

Dear Southall Board Members,

In my letter to the Board dated June 10, 2026, (with subsequent clarification via email on June 11, 2026) I had asked the Board to let me know by Friday, June 19, 2026, if a Board Member would meet with me to discuss a process for improvements; in that letter, I had also suggested the formation of a "Homeowners Committee for Improvement". No Board Member called me, and the Board's sole response was that they would discuss this in Executive session on July 9th, 2026. So, as I stated in my letter and email, I am exploring other channels to pursue the matter.

My first step was to go ahead and form that committee of the Homeowners (committee named "Homeowners Committee for Improvement") and this committee is scheduled to meet on July 30. All homeowners have been sent written notice of this meeting. I hope to see all Board Members attend as well in their capacity as homeowners.

In addition to this Committee, I will also discuss matters related to our HOA management via a website (www.southallneighbors.com). I also invite all Board members to register at the site and share your comments on all topics.

It is important to me that when I discuss these matters in any forum, I am fair and accurate in how I portray the Board's perspectives and position on the various matters. So that I don't mis-speak, I am asking the Board to crystallize its perspectives on the relevant pressing issues by responding to the questions in this letter (questions numbered 1a-1d, 2a-2d, 3a, 4a, 5a-5c, and 6a). I also invite the Board to correct any other statements in this letter that they feel is inaccurate in any way.

Since the Board has a meeting on July 9, 2026, I will wait till 5:00 pm, July 13, 2026, for the Board's response to this letter via email. After that time, my current plan is to publish and share this letter, along with Board's responses to all questions and any other corrections they offer without any editing, on the website and with any other relevant individuals and entities. The topics in this letter, along with the Board's response, will also be discussed at the Homeowners' Meeting I have scheduled for July 30, 2026.

1. **The proposed rental cap amendment.** As background, voting on the proposed rental cap amendment to our Declaration of Covenants started in November 2024. This amendment would restrict homeowners' property rights to be able to rent their homes for income. The Board also posted comments in support of this amendment on its website and did not open up their website as a forum where opposing views could also be posted.

North Carolina General Statute 47F-2-117 specifically states "... the declaration may be amended only by affirmative vote or written agreement signed by lot owners of lots to which at least sixty-seven percent (67%) of the votes in the association are allocated ...". As of this date (July 1, 2026), only roughly 45 votes (11% of 424 homeowners) were cast to support the Amendment. Also, at this time

(1-1/2 years after starting the vote on this proposal), no active voting is being carried on and the issue is dead.

Additionally, as of today, in the Realtor Disclosure posted on our website, the Board states that the "a Rental Amendment is currently being considered". This language could deter some buyers from making offers on homes for sale in our subdivision and thus limit the number of offers to homeowners trying to sell their home for the maximum amount.

Questions regarding the proposed rental cap amendment:

- 1a. Why has the Board not formally declared that the proposed rental cap amendment did not pass?**
 - 1b. Is it the Board's position that they can still accept votes on this proposed amendment and that the Amendment was "not defeated"? If so, what is the legal basis (or interpretation of law) for such a position?**
 - 1c. Why is the Board continuing to convey to realtors and potential homebuyers by stating in our Realtor Disclosure that the rental cap is still "being considered" when the amendment did not meet the legal bar for approval, no voting is taking place, and the amendment is no longer being discussed in the community?**
 - 1d. Why did the Board post only comments that supported the proposed on the website and did not allow an open forum where all viewpoints, for or against, the amendment could to be posted?**
- 2. The process for elections.** The Board changed the process for electing the Board of Directors. The discussions and decisions to change the election process were done in secret, with no homeowner input, and were implemented on short notice. In the minutes of the October 9, 2025, meeting, the Board states *"the Board adopted a revised election process to help ensure that we remain compliant with all applicable laws and avoid similar legal challenges in the future. Because this matter involves legal proceedings, we are limited in what we can share. However, we want to emphasize that the current election process is based directly on guidance from our attorney and was approved by the Board with the goal of protecting the Association and ensuring fairness and transparency for all members"*.

The changes to the election process are summarized below:

Process before the changes	Process after the changes
i. The bios and photos of all candidates that declared their nominations before the annual meeting was posted on our website.	i. No bios or photos of the candidates are posted on the website.
ii. Homeowners would know all the names of all candidates that were nominated before the Annual meeting.	ii. The only way for homeowners to know which candidates were running for office was to physically come to the Annual meeting.
iii. Elections were held ONLY if the number of nominations exceeded the number of candidates. Since candidates would self-nominate at the Annual meeting, if elections were needed, the elections were held in the week AFTER the Annual meeting so that ALL candidates' names could be printed on the ballot.	iii. Elections are held on the same day as the Annual meeting.
iv. Since elections were held, if they were necessary, after the Annual meeting after all nominations were finalized, homeowners could then send in their ballots by mail, drop-off, email, or fax to the property manager.	iv. Votes could only be given in person at the Annual meeting. Homeowners that sent proxies would have no way to give direction to their proxies which candidate to vote for since some nominations were done at the Annual meeting that the homeowner was unable to attend.
v. Annual meetings were done at a location within a few miles from the subdivision.	v. The Annual meeting to hold the make-up elections was done 10 miles from the subdivision.
vi. All election tallies were released immediately	vi. The Board refused to release election tallies until threatened with possible litigation.

Questions regarding the change in the election process:

- 2a. How did (i) not allowing photos and bios in advance, (ii) requiring homeowners to be present physically in person to even know who the candidates are, (iii) holding elections on the same day that the candidates names were announced, (iv) eliminating alternatives methods for sending in ballots, (v) having a meeting 10 miles away,**

and (vi) refusing to provide vote tallies increase "fairness and transparency"?

- 2b. Why did the Board have all discussions and decisions about the election process in secret meetings and not in open meetings?
 - 2c. Why did the Board not get ANY homeowner input before changing the election process?
 - 2d. Why did the Board initially decide not to release election tallies?
3. **Release of Board records.** Per N.C. G.S. § 55A-16-02(a) and N.C. G.S. § 55A-16-01(e)(6), the Board is required to allow members to see relevant records. This includes allowing homeowners to know which Board members serve on various Board committees. When asked for the names of Board members that serve on the Architectural Review Committee ("ARC"), the Board responded that "We do not have to disclose names of ARC members".

Question regarding disclosing committee assignments of Board members:

- 3a. What is the legal basis for the Board refusing to release to homeowners which Board members serve on the various committees (including the ARC)?
4. **Record of Board deliberations and decisions.** N.C. G.S. § 55A-16-01(a) requires that the Board must keep as permanent records minutes of all meetings of its members and board of directors, a record of all actions taken by the members or directors, and a record of all actions taken by committees of the board of directors in place of the board of directors on behalf of the corporation.

However, the Southall Board keeps homeowners from learning the full extent of their deliberations and discussion of issues that affect homeowners by having discussions and making decisions in secret, closed meetings. They also use closed executive sessions to discuss and make decisions that should be discussed at open Board meetings. Executive and closed sessions should ONLY be for confidential individual homeowner cases and contracts and legalities; they should NOT be a mechanism for the Board to discuss strategy and discuss matters to keep the homeowners in the dark about their deliberations on matters concerning the subdivision.

Examples include:

- i. Most of the Board's deliberations about the specifics of the above-described Rental Cap proposal were done in secret meetings where the homeowners were not privy to the specifics of their deliberations.

- ii. The Board and Towne Properties do not keep minutes of all discussions and decisions at Board meetings. So, the homeowners are kept completely in the dark about many important matters.
- iii. The Board developed and implemented in secret an "ethics" document that new Board Members were required to sign upon being elected. This "ethics" document was prepared and implemented in secret with no mention of it in any minutes; nor was the requirement to sign it disclosed in advance to Board candidates. The Board had no authority to draft and require such document. This document was ultimately removed after it was brought to light.
- iv. As noted above, the Board changed the entire election process for how our Board Members are elected in secret meetings.
- v. The Board developed a large amendment to our ByLaws in secret and did not tell the homeowners such an amendment was even being considered. The Board then put the Amendment up for a vote with less than one month notice without first getting community wide input.
- vi. The Board chooses replacements after a Board member resigns without notifying the community there is a vacancy and asking for volunteers. The fact that a Board member has resigned, and that a replacement was selected is not mentioned in the minutes of Board meetings. This appointment is done completely in secret without informing the community or creating a record of the decision.

Question regarding record keeping of the Board's deliberations and decisions:

- 4a. What is the legal basis for the Board not keeping minutes of all discussions and decisions at Board meetings (or discussions and decisions made without a meeting)?**

5. Accuracy of minutes regarding the November 14, 2024, Annual Meeting and October 9, 2025 Annual Meeting. There are concerns regarding the accuracy of the minutes of meetings that the Board publishes.

- i. In the minutes of the November 14, 2024, Annual Meeting, the Board stated that nominations were no longer being accepted at the time I nominated myself. In the email dated November 25, 2024, where the Board rejected my selection to the Board, the Board stated "The board carefully reviewed the meeting minutes and sought guidance from our HOA attorney to ensure that we followed the proper procedures. Based on the attorney's review and recommendation it has been determined that your nomination could not be recognized, as it occurred after the nomination period had formally closed." When legally challenged on their assertion that my nomination was not

proper, the Board spent \$10,000 of HOA money on attorney fees to keep me off the Board. Ultimately, I was kept off the Board for an entirely unrelated reason (the Board's attorney noted a quorum was not reached). But the process that led to the Board spending \$10,000 of HOA money started with the Board's assertion that no nominations were being accepted at the time I nominated myself. My personal recollection of that day is that my nomination occurred before nominations were formally closed. It is my understanding that the entire November 14, 2024, Annual Meeting had been recorded on video.

- ii. In the minutes of the October 9, 2025, Annual Meeting, the Board states:

Last year, a member of the community filed a lawsuit against the HOA, claiming they were improperly excluded from the election process. While the claim was ultimately unfounded, the legal proceedings cost the Association over \$10,000 in legal fees and additional expenses, including the need to hold a second annual meeting.

The actual facts of the events are:

- a) There was no lawsuit filed. There was only communication between attorneys and the costs were incurred by the Board only because the Board chose to fight my nomination to the Board which, as I have stated above, was in fact proper and occurred before nominations were formally closed.
- b) There was no finding by any authority that my claim of being "improperly excluded from the election process" was unfounded.

Questions regarding accuracy of minutes of Annual Meetings:

- 5a. When getting the attorney's advice regarding my selection to the Board after the November 14, 2024, Annual Meeting, did the Board show their attorney the video of the election portion of that meeting before asking for the attorney's advice? Or was the attorney shown only the minutes created by the Board (and those minutes which I maintain are inconsistent with my recollection of the events)?**
- 5b. Why has the Board posted comments that can easily proven to be false in the October 9, 2025, Annual Meeting minutes?**
- 5c. Minutes are supposed to ONLY represent events that actually take place at meetings. As such, will the Board agree to post in future minutes to record only actual, accurate, facts that were actually articulated at the meeting and refrain from adding opinion and materials that were not actually presented during the meeting?**

6. Process for developing a community wide consensus for making improvements and going forward.

In my letter dated June 10, 2026, I had stated:

You will note that all my concerns and proposals have but some simple goals: To promote true and meaningful transparency in how our HOA Board functions, to transfer greater authority from the Board to the homeowners, and to ensure that proposals to the ByLaws and Covenants have widespread homeowner support before they are proposed for any vote.

I would add that everything I am continuing to do, and will do in the future, will have this same goal.

Questions regarding the process for developing a community wide consensus for making improvements and going forward:

- 6a. As I have repeatedly stated, my preference is to work with the Board rather than work as an adversary. All I ask is a meeting with a Board member and develop a plan going forward that will build true community consensus. So, will the Board re-consider its decision of choosing not to meet with me and instead agree to a meeting so we can develop a plan to get input from all homeowners and build a community wide consensus for how we want our HOA and Board to function going forwards, or will the Board continue to resist my efforts to build a community wide consensus for improvement?**

Sincerely,
Signature Redacted

~~Atul Goyal~~