

Forest by the Sea HOA

Communications Meeting

January 23, 2010

@ Katie B. Hines Senior Center

Present: Susie Shovlin (#26) Treas., Jeanette Raynor (#37) VP, Lynn Williamson (#39) Property Manager and Cindy Tank (#44), Finance and Administrative Coordinator.

Absent: Denny Cowling (#74) Pres, Toni Sweetland (#29) Sec.

Roll Call and Proxy Certification: The notice was mailed December 16, 2010. The roll call and proxy certification was made. A quorum of 40 was established.

Bankruptcies: Unit 30's bankruptcy is completed so the owners are no longer responsible for what is owed. Eventual sale of the property is not expected to generate sufficient funds to cover the FBTS outstanding lien. By NC law, the debt passes to the rest of the homeowners. Charges & balances continue to accrue until new ownership. Most likely this will be the bank holding the primary mortgage. Last week, we received the Abandonment of Property. The public records are being monitored for a change in title. Current outstanding debt is \$4,190 that includes the paint assessment due 4/1/10. When deeded to the mortgage holder, additional charges to the balance due from the homeowners' will cease. Additionally, late fees and penalties have been pulled out of the outstanding debt.

Other unit under bankruptcy is #21. Dr Creasey filed for Chapter 11 in May 2009. The Court Administrator converted it to Chapter 7. Current balance is \$7,170. This balance does include late fees. Once the bankruptcy is completed, the late fees and penalties will be pulled out of the balance due.

The potential liability from the two units as of 5/31/10 is \$14,700.

Cable TV reserve is currently \$17,319. Funds in the amount of \$2,550.02 will be deposited into the Reserve covering the period 6/1/09 – 10/31/09. Our previous contract with Charter had scheduled increases over the five years for which FBTS HOA was liable. However, the increases were never billed to us and the difference was deposited into the Reserve. That contract was due to terminate in May, 2010. Charter came to us in November and wanted a new contract in place. They offered a favorable contract and relieved us of the liability on the old contract. One homeowner stated that when talking to an employee from Charter, he was told that they didn't raise rates because they dropped channels. Regardless, we were bound by the legal contract and had reserved the difference.

A discussion followed as to whether liens filed against units that went into bankruptcy would become the financial responsibility of the homeowners. Someone knowledgeable in real estate law attested that they were sure that the next owner would be liable. Some requested a second opinion and a letter from Dan Bell better explaining the situation. The bankruptcy was personal debt, but the lien is attached to the property and should stay with the property.

A proposal was made to utilize the Cable TV Reserve to cover the legal bankruptcy outstanding debt. The decision was made not to take a vote on this proposal at this time. Further legal clarification is necessary. There was confusion about the issue being voted, which was the reallocation of the Cable TV Reserve funds. Homeowners declined to vote on the issue until the subject of the liens was sufficiently explained by legal counsel.

Roof Discussion:

Kevin Cook from Baker Roofing was present and led the discussion. Baker Roofing has been in business since 1915. They recently merged with Schroeder Roofing.

With the exception of Building 8 and the gazebo, our current roofs are three tab shingles. Our roofs are past their useful lives. The tabs are dry and brittle. Instead of bending, they are breaking off. We will continue to have blow offs.

If we use metal this close to the shore, it's going to rust. It won't affect the structural integrity, but it'll rust. Kevin has taken pictures of some roofs that are rusting within 3 years of installation. Metal roofs do not come with a wind warranty. Stainless steel roofs rust.

FBTS has some units with both power fans and ridge vents. One or the other is needed. Not both. Baker Roofing's recommendation is to remove the power fans. One homeowner stated that when the ridge vents were put in, they experienced water in the attic on the first hurricane. They had them removed and put power fan back in. Kevin stated that the width of the cut is the important and the new vents, properly installed should not be an issue. He uses GAF ultra low profile ridge vents. They have just enough profile to let the air out. He stated that he'd never seen one that was cut correctly leak.

On the 30 year architectural shingles, the warranty covers material & labor for 20 years. Baker Roofing is a master leak certified contractor with GAF. They hand nail everything.

Hurricane clips should be installed when the building is constructed. When the buildings at FBTS were constructed, hurricane clips were not required by code.

Kevin recommends no less than a 40-year shingle or aluminum 032 panels. Aluminum will corrode over 30-40 years. Recently he saw copper corroded all the way through. Nothing on the water is bullet proof.

Wayne Raynor stated that Baker does millions of dollars of work for First Citizens and has been a reputable work partner.

One homeowner requested that we look into a performance bond.

Board needs to get updated bid for 40-50 year shingles. Will our buildings withstand the weight of 50 year shingles?

Kevin distributed samples for colors and stated that he would supply larger samples but suggested we decide on two or three potential colors.

Property Manager Report:

Lynn Williamson presented his report which is included as an addendum to the minutes. A general discussion followed.

Pool:

One of our homeowners called the health department because we didn't fix the skimmers fast enough. Please let Lynn know first. He did have the contract in process to get it fixed. He will get it fixed timely. The pool is scheduled to be reopened in May. With general maintenance of approximately \$300-500, we may be able to fix the pool fence for another year instead of replacing. It is in the 20 year plan. Tim Smith's pool service will fix grouting between tiles and bricks.

Docks:

One homeowner asked if there was any chance to look at raising the height of the dock. Astronomical tides wash over the wiring. When we looked at it in the past, it made the ramp too steep for some of the boat owners. We're supposed to start the pilings by Monday at the latest.

The existing wires going to the docks will now have to have a junction box. When putting the decking down on the new section what material will be used? 16 penny galvanized nails are in the quote. Screws hold better but rust faster. Nails have been our best experience. Galvanized best choice unless go for stainless steel but much more expensive.

Grounds:

Is there any thought about replanting trees, or are we going to be just "by the sea"?

Can we use association funds to clean up marsh area? Behind building #10, three good size pieces of vegetation keep growing. Behind building #1, almost can't see the water.

Financial Report:

Seven month year to date performance compared to budget was given to attendees. No significant discussion occurred.

Signs:

The presenter did not come to the meeting. No discussion occurred.

Open Forum:

The primary discussions continued around roofs, liens, and delinquent homeowners.

Respectfully submitted: Susan Shovlin, Secretary

Date: January 31, 2010

PROPERTY MANAGERS REPORT
2010 FBTS COMMUNICATIONS MEETING

POOL:

Our pool skimmers have been replastered, and tile re-grouting is scheduled before the pool opens in May where needed. A new pool pump motor was installed this summer and water conditions were great. Constant maintenance on the pool fence has to be done and the fence will have to be replaced soon.

GAZEBO:

Touch up painting is scheduled for spring and minor repairs will continue to be done.

DOCKS:

On December 5th we had a structural failure on the cove pier due to bore worms in the pilings under the water line. The dock is currently being repaired.

Additional broken pilings have been replaced through-out this year due to boar worms under the water line. All deck boards on walkways and floating docks have been re-nailed. We had no major storms in 2009, something that is very rare, so our docks are in pretty good shape overall.

GROUNDS:

We had a great looking lawn last season; still had some trouble spots, but they were addressed and action taken.

We removed dead or dying shrubs and trimmed the berm around the lagoon beach to promote better growth.

The main and south entrance signs need replacing. Some designs and replacement ideas have been discussed. More ideas are welcome, so the Board and I are creating a grounds improvement committee and anyone who would like to serve,

please let us know.

BUILDINGS:

Inspections have been made, and repairs completed on buildings #7 & #8. Painting of three (3) coats of paint will begin shortly as weather permits. This leaves only two buildings left in the complex to be addressed.

ROOFS:

A roof evaluation by an independent, state certified inspector was done. A maintenance program was created and repairs are on-going.

We have obtained bids for new asphalt shingle roofs and metal roofs or future replacement ideas.

We have been advised by both the inspector and the roofing contractor that we have a problem with opposing ventilation due to a combination of ridge vents and power ventilation in attics at the same time. The Board will decide which system we need to use.

PARKING LOT:

Our paved areas are still holding up very well. There are some problem areas but with the filling of pot holes and crack sealing, the driveways and

parking spaces are fine. Re-painting of parking stripes was completed this fall.

In conclusion, thanks again to our present Board for all of their hard work for FBTS and their support to me.

I invite all of our owners to stay involved in our community. We have open seats on our Board of Directors that need to be filled.

Thank you, Lynn