,891</u>	<u>38</u>	<u>-4,209</u>
Net	80	1	79	3

RESERVES + EQUITY (\$000'S)						
	Replace- ment	Villa	IIF	Painting	Oper Resv (Equity)	Total Reserves +Equity
12/31/2023	1,403	294	3	51	664	2,414
Contributions	795	0	10	15	80	900
Interest	53	9	0	1	0	63
Expenses	<u>-621</u>	<u>-17</u>	<u>-4</u>	<u>0</u>	<u>0</u>	<u>-642</u>
11/30/2024	1,630	286	9	67	744	2,737

# Treasurer's Comments

By David Jackson, HOA Treasurer

Through November 30, year-to-date total revenue has exceeded expenditures by \$80K.

As of November, the Capital Reserve was \$1.99M (including replacement, IIF, villa, and painting reserves). The expenditures from reserve accounts in November included \$1K toward the Marsalis Project, and \$24K toward the locker room renovation. Total expenditures for the year toward the Marsalis Project is \$246K. The Contingency Reserve is currently \$744K.

As of the end of the month, there were 79 recorded resales of houses in Carolina Preserve for the year, providing over \$166K in revenue. Resale income for November was \$10K, putting us up more than \$54K over budget YTD.

For the year, we have continually received higher than expected interest income from Certificates of Deposit (CDs). The weighted average of the interest we are getting on CDs is 4.62%. We are over \$11K favorable to the budget for operating interest income. We currently have \$1.6M in CDs, and over \$1.2M in money market and checking accounts, providing continued good financial stability.

Next year's budget, totaling over \$5.2M, was approved by Carolina Preserve residents by a vote of 463 to 101, and the budget was ratified at the Annual Meeting on November 15. Again, I want to thank the Finance Committee, and all other parties involved, for working diligently throughout this process.

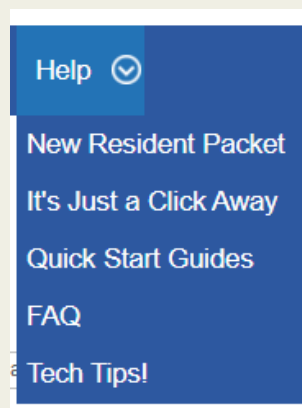
The attached Financials are compiled from reports provided by Kuester.

I wish everyone in Carolina Preserve a Happy New Year.



During the past several years, the ITC has developed a series of technical tips for troubleshooting technical problems with Email, Internet, Website, Computer and Smartphone devices. The solutions are somewhat technical in nature and are specific to the various devices used by residents at home and club members when making presentations at Bradford Hall.

After developing a series of “Tech Tips”, the committee has decided to place them in a manual for general use. The tips cover a range of topics and can be found on the [Carolina Preserve Web Site's](#) main page and clicking on the blue menu bar's **Help** and selecting **Tech Tips!**





# Architectural Submissions

Everything you need to know for Architectural Submissions

A box labeled ARC Modification Request and Fast Tracks is beside the front entrance at Bradford Hall.



Note: All Modification Requests to be placed on the agenda for consideration MUST be turned in at Bradford Hall by Wednesday 12 noon, seven days before the scheduled meeting.

Meetings are held twice a month on the 2<sup>nd</sup> & 4<sup>th</sup> Wednesdays

Please note the box is for architectural requests only – no other forms of communication will be accepted through this box.

Email inquiries to  
**[Architectural.Committee@cpamberly.net](mailto:Architectural.Committee@cpamberly.net)**

OR

Patrick Dzimiri, Compliance Coordinator: **[compliance@cpamberly.net](mailto:compliance@cpamberly.net)**

## ARC Makes It Easy For You

The need for radon mitigation is something that a few homeowners have become aware of, and it's likely that several more may choose to investigate this. As you may know, radon is a naturally occurring radioactive gas that can seep into your home from the soil below.

Key points:

- Radon is an odorless and invisible radioactive gas that can lead to lung cancer.
- Radon can enter your home through construction joints, cavities and cracks inside walls, and sump pumps.

From Radonresources.com – *“Cary, NC is located in Wake County, which has an EPA assigned Radon Zone of 2. A radon zone of 2 predicts an average indoor radon screening level between 2 and 4 pCi/L, which is within the recommended levels assigned by the EPA. According to the EPA, Cary is located in a moderate risk area of the country.”*

From a recent WRAL news story: *“New data from the NC Department of Health and Human Services shows 77 of the 100 counties in North Carolina have at least one building with high radon levels. That includes all of the Triangle. Radon is a type of gas that you can't see, smell, or taste. It forms when certain radioactive materials, like uranium, thorium, and radium, break down in soil, rocks and water. The gas can seep into a home or building through cracks in the foundation, walls or floors.”*

To find out if you have an issue, do some research on testing. You can order a “test it yourself kit” to be mailed in for results. If the level in your house is above the recommended level, then mitigation may be needed.

If you go the mitigation route, please check the Design Guidelines section 4.4 for requirements. An approved Modification Request is required. **This is the main point of this article**, which requires the *“Radon Mitigation materials and equipment shall be located at the rear of the house so that it cannot be seen from the street.”*

What is done to remove the radon from below your home is to drill a hole through the foundation / floor of your house or garage, then run a vent line up through the attic space of the house to the back wall / roof of your home. This must be out of sight from the street. In some homes, it may not be possible to run the vent line from the garage attic to the rear of the house, and if this is the case, consideration for venting through the roof of the garage will be considered.

Don't panic, few of our homes will have an above normal level of radon, but for peace of mind, you may want to do a test. Also, when the weather is appropriate, opening windows and allowing fresh air to flow through your home can reduce the risk.

# Compliance Corner

By Patrick Dzimiri, Compliance  
[compliance@cpamberly.net](mailto:compliance@cpamberly.net)

Happy New Year Everyone!!

As we celebrate the 1-year anniversary of Compliance Corner, we look back at all the amazing accomplishments of 2024 and look forward to new challenges and good fortune to come in 2025. With all the ups and downs of life, I hope that everyone had a good year overall in 2024 and is excited about what 2025 has in store.

January is kick-off month for the rest of the year, and as we begin anew, it is important to make sure that all seasonal holiday decorations are removed by end of day, January 10, 2025 as stipulated in the Community Declaration of Covenants as well as the Architectural Standards Guidelines.

In the month of December and into January the focus will be mailboxes and making sure that seasonal holiday decorations are removed in a timely manner.

Per Section 4.17 of the Design Guidelines “year-end holiday” is between November 15 and January 10. Seasonal Decorations are allowed during this time period.

**Decorations may be displayed 30 days before a holiday and up to 15 days after.**

As far as the mailboxes are concerned, please continue to make sure that the flag is in good repair, and *if* your mailbox color is starting to fade, it can be restored in warmer weather by spraying black Rust-Oleum spray paint which can be bought at Walmart, Lowes and your regular hardware store. The mailbox numbers must be 2 inches in height and ¼ inch in width and gold in color, preferred font: Goudy Old Style bold(Section 3.3.15 of the ARC guidelines).

Let’s end the year strong, and I wish everyone all the best in 2025!!!! (Did you start making your New Year’s resolutions yet? 😊 )

Your Friendly ARC & Compliance Manager,

Patrick ([compliance@cpamberly.net](mailto:compliance@cpamberly.net))

P.S. This is an exciting time of the year to plant street trees! If you don’t have one, please go ahead and purchase and plant the tree now. Having a street tree is a **Town of Cary requirement.** Per Section 3.3.25 of the Design Guidelines, please remember that street trees need to be at least 8 feet tall with a 2-inch diameter, with caliper measurements taken 6 inches off the ground.

## 2025 Board

**John Kasarda**  
President

**Bob Muller**  
Vice President

**Stan Levine**  
Secretary

**Bob Williams**  
Assistant Secretary

**Ron Lepionka**  
Treasurer

**Ron Madl**  
Member at Large

**Steve Rich**  
Member at Large

## Mark Your Calendar

**Board Open Working Meeting**  
January 28 | 1:00 pm  
In person & virtual

**Board Open Working Meeting**  
February 25 | 1:00 pm  
In person & virtual

**Board Open Working Meeting**  
March 25 | 1:00 pm  
In person & virtual

**Board Open Working Meeting**  
April 22 | 1:00 pm  
In person & virtual

**Board Open Working Meeting**  
May 27 | 1:00 pm  
In person & virtual

**HOA Community Meeting**  
June 24 | 6:00 pm  
In person & virtual