Dear Members of **Tangle Oaks Club Marina Townhouses, Inc.,**

Tangle Oaks Club Marina Townhouses, Inc. (TOCMT) association is a separate entity from the **Tangle Oaks Yacht Club, Inc. association,** which is comprised of all Tangle Oaks homeowners. The TOCMT association is comprised of the 60 homeowners of the villas and townhouses and has separate budgets for operating, capital (reserves), and insurance premiums. The association has a separate monthly dues structure and an annual insurance assessment. The corporation manages the exterior of the structures and the associated deck, stairs, and 2nd and 3rd floor railings (DSR), grounds, and driveways. We will be voting on the recommended 2026 Budget as well as election of new Directors for the Board.

It is imperative that we have a quorum of the membership to conduct our annual meeting.

The quorum requirement of our By-Laws can only be met by attending the meeting in person or submitting a proxy. The proxy form is included in this package. If you cannot attend the annual meeting, please return your proxy to Priestly Management Company or by giving it to a member who will attend the meeting or by giving it to a HOA Board member.

Thank you for your cooperation.

Yours sincerely,

Allan Bobbe
President
Tangle Oaks Club Marina Townhouses, Inc.

Tangle Oaks Club Marina Townhouses, Inc.
Annual Meeting
September 20, 2025

September 5, 2025

Dear **Tangle Oaks Club Marina Townhouses, Inc.** Homeowner(s),

Please find enclosed the Annual Members' Meeting package for the annual meeting to be held on Saturday, September 20, 2025 at 9:30 am. Check-in will be at 9:00AM with coffee and donuts being served. The meeting will take place at The Myrtle Grove Middle School cafeteria, 91 Piner Road, Wilmington, NC 28409. Please park in the parking lot on the left side as you face the building. The meeting package includes:

- Official Notice of Meeting
- Proxy Form
- Submitted Candidate Self-Nomination Form
- Prior Year Annual Meeting Minutes
- 2026 Budget Proposal
- 2024 Audit Statement

An election will be held during the meeting to elect one (1) or more members to serve a three (3) year term on the Board of Directors. Additionally, nominations will be taken from the floor at the Annual Meeting.

The Board of Directors has worked diligently to keep the expenses of the association as low as possible. The 2026 Budget presented will be voted on at the meeting.

The enclosed proxy is provided for you to appoint someone to vote in your absence, should you be unable to attend the meeting.

- Option I on the proxy indicates Allan Bobbe, President of the HOA Board, as your proxy agent to vote on your behalf.
- Option II of the proxy has a blank line to write in the name of the person you wish to vote on your behalf.
- Choose Option III of the proxy to limit your Proxy's use for quorum purposes only.

Check only one box on the proxy, sign, date and return it via one of the following means:

- By mail to: Tangle Oaks Club Marina Townhouses, Inc., c/o Priestley Management Company- 1205 Culbreth Drive Suite 100, Wilmington, NC 28405.
- By email to: Kpriestley@priestleymanagement.com
- By giving it to a member who will be attending the meeting.

This will help ensure that a quorum is established so that the meeting can be conducted. Each Tangle Oaks Club Marina Townhouses address has one (1) vote at the Annual Meeting. With no box checked, the Proxy will be used for quorum purposes only. Please note the number of lots/units you own on the Proxy.

Sincerely,
Tangle Oaks Club Marina Townhouses, Inc. Board of Directors

TANGLE OAKS CLUB MARINA TOWNHOUSES, INC.
NOTICE OF ANNUAL MEETING TO BE HELD
SEPTEMBER 20, 2025

TO: **Tangle Oaks Club Marina Townhouses, Inc**
WHEN: **September 20, 2025**
TIME: **9:30am (please arrive 30 minutes early for check in)**
PLACE: **The Myrtle Grove Middle School, 91 Piner Road, Wilmington, NC 28409**

The order of business will be as follows:

1. Roll call and certifying of proxies
2. Proof of notice of meeting or waiver of notice
3. Reading of minutes of prior meeting
4. Officers' reports
5. Committee reports
6. Approval of budget
7. Election of Directors
8. Unfinished business
9. New business
10. Adjournment

If you cannot attend the meeting, you must return your proxy via email to one of the following means:

- By mail to: Tangle Oaks Club Marina Townhouses, Inc., c/o Priestley Management Company 1205 Culbreth Drive Suite 100, Wilmington, NC 28405.
- By email to: Kpriestley@priestleymanagement.com
- By giving it to a member who will be attending the meeting.

This will provide for the smooth operation of the Association and prevent the unnecessary expense of holding a substitute meeting. We look forward to your participation in this important event.

Sincerely,
Tangle Oaks Club Marina Townhouses, Inc. Board of Directors

TANGLE OAKS CLUB MARINA TOWNHOUSES, INC.

PROXY

PART I: PROXY SOLICITED BY THE BOARD OF DIRECTORS

The undersigned hereby appoints **Allan Bobbe**, as Proxy Agent and Attorney-in-fact, with power of substitution, to vote in the place and stead of the undersigned as a Member, at the Annual Meeting of the Members of Tangle Oaks Club Marina Townhouses, Inc to be held at The Myrtle Grove Middle School cafeteria, 91 Piner Road, Wilmington, NC on Saturday, September 20, 2025 at 9:30 am, any adjournments thereof, and any substitute meeting if the Annual Meeting is canceled, on all matters as may properly come before said meeting.

☐ To vote as said Proxy Agent and Attorney-in-Fact at the Annual Meeting

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PART II: ALTERNATE PROXY

The undersigned hereby appoints _____, fill in the name of the person who will attend the meeting and vote in your place and stead as a Member) as Proxy Agent and Attorney-in-fact, with power of substitution, to vote in the place and stead of the undersigned at the Annual Meeting of the Members of Tangle Oaks Club Marina Townhouses Inc. to be held at The Myrtle Grove Middle School cafeteria, 91 Piner Road, Wilmington, NC on Saturday, September 20, 2025 at 9:30 am, any adjournments thereof, and any substitute meeting if the Annual Meeting is canceled, on all matters as may properly come before said meeting.

☐ To vote as said Proxy Agent and Attorney-in-Fact at the Annual Meeting

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PART III: PROXY FOR QUORUM ONLY

The undersigned authorizes the use of this Proxy for **Quorum purposes only** and does not appoint a Proxy Agent or Attorney-in-fact, for the Annual Meeting of the Members of Tangle Oaks Club Marina Townhouses Inc to be held at The Myrtle Grove Middle School cafeteria, 91 Piner Road, Wilmington, NC on Saturday, September 20, 2025 at 9:30 am, any adjournments thereof, and any substitute meeting if the Annual Meeting is canceled.

☐ For Quorum purposes only

THIS PROXY IS LIMITED TO THE ANNUAL MEETING OF MEMBERS TO BE HELD ON **SEPTEMBER 20, 2025** ANY ADJOURNMENTS THEREOF, AND ANY SUBSTITUTE MEETING IF THE ANNUAL MEETING IS CANCELED AND MAY BE REVOKED AT ANY TIME BEFORE IT IS EXERCISED BY NOTICE IN WRITING OR BY PROPER PRESENTATION OF A PROXY WITH A SUBSEQUENT DATE DELIVERED TO THE SECRETARY.

_____ DATE

_____ PRINT NAME

_____ STREET ADDRESS

_____ SIGNATURE

_____I/We will attend the meeting

_____I/We will not attend the meeting

PLEASE NOTE THE NUMBER OF LOTS/UNITS YOU OWN: _____

Return your Proxy before September 14, 2025. You may email your proxy to kpriestley@priestleymanagement.com or mail to 1205 Culbreth Drive Suite 100, Wilmington, NC 28405

TANGLE OAKS CLUB MARINA TOWNHOUSES INC.
CALL FOR CANDIDATES NOTICE

Dear Tangle Oaks Club Marina Townhouse, Inc. Property Owner:

The election for the Board of Directors will be conducted via ballot at this year's Annual Meeting. The "Call for Candidates Notice" was sent to all property owners of record via email on August 14th, 2025 by Priestly Management Company. The purpose of the notice was to provide all interested property owners with the opportunity to submit their name as a candidate to fill open seat(s) on the Board of Directors ("the Board") for a three (3) year term.

To be eligible to run for a position on the Board of Directors your monthly assessment account must be current, and you must be an owner of record. To be included in the ballot, all Self-Nominating Forms must have been received no later than 4:00PM on Thursday, August 28, 2025.

The election will take place for members of the Tangle Oaks Club Marina Townhouse, Inc. association in person at Myrtle Grove Middle School, 91 Piner Road, Wilmington, NC 28409 on Saturday, September 20, 2025 at 9:30 am.

Your interest in serving the Association is greatly appreciated.

Sincerely,
Tangle Oaks Club Marina Townhouses, Inc. Board of Directors

Tangle Oaks Club Marina Townhouses, Inc.
SELF-NOMINATING FORM

One (1) director will be elected for the **Tangle Oaks Club Marina Townhouses, Inc.** via ballot. If you wish to be added to the ballot as a candidate for this election, please complete and return the information below. The form may be returned to the association as an attachment to a verified electronic message (submitted via email) or via US Mail.

I am willing to serve on the Board of Directors of Tangle Oaks Club Marina Townhouses, Inc. for a three (3) year term, if elected

Print Name: _____*Thomas Bello*_____

Tangle Oaks Club Marina Townhouses, Inc. # or Address:

_____*5418 Pond Drive, Wilmington, NC 28409*_____

Tangle Oaks Club Marina Townhouses, Inc. Property Owner Since: __*2012*_____

Reason for Serving on the Board or Area of Interest:

I would like to serve our community again, as the TOCMT Treasurer, ensuring transparency of our financial decisions, accuracy in our reporting, and overall fiscal responsibility of our association's financial assets.

How you will use your experience for the betterment of the Association:

I have spent the past 28 years as a business strategy consultant for Accenture, serving our Financial Services and Consumer Goods & Retail clients in the areas of Cost Optimization, Strategy Formulation, and Technology. I hold an MBA from Duke University's Fuqua School of Business. I would like to continue to apply this experience for the betterment of our neighborhood.

Signature: _____

Date: *Aug. 28, 2025*

Return to Priestley Management no later than 4:00 pm on August 28, 2025 to be included on the Ballot:
1.Email to: Kpriestley@priestleymanagement.com
2.Mail the completed form to:
Tangle Oaks Club Marina Townhouses Board Election
C/O Priestley Management Company
1205 Culbreth Dr. Suite 100
Wilmington, NC 28405

TANGLE OAKS CLUB MARINA TOWNHOUSES INC.
MINUTES OF THE 2024 ANNUAL MEETING
SEPTEMBER 21, 2024

The 2024 Annual Meeting was held at Harbor Church. These minutes follow the 2024 Annual Meeting power point presentation presented at the meeting.

2024 Tangle Oaks Club Marina Townhouses, Inc – Meeting
Meeting began at 11:00 am.
Prior to the formal Call to Order, Dave Polovick reviewed the Articles of Amendment that were adopted in 2009. There was a handout of this Amendment which was registered with the State. The Amendment allows for a separate Townhome board with members exclusively from the Townhomes/Villas issues and spending. This allows the Townhome Board to have as many as 7 members and currently have 3. The Townhome Board will also have a separate President.

There was a good deal of discussion about the structure of the Townhouse and Yacht Club Board members. Some members were not aware of the Articles of Amendment. The structure of the Townhome Board was reinstated last year.

A discussion on the Landscaping Budget assessment percentages assigned to the Yacht Club vs the Townhomes. Tom and Allan reviewed the fact that there were two different landscaping contracts for the Yacht Club and the Townhomes/Villas.

Allan Bobbe concluded these discussions by asking any of the homeowners who wanted to go into the board structure, budget and/or percentage assessments for landscaping could request a meeting with himself and Tom Bello to discuss further.
Dave Polovick left copies of the Articles of Amendment handout.

Allan Bobbe proceeded with the Call to Order 11:24 am for the Tangle Oaks Marina Townhouses, Inc.
Motion to approve the agenda was moved, seconded and approved. A quorum of 47 was established by Vicki Knowles. A motion to accept the 2023 Annual Meeting minutes was moved, seconded and approved. Rules of Conduct & Parliamentary Procedure reviewed.

Grounds Committee Report presented by Allan Bobbe for Kevin Harrell – 11:25 am
- Projects reviewed.
- Irrigation leaks to be addressed.

Architectural Control Report presented by Allan Bobbe – 11:27 am
- All projects must have prior approval.
- Refer to Green Book and Covenants for direction.
- ACC form can be requested from CAMS or found on the portal

Maintenance Repairs Report presented by Allan Bobbe -11:28 am
- Project work presented.
- Discussion on the capping of dormant combustible fireplace chimneys.

- There are approximately 6-7 homeowners who still want to be able to use their fireplaces. This is allowable as long as they have the chimney cleaned and certified on an annual basis.
- There was a homeowner complaint that the flue caps installed on these working fireplaces were fitted with a 6" cap which is not in compliance so they cannot get approval to use the fireplace. Allan Bobbe acknowledged the mistake and these flue caps will be replaced with a 8" or 10" flue cap at HOA expense. The replacement is being worked on. Those homeowners asked for resolution soon.
- Discussion on the options for railing replacement around the marina walkway.
  - Allan asked for a raise of hands to determine owner preference of two options – Option #1 – replace with wood and Option #2 – replace with powder coated aluminum to match the 2nd and 3rd floor railings. Option #2 would be the more expensive option. The show of hands favored Option #2.
  - Homeowner stated that powder coated aluminum was already decided by prior boards before 2012 to match the powder coated aluminum used in the TOCMT DSR installation project and a reserve budget for the project was established.
  - This cost would be a Yacht Club expense as part of the marina retaining walls engineering budget.

Compliance Report presented by Allan Bobbe – 11:51 am

- Same topics as the Yacht Club Compliance report; trash cans and boat yard issues.
- Allan stressed that parking in the Townhouses cannot extend past 20' from the garage. Cars must not be parked in a line that extends out into the road for safety reasons. Park two cars parallel or in the extra parking spots available.

Insurance Committee report presented by Allen Bobbe – 11:57 am

- Due to very high insurance assessments last year (2023), an Insurance Committee was put together to research and find better options and rates. Based on the Committee's work the insurance assessment for 2024 is approximately 43% lower than 2023. Two assessments will be done 2025. The first in Feb 2025 and the second in May 2025 based on the new April premiums..
- Tom Bello had a revised handout for the insurance Expenses, Reserves and Dues.

Treasurer's Report presented by Tom Bello – 12:02 pm

- Financial summary presented.
- Finance Committee has been formed with (3) members presently and call for any volunteers.

2025 Budget Proposal presented by Allan Bobbe – 12:11 am

- Proposal for monthly dues of $310. Motion moved, seconded and approved.

Resolution Vote for Revenue Ruling 70-604 (IRS) presented by Tom Bello. – 10:30

- This will move remaining excess funds from Operation Budget to Reserve Budget at end of calendar year.
- Motion was moved, seconded and approved.

Election of Directors presented by Allan Bobbe – 12:13 pm

- Two candidates, Allan Bobbe and Jacqueline Carroll.
- There was a floor nomination for Tom Manley.
- Motion to approve candidates to the Townhome Board was moved, seconded and approved.

New Business presented by Allan Bobbe – 12:15 pm

- Allan thanked all for keeping the Townhomes in stellar shape which shows in the property values and to keep it going.
- Homeowner question about power washing the decks. In the past this was supposed to be an HOA expense, but fell off. Allan said he would review this.

Tangle Oaks Club Marina Townhomes Inc, Motion for Adjournment seconded and approved – 12:18 pm.

TANGLE OAKS CLUB MARINA TOWNHOUSES, INC.
2025 ESTIMATED FINANCIAL STATEMENT
2026 PROPOSED BUDGET

BUDGET AND DUES OVERVIEW

Tangle Oaks Club Marina Townhouses, Inc. is comprised of the 60 homeowners of the villas and townhouses. The corporation manages the exterior of the structures and the associated DSR, grounds, and driveways. We currently have two budgets, one for operating and capital expenses and one for insurance premiums. The budget year is the calendar year. The affairs of this corporation is managed by a Board of Directors consisting of not less than three (3) nor more than seven (7) Directors, each of whom are members of the corporation.

Our monthly dues and occasional assessments fund the annually recurring and periodic expenditures needed to operate the association and manage our physical assets. Operating expenses tend to be predictable and stable, albeit they have generally been increasing over time. The reserve budget funds the periodic repair, replacement or renovation of our physical assets. These expenses fluctuate through the years, increasing when there is a major repair, replacement or renovation and retreating when there is less need for these activities. The difference between our income (from dues and other sources) and expenditures (operating and reserve) adds to or subtracts from reserves, which are accumulated to fund reserve expenses.

The Board plans to do a complete review of our capital reserves schedule next year, which may include hiring a 3rd party to conduct a Reserves Study. One of the capital expenditures we will be looking at will be the replacement of the Decks, Stairs, and Railings (DSR). This particular item is a large expenditure scheduled for 2043 with an estimated 2013 cost of $1,019,851. While this is a number of years away, the Board feels a responsibility to periodically reevaluate these capital estimates to ensure that the current funding amount will be sufficient to cover the actual cost in 2043.

The Board recommends maintain the dues at $310 per month for 2026.

INSURANCE

The association levies an "Insurance Assessment" as provided for in Article V, Sec. 5c of the Declaration of Covenants. This separates insurance from our monthly dues with a separate billing. The insurance assessment covers premiums for Flood, Property, and Wind Buy Back. Operating Expense (monthly dues) covers General Liability, Directors & Officers Liability, and Machine and Equipment. The first $5,000 in uninsured loss is the responsibility of TOCMT (our deductible).

We do not provide coverage for wind driven rain. None of our insurance providers offered it in NC. It will be up to individual Townhouse / Villa owners to obtain coverage for themselves. Our covenants state that payment of the insurance premiums is not an option: we must have insurance and pay its costs.

Insurance premiums for 2025 were $242,698. We were able to reduce the premium by $70,138 by using the remaining 2024 Insurance Reserve Balance leaving $172,476 to be assessed or $2,876 per household.

Owner assessable insurance premiums for 2026 are expected to be at least 5% higher per policy with an estimate of $241,575.55. Our management company recommended moving $6,429 of the premiums to Operating Expense which will be covered by dues. Since we no longer have an Insurance Reserve Balance to pull from like in 2025, the insurance assessment will increase to **$4,026.26 per household**. **There will be two payments of $2,013.13 per household.** The first will be due February 1, 2026. The second payment will be due May 15, 2026. Once our premiums are confirmed, by our Insurance Broker of Record in early April, the second payment will be adjusted accordingly.

EXPENSES

Operating Expenses:

Operating expenses for 2025 (excluding insurance assessments) were budgeted at $111,035.
Operating expenses for 2026 (excluding insurance assessments) are estimated at $105,929.

Reserve Expenses:

The association has developed detailed projections of the costs of the projected periodic repair, replacement, and renovations of our physical assets. Expenditures for the capital items are projected by identifying all the items, estimating the current costs of each item, estimating the life of each item, and finally scheduling the year the item will be completed. In some years, we will add to reserves, in other years, subtract from them. Occasionally, assessments may be needed to cover shortfalls in our reserves. These shortfalls may be due to:

- Errors in the projections of capital expenses. For projects in the future, it is difficult to accurately project our requirements, and the errors tend to be in underestimating the needs and their associated costs.
- Needs later identified not anticipated in the planning process.
- Unforeseen catastrophes.

The Board and our Management Company both agree that to accurately forecast our future reserves requirements, the association needs to do a complete review of our capital reserves schedule, which may include hiring a 3rd party to conduct a Reserves Study. Therefore, we are not publishing the typical reserve schedule this year that we have in prior years. Once the study is completed we will be publish the new reserves schedule.

Reserve revenue for 2025 was $112164.96
Reserve revenue proposed for 2026 is proposed to be $117,271.

Tangle Oaks Club Marina Townhouses, Inc.							
	Account	**Description**	**2024 Budget**	**2024 actuals**	**2025 Budget**	**2025 Actual**	**2026 Budget**
Operating Accounts							
Income Accounts							
Operating Income							
	30-30101-00	Regular Assessments	$92,409.08	$92,408.34	$111,035.00	$74,117.52	**$105,929.00**
	30-30121-00	Insurance Assessment	$231,854.00	$378,764.00	$172,560.00	$172,560.00	**$241,575.55**
Misc. Operating Income							
	31-31101-00	Fines/Late Fees	$-	$305.00	$-	$420.00	**$-**
	31-31102-00	CCR & ACC Violation Fines	$-	$-	$-	$-	**$-**
	31-31151-00	Returned Check Fee Income	$-	$60.00	$-	$35.00	**$-**
	~~31-32101-00~~	~~Clubhouse Rental Income~~	$-	$-	$-	$-	**$-**
	31-33001-00	Legal Fee Income	$-	$-	$-	$-	**$-**
	31-34001-00	Misc. Income - Operating	$-	$6,137.36	$-	$20.00	**$-**
	31-34101-00	Interest Income - Operating	$-	$440.50	$-	$666.43	**$-**
New							
Income Accounts Total			**$324,263.08**	**$478,115.20**	**$283,595.00**	**$247,818.95**	**$347,504.55**

Expense Accounts							
Grounds Expenses							
	40-44011-00	Misc. Landscaping	$-	$840.00	$2,400.00	$5,939.14	**$4,000.00**
	40-44012-00	General Grounds Improvements	$7,500.00	$16,568.18	$8,500.00	$8,427.53	**$7,500.00**
	~~40-44013-00~~	~~Ground Improvement Projects~~	$-	$-	$-	$-	**$-**
	40-44201-00	Pinestraw/Mulch	$-	$-	$8,000.00	$-	**$7,000.00**
	40-44301-00	Contract Landscape Maintenance	$12,680.00	$10,480.00	$25,300.00	$14,673.00	**$25,000.00**
	40-44451-00	Irrigation Maintenance	$1,000.00	$133.22	$2,000.00	$-	**$3,000.00**
	40-44501-00	Tree Removal/Maintenance	$-	$-	$5,000.00	$-	**$1,500.00**
		Total Grounds Expenses		**$28,021.40**	**$51,200.00**	**$29,039.67**	**$48,000.00**

Repair & Building Maintenance Expenses							
	40-43001-00	General Maintenance & Materials	$34,000.00	$15,955.50	$40,300.00	$6,872.57	**$25,000.00**
	~~40-43341-00~~	~~Roads and Culverts~~	$-	$217.20	$-	$-	**$-**
	40-43061-00	Gutter Cleaning	$-	$-	$-	$-	**$750.00**
	40-45101-00	Pest Control	$4,800.00	$5,100.00	$3,900.00	$3,150.00	**$5,400.00**
	40-45151-00	Termite Inspection/Contract	$6,400.00	$1,900.00	$2,500.00	$-	**$1,300.00**
	~~40-45200-00~~	~~Villas Pest/Termite Control~~				$-	
		Total Repair & Building Maintenance Expenses	**$45,200.00**	**$23,172.70**	**$46,700.00**	**$10,022.57**	**$32,450.00**

General & Administrative Expenses							
	50-51001-00	Office Supplies	$2,400.00	$2,186.15	$2,400.00	$244.94	**$600.00**
	50-51101-00	Printing/Copies	$-	$163.00	$-	$82.50	**$500.00**
	50-51201-00	Postage	$-	$52.25	$-	$297.04	**$500.00**
	50-52001-00	Legal Service-Collections		$-	$-	$-	**$500.00**
	50-52002-00	Legal Services	$1,000.00	$1,074.00	$1,500.00	$3,693.00	**$2,500.00**
	50-52101-00	Accounting Services	$750.00	$450.00	$450.00	$200.00	**$2,000.00**
	50-52201-00	Management Services	$12,160.00	$11,451.50	$9,360.00	$5,460.00	**$10,600.00**
	50-52301-00	Bank charges-operating	$-	$100.00	$-	$-	**$-**
	50-52251-00	Professional Services-Other	$250.00	$375.00	$300.00	$-	**$-**
	50-53001-00	Insurance Property/	$150,000.00	$205,344.57	$157,362.96	$159,222.00	**$167,866.00**
	50-53002-00	Flood Insurance	$33,055.00	$34,189.00	$34,629.00	$36,451.00	**$38,273.55**
	50-53003-00	Wind-Hail Buy back Policy	$39,552.00	$37,699.37	$41,436.00	$33,374.19	**$35,436.00**
	50-53004-00	D & O Insurance	$2,150.00	$2,048.00	$2,253.00	$-	**$2,241.00**
	50-53005-00	Gen. Liab./Crime/Umb. Insurance	$6,617.00	$6,302.00	$6,932.00	$6,348.00	**$3,123.50**
		Machinery/ Insurance equipement				$1,064.50	**$1,064.50**
	~~50-54001-00~~	~~BOD/Annual Meeting Expense~~	~~$125.00~~	~~-$125.00~~	~~-$125.00~~	~~$-~~	~~$-~~
	50-59901-00	General & Administrative Expenses	$-	$1,019.15	$-	$695.00	**$750.00**
		Total		**$302,578.99**	**$256,747.96**	**$247,132.17**	**$265,954.55**

Tax Expenses							
	90-99001-00	Federal Income Tax	$-	$85.00	$-	$85.00	**$500.00**
	90-99101-00	State Income Tax	$-	$-	$-	$-	**$500.00**
New		**Total Taxes**		**$85.00**	**$-**	**$85.00**	**$1,000.00**

Expense Accounts Total	**$45,200.00**	**$353,858.09**	**$354,647.96**	**$286,279.41**	**$347,404.55**
Operating Accounts Net	**$279,063.08**	**$124,257.11**	**$(71,052.96)**	**$(38,460.46)**	**$100.00**

Reserve Accounts							
Income Accounts							
Reserve Income							
	32-30152-00	Special Assessments - Reserves			$-	$-	**$-**
	32-30201-00	Addition to Capital Reserves			$112,164.96	$56,082.48	**$117,271.00**
	32-30251-00	Working Capital Assessments			$-	$-	**$-**
Misc. Reserve Income							
	33-34002-00	Misc. Income - Reserves			$-	$0.08	**$-**
	33-34151-00	Interest Income - Reserves			$-	$3,988.86	**$-**
New							
Income Accounts Total					**$112,164.96**	**$60,071.42**	**$117,271.00**

Expense Accounts							
Reserve Expenses							
	90-91012-00	mailbox kiosk			$-	$-	**$15,000.00**
Expense Accounts Total					**$-**	**$-**	**$15,000.00**
Reserve Accounts Net					**$112,164.96**	**$60,071.42**	**$102,271.00**

DUES

For 2026, the proposed operating expense is $105,929.00 and the reserve expense is $117,271.00. The proposed monthly dues to meet all commitments would be:

(($105,929.00 + $117,271.00) / 60) /12) = $310/month

Since TOCMT is limited to 5% dues increase per Covenants, 310 x 1.05 = 325.50

Monthly dues of $310 per month are proposed for 2026.

L. DOUGLAS JOHNSON, CPA

CERTIFIED PUBLIC ACCOUNTANT
3012-F S. Elm-Eugene St. § Greensboro, NC 27406
Tel: (336) 303-8833 § Cell: (336) 451-0643

June 16, 2025

To the Board of Directors and Members of
Tangle Oaks Club Marina Townhouses, Inc.
Wilmington, NC

I have audited the financial statements of **Tangle Oaks Club Marina Townhouses, Inc.** for the year ended December 31, 2024, and have issued my report thereon dated June 16, 2025. Professional standards require that I provide you with information about my responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit.

My Responsibility under U.S. Generally Accepted Auditing Standards

As stated in my engagement letter dated March 5, 2025 my responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. My audit of the financial statements does not relieve you or management of your responsibilities.

My responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of my audit, I considered the internal control of **Tangle Oaks Club Marina Townhouses, Inc..** Such considerations were solely for the purpose of determining my audit procedures and not to provide any assurance concerning such internal control.

Planned Scope and Timing of the Audit

I performed the audit according to the planned scope and timing previously discussed with management.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of my engagement letter, I will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by **Tangle Oaks Club Marina Townhouses, Inc.** are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2024. I noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.
Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management in performing and completing my audit.

Corrected and Uncorrected Misstatements

Professional standards require me to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The corrected misstatements are reflected in my adjusting journal entries, a copy of which is included with this letter.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to my satisfaction, that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of my audit.

Management Representations

I have requested certain representations from management that are included in the management representation letter dated June 16, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Association's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, my professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Association's auditors. However, these discussions occurred in the normal course of my professional relationship and my responses were not a condition to my retention.

Required Supplementary Information

With respect to the supplementary information required by the Financial Accounting Standards Board, I applied certain limited procedures to the information, including inquiring of management about their methods of preparing the information; comparing the information for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements; and obtaining certain representations from management, including about whether the required supplementary information is measured and presented in accordance with prescribed guidelines.

This information is intended solely for the use of the Board of Directors and Members of **Tangle Oaks Club Marina Townhouses, Inc.** and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

L. Douglas Johnson, CPA

Certified Public Accountant
Greensboro, North Carolina

PMC Priestley Management Company

Balance Sheet - Operating

Tangle Oaks Club Marina Townhouses, Inc.

End Date: 08/31/2025

Date:	9/8/2025
Time:	5:43 pm
Page:	1

Assets			
Assets			
10-10111-00	NSB Operating Checking Account	$110,675.47	
10-10112-00	NSB Insurance Money Market Account	44,559.32	
10-12000-00	A/R Assessments	5,674.73	
10-13300-00	Prepaid Insurance	67,784.25	
Total Assets:			$228,693.77
Total Assets:			**$228,693.77**
Liabilities & Equity			
Liabilities			
20-20100-00	Accounts Payable	5,190.08	
20-20200-00	Advanced Assessments Collected	3,214.00	
Total Liabilities:			$8,404.08
Equity			
29-29100-00	Operating Fund	265,765.81	
Total Equity:			$265,765.81
	Net Income Gain / Loss	(40,476.12)	
			($40,476.12)
Total Liabilities & Equity:			**$233,693.77**

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Assets			
Assets			
10-10211-00	NSB Reserve Account	$205,976.40	
10-10212-00	Paragon Bank Reserve Money Market Account	247,943.52	
10-10301-00	Live Oak Bank 12 Month CD (24062) 04/26/2026	248,586.20	
Total Assets:			$702,506.12
Total Assets:			**$702,506.12**
Liabilities & Equity			
Equity			
29-29000-00	Capital Reserve Fund	632,575.99	
Total Equity:			$632,575.99
	Net Income Gain / Loss	64,930.13	
			$64,930.13
Total Liabilities & Equity:			**$697,506.12**

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