

**I'On
Board of Directors Meeting Minutes
October 26, 2005**

Members Present LeGrand Elebash, Everett Wilcox, Ed Clem, John White, Alan Comen, and Ted Webb

Members Absent Carol Ann McLester

AMCS Cheryl L. Wilson and Jamie Kerr

Guest Dave Rosengreen, Annie Bonk, Libby Eble, George Flynn, and Andy Beck.

LeGrand Elebash called the meeting to order.

Minutes

Ted Webb made a motion to accept the Board of Director meeting minutes from September 28, 2005 as presented. Ed Clem seconded the motion. All in favor. Motion passed.
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Handover Process

Dave Rosengren met with Andy Beck and LeGrand Elebash, with the I'On Company, and it was agreed that the original turnover process is to be used. The Board of Directors discussed who would handled the turn over process. The Board of Directors agreed that Dave Rosengren, Alan Comen, Annie Bonk, AMCS, Lawn-O-Green, and Everett Wilcox as a Board of Director representative for the first turnover process will attend the meeting. AMCS will coordinate the meeting date with the I'On Company. Andy Beck advised that the I'On Company is compiling a binder for each phase of the community. The binder will include locations of water/electric meters, property lines, vendor contact list, etc. The older phases will also have binders and Dave Rosengren asked that a meeting be held between the I'On Assembly and the I'On Company to review each binder. Andy Beck advised that by the end of the year the I'On Company wants to deed the Amphitheater and all the docks including the dock at the Creek Club to the I'On Assembly. LeGrand Elebash will look into an easement for the I'On Assembly if the dock is conveyed to the Homeowners Association and the parking lot is not. Andy Beck advised that when the Amphitheater is deeded over to the I'On Assembly an agreement will need to be established so that Amphitheater will continued to be used as it was intended and no future Board of Directors can make the Amphitheater off limits for public events. Andy Beck and Ed Clem will get together the beginning of next week to discuss additional areas to be turned over to the I'On Assembly as these new areas will impact the 2006 budget.

Andy Beck advised that he has received a proposal on installing blowers at each end of the canals. The proposal will be reviewed by the I'On Company and forwarded to AMCS and Dave Rosengren to report to the Board of Directors.

Combination of Lots

Andy Beck was asked to discuss the combination of lots and whether or not two regime fees should be collected on combined lots. Andy Beck reported that there will be 762 lots paying dues at build out. Andy Beck reported the following:

In phase 1 lots 7 and 8 were subdivided into three lots and lot 92 was subdivided into two lots.

In phase 2 lots 191 and 192 were combined into one lot.

In phase 5 lots 85 and 86 were combined into one lot, lots 108 and 109 were combined into one lot, lots 113 and 114 were combined into one lot and lots 123 and 124 were combined into one lot.

Andy Beck advised that the thirteen lots on the south canal will have sixteen units that will be in a horizontal property regime. Andy Beck advised that these are the only combined or subdivided lots recorded with the final plat. Dave Rosengren asked if the Chitty's, Raiford's, and Hewlette's are paying maintenance dues on the multiple lots they own. AMCS will look into this matter. The Board of Directors asked LeGrand Elebash to look into the time frame that the Raiford's and Hewlette's have to build on their vacant lots. Everett Wilcox asked whether or not the I'On Company can provide AMCS with a copy of their records to compare with the Homeowner's Association records. Andy Beck advised yes.

Financial Report

AMCS reported the following account balance as of October 21, 2005.

Operating Account \$36,008.53

Reserve Account \$167,872.72

\$72,035.87 of operating money is in the Reserve Account

The actual Reserve funds in the Reserve Account is \$95,836.85

Everett Wilcox advised LeGrand Elebash that the street light general ledger account has had a significant dip in changes in January 2005 when some of the street lights were removed. LeGrand Elebash asked AMCS to follow-up with SCE&G regarding the increase in the kilowatts used on the street light invoices.

AMCS reviewed the operating statement, twelve month trend, balance sheet, and open and closed work orders with the Board of Directors.

Finance Committee

2006 Budget

Ed Clem reported that some Finance Committee members and Board of Directors met at AMCS's office to review the 2006 budget. AMCS based the budget on 682 homes and he feels comfortable using this figure. The security budget was cut from \$24,000.00 which was recommended by the Boathouse Committee to \$10,000.00; however, there are funds in the contingency if extra security is needed. The landscapers contract will increase from \$114,372.00 in 2005 to \$125,820.00 in 2006. Ed Clem advised that he feels that this is a very realistic budget. Everett Wilcox felt that it is a conservative budget based on additional expenses that the I'On Assembly will be incurring in 2006 based on Andy Beck's report earlier in the meeting. Ed Clem advised that based on this budget the dues in 2006 will need to be increased. LeGrand Elebash suggested that if the 2006 dues are increased then the homeowners need to see an increase in services which can be seen with the security added in the 2006 budget. The Board of Directors discussed whether the \$72,000.00 being set aside in the replacement reserves is something that can be reduced to offset the increased dues. LeGrand Elebash suggested that the Board of Directors revisit trying to pass a transfer fee. Everett Wilcox advised of three options: 1.) raise dues, 2.) special assessment, and 3.) transfer fee. LeGrand Elebash advised that the easiest way to balance the budget is to raise dues. George Flynn suggested that a special assessment would be easier to sell because you could just tell neighbors to look at Louisiana and tell homeowners that we are also at risk for hurricanes and there is not enough money in the reserves to protect the Association from a catastrophe. AMCS advised that any Homeowners Associations that have passed a transfer fee have not done so quickly and the Board of Directors will have to hold several informative meetings in order to pass one. LeGrand Elebash suggested doing a more modest increase in dues and informing the homeowners of a possible transfer fee at the annual meeting in December. Homeowners need to be told that the funding of the reserves has decreased therefore next year a special assessment or larger increase will be needed or the Homeowners Association can look into a transfer fee.

AMCS asked LeGrand Elebash if the developer still has the right to amend the by-laws. LeGrand Elebash will look into this matter. Annie Bonk advised that a draft budget is to be mailed with the annual meeting notice, but a final budget can be presented at the annual meeting. The Board of Directors agreed to send the budget out to owners showing a deficit. There will be some fine tuning over the next two weeks; however, the Board of

Directors agreed that it will still show a deficit. AMCS advised that the Board of Directors should balance the budget before mailing it to homeowners to show a balanced budget. Everett Wilcox suggested holding a meeting next week to review the reserve study and budget. The Board of Directors agreed to meet Thursday afternoon at 2:00 PM. Dave Rosengren, Ed Clem, Everett Wilcox, and George Flynn will attend the meeting. George Flynn asked if the Board of Directors could be sued for not funding the reserves. AMCS advised that there has been a lawsuit brought against a Board of Directors for under funding and lacking on maintenance. Ed Clem advised that he has spoken to other Homeowners Associations and none of which are ever funded fully.

Ed Clem made a motion for no increase in the assessment, and balance the budget by taking the \$43,016.00 out of the \$72,000.00 budgeted to fund the reserves and show a special assessment at some time during 2006. The Board of Directors should consider a notice to go out with the annual meeting notice advising of a special assessment or a transfer fee to raise the reserves to a comfortable level. Ted Webb seconded the motion. All in favor. Motion passed.

Expense Authorization

Ed Clem suggested that there needs to be a limit on expenses not budgeted. The Board of Directors set a limit at \$1,000.00 for committee's members.

Everett Wilcox made a motion to accept setting a spending limit on unbudgeted items of \$1,000. Ed Clem seconded the motion. All in favor. Motion passed.

Infrastructure Committee

Dave Rosengren reported that the Town of Mount Pleasant is willing to repair the rutted corners in the neighborhood.

Everett Wilcox suggested putting crosswalk marks at the Eastlake Road entrance like the ones at the North Shelmore Blvd. entrance.

Landscaping Committee

Alan Comen reported that the Landscaping Committee is working on landscaping improvements at the Ponsbury Road and Sowell Street triangle, Westlake Park, and adding jasmine at the chains at the south end of Eastlake.

Communications Committee

Carol Ann McLester e-mailed her report to the Board of Directors advising that the directory for 2006 is coming out in late November 2005 and that the cost is higher than last year. Alan Comen will see if the cost increase can be absorbed by Biznet because they pay for the advertisements in the directory.

Traffic Committee

LeGrand Elebash advised that the Town of Mount Pleasant is discussing marking where to park or where not to park. The Board of Directors agreed that the Town of Mount Pleasant should mark where to park. LeGrand Elebash reminded the Town of Mount Pleasant that residents worked on a committee to agree on signs and curb markings. Completion time is approximately two to three months. The Board of Directors asked LeGrand Elebash to pursue getting the Town of Mount Pleasant to mark where not to parking rather than where to park. The Town of Mount Pleasant agreed to white curb markings with black letters and minimum signage.

Everett Wilcox suggested that AMCS put together a to do list after each meeting. AMCS agreed to do this.

Meeting Adjourned to Executive Session.

The next meeting is scheduled for November 23, 2005 at 5PM at the I'On Realty Office Conference Room.

Carol Ann McLester, Secretary