

TOWN ASSEMBLY BUDGET COMMITTEE MEETING
September 9, 2003

The Budget Committee meeting commenced Tuesday, September 09, 2003, at 8:30 A.M. in the Town Company boardroom. Those members in attendance were Vince Graham, Allen Coleman, Andy Gowder, Michael Purcell, Joe Halford, Gaye Joyner and Libby Eble. Brett Young and Jerry Watson represented Capital Consultants Management Corporation. Ed Clem attended as a homeowner.

The Committee began as follows:

1. Account #430 - Maintenance & Repairs This account will be decreased for the coming year. The expenses to date were averaged over a twelve (12) month period and then cut in half. The Committee requested that this account be used only for repairs that are needed for the year 2004.
2. Account #440 - Landscape Maintenance & Supplies The Committee decided to remove the cost for mulch from this category and create a line item specifically for those expenses. The planned expense budget for this item will be \$5,520.00.
3. Account #443 - Contract Landscape Maintenance The Committee feels that this expense will increase for 2004 due to the addition of common areas. Once a bid is secured, that amount will be used for the budget. Mr. Halford stated that for reference purposes he is estimating a cost of \$80 - \$85,000.00 for the coming year.
4. Account #445 - Professional Lake Management The Committee asked that CCMC obtain bids to try and keep the rates down. Currently the monthly average is \$900.00. The question was posed if the lakes could be maintained more in the summer months and less in the winter months. Mr. Young will request this information when obtaining bids.
5. Account #447 Irrigation Maintenance The Committee feels this account should be increased due to the age of the current equipment.
6. Account #448 - Tree Maintenance & Supplies The Committee requested that Mr. Young reclassify the items for this category that were expensed to account #430. The committee feels that trimming should be selective and not done because a contract exists. Mr. Graham suggested the Committee contact an arborist, Mike Murphy, and have him present a program for tree trimming based on the needs of the Assembly. It was suggested that a fertilizing schedule be included. This budget category was increased to \$4,000.00.
7. Account #450 - Mulch Expense The Committee requested that this amount be removed from landscape maintenance as treated as a "stand alone" item. The Committee also recommended that mulching not be done around roadside trees. \$16,000.00 was set aside for this item. Mr. Halford suggested using rock instead of mulch. He is waiting on bids in order to inform the Committee.
8. Account #454 - Dock Maintenance No change in this amount. It was suggested that the other docks be checked to see if a possible reserve account be established for future repairs.
9. Account #493 - Sign Maintenance There was no balance in this account to date. The Committee asked that Mr. Young check to see if previous expense was coded to maintenance and repairs.

10. Account #510 and #0511 will be based on actual expenses while Account #513 is raised. The Committee recommends that account 0515 be paid in January to save 10%.
11. Account #520 - Legal Services The Committee recommended no increase in this account.
12. Account #521 - Audit Services Since no outside audit was conducted in 2003; the Committee recommended that one be performed in 2004. The Committee recommended \$3,500.00 for this account.
13. Account #522 - Management Services The Committee will estimate this field.
14. Account #523 - Professional Services There were no expenses to date in 2003, therefore no change for this account.
15. Account #529 - Community Manager - It was noted that this account had a budget figure of \$9,104.00 for 2003. To date CCMC has not made any charges against this account- The Committee asked Mr. Young to see if the money expended January & February could be refunded back to the Assembly.
16. Account #530 - Insurance Expense The Committee is using last year's figures. They have asked CCMC to secure bids for 2004.
17. Account #540 - Annual meeting Expense There has been no expenses in this account.
18. Account #??? - Boroughs Committee This is a new line item requested by the Committee. The budget request is for \$500.00.
19. Account #600 - Electricity The Committee has asked that the expense for streetlights have a separate account number.
20. Account #0601 - Water & Sewer The Committee set \$5,241.00 as the projected balance for this account.
21. Account #606 - Telephone A balance of \$ 150.00 was set for this account.

Other questions raised were:

1. How many homes are to be used for the 2004 budget? Based on information provided, the Committee will use 520 homes. Mr. Gowder suggested that a bad debt allowance account be established for uncollected accounts and estimated at 5%.
2. How will reserve fund be replaced? It was noted that there are two (2) options: 1) increase assessments or 2) initiate transfer fee. The Committee questioned how the reserve balance was figured on the original budget. Mr. Gowder will review the possibility of initiating a separate fee or initiation fee that could fund the reserves.
3. What are the terms of payback on the loan/contribution by I'On Company? Mr. Halford requested a copy of the Joan agreement from Vince Graham.

Before the meeting adjourned, Mr. Graham suggested the following timeline for the budget:

1. September 30th - Deadline on bids
2. October 7th - Budget Draft
3. October 14th - Adopt Budget at meeting

Meeting adjourned at 10:55 A.M. The next meeting will be held on Tuesday, October 14, 2003 at I'On Company,

I'On Assembly, Inc.
Board of Trustees
Conference Call
Friday, August 29, 2003 at 2:30 p.m.

Participants: Vince Graham, Andy Gowder, Gaye Joyner, Libby Eble, Michael Purcell, and Allen Coleman.

Per I'On Assembly, Inc. By-Laws 3-103 (e) Telephone Meetings, the Board held a telephone conference call to discuss the Permissive Use Agreement and Revocable License between the Assembly and Montessori of Mt. Pleasant Charter Elementary School. The following items were discussed:

- Insurance coverage by Montessori and the Assembly
- Use of common areas by Montessori on weekends
- Use of common areas by Montessori in relation to other entities (including homeowners) using common areas

It was noted that this Agreement/License ends with the termination of the Lease between Montessori and the I'On Company for the property at 148 Civitas Street, or earlier if terms of the Agreement/License are not met.

It was also noted that the concerns of the board regarding use of the common areas in a cooperative spirit will be conveyed to the President of the Mt. Pleasant Charter Elementary School.

The Board members present for the conference call agreed to sign Exhibit C: Resolution of the Board of Trustees of I'On Assembly, Inc. that authorizes Vincent G. Graham, as Founder and member of the Board of Trustees, to execute the Permissive Use Agreement and Revocable License with the Montessori of Mt. Pleasant Charter Elementary School.