

**FORGE CREST PROPERTY OWNERS ASSOCIATION  
INITIAL DIRECTORS' MEETING  
SEPTEMBER 22, 2007  
MINUTES**

The initial meeting of the Forge Crest Property Owners Association Board of Directors came to order at 2:30 PM, Saturday, September 22, 2007, at 330 Lost Cabin Drive, Mills River, NC.

Present were:  
Russell Duffner  
Thomas Komer  
John Rathbun  
Gil Wagi

Absent was:  
Steve Miller

1. **ELECTION OF OFFICERS:** The following officers were elected to serve until the next annual meeting of Directors or until their respective successors are duly elected and qualified, whichever shall first occur:

<u>Office</u>	<u>Officer</u>
President	John Rathbun
Vice President	Russell Duffner
Secretary	Thomas Komer
Treasurer	Gil Wagi

2. **DIRECTOR TERMS:**

The terms of Thomas Komer and Gilbert Wagi will run for one year, their successors to be elected for FY 2009.

The terms of Steve Miller, John Rathbun and Gil Wagi will run for two years, their successors to be elected for FY 2010.

3. **BONDING OF TREASURER:** It was RESOLVED, that the Treasurer shall not be required to be bonded at this time.
4. **ARTICLES OF INCORPORATION:** The Articles of Incorporation of the Corporation were filed with the Secretary of State of North Carolina on the 16 day of July, 2007. The Board has reviewed the Articles and is familiar with their contents. All fees and charges required by law having been paid, the Board has determined that the Corporation is duly and validly formed. It is, therefore,

RESOLVED, that the Secretary be and is hereby directed to identify the certified duplicate

original of said Articles of Incorporation, as reviewed by the Board, and include the same in the corporate record book of the Corporation.

5. ADOPTION OF BYLAWS: After review and consideration by the Board, it is hereby,

RESOLVED, that the Bylaws as prepared by counsel to the Corporation and reviewed by the Board, be, and the same hereby are, adopted as the Bylaws of this Corporation, and the Secretary is hereby directed to cause a copy of the same to be included in the corporate record book of the Corporation.

6. RECORD BOOK: The Secretary of the Corporation will maintain on the Corporation's behalf a corporate record book, which book shall serve as the depository for the Articles of Incorporation, Bylaws, Minutes of the Meetings of the Board of Directors and of the Shareholders, the Corporate Seal, and other documents and instruments having great importance to the Corporation.

7. CORPORATE SEAL: It is by the Board of Directors

RESOLVED, that the seal accompanying the corporate record book be, and the same hereby is, adopted as the official seal of and for this Corporation, and

FURTHER RESOLVED, that an impression of said seal be imprinted at this point in these minutes.

(SEAL affixed by reference.)

8. DEPOSITORY FOR CORPORATE FUNDS: The Treasurer is hereby assigned to determine the best bank arrangement to be used by the Corporation. He will review his findings and recommendation with the Directors for their selection.

It is RESOLVED:

(a) That the Bank selected by the Directors be designated as the depository of this Corporation, and that said Bank be authorized to accept, in accordance with its rules and regulations, for credit to the account of this Corporation and/or for collection, any and all checks, drafts, and other negotiable instruments when endorsed in the name of the Corporation, in writing, by rubber stamp, or otherwise, with or without a designation of the party making such endorsement;

(b) That any and all funds standing to the credit of this Corporation with such depository in said account may be paid out or withdrawn upon checks, drafts, orders or other instruments for the payment of money, when signed in the name of this Corporation by any one of the following:

<u>Name</u>	<u>Office</u>
John Rathbun	President
Russell Duffner	Vice President
Gil Wagi	Treasurer

whose signatures shall be duly certified to said Bank; and the Bank is hereby authorized to honor or pay any and all checks, drafts, and orders so signed, without inquiry as to the circumstances of issue or the disposition of the proceeds thereof, whether drawn to the individual order, or tendered in payment of individual obligations, or for deposit to the individual accounts of the officers above-named or other officers of this Corporation, or otherwise. Provided, however that any such check in an amount in excess of Five Hundred and no/100 Dollars (\$500.00), shall require the signatures of two (2) of the above named officers.

(c) That these resolutions and the authority hereby conferred shall remain in full force and effect until notice to the contrary in writing shall be received by the Bank, and that the Secretary and any Director of this Corporation be and each of them hereby is directed and authorized to certify these resolutions to the Bank under the seal of this Corporation, or without such seal, and with like effect in either case.

(d) That the form resolution furnished by the Bank, and with the blanks filled in as reviewed by the Board, is hereby adopted and it shall be forwarded by the Secretary to such depository, and a copy of such resolution be filed at the end of these minutes.

9. **ADOPTION OF ACCOUNTING YEAR:** After consideration of the financial and tax implications of the choice of an accounting year for the Corporation, it is

RESOLVED, that this Corporation adopts as its accounting period the calendar year commencing January 1 and ending December 31, and that the Corporate books of account shall be maintained, the Corporate income shall be computed, and Corporate tax returns shall be filed upon the basis of such year.

10. **ACCOUNTING SOFTWARE:** The Treasurer is hereby asked to purchase an appropriate accounting software package that can be used to maintain the Corporation's accounting books and produce checks and invoices. Such accounting package must conform to normally accepted accounting practices, operate under Microsoft Windows XP, and be transferable to the next elected Treasurer. The Corporation will pay for the software. It is expected to cost less than \$100.

11. **ORGANIZATIONAL EXPENSES:** Upon consideration of the advice of Counsel relating to organizational expenses of the Corporation, it is

RESOLVED, that the actions of the Incorporator, Russell Duffner, in forming the Corporation and the activities related thereto are hereby adopted as the acts of this

Corporation; and,

FURTHER RESOLVED, that the Corporation shall reimburse the Incorporator for organizational expenses and fees already paid by him; and,

FURTHER RESOLVED, that the Corporation shall pay or reimburse any costs, fees, or advances incurred on behalf of the Corporation prior to or subsequent to its organization.

12. **INSURANCE:** The importance of adequate insurance coverage being fully recognized by the Board of Directors, it is determined that the President should act as expeditiously as possible to obtain quotations for insurance to ensure that coverage of all types reasonably necessary, appropriate, or required in the operation of the Corporation's business be acquired by the Corporation and continued without interruption. The President will review his findings and recommendations with the Directors for approval to execute an insurance policy.
13. **MAILING ADDRESS:** The Treasurer will acquire a post office box in the Corporation's name to be used for all mail correspondence by and to the Corporation. The fees for this box will be paid by the Corporation.
14. **BUDGET:** The budget approved by the lot owners represented at the September 22, 2007, Members meeting is hereby adopted for the operation of the Corporation for FY 2008. The Treasurer is hereby directed to issue invoices to the lot owners in the amount of \$350 per lot to be paid no later than January 15, 2008.
15. **SPECIAL ASSESSMENT:** With appropriate advance notice and unanimous approval by the 22 Lots represented at the September 22, 2007, Members meeting, the Treasurer is hereby instructed to issue invoices to all the lot owners for a special assessment of \$50 per lot to be paid by October 31, 2007. These funds will be used by the Corporation to operate the Corporation for the balance of 2007.
16. **ROAD MAINTENANCE:** The Vice President is directed to obtain quotations for mowing of the Association's road verges. The Vice President will review the quotations with the Officers.
17. **CHAPTER 47F:** The President will research the advisability of the Corporation electing to operate under North Carolina Chapter 47F.
18. The next regular meeting of the Board will be held at 131 North Forge Crest Drive, Mills River, NC, on November 14, 2007, at 7:00 PM EST.

The meeting was adjourned at 3:30 PM, September 22, 2007.

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Thomas Komer, Secretary

Date

**MINUTES OF DIRECTORS' MEETING  
OF FORGE CREST PROPERTY OWNERS ASSOCIATION  
NOVEMBER 14, 2007**

The Directors of the Forge Crest Property Owners Association held a regular meeting of the Board of Directors at 131 Forge Crest Drive, Mills River, NC on November 14, 2007.

Notice

Thomas B. Komer, Secretary, sent a notice of the meeting on October 30, 2007, to each Director via email.

Quorum

The following Directors, constituting a quorum, were present:

John Rathbun, President  
Russ Duffner  
Thomas B. Komer  
Steve Miller (by telephone)  
Gil Wagi

Actions Taken

1. The meeting was called to order by President Rathbun at 7:05 PM on November 14, 2007.
2. Minutes of Board Meeting, September 22, 2007

**Moved, Seconded and Unanimously Resolved** to accept the minutes as recorded for the Board of Directors' Meeting, held September 22, 2007.

3. Financial Review

Treasurer Wagi presented the current status of the Association's bank accounts, receipts and expenditures (see attached financial report).

**Moved, Seconded and Unanimously Resolved** to accept the Treasurer's report.

4. Receipt of Dues

The current status of receipts of dues, both the FY 2007 assessment of \$50 and the FY 2008 assessment of \$350, was discussed (see attached status report). Treasurer Wagi has sent late notices to those in arrears for the FY 2007 dues. He and President Rathbun will contact by telephone any owners who are still in arrears after November 31, 2007.

5. Bank CD

**Moved, Seconded and Unanimously Resolved** to invest \$3,000 in current Association funds into a CD at First Citizens Bank, Mills River, NC (see attached bank documentation.)

6. Authorized Bank Signatures

**Moved, Seconded and Unanimously Resolved** to add Secretary Thomas Komer as an authorized signatory on Association bank accounts.

7. Previous Lot Owner Financial Contributions

Treasurer Wagi presented a list of those lot owners who had previously contributed to the gate and legal funds prior to the establishment of an Association (see attached list). The Directors discussed whether or

not to provide reimbursement for those contributions through a yearly reduction of those owners' dues. The Directors decided to not provide such reimbursement at this time.

#### 8. Roadside Mowing

Daryl Fullam was contracted to mow the verges of the Association's roadways. His rate was \$75 per hour. It was expected that his total invoice will be within the budgeted amount of \$300 per mowing.

#### 9. NC Chapter 47 Status

President Rathbun distributed an analysis of the applicability and desirability of the Association applying for Chapter 47 status. The Directors will review the analysis and discuss the issue at the next Directors' meeting.

#### 10. IRS Tax Ruling

Secretary Komer will contact the IRS to get an official ruling on the Association's tax status.

#### 11. Architectural Committee

**Moved, Seconded and Unanimously Resolved** to establish an Architectural Committee in accordance with the lot owners' CC&Rs. President Rathbun will contact Wes Fritsche, Russ Martinkus and Gayle Paluch to be members of this committee.

#### 12. Gate Signs

Director Duffner will arrange for professionally prepared 'Do Not Push' signs to be made and affixed to the entry gate to the Association property.

#### 13. Communications

President Rathbun will contact Jan Martinkus to determine her interest and availability to be the news editor for the Association.

#### 14. Next Director Meeting

The next Director Meeting will be held on January 23, 2008 at 7:00 PM at 232 Forge Crest Drive, Mills River, NC.

#### 15. Adjournment

The meeting was adjourned by the President at 8:10 PM on November 14, 2007.

Dated \_\_\_\_\_ By \_\_\_\_\_  
Thomas B. Komer, Secretary