

**Forest by the Sea HOA
Annual Meeting
May 1, 2010
@ Katie B. Hines Senior Center**

Opening Remarks:

Denny Cowling, President, called the meeting to order and presented the Annual President's Report for 2009-2010, which is included as an attachment to these minutes.

Roll Call and Certification of Proxies:

Secretary, Toni Sweetland, called the roll and certified proxy votes assigned to homeowners who were present. There was a quorum of 43 out of 68 voting eligible homeowners.

Proof of Notice of Meeting:

Secretary, Toni Sweetland, stated that the appropriate notice of the Annual Meeting had been mailed to homeowners on March 30, 2010 and that the meeting was being duly held.

2009 Annual Meeting Minutes:

There was a motion made to waive the reading of the minutes. There being no corrections, the minutes of May 3, 2009, were approved as distributed.

Election for Board of Directors Members:

Susan Shovlin and Toni Sweetland were nominated, seconded and voted in by acclamation.

Property Manager's Report:

Lynn Williamson presented the Property Manager's Report included as an attachment to these minutes. The following topics were covered in discussion:

Pool code has not been changed, remaining at 3142.

Gary Bach requested that attention be paid to the grass strip beside his unit. Lynn shared that he has placed an order for sod to address this issue.

Becky Gray asked if we'd replaced the lost "private property" sign at the end of the new dock. Lynn confirmed that the sign has been replaced.

Scott Sweetland shared that the drip edge replacement exposed some unpainted materials. Lynn will be following up on this across the property once roofing is complete.

Frank Grady shared that between units #14 and 15 the gutters are clogged. Lynn will investigate. Ann Swinson asked that unit #8 and 9 gutters be checked also.

Becky Gray shared that the privacy wall at their unit appeared to not be finished. Lynn will investigate.

Ann Swinson shared that there is a dead shrub on the berm between units #8 and 9. She asked that it be addressed. Lynn will remove and we will investigate a replacement.

Cindy Tank shared that we are reserving a 10% retention on the roofing contract, to be paid after all work is complete and inspection held.

From building 1 to 7 (completed thus far) we have confirmed 3/4" plywood sheathing on our roofs. Thus far we have utilized 5.5 sheets average per building for replacement of damaged sheets, keeping us well within our contingency budget. May 10 will be

tentative start for buildings 9 & 10. Lynn places cones 30' around the building before work begins. Residents were asked to please not park within the coned area and stay away from the sides of the building when work is underway.

Lynn asked that residents disconnected power to any remaining attic vents

Gary Bach asked for clarification on the shingle warranty. The manufacturer (GAF) warranty covers 20 year non-prorated replacement. The remaining 30 years replacement cost is prorated.

Website:

Toni reminded everyone that the website includes homeowner documents for reference. This can be helpful for those homeowners who are working to sell their units. Please make your agent aware. Email contacts were requested for those not already getting notifications via email.

Financial Update:

Treasurer Susan Shovlin presented the financial update and budget for 2009-2010.

The current status and projected next steps of the two bankruptcies in our community were discussed. Current balance on unit#30 is just under \$8,000, balance on unit#21 is just over \$11,000. Insurance on both units has been confirmed to be current.

In addition to these two units we have one additional unit significantly behind in their payments. We have been pursuing all appropriate legal actions.

Due to the increase in delinquent payments the Board has taken on a more aggressive collection process. This process was communicated in the April Newsletter and was in keeping with our bylaws and NC state law.

Susan reviewed the current 20 year projection, including tie back to the proposed 2010 budget. The proposed budget and 20 year projection plan was mailed to homeowners on March 30. This mailing included a proposed increase in the monthly assessments from \$285.00 to \$300.00. The monthly assessment increase (+5%) is slated for the replacement reserve account.

Ray King asked that we pursue planting grass to protect the bulkheads, to avoid the need to replace in the coming years. Loretta shared that she had previously investigated getting sea grass for planting there and it was not available.

A motion to adopt the budget was raised and approved. Due to the increased monthly amount being slightly over 5%, a vote was taken of the 43 homeowners in attendance (including proxies). 35 yes votes and 8 no votes were received. The budget was accepted as proposed.

Vote on Reallocation of Cable TV Reserve Funds:

A vote on a proposal to grant the Board the ability to utilize the Cable TV Reserve as a contingency fund to cover shortages due to non-payment when all legal actions to recover payment have been exhausted was held. 41 yes votes and 2 no votes were received. The proposal was accepted.

New Business:

Ron Hurley asked about the parking lot replacement, which was discussed. The potential for tree root damage was raised. Holly Hudson suggested that we confer with an arborist. Loretta Whelan asked that we consider widening the entrances when this is done. Repair of the parking lot is included in the 20 year projection, for 2012. Ray King proposed that

we first address the areas where the trees are impacting the surface, per recommendation of Scott Wyatt who is with Davey Tree. Loretta Whelan shared that the NC Forestry division will assist with counsel if requested, which we will ask Lynn to pursue. Joe Allen asked that we check with the city to confirm the proposed sign meets any city sign ordinances.

Adjournment:

Upon a motion and its approval, Denny Cowling adjourned the meeting. All residents were invited to join at the gazebo for a BBQ gathering. He announced that the first meeting of the new Board of Directors would follow immediately.

Respectfully submitted: Toni Sweetland, Secretary

Date: May 1, 2010

Attachments:

Annual President's Report 2009 - 2010

Forest by the Sea continues to make good progress toward getting all projects completed in a timely manner. This is in no small way thanks to Lynn Williamson and Cindy Tank. As Property Manager, Lynn can be seen every day out patrolling on his bike looking for anything out of the ordinary. If he finds it, look out!

Cindy provides us with needed management of our finances. With Susan Shovlin providing oversight as the Treasurer we continue to improve our financial situation. Our reserves are building so that, should we have problems, we will be in a position to handle them without undue stress on our resources. A copy of the 20 year plan was included in the Annual Meeting Mailing so you could see where we are in regard to the different projects coming up in future years.

As everyone knows we averted a major problem this past December when the end of the main dock collapsed during the Annual Carolina Beach Boat Parade. With Lynn and Susan quickly on-site, everyone was accounted for with no major injuries reported.

Lynn went to work the next day to start the laborious process of reconstructing the dock. We eventually made the decision to replace approximately 100 feet of the dock. This has now been completed and it sure looks good. We are evaluating replacing the rest of the main dock after the 2010 hurricane season.

Minor repairs were completed and the pool is now open for the season. As always we want to remind everyone to be considerate and lower the umbrellas when leaving the pool area.

The painting has been completed except for buildings 9 and 10. The new paint appears to be holding up well, although it is still early in its life. My building, # 13, was one of the first to be painted with the new paint and it remains in good condition.

The roof replacement project is quickly moving forward and only minor problems with the plywood sheathing has been noted. Some sheets of plywood have been replaced on each building, but the general condition has been good.

The entire project will be complete quickly, so when Lynn notifies you that your building is next, please comply with the request to park out of the work area. Each building has been completed in 3 days depending on the weather. Also, if you have not yet unwired any power ventilators, please do so.

We have evaluated the irrigation system and determined that it was in good condition with just minor work required to get us through another summer growing season.

Once last item is the main entrance sign. We are working with Wayne Schafer who is a tenant at FBTS to design, fabricate and install new entrance signs. We hope to have that complete soon.

I hope to see everyone later today at the Annual FBTS Pig Pickin.

PROPERTY MANAGERS REPORT
2010 FBTS Homeowners Yearly Meeting

POOL:

Our pool skimmers have been re-plastered, and the tile re-grouted, ready for the pool opening in May.

A new pool pump motor was installed this past summer and the water conditions were great.

Maintenance on the pool fence has been completed. The fence will have to be replaced soon.

GAZEBO:

Touch up painting was completed for the season and minor repairs have been 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 pier's first 100 ft. has been replaced and the last section will be replaced next season funded by reserves.

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 are 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 were made and needed repairs were completed on buildings #7 & #8 so the painters could begin.

Painting of three (3) coats of paint was begun on February 10th, and has been completed.

This leaves only two buildings left in the complex to be painted.

ROOFS:

All roofs (and sheathing where needed) on Buildings #1 through #13, the Gazebo and the Work Shed are being replaced at this time.

PARKING LOT:

Our paved areas are still holding up very well. There are some problem areas, but with the filling

of potholes and crack sealing, the driveways and parking spaces are fine. Re-painting of the parking stripes was completed this past fall.

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