



Association Consultants, LLC

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November 4, 2021

Dear Monterey Shores PUD Homeowners Association Owners:

The Annual Meeting of the Membership of the Monterey Shores PUD Homeowners Association will be held on Saturday, November 20, 2021, at 10:00am. As virtual meetings allow every member of the community to participate, can be safer and are less costly, the annual meeting of the membership will be held virtually and will begin promptly at 10:00 am via a zoom video/telephone conference; see link below.

Since state requirements for a virtual membership meeting vary from an in-person meeting, this year's meeting will be conducted differently than what you have experienced in the past. To facilitate sign in, we are requesting each member submit a Directive Proxy to represent your attendance at the meeting. Instead, the "voting" will be done by directive proxy and results presented during the November 20, 2021 meeting. This letter includes information on each item and instructions on casting your vote.

*****Please Note*** Our office must receive your Directive Proxy before the meeting to ensure your vote is counted. As mail can be unpredictable or delayed, especially during the holidays, we highly encourage this form to be submitted electronically via e-mail, fax, or in-person to ensure we receive it before the date.** You will receive a confirmation via e-mail upon receipt of your form. If you do not receive a confirmation within 48 hours of your submission, please contact our office to ensure it was received.

The purpose of the meeting is to adopt the 2022 Budget, adopt the IRS Resolution 70-604 (which allows the Association to roll any unused operating funds over to the next budget year), approve the 2020 Annual Meeting Minutes, and elect two members to the Board of Directors.

The proposed 2022 budget is enclosed for your review. The assessments for each lot will increase to \$1,474 per lot, and the guest services fee per lot in the rental program has been reduced to \$325 per lot. All projected expenses were taken into consideration. The Board of Directors provided a Budget Q&A session for all members on October 21st, 2021 to answer questions regarding the proposed budget. The Board is composing a question and answer document based on inquiries from the meeting that will be available for all to review as well. The primary reason for the increase is due to the current balance of the Replacement Reserve Fund and the recommended reserve contribution. A professional Reserve Study analysis was performed by Miller Dodson and Associates. You may review the study and the questions and answer document by visiting the owner section of the community website, <https://monterayshoreshoa.org>. The study anticipates the cost of future capital expenditures and offers a recommended annual contribution to the reserve fund to ensure the community can meet anticipated

expenses. A significant upcoming expense is the asphalt mill and overlay of all of the roads in Monterey Shores. The study is projecting this work needs to be performed in the next few years. The current balance in the reserve account is not enough to cover this projected expense. Therefore, there is a need for a much higher contribution ensuring the funds are available to cover this and other capital expenses.

The IRS Ruling Resolution is enclosed for your review and approval. While we always budget for zero income, the actual expenses can vary and leave some excess income at the end of the year. The IRS Resolution allows for excess income to be moved into the following year to be used towards reserve expenses, rather than income to the HOA. If we have some unexpected excess income at the end of this year, we have enclosed the resolution and included it for your vote on your directive proxy.

The minutes from the preceding Annual Meeting of the Membership are approved at each year's Annual Meeting. Enclosed you will find a copy of the minutes from November 21, 2020, for your review. This item has also been placed on the Directive Proxy for your vote.

Previously, notice was sent to all owners of record that included a Board Interest Form. Copies of the completed forms are enclosed for your review and consideration. Each name is listed on the Directive Proxy. This year you will be electing two (2) members to serve a term of three (3) years each. The Board of Directors will determine officer positions in a brief meeting after the annual meeting. **You must only select two (2) members, or your vote will not be counted.** You may only submit one Directive Proxy for each lot you own. If you own multiple lots, you can list all lots on one form and your votes will be counted for each lot you own. For example, an owner with two lots can list them both on one form and each vote on the form will be counted twice. **Please note, all proxies must be witnessed so please ensure you have someone sign your form as a witness or we will not be able to count it.**

Please complete and return the enclosed directive proxy form **by November 16, 2021**, even if you plan on attending the meeting. The directive proxy will be used to establish a quorum and secure your vote on the agenda items. In the past, you may have completed a proxy form to assign your authority to vote to another party. In this case, you are assigning your proxy to the secretary and directing your vote on the enclosed Directed Proxy.

Again, your attendance and vote will be represented via Directive Proxy, so the form is essential in representing your vote and ensuring the affairs of the Association are handled successfully. Only one vote per lot is permitted. A complete meeting package is included for your review. Your Directive Proxy instructs the Secretary of the Association to vote as you have directed on this form. In absence of the Secretary, the Vice President will automatically be assigned all proxies. Association Consultants, LLC will be accepting all forms on behalf of the Secretary and will count the votes in advance of the meeting. A copy of all forms and the final tally of votes will be provided to the Secretary prior to the Annual Meeting so she may submit the votes on your behalf. You will be counted as present at the meeting by proxy upon receipt of your Directive Proxy. While you are submitting your Directive Proxy in advance, you are still welcome and encouraged to join the virtual meeting. Association Consultants will facilitate admittance of members to the virtual meeting but only the Secretary of the Association will be signed in as attending "in person".

Please note that upon entry to the meeting, you will be placed in a "waiting room." Once admitted into the meeting, all participants will be on "mute" to eliminate background noise interruptions and ensure

everyone present is granted the opportunity to speak. Board members and management will be “unmuted” as the meeting commences. As you will find on the agenda enclosed, an open forum will be held before the close of the meeting to offer all members present the opportunity to comment. You will be prompted to make a note in the comment section in the zoom application if you desire the chance to speak.

The meeting information below includes a link and a meeting ID so that you may enter the meeting via the Zoom application on your computer, tablet, or device. There is also a phone number provided so that you can call in on a phone. All participants are encouraged to log in via the zoom application to ensure they have access to the comment feature zoom provides. Any member who needs to call into the meeting, versus signing in on a computer or via the zoom app, will not have access to the comment section. If you know you will be calling in, please notify our office in advance of the meeting so we are aware and can unmute you during the open forum portion.

A paid Zoom account is not required to participate in the meeting. By following the below link, you will be prompted to launch Zoom from your browser, if applicable, or download the software to your computer. Zoom may also be accessed from your smartphone using the downloadable application.

To ensure all are admitted prior to call to order, we are asking everyone to join in advance starting at 9:30am. **It is imperative the name displayed when you request to join the meeting matches our records and includes your last name so we can confirm you as an owner.** We will send messages to those in the waiting room if we see any requests that we are unable to verify so be sure to sign in early. Only those joining by the link will be able to see those messages. If only a first name is displayed or we do not have a name, we will be unable to allow you access. We will monitor amy@associationconsultantsllc.com e-mail address between 9:30am and 10am ONLY so you are able to reach out if you are in the waiting room longer than ten minutes.

The meeting will be called to order promptly at 10am on November 20, 2021:

Join Zoom Meeting

<https://us02web.zoom.us/j/85327738897?pwd=UTVlbDZzMXRLSjFSQUpNQXBEOXpzQT09>

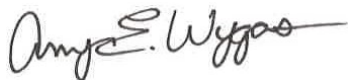
For Call In

1-646-876-9923

Meeting ID: 853 2773 8897

Passcode: 289239

Sincerely,



Amy E. Wygans

Senior Association Manager

Association Consultants

On behalf of the Monterey Shores PUD Homeowners Association