

BLUE MOUNTAIN OWNERS ASSOCIATION

PO BOX 1150, MARS HILL, NC 28754

828-778-2540 Property Management – Jared Silver

828-450-9780 Financial Management – Teresa Wilcox

ANNUAL MEETING MINUTES

September 13, 2025

CALL TO ORDER: The meeting was called to order at 9:00 AM by Dudley Blair, President. In addition to Mr. Blair, other Board Members present were: Dave Brown, Nancy Ionoff, Tom Conard, Barry Vaughn, Jack Gilbert and Bob Walker.

OPENING COMMENTS: Pledge of allegiance to the flag, invocation. Quorum requirements met - 60 members present in person or by proxy, only 38 necessary for quorum.

PAST YEAR IN REVIEW: Ongoing cleanup and repair from hurricane Helene. Ridgeway Rd. is the main road that Blue Mountain Owners Association (BMOA) maintains in exchange for an annual fee adjustment from Wolf Laurel Roads Maintenance and Security (RMS). Ridgeway is 50 years old and many of the culverts are rusting and collapsing and are in need of replacement. One in particular is the first culvert on Ridgeway as it turns off Wolf Laurel Rd. A collapsed culvert and drainage ditch at this location is eroding the underside of the road and has begun creating a large erosion ditch down to Zebulon. This has to be repaired and an estimated 300 tons of rock are required to be placed in the erosion ditch to stabilize the repair. RMS has agreed to pay for half the cost of the rock which brings the culvert repair down from \$60,000 to \$39,000 for BMOA. There are at least two additional culverts that need immediate repair. Jared Silver (property manager) will be inspecting all culverts on Ridgeway Rd. to ascertain which ones are in need of repair. BMOA has a contract with Clayton Honeycutt, who lives in Wolf Laurel and has a road construction business, to replace and/or repair the culverts in need of attention at a cost of \$8,000 to \$10,000 per culvert. Those culverts needing replacement will be replaced with polypropylene pipes instead of metal. Those replaced will require road repaving at the replacement site which makes this an expensive project. There are currently an estimated 8-10 culverts needing attention. The exact number will be determined upon Mr. Silver's inspection. There are culverts on other roads that also need inspection.

Many of the roads, including Ridgeway Rd., have shoulder problems with sinking, cracking and crumbling that need repair. Additionally, some roads have holes in the middle requiring refilling and repair. These repairs, including Ridgeway, will be addressed by Fox Bros. Paving Co. at a cost of \$50,000 to \$60,000. There are also cracks in the parking lots at Eagles Nest and The Lodge and these will be repaired by Mathew Fox.

Trimming is needed along the roadways but due to the high work volume on the mountain, BMOA has been unsuccessful in getting Lamont Riddle to perform this yet. The trimming will be necessary before the roads chip & seal work begins next summer.

FUTURE PLANS: Clayton Honeycutt will be filling the large erosion ditch from Ridgeway down to Zebulon and repairing/replacing the necessary culverts. This will cost around \$80,000 to \$100,000 to repair/replace the collapsing culverts. Hopefully, most of this will occur before end of the season but it may be next spring before completion.

Nine to ten years ago all the roadways in Overlook, Chestnut Village and Ridgeway were covered with a chip & seal process that worked tremendously in extending the life of those roads. Now, these roads are needing this again after all repairs of edges, holes, and cracks are completed. The first estimate for this

process came in at \$800,000 and is prohibitive. However, several other estimates later, the original company that used the chip & seal process on our roads eight years ago, was located in Arden, NC. They provided an estimate based on two layers of seal with an aggregate mix that provides some protection in rough winter weather. Their estimate is \$198,000. Dudley and Bob are meeting with this company on Wednesday, 9/17 and contracting to use them for this process for all roads and, in addition, will include sealing only, of the parking lots at Eagles Nest and The Lodge. The sealing of the two parking lots will cost an additional \$25,000 to \$30,000. We will request a start time of next summer to provide time to prepare the roads.

There are still some damaged trees on the sides of Ridgeway Rd. that need removal. The huge oaks lying on the road at Chestnut Village have finally been hauled away but there are more to be removed. Total repairs and maintenance for 2025 and 2026 is going to be \$440,00 to \$450,000. This will exhaust BMOA's infrastructure reserve fund which is for the maintenance of the roads we own, our biggest and most expensive responsibility.

FINANCIAL REVIEW: BMOA Treasurer Barry Vaughn gave the Financial Report. Teresa Wilcox, BMOA's accountant, prepared the report and provided copies for all present. BMOA has been reserving funds for the past eight to nine years in preparation for the expenses that are now necessary for repairs and the deferred maintenance of the aging infrastructure. There is damage from Helene that has contributed to the added and unaccounted for, expense. The culverts and ditches are of extreme importance in channeling the water off the mountain. When they are not functioning as they are intended, the waters will create serious erosion and damage in seeking a path down.

Actual collected revenues for this year, so far, totals \$240,00 through August 2025. Collections will continue for the remainder of the year to achieve our budget of \$303,060. The most significant overage this year is in the maintenance category of snow removal. Frequent, heavy snowfalls throughout the winter required increased snow removal costs which put us \$14,000 over budget. There is no way to predict an accurate estimate of climate costs. We are also over cost for road paving and maintenance on work that was required on Ridgeway Rd. which was unexpected and not a budgeted item. A lesser overage amount was for tree removal in roadways that was the result of hurricane Helene. In the opposite direction, BMOA took in more ARB fees than projected and a little more income from interest and late fees than was projected.

Balance sheet as of Sept. 12 shows BMOA has total assets of \$502,000 consisting of \$463,000 in cash, and \$38,000 in accounts receivable. Most of the cash, less \$60,000, is invested in money market accounts at a 3 1/2% rate. The reserve will continue to build through next year.

The budget for this year was \$300,000 and the proposed budget for 2026 is \$390,000. The way we get to that is through the unfortunate need to increase our monthly, or annual, dues. We are going to effectively expend our reserves leaving us in a place of having no funds for emergencies. Prices on the mountain have increased astronomically. Contractors are charging significantly more than they used to. BMOA's costs have continued to increase over the last five years and we have not kept up with inflation regarding our dues. Our monthly fee will increase from \$155 to \$195 a month beginning January 1, 2026. This is necessary to pay for current expenditures and to rebuild our reserve.

ELECTION OF BOARD MEMBERS: The current Board of Directors for 2025-2026 are: (Chestnut Village) Jack Gilbert, (The Cottages) Tom Conard, (Overlook Village) Barry Vaughn, (Eagles Nest) Nancy Ionoff was reelected for 2025-2026, (The Lodge) David Brown was reelected for 2025-2026, Dudley Blair, At-Large, President; Steve Peacock, At-Large, Vice President; Scott McCaleb, At Large; and Bob Walker, At Large. Eagles Nest and The Lodge At-Large representatives are voted on by their HOA. Other than Nancy and

David, the rest of the Board is up for election/reelection. Motion was made to open the floor for nominations for anyone other than the existing Board members. No nominations were made from the floor, therefore, existing Board members were unanimously approved to continue as it currently stands with the exception of Bob Walker, who has requested to be removed from the Board due to medical issues. Another candidate, Wendy Lee, has already been put forward to fulfill the vacancy and will be officially voted in at the Board meeting following this Annual Meeting. Mrs. Lee is a CPA and has agreed to become Treasurer for BMOA, replacing Barry Vaughn who would like to step down from that position.

ADJOURNMENT OF THE ANNUAL MEETING: Motion duly made and approved to adjourn the meeting.
(9:30 AM) Board of Directors Meeting to follow.

Respectfully Submitted
Deborah Blanchard

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BOARD OF DIRECTORS MEETING

September 13, 2025

ELECTION/APPOINTMENT OF BOARD OF DIRECTORS FOR 2025-2026

The Directors for 2025-2026 are:

Dudley Blair — President

Steve Peacock — Vice President

Wendy Lee — Treasurer

Deborah Blanchard — Secretary

QUORUM: A 20% quorum is required to conduct today's meeting which would total 38. We have 60 including proxies, which allows us to continue with the meeting.

Motion made and approved to accept the resignation of Bob Walker, At-Large member from The Lodge. He will continue to serve as a guiding hand and resource based on his long standing relationships with many of the contractor's that serve Wolf Laurel and his 20-year history as a Board member.

ELECTION OF OFFICERS: Motion made and approved to elect Dudley Blair as President, Steve Peacock as Vice President, Wendy Lee as Treasurer, and Deborah Blanchard as Secretary for the 2025-2026 session. No other nominations were tendered.

BUDGET DISCUSSION/APPROVAL: One potential financial issue is an expense in the near future of the additional removal of diseased and dying trees at The Lodge. This will not change the existing budget; it can be absorbed into next year's budget. Per David Brown, an examination of the financials show about a \$4,000 remainder of the \$18,000 amount that is to be dedicated to The Lodge for yearly expenditures not related to building maintenance or building insurance..

Barry Vaughn asked if there was a financial projection of the amount that Lamont Riddle's clearing of the roads would incur. Jack Gilbert spoke with Lamont last week and the plan is to remove the tree branches overhanging the road before the season ends and then, once everyone is off the mountain he will return and do a thorough trim at a rate of \$1,000 a day for a team of three men. Estimated cost is \$10,000.

Motion made and approved to accept the proposed 2026 budget.

ROADS MAINTENANCE: Some canopy along Ridgeway Rd. is to be retained, as past severe cutbacks have resulted in the trees not growing back and causing a loss of health and beauty. The lower growth in the curves and corners is the most in need of trimming due to visibility issues. Per Bob Walker, when the pavers come to do the chip & seal, the tree overhang has to be trimmed twenty feet high to allow their box truck to pass without hindrance. Nancy Ionoff proffered Ramsey as an option for trimming.

Jared Silver will be working with Honeycutt next week in identifying the culverts in need of repair/replacement. Nathan Woody is possibly going to be giving a second opinion on the culvert issues per Bob Walker. He was head of the RMS crew and well respected; his working with BMOA will depend on

his medical clearance. Jack Gilbert will be joining Jered Silver and Clayton Honeycutt in the inspection of work that has been performed at Chestnut Village. Per Bob Walker there are two ditches on Ridgeway Rd. that have filled with mud and are now crossing the road during rain storms. This is also happening in Overlook. The ditches need to be cleaned out and stabilized.

Wendy Lee queried if there was a permitting process on the environmental side to ensure that new construction doesn't cause the extra issues relating to the drainage. New construction of Overlook and Running Cedar are exacerbating the problem with regards to erosion, especially on Overlook. The ARB approves plans for construction and has an impact fee that addresses this. An increase in the fee has been discussed due to the impacts on the roads and the water erosion. Water is moving down Running Cedar, going across Golden Leaf, on down to Chestnut Village and there has been a discussion with Jered about putting in new culverts or expanding the current culverts. The water is flowing over two vacant lots in Chestnut Village and this is actually working well. There is a question as to whether there is a flowing issue or if there is a spring on Overlook. There is also a spring behind the #11 tee box and when the culverts and ditches are clogged the water eventually goes over the roads.

Steve Peacock (via Zoom) asked for a scheduled meeting before next season due to the number of items being addressed and the fact that there are several related projects depending on stepwise completion in order for the next project to be started. Dudley recommended another meeting within a month given that Honeycutt's work with the biggest ditch and culvert on Ridgeway Rd. should be completed and hopefully work progressing on the other two culverts on Ridgeway. The meeting can be in person and / or zoom, with a recommendation for an in-person meeting in October before the season ends, then another no later than November 15th, and one no later than January. Dudley will send out potential dates for the October meeting before the 15th.

ADJOURNMENT: Meeting adjourned at 10:05 AM.

Respectfully submitted,
Deborah Blanchard