

**HOLLY FOREST ASSOCIATION, INC.
ANNUAL MEETING**

**Sapphire Valley Community Center
Riverside Room**

**August 9, 2018
10:00 a.m.**

CALL TO ORDER

Board Vice President Arlene Hendrix called the meeting to order at 10:00 a.m.

ATTENDANCE

Board Members Present: Arlene Hendrix, John Hill, Dick Zacher, Dottie Collier, Kathy Borzell and Gym de Moya. Walt Green was excused from this meeting.

Present from SPM Resorts: Trish Docherty, Jennifer Gainey, Jef Farrior and Lori Pena as Recording Secretary.

Present from ECC: Christa Pankey

Guest Speakers Present: Angela Longgood of Blue Ridge Public Safety, Terry Andersen, CPA of Carland & Andersen, Inc. and Stacy Adcock of Carolina Water Service.

CERTIFICATION OF PROXIES

Mrs. Pena announced there were a total of 201 lot owners represented either in person or by Proxy; therefore, a quorum was present and the Annual Meeting would be official.

INVOCATION

Mrs. Hendrix conducted an invocation prior to the start of the meeting.

PLEDGE OF ALLEGIANCE

Mrs. Hendrix led the membership in the Pledge of Allegiance.

PROOF OF NOTICE OF MEETING

Mrs. Pena read the Certification of Mailing of the Annual Meeting into the record, certifying that the Notice of Annual Meeting was mailed to owners of record on July 2, 2018.

APPROVAL OF THE MINUTES

Mrs. Hendrix presented the 2017 Annual Meeting Minutes for approval. Hearing no changes, he requested for a Motion from the floor to approve the minutes as presented.

A Motion was made by Christa Pankey and seconded by Margaret Moedt to approve the 2017 Annual Meeting Minutes as presented. All were in favor and the Motion passed unanimously.
--

OPENING COMMENTS

Mrs. Hendrix advised the ownership that Board President Walt Green had suffered a stroke the week prior to this meeting and provided an update on his current condition. She then explained the issues being faced by his family as a result. She noted that The Greens have given so much to the Association and community and requested that, in turn, owners who are able to, volunteer to assist The Greens during this difficult time. Anyone in attendance who is able to provide meals, transportation and any other things that The Greens may need help with were asked to provide their contact information.

Mrs. Hendrix introduced the Board members and the Management staff members in attendance.

In Mr. Green's absence and on behalf of all Board Members, Mrs. Hendrix thanked all Board members and their spouses, as well as the following people, for their support and assistance throughout the year on many different projects: Christa Pankey and Tim Galloway of the ECC, John Edwards who orchestrates Mountain Wildlife Days for the community, Linda Burton and the many other owners who volunteered to assist with Yankee Doodle Dandy Day and other Holly Forest socials, and Marva Jennings who runs Mountain Meadows and maintains the grounds for both Holly Forest and the Master Association.

Mrs. Hendrix highlighted the following projects, accomplishments and reminders:

- The Holly Forest entrance signage would be upgraded;
- Ice and snow removal went well during the winter;
- There are two remaining Concerts on the Slopes and the next concert is scheduled for August 14th;
- There will be an Arts & Crafts fair held on August 11th and 12th as well as on October 13th & 14th;
- Owners should check the bulletins posted at the mailbox clusters for any upcoming events and other information;
- Outside lighting should be aimed away from neighbor's home and should be low density; and
- There has been increased bear activity this year compared to others. Do not hang bird feeders or leave trash out.

BLUE RIDGE PUBLIC SAFETY REPORT

Mrs. Hendrix introduced Officer Angela Longgood of Blue Ridge Public Safety who provided a presentation noting the incidents within Holly Forest year-to-date and for all of 2017. She reminded all owners to keep their contact information, as well as their authorized visitors/contractors lists, up to date with Public Safety. Following a question and answer session, she thanked the Board for allowing her time to speak with the owners and requested all owners report suspicious activity at any time.

FINANCIAL REPORTS

2017 Audit Report

Terry Andersen of Carland & Andersen, Inc. reviewed the Association's 2017 audit report. His summation was that no problems were noted and an unqualified opinion was rendered. A question and answer session ensued during which it was noted any owner who didn't have a copy of the audit would be able to obtain a copy after the meeting adjourned.

In response to a question posed by Owner Michael Harrison, John Hill, the Association Treasurer, provided an overview of how delinquent owners are dealt with as well as the issues faced with the associated lots.

2018 YTD Review

Mr. Hill provided a brief review of the Association's collections to date reporting the current collections ratio as 90% compared to the budget of 92%. Overall, the Association was in good financial condition. He stated that the 2018 road patching and paving was scheduled to be done during the late summer and early fall and noted that the old corrugated metal culverts have been corroding and causing issues; the cost to repair one culvert could be as high as \$25,000.

In speaking about Tropical Storm Irma which hit the area in September 2017, he reported the cost for clean up after the storm as approximately \$110,000, which was paid via the Association's

Reserve fund. The disaster recovery fund did not have to be used. The disaster recovery fund was implemented in 2004 after Hurricane Ivan hit the area.

A brief discussion was held regarding road impact fees.

In response to a comment made by Owner Jane Shirley, it was noted that the paving of Willow Court would be addressed in 2018.

ECC REPORT

Christa Pankey, ECC Chairperson, provided an overview of the responsibilities of the ECC. She reported there were currently 3 new homes under construction and 6 additions/remodels. She reminded the importance of notifying Management of any home additions and tree trimming, noting that the bulk of the calls she gets are related to tree permits. If a permit is not obtained, a fine would be imposed. Ms. Pankey also asked owners who contact the ECC to assist them with locating their residences. She explained the reasons for ECC impact fees noting specifically the wear and tear to the roads caused by trucks and heavy equipment and reminded the ownership that the colors of their home exteriors must be natural and blend with the environment as much as possible. In addition, she noted there are restrictions on burning, firepits and exterior lighting all of which are noted in the ECC Rules and Regulations. In closing, she thanked the Board for all their hard work and support of the ECC.

It was noted that Holly Forest green space serve as buffers around streams and forested areas and the green space areas can be found online on the Jackson County website.

ECC member Tim Galloway noted that tree permits are free, but the fine for not obtaining a tree permit is \$100. Discussion ensued regarding the diameter of trees that require permits. All tree cutting and trimming should be reported to the ECC per Ms. Pankey.

In response to an owner question, Mrs. Hendrix stated that spraying trees for worms is not in the Association budget at this time.

Discussion was held regarding a sewer odor in the Kestral Court area. Stacy Adcock of CWS explained the odor is being caused by an owner's lift station and the owner has been notified that the issue must be addressed.

In response to a question posed, Ms. Pankey explained that owners must have a water hose connected when burning and all fire pits must have a dome.

Mrs. Hendrix stated that all owners are welcome to attend the Holly Forest Board Meetings held at 9:30 a.m. on the third Tuesday of each month, in the Community Center, between February and October.

OPERATIONS REPORT

Amenities

Steve Martell, Amenities Manager, provided an overview of the many amenities available to the owners of Holly Forest as members of the Sapphire Valley Master Association. He reviewed the improvements made over the past year to the individual amenity areas including the Community Center, Recreation Center, boat dock, tennis facility, Red Bird golf, ski, and others.

In response to a comment made by an owner that the Kids Camp was disruptive to owners and guests at the indoor swimming pool during the summer, Mr. Martell explained the issue was due to being short-staffed in all amenity areas during the 2018 season. He apologized for any inconvenience and noted the staffing issues would be addressed prior to the next summer season.

Discussion was held regarding snow making and marketing of the ski slope. It was noted that snow cannot be made until a certain temperature is reached; snow making is not solely dependent on the equipment. Mr. Martell stated a marketing mailing was planned and would include churches within a 50-mile radius of the resort.

Road Committee

Gym de Moya, Board member and Chairman of the Road Committee provided an update on the roads being paved and patched, as well as culverts repairs and replacements, scheduled for the remainder of 2018. He reviewed the timing and schedule of such projects, and noted that between \$2 million and \$2.5 million would be spent over the next 10 years on address all 22 miles of roads within Holly Forest.

In response to a question regarding speed bumps, Mr. de Moya recommended any owner wanting to make a request to have a speed bump placed in a specific area attend a Holly Forest Board Meeting to make an official request. Owners can reach out to Management with speed bump requests as well. It was noted the speed bumps hinder snow and ice removal in the winter months.

UNFINISHED BUSINESS

There was no Unfinished Business to come before the membership.

NEW BUSINESS

CWS

Stacy Adcock, Area Manager of Carolina Water Service (CWS) provided an update on the project ongoing at Black Oak Court. He noted the hydro tanks is degraded and inoperable. A hydro booster/pressure pump would be installed in place of the hydro tank, which is being removed. There would be related road work as well. He then described the work being done at Rock Creek Court.

In response to a question posed by Mrs. Hendrix, Mr. Adcock noted that all paving done by CWS is done in accordance with the road specifications for Holly Forest and the paving work is usually done by Cashiers Paving.

ELECTION RESULTS

Mrs. Pena announced the results of the 2018 Board Election noting the three incumbent candidates, Gym De Moya, Walt Green and Arlene Hendrix had all been re-elected to serve another two-year term on the Board of Directors.

MEMBER COMMENTS

AirBNB

An owner asked that the Board look into any options that could prevent Holly Forest owners from renting their homes through AirBNB. Renters not familiar with the area and surroundings have caused problems from careless burning to leaving trash out which attracts bears.

Board Recognition

Owner Jim Spain thanked the Board for their hard work and dedication and for serving without compensation while taking much criticism.

ADJOURNMENT

Prior to adjournment, Mrs. Hendrix asked that everyone keep Walt and Judi Green in their prayers.

There being no further business to come before the Board, Mrs. Hendrix requested a Motion to Adjourn.

A Motion was made by Tony Paternostro and seconded by Christa Pankey to adjourn the meeting at 12:07 p.m. All were in favor and the Motion carried unanimously.