HOLLY FOREST ASSOCIATION, INC.
ANNUAL MEETING MINUTES
August 13, 2026

CALL TO ORDER/ROLL CALL

Chris Guttormsson called the Meeting to order at 10:00 a.m. at the Sapphire Valley Community Center.

Board of Directors:
Chris Guttormsson, President
Melissa McKinnon, Vice President
Mike Armstrong, Treasurer
Scott Bebout, Director
David Nardon, Director
Mel Ulmer, Director -Not Present
Michael Davidson, Director

Capital Vacations and Resort Management:
Trish Docherty, Sr. Director, Hospitality Operations
Jennifer Gainey, General Manager
Audrey Cottrell, Assistant General Manager

I. ESTABLISH QUORUM

There were 96 owner proxies received, and 51 owners present in person for a total of 147 lot owners represented. The quorum requirement of 10% or 100 lots (1234 total lots less, 6 Association lots, and 223 owners with suspended voting rights = 1005 x 10% = 100) was reached thereby establishing quorum.

II. PROOF OF NOTICE

Scott Bebout certified that the Notice of the Annual Meeting was mailed to all owners of record on July 16, 2026, twenty-nine (29) days in advance of the meeting, and a notice was posted at the Resort.

III. APPROVAL OF THE 2025 ANNUAL MEETING MINUTES

MOTION: Christa Pankey moved to approve the minutes of the 2025 Annual Meeting as written. Motion was seconded by Brenda Bebout and approved unanimously.

IV. PRESIDENT'S REPORT

The President gave a report that included the following updates:

- Water Rights Case – Holly Forest and SVMA are seeking to enforce existing property restrictions that they believe do not allow wells in Sapphire Valley to supply water to the commercial Cashiers Marketplace development.

- Golf Course – SVMA is asking the court to protect the community's interests by determining who is legally responsible for the golf course and requiring those responsible to properly operate and maintain it.

- SVMA Fees – There are no known plans to reduce fees at this time. Questions regarding SVMA fees should be directed to the Sapphire Valley Master Association.

- Asgard Software – An update was provided on the Asgard software program, which will allow for better work order tracking and help management stay on top of maintenance items throughout Holly Forest.

- Security – Holly Forest no longer has a security contract with Blue Ridge Public Safety. Owners should contact Jackson County for emergency and law enforcement needs and are encouraged to consider installing home security systems. Owners may also privately contract with Blue Ridge Public Safety for security services at this time.

V. FINANCIAL REPORTS

A. 2025 Year End Financials

Mike Armstrong reviewed the income statement for the year ending December 31, 2025, noting that operating revenues were $754,235 and total operating expenses were $790,743, resulting in a deficit net income for operations of $36,507. In speaking to the Reserves, Mike Armstrong noted total reserve income for 2025 was $414,921, with total reserve expenses of $362,756, resulting in net reserve income of $52,164.

B. 2026 YTD Review

As of June 2026, the Association had Total Cash and Investments of $1,331,698 with Operating Cash of $656,714 and Reserves of $674,983. Total Assets of $1,517,949, Liabilities of $132,074, and Owners Equity totaling $1,385,875. Total Liabilities and Equity amount to $833,472 in Operating, $684,476 in Reserves, for $1,517,949 in total matching Assets.

Mike Armstrong reviewed the income statement, noting that gross operating revenue was $750,964, total operating expenses were $391,714 resulting in a net operating income of $391,714. Reserve income totaled $370,712 and reserve expenses totaled $137,722 through June resulting in a net income for reserves of $232,990.

VI. ECC REPORT

Jennifer Gainey provided an overview of active new construction and ad and remodel projects.

VII. UNFINISHED BUSINESS

There was no unfinished business.

VIII. NEW BUSINESS

A. Election of Directors

Mike Armstrong noted there were three seats up for election on the Board, with four candidates running. The results were as follows:

Scott Bebout	114 votes
Michael Davidson	164 votes
David Nardon	155 votes
Chris Duffy	75 votes

Scott Bebout, Michael Davidson, and David Nardon were elected to serve two year terms.

IX. ADJOURNMENT

MOTION: Mike Davidson moved to adjourn the meeting at 10:55 a.m. Motion was seconded by Scott Bebout and approved unanimously.

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Chris Guttormsson, President Date