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**From:** [Jeremy Purbrick](#)

**To:** [Jeremy Purbrick](#)

**Sent:** Friday, December 15, 2006 2:31 PM

**Subject:** Architectural Review in Southern Village

Dear Ex-feedback Committee Member:

Our homeowners association Board adopted a new architectural review document at its meeting this week. And I'm happy to report that this document bears a great deal of resemblance to the one we developed last year! Since we presented it to the Board in January 2006 it has been through extensive review and discussion within the ARB, which developed a modified version for the Board's consideration. In the past two months the Board then worked through the two versions to reconcile the differences and add its own view. The result is the SVHOA Architectural Review Process & Guidelines dated December 14, 2006. You will receive a copy in January, as part of the Annual General Meeting mailing.

While pleased with the outcome, I am disappointed that the Board chose not to make adoption of the new document subject to a member vote, as the committee had recommended. The consolation is that - unlike its predecessors - the 2006 document was developed by more than 120 active HOA members. Hence, it is more likely to be the true community standard we were all attempting to create.

Happy holidays.

Jeremy

P.S. What happened to the Good Neighbor Guide? Sadly, this Board was not prepared to endorse the gentle reminder of our covenant obligations. But all is not lost. Early in 2007 I intend to ask the new Board to embrace this expression of Southern Village civility.

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TO: Southern Village Homeowners Association Board of Directors

FROM: Hope Derby Carmichael

DATE: December 11, 2006

RE: Fiduciary Duties of Board Members

This will respond to the inquiry from the Board for a legal opinion concerning the legal duties of directors of the Southern Village Homeowners Association, Inc. The Bylaws of Arlen Park Association, Inc. (now Southern Village Homeowners Association, Inc.) provided, in Article VII for all powers and duties of the board of directors. Among those responsibilities is the power to exercise for the corporation all powers duties and authority vested in the Association. Article VIII of the Master Declaration for Southern Village provides that the Sub association has the right to enforce all restrictions and covenants contained in the Master Declaration.

Common law creates a fiduciary duty in duly elected members of a board of directors to carry out those responsibilities with which the membership of a corporation has entrusted its directors. Section 55A-8-30 of the North Carolina General Statutes also sets out the standards by which directors must legally conduct themselves in North Carolina, and that statute specifically references the continuing common law fiduciary duties. The duly elected directors of the Southern Village Homeowners Association have a fiduciary and legal duty to uphold the restrictive covenants for Southern Village and not to abdicate any responsibilities under the covenants that would jeopardize the right of every lot owner within Southern Village to have the covenants and restrictions upheld. This would include all responsibilities relating to architectural control.