Docusign Envelope ID: 8CF96075-034F-8446-8211-B9F375DC0A9F

APPROVED

HOLLY FOREST ASSOCIATION, INC.
BOARD OF DIRECTORS' REGULAR MEETING MINUTES
September 22, 2026
3:00 p.m.

CALL TO ORDER/ROLL CALL

Chris Guttormsson called the meeting to order at 3:00 p.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
Michael Davidson, Director

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

EXECUTIVE SESSION

MOTION: Chris Guttormsson moved to enter Executive Session at 3:20 p.m. Motion was seconded by Mike Armstrong and approved unanimously.

MOTION: Mike Davidson moved to return to the Regular Meeting at 4:11 p.m. Motion was seconded by Mike Armstrong and approved unanimously.

I. APPROVAL OF MINUTES

A. July 21, 2026 Board Meeting Minutes

MOTION: Mike Davidson moved to approve the July 21, 2026 Board Meeting Minutes as presented. Motion was seconded by Mike Armstrong and approved unanimously.

B. August 13, 2026 Annual Meeting (Review Only)

The Board reviewed the minutes from the August 13, 2026 Annual Meeting. The minutes will be approved at the 2027 Annual Meeting.

II. ECC REPORT

An update was provided on current construction or remodeling projects. There are 8 new construction and 3 addition and remodel projects. Per the ECC all are in compliance.

Docusign Envelope ID: 8CF96075-034F-8446-8211-B9F375DC0A9F

III. FINANCIAL REPORT

C. July 2026 Financial Report

As of July 2026, the Association had Total Cash and Investments of $1,252,981 with Operating Cash of $568,344 and Reserves of $684,636. Total Assets of $1,431,280, Liabilities of $98,940, and Owners Equity totaling $1,332,340. Total Liabilities and Equity amount to $746,644 in Operating, $684,636 in Reserves, for $1,431,280 in total matching Assets.

Jennifer Gainey reviewed the 2026 Operating/Reserve Budget with forecasted year end actuals as of July 31, 2026, noting that gross operating revenue through July was $780,971, which was $4,835 ahead of budget. Owner dues were below budget, but higher prior-year collections, ECC fees, late fees, and interest offset the shortfall. Operating expenses through July were $657,585, which was $118,552 under budget. Overall, year-to-date operating profit was $123,385. The reserve bank balance as of July 31st was $684,636. The Association is forecasted to collect an additional $8,045 in reserve revenue through the end of the year from the Tower Road contribution, ECC fees, and reserve interest. Also, forecasting an additional $328,958 in expenses for road paving and infrastructure work. This results in a projected year-end reserve balance of $363,723. Of that amount, $214,504 is held in Disaster Recovery Savings, leaving $149,219 in available reserve cash.

D. August Collection Report

Collections year to date total $1,051,562 for a collection ratio of 82.1%.

IV. OLD BUSINESS

E. Nardon Road Request

MOTION: Mel Ulmer moved to approve the estimate of $2,650.00 as presented for road repairs at the intersection/curve of Blackberry Trail and Galax Ct. Motion was seconded by Mike Armstrong and approved unanimously.

F. Election of Officers

MOTION: Mike Davidson moved to approve keeping the same slate of officers for 2026-2067. Motion was seconded by Mel Ulmer and approved unanimously.

V. NEW BUSINESS

G. DIL Requests

MOTION: Mike Davidson moved to approve accepting the DIL offers as presented. Motion was seconded by Mel Ulmer and approved unanimously.

- Lot 135, HF 14 – Birdnest
- Lot 93, HF 1 – W. Christy
- Lot 13, HF 4 – Ash
- Lot 60, HF 5 – Black Oak

Docusign Envelope ID: 8CF96075-034F-8446-8211-B9F375DC0A9F

H. New Action Items

1. Have Shira reference the news article presented by Mike Davidson regarding the solid waste transfer station.
2. Once DIL's are complete proceed with listing them with Kellar Williams for resale.
3. Do an analysis of how many owners have only paid one association, either SVMA or Holly Forest.
4. Research what the board would have to do to allow changing the restrictions when building on adjacent lots, possible re-platting, and changing the fee structure for owners that own multiple lots.

VI. MEMBER COMMENTS

An owner requested an update regarding Sapphire National Golf Course and the Holly Forest Board's involvement. Mr. Privat was advised that the SVMA Board and its legal team are actively working toward a resolution and are hopeful that the golf course will be operational in 2027. He was also advised that Holly Forest is not currently a party to the golf course lawsuit.

An owner requested an update regarding security. The Board advised that the Blue Ridge Public Safety contract was canceled after the level of service was significantly reduced while the cost remained the same. On-site coverage had been reduced to Monday through Friday, 8:00 a.m. to 5:00 p.m., with after-hours calls routed through an out-of-state call center. Restoring the previous level of service would have required a significant additional cost. The Board encouraged owners to install individual home security systems for additional protection, such as monitored alarm systems, exterior cameras, doorbell cameras, motion-activated lighting, and driveway cameras. The Board also advised that the Jackson County Sheriff's Office continues to respond to law enforcement matters and emergencies.

An owner requested that the Board investigate whether owners of adjacent lots could be allowed to build a home on one lot and a detached garage on the adjoining lot. The request would potentially involve changes to the current building restrictions and/or re-platting or combining the lots. The Board will review the request and determine what options may be available.

An owner on Buckberry North expressed concerns regarding a new construction project at 1032 Buckberry Drive. The Board advised that it would investigate the concerns presented and work with the ECC to ensure the project is in compliance with the applicable building requirements and approved plans.

ADJOURNMENT

MOTION: Melissa McKinnon moved to adjourn the meeting at 5:09 p.m. Motion was seconded by Mike Armstrong and approved unanimously.

DocuSigned by:
5F28EEEF677347F...

Chris Guttormsson, President

10/22/2026
Date

cv
hf092226min