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THE STATE OF SOUTH CAROLINA
In The Supreme Court

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

The Honorable Stephanie P. McDonald, Circuit Court Judge

Op. No. 5588 (S.C. Ct. App. refiled February 27, 2019)

Case No. 2010-CP-10-10490
Appellate Case No. 2015-001590

Brad J. Walbeck and Lea Ann Adkins, Both Individually and Derivatively on Behalf of The I'On Assembly, Inc.; and I'On Assembly, Inc.,

Respondents,

v.

The I'On Company, LLC, The I'On Club, LLC, The I'On Group, LLC f/k/a Civitas, LLC, and I'On Realty, LLC,

Petitioners.

RECORD ON APPEAL
VOL. VII
R. pp. 3001 - 3500

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NOTE: In this Property Report, the words "you" and "your" refer to the buyer. The words "we," "us," and "our" refer to the developer.

RISKS OF BUYING LAND

The future value of any land is uncertain and dependent upon many factors. DO NOT expect all land to increase in value.

Any value which your lot may have will be affected if the roads, utilities and all proposed improvements are not completed.

Resale of your lot may be difficult or impossible, since you may face the competition of our own sales program, and local real estate brokers may not be interested in listing your lot.

Any subdivision will have an impact on the surrounding environment. Whether or not the impact is adverse and the degree of impact, will depend upon the location, size, planning, and extent of development. Subdivisions which adversely affect the environment may cause governmental agencies to impose restrictions on the use of the land. Changes in plant and animal life, air and water quality, and noise levels may affect your use and enjoyment of your lot and your ability to sell it.

In the purchase of real estate, many technical requirements must be met in order to assure that you receive proper title. Since this purchase involves a major expenditure of money, it is recommended that you seek professional advice before you obligate yourself.

- WARNINGS -

THROUGHOUT THIS PROPERTY REPORT THERE ARE SPECIFIC WARNINGS CONCERNING THE DEVELOPER, THE SUBDIVISION, OR INDIVIDUAL LOTS. BE SURE TO READ ALL WARNINGS CAREFULLY BEFORE SIGNING ANY CONTRACT OR AGREEMENT.

GENERAL INFORMATION

This report covers two hundred and forty-four (244) lots in Charleston County, South Carolina. See page 30 for a listing of these lots. It is estimated that this subdivision will eventually contain approximately seven hundred and eighty (780) lots.

The developer of this subdivision is:

The I'On Company, L.L.C., a South Carolina limited liability company

516 Mathis Ferry Road
P.O. Box 986
Mt. Pleasant, SC 29464

(803) 971-1662

Answers to questions and information about this subdivision may be obtained by telephoning the developer at the number listed above.

CONDITIONAL PLATS OF THE LOTS IN PHASES 2 AND 3 OF THE SUBDIVISION HAVE NOT YET BEEN APPROVED OR RECORDED, BUT MUST BE APPROVED AND RECORDED PRIOR TO CONVEYANCE OF ANY LOT IN THOSE PHASES. UNTIL A CONDITIONAL PLAT IS RECORDED FOR A PARTICULAR PHASE, THE DESCRIPTION OF THE LOTS IN SUCH PHASE CONTAINED IN THIS PROPERTY REPORT IS NOT LEGALLY ADEQUATE FOR CONVEYANCE OF SUCH LOTS.

TITLE TO THE PROPERTY AND LAND USE

A person with legal title to property generally has the right to own, use, and enjoy the property. A contract to buy a lot may give you possession but does not give you legal title. You will not have legal title until you receive a valid deed. A restriction or an encumbrance on your lot, or on the subdivision, could adversely affect your title.

Here we will discuss the sales contract you will sign and the deed you will receive. We will also provide you with information about any land use restrictions and encumbrances, mortgages, or liens affecting your lot and some important facts about payments, recording, and title insurance.

METHOD OF SALE

Sales Contract and Delivery of Deed

If you decide to purchase a lot, you will sign a sales contract obligating you to pay for the lot entirely in cash (with or without obtaining your own financing) at the closing of the purchase and sale of the lot.

We will deliver a general warranty deed to the property to you within 180 days of execution of a sales contract. You will receive a general warranty deed at the closing of the purchase and sale of the lot.

Type of Deed

The transfer of title to all lots will be by a general warranty deed.

ENCUMBRANCES, MORTGAGES, AND LIENS

The lots in Phase 1 of the subdivision, as described on page 30 of this Property Report, are subject to the following blanket encumbrances:

(1) Declaration of Covenants, Conditions and Restrictions for I'On, recorded in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Book C-297, at Page 282;

(2) Mortgage from The I'On Company, L.L.C. to Wachovia Mortgage Company, dated August 12, 1997, in the original principal amount of $4,560,000.00, recorded August 12, 1997, in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina,

in Mortgage Book J-288 at Pages 611-618, as amended by that instrument recorded January 16, 1998 in Mortgage Book Z-295 at Page 363; and

In addition to items (1) and (2) above, the lots in that portion of Phase 1 identified on page 30 as Phases 1-B and 1-C of the subdivision are subject to the following blanket encumbrance (the lots in Phase 1-A have been released from this encumbrance):

(3) Mortgage from The I'On Company, L.L.C. to David N. Jordan, KREPS Investment Company, L.L.C., KAYJ Investment Company, L.L.C., L-J, Inc. and Barbara J. Alford, as Trustee of the Trust under the Will of Hampton S. Alford, dated August 12, 1997, in the principal amount of $1,586,000.00, and recorded August 12, 1997, in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Mortgage Book J-288 at Page 603.

In addition to items (1) and (2) above, the lots in that portion of Phase 1 identified on page 30 as Phase 1-A, including Lots 11 through 49 and 60 through 69, are subject to the following blanket encumbrance:

(4) Mortgage from The I'On Company, L.L.C. to Wachovia Mortgage Company dated January 16, 1998, in the original principal amount of Five Hundred and Eighty Thousand Dollars ($580,000.00), recorded in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Mortgage Book Z-295 at Page 149.

The lots in Phase 3 of the subdivision, as described on page 30 of this Property Report, are subject to the following blanket encumbrance:

(5) Mortgage from The I'On Company, L.L.C. to Wachovia Mortgage Company dated August 3, 1998, in the original principal amount of Nine Hundred and Forty Thousand Dollars ($940,000.00), recorded in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Mortgage Book N308, at Page 293.

In addition, prior to conveyance of the lots in Phases 2 and 3, they will be made subject to the Declaration of Covenants, Conditions and Restrictions referenced in item (1) above.

We do not presently own but have an option to purchase the property in Phase 2 as described on page 30 of this Property Report. Upon exercise of our option to acquire that property, we anticipate financing the acquisition and development of that property with a combination of cash and one or more acquisition and development loans from commercial lenders secured by mortgages on the property. In addition, prior to conveyance of the lots in Phase 2, they will be made subject to the Declaration of Covenants, Conditions and Restrictions referenced in item (1) above.

Release Provisions

The Mortgage described in item (2) above contains a provision requiring the lender to release its lien on any lot which is subject to the Mortgage upon receipt of payment of the greater of 61% of the gross sales price of the lot or the release price as stated in a separate I'On Development Loan Release Schedule agreed upon between us and the lender. The Mortgage described in item (3) above contains a provision requiring the lender to release its lien on any lot which is subject to the Mortgage upon receipt of payment of the release price for such lot set forth in a separate release schedule agreed upon between us and the lender. The Mortgage described in item (4) above contains a provision requiring the lender to release its lien on any lot which is subject to the Mortgage upon receipt of payment in the amount of Eleven Thousand Six Hundred Dollars ($11,600.00) per lot to be released. The Mortgage described in item (5) above contains a provision requiring the lender to release its lien on any lot which is subject to the Mortgage upon receipt of payment in the amount of Thirty-One Thousand One Hundred and Thirty-Four Dollars ($31,134.00) per lot to be released..

The contract for the sale of each lot obligates us to request and obtain a release of such lot from the applicable Mortgages prior to or simultaneous with closing and transfer of title to such lot. Under the terms of each Mortgage, the lender's obligation to release its lien on a lot is conditioned upon there being no default under the terms of the Mortgage or the promissory note and security agreement referenced in the Mortgage at the time such release is requested. The release provisions in the Mortgage on the lots in Phase 1A described in item (4) above may be exercised only by us (*i.e.*, there is no provision in such Mortgage for the purchaser of a lot to pay the release price and obtain the release if we fail to do so). Therefore, if we default under that Mortgage before obtaining a release on a lot in Phase 1A, the purchaser of such lot may lose the lot and any money paid for it. Prior to paying the purchase price for your lot at closing, you should confirm that all releases have been obtained.

RECORDING THE CONTRACT AND DEED

Method or Purpose of Recording

Under South Carolina law, recording a sales contract places third parties on notice that the subject property is under contract for sale and may protect you from claims of subsequent purchasers or creditors claiming an interest in the lot. However, South Carolina law does not require that sales contracts be recorded and it is not common practice to do so. The sales contract is not in proper form for recording and will not be recorded. By not recording sales contracts, we avoid creating a defect in title to the lot in the event that the sales contract is terminated and the transaction is not completed for any reason.

UNLESS YOUR CONTRACT OR DEED IS RECORDED, YOU MAY LOSE YOUR LOT THROUGH THE CLAIMS OF SUBSEQUENT PURCHASERS OR SUBSEQUENT CREDITORS OF ANYONE HAVING AN INTEREST IN THE LAND.

The deed to your lot will be recorded. In accordance with the South Carolina Code of Laws (1976), we will deliver the deed for your lot to the Office of the Register of Mesne Conveyances for Charleston County, South Carolina, for recording immediately following the closing. Under South Carolina law, recording a deed protects you from subsequent claims by third parties whose interest arises after the date of recording of the deed.

Title Insurance

You should obtain an attorney's opinion of title or title insurance policy which describes the rights of ownership you are acquiring in the lot you purchase. We recommend that an appropriate professional interpret the policy for you.

PAYMENTS

Escrow

Your earnest money deposit will be placed in an escrow account administered by I'On Realty, L.L.C., a South Carolina limited liability company, whose address is 516 Mathis Ferry Road, Mt. Pleasant, South Carolina 29464. I'On Realty, L.L.C. is a real estate broker licensed by the State of South Carolina and, as such, is required to comply with state laws and regulations regarding administration of escrow and trust accounts by real estate brokers.

I'On Realty, L.L.C. is under common ownership and control with The I'On Company, L.L.C. I'On Realty, L.L.C., as a real estate broker entitled to a commission from the sale of a lot, also has an interest in the transaction itself and thus, is not considered independent. You may lose your deposit on your lot if we fail to deliver legal title to you as called for in the contract, because it is not held in an escrow account which fully protects you.

Prepayment

If the purchase of your lot is financed by an independent financial institution, you will need to review the financing documents to determine whether there is any penalty for prepayment of the financing.

Default

The contract for sale specifies the rights and remedies which we may seek in the event you fail to make any payment or perform any obligation required by the contract prior to closing. If you default, we will give you written notice of the default and allow you at least 20 days from your receipt of that notice in which to correct the default. If you default in your obligations under the sales contract prior to closing, we may treat the contract as canceled and retain all monies you have paid as liquidated damages; provided, however, in no event will we retain monies you have paid in excess of 15% of the purchase price or our actual damages, whichever is greater.

If you default in the performance of your obligations under the sales contract after the date of closing, we may elect to pursue any and all remedies available to us at law or in equity.

RESTRICTIONS ON THE USE OF YOUR LOT

Restrictive Covenants

Restrictive covenants have been recorded or will be recorded in the Office of the Register of Mesne Conveyance for Charleston County, South Carolina against each lot in the subdivision prior to conveyance. The restrictive covenants are contained in the Declaration of Covenants, Conditions and Restrictions for I'On ("Declaration"). I'On Assembly, Inc. ("Assembly"), a mandatory membership property owners association, is charged with administering and enforcing the Declaration. Each purchaser automatically becomes a member of the Assembly upon taking title to a lot and will remain a member as long as the purchaser owns property in the subdivision.

The restrictive covenants contained in the Declaration are described in the following paragraphs. The discussion only highlights the restrictions contained in the Declaration and should not be a substitute for your careful study of the document.

The lots are subject to architectural controls and design standards. The Declaration requires, among other things, that a purchaser of a lot secure approval of the I'On Design Committee prior to improving a lot or making any additions or modifications to the exterior of existing improvements. The I'On Design Committee may establish and charge reasonable fees to defray costs of administering applications for approval.

All proposed work must comply with the I'On Code, the document which sets forth the design standards for property in the subdivision, unless the I'On Design Committee has granted a variance in writing. Compliance with the I'On Code is a covenant undertaken by each purchaser of a lot in the subdivision.

In reviewing plans and specifications for proposed work, the I'On Design Committee is guided by the I'On Code, but the I'On Code is not the exclusive basis for its decisions and compliance with the I'On Code does not guarantee approval. The I'On Design Committee may consider any other factors it deems relevant and its decisions may be based on purely aesthetic considerations.

If construction has not commenced on proposed work within six months after the date of approval of any application for such work, the approval is deemed withdrawn. Unless otherwise approved by the I'On Design Committee, all elements of any improvements for which plans are approved must be completed within one year after the date of approval or such shorter period as may be specified in the sales contract for the purchase of the lot.

The lots will be conveyed subject to a restriction that they shall not be used for any type of vacation timesharing plan, as defined by Section 27-32-10, *et seq.*, South Carolina Code (1976), without our prior written approval.

The lots are also subject to certain use restrictions referred to in the Declaration as the I'On Rules. The initial I'On Rules are set out in Exhibit D to the Declaration and include restrictions on parking commercial and residential vehicles, boats and trailers; pets; television antennas, satellite dishes, radio receivers, and similar devices; trash and refuse containers; and signs. Additional restrictions may be established by the Board of Trustees of I'On Assembly, Inc., pursuant to its authority granted in the Declaration to make and amend reasonable rules and regulations governing use of property, activities and conduct in the subdivision. Such additions and changes to the I'On Rules need not be recorded.

A complete copy of these restrictions is available upon request.

Easements

There are easements which may affect your plans for building or using your lot. There are drainage, access and utility easements which affect the lots covered by the Property Report as shown or to be shown on the recorded plats. There are also easements which are described in the Declaration.

Article V of the Declaration sets forth certain easements for access by public safety officers and other public servants in the performance of their duties and easements for encroachments, maintenance, and utilities. The Declaration also provides for the creation of additional easements for conservation, wetlands buffering, landscaping and similar purposes, by other recorded instruments. You are advised to read Article V of the Declaration carefully for an understanding of the nature and scope of these easements.

The lots covered by this Property Report are not subject to any type of flood control or flowage easements.

PLATS, ZONING, SURVEYING, PERMITS, AND ENVIRONMENT

Plats

A final plat covering the lots in Phase 1A of the subdivision, as described on page 30 of this Property Report, has been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyance of Charleston County, South Carolina in Plat Book EC at Page 631. The descriptions of the lots on such plat are legally adequate for the conveyance of the lots.

A conditional plat covering the lots in Phase 1B of the subdivision, as described on page 30 of this Property Report, has been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyance of Charleston County, South Carolina in Plat Book EC at Pages 627-628. The descriptions of the lots on such plat are legally adequate for the conveyance of the lots.

A conditional plat covering the lots in Phase 1C of the subdivision, as described on page 30 of this Property Report, has been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyance of Charleston County, South Carolina in Plat Book EC at Page 637. The descriptions of the lots on such plat are legally adequate for the conveyance of the lots.

Conditional plats of the lots in other phases of the subdivision have not yet been approved or recorded, but must be approved and recorded prior to conveyance of any lot in those phases. Until a conditional plat is recorded for a particular phase, the description of the lots in such phase contained in this Property Report is not legally adequate for conveyance of such lots.

Zoning

All lots described on page 30 of this Property Report are designated for single-family residential use except those lots identified by the designation "CM" or "CV" before the lot number, which are designated for commercial or civic purposes, respectively. These uses conform to local zoning requirements and the restrictive covenants pertaining to the subdivision.

Surveying

Each lot has been or will be surveyed at our expense and identified on a recorded plat prior to conveyance. Pins will be set on the corners of each lot to physically mark the lot boundaries.

Permits

Before beginning construction on a lot, the purchaser must obtain approval of the I'On Design Committee, as discussed under the caption "Restrictive Covenants" above, for the proposed improvements. In addition, the purchaser must obtain a building permit from the Town of Mt. Pleasant, South Carolina before commencing construction. Upon completion of construction, the purchaser must obtain a certificate of occupancy from the Town of Mt. Pleasant before the dwelling may be occupied. No other governmental permits will be necessary in order to use the lot for a single family residence.

Environment

No independent environmental impact study has been required or conducted for the subdivision. Thus, no determination has been made as to all of the possible adverse effects the subdivision may have upon the environment and surrounding area.

In connection with our subdivision approval by the Town of Mt. Pleasant, we prepared an impact assessment which addresses the impact of the subdivision in a number of specific areas, including its impact on the environment. The assessment describes the following plans to mitigate any detrimental effect on the environment.

The subdivision has 2,488 linear feet of frontage along a section of Mathis Ferry Road designated as a South Carolina Scenic Highway in June 1988. In order to maintain and enhance the screening effect of the existing live oak canopy along this highway, we plan to provide a 25 foot wide natural buffer along the entire frontage, work with the South Carolina Department of Transportation and the Town of Mt. Pleasant to replant live oaks where trees have died or been removed, and utilize understated brick columns and white rail fencing rather than large signage to designate entryways to the subdivision.

The subdivision currently drains overland to three lakes on the property, a large wetland at the headwaters of Molasses Creek, and the adjacent salt marshes. We plan to make extensive use of the three lakes and the existing freshwater wetlands to limit storm water runoff to pre-development rates and contain non-point runoff from entering the salt marsh. An extensive park system planned along the highlands above the marshes and waters of Hobcaw Creek, together with other management practices, will serve a dual purpose of providing storm water control and serving as an amenity for residents.

The subdivision has over 2 miles of marsh and deep water frontage along Hobcaw Creek and 1.46 miles of frontage along the lakes mentioned above. The U. S. Army Corps of Engineers has delineated and approved the critical line along the marshes and waters of Hobcaw Creek and the freshwater wetlands within the subdivision. Rather than subdividing this premium frontage into lots, over 75% of the marsh, water frontage and lake frontage is planned as parks. One of the three lakes will be preserved as a wildlife sanctuary.

ROADS

Here we discuss the roads which lead to the subdivision, the roads within the subdivision, and the location of nearby communities.

ACCESS TO THE SUBDIVISION

Access to the subdivision is provided on a year-round basis by a public road designated as Mathis Ferry Road. Mathis Ferry Road is a two-lane, asphalt surface road. The width of the wearing surface is 24 feet.

The South Carolina Department of Transportation is responsible for improving and maintaining Mathis Ferry Road. You will not be responsible for any costs associated with maintaining this road (except to the extent that the taxes you pay are used to fund road maintenance and improvements). No improvements to the road are contemplated at the present time.

ACCESS WITHIN THE SUBDIVISION

Legal and physical access by conventional automobile to the lots within the subdivision is, or will be, provided on a year-round basis by public, two-lane roads with a wearing surface ranging from 18 to 25 feet, as shown on the recorded plat of the subdivision. The surface of the roads will be predominantly asphalt, although there may be narrow strips of cobblestone, brick or granite pavers used for special purposes or effects at various points. In addition, many of the lots will be served by alleys or "service lanes" permitting vehicular access to the rear of the lot. Such service lanes have or will have a wearing surface which is approximately 11 feet in width and comprised of 6 inches of crusher run.

We are responsible for constructing the roads within the subdivision. We will retain maintenance responsibility for the roads for approximately two years after completion of the roads, at which time we expect to dedicate them to the Town of Mt. Pleasant for perpetual maintenance, except that the I'On Assembly, Inc. will be responsible for maintenance of any cobblestone, granite or brick pavers within the public roads. The I'On Assembly, Inc. will also be responsible for maintaining the service lanes providing access to the rear of lots within the subdivision. We must post a one-year maintenance bond with the Town of Mt. Pleasant to assure that the roads and other infrastructure dedicated to it are adequately constructed.

You will not be responsible for any costs associated with construction or maintenance of the public roads, except to the extent that the property taxes you pay to the Town of Mt. Pleasant are used to fund road maintenance and improvements and except to the extent that the assessments you pay to the I'On Assembly, Inc. are used to maintain the cobblestone, granite or brick pavers within the public roads. You will not be responsible for any costs associated with

construction of the service lanes, but will pay assessments to the I'On Assembly, Inc. for your pro rata share of the costs of maintaining the service lanes.

We have posted a bond with the Town of Mt. Pleasant to provide financial assurances for completion of the roads with Phase 1 of the subdivision. Construction of those roads has already begun. Prior to the conveyance of a lot in any subsequent phase of the subdivision, we will be required to post a bond with the Town of Mt. Pleasant to provide financial assurances for completion of any incomplete roads with such phase.

The estimated completion dates for the construction of roads within the subdivision are as follows:

Phase	Estimated Starting Date	% of Construction Now Complete	Estimated Completion Date	Present Surface	Final Surface
1	8/1997	85%	11/1998	Asphalt/ base material	Asphalt
2	10/1998	0%	6/1999	N/A	Asphalt
3	10/1998	0%	11/1998	N/A	Asphalt
4	7/1999	0%	3/2000	N/A	Asphalt
5	3/2000	0%	11/2000	N/A	Asphalt
6	11/2000	0%	8/2001	N/A	Asphalt
7	8/2001	0%	5/2002	N/A	Asphalt

The table below identifies the distance (in miles) from the subdivision to nearby communities.

Community Name	Population	Distance over Paved Roads	Distance Over Unpaved Roads	Total Miles
Charleston (County Seat)	76,854	5 miles	0 miles	5 miles
Sullivan's Island	1,339	5 miles	0 miles	5 miles
Mt. Pleasant	38,056	0 miles	0 miles	0 miles

UTILITIES

Here we will discuss the availability and costs of basic utilities. The areas covered will be water, central sewer, septic tank system, electricity, telephone, and fuel or other energy sources.

WATER

Water is or will be supplied to the lots within the subdivision by a central water distribution system which is presently owned and operated by Mount Pleasant Waterworks, P.O. Box 330, 1619 Rifle Range Road, Mt. Pleasant, South Carolina 29464.

Water mains are or will be extended in front of or adjacent to each lot.

The following chart indicates the current status of the construction of the central water distribution system:

WATER

Phase	Estimated Starting Date (Month & Year)	Percentage of Construction Now Complete	Estimated Service Availability Date (Month & Year)
1	8/1997	100%	8/1998
2	10/1998	0%	6/1999
3	10/1998	0%	11/1998
4	7/1999	0%	3/2000
5	3/2000	0%	11/2000
6	11/2000	0%	8/2001
7	8/2001	0%	5/2002

Mt. Pleasant Waterworks, which is a division of the Town of Mt. Pleasant government (or whose operations are regulated by the Town of Mt. Pleasant), has indicated that the central water supply system has a present capacity of 3.2 million gallons per day, 300 gallons per connection and that this is sufficient to serve the anticipated population of the subdivision.

THERE HAVE BEEN NO HYDROLOGICAL SURVEYS CONDUCTED TO CONFIRM THAT A SUFFICIENT WATER SUPPLY IS AVAILABLE TO SERVE THE SUBDIVISION.

Mt. Pleasant Waterworks has represented that the water available for the subdivision is tested for purity and content on a regular basis and meets all standards for a public water supply.

The timetable for extension of the central water system is based upon our plans and projections for an orderly expansion of the subdivision over a 7 to 8 year period and the seasons during which construction is feasible.

We are responsible for the construction of the water mains and distribution system to serve the subdivision and all costs associated with such construction. We have posted a bond with the Town of Mt. Pleasant to provide financial assurances for completion of the water mains and distribution system to serve the lots within Phase 1 of the subdivision and such construction has already begun. Prior to the conveyance of a lot in any subsequent phase of the subdivision, we will be required to post a bond with the Town of Mt. Pleasant to provide financial assurances for completion of the water mains and distribution system to serve lots in such phase.

All permits have been obtained from the proper agencies for the construction, use, and operation of the water mains and distribution system to serve the subdivision.

In addition to user fees, each purchaser will be responsible for paying a one-time connection fee to connect the dwelling on the lot to the central water system. Currently the cost to the purchaser per connection is $874. You must pay this connection fee prior to obtaining a building permit. This amount is subject to change by the owner of the water system.

You will also be responsible for the construction of service lines to any improvements you build on your lot, plus the cost of water meters, cut-off valves, or other equipment which may be related to your water connection. The amount of these additional charges will vary depending upon the location of your lot and the location of the improvements on your lot.

There is no charge to you for construction costs, availability fees, special assessments, or deposits for the central water system.

Individual water systems, such as a private well, are not permitted on any lot. Connection to the central system is mandatory for all lots in the subdivision.

SEWER

The subdivision will be served by a central sewer system. We are responsible for constructing the sewer mains, lift station and force main to permit the lots in the subdivision to connect to the central treatment plant. Sewer mains will be installed in front of, or adjacent to, each of the lots in the subdivision.

Construction of the sewer system improvements within the subdivision has begun and is completed to the lots in Phase 1A, which is approximately 11% of the lots in the subdivision. Installation of a force main to allow for expansion of the sewer system to other phases of the subdivision is scheduled for the Fall of 1998. We estimate that service will be completed to all

lots in the subdivision in stages over the next seven to eight years. The following chart indicates the estimated timetable for construction and service availability:

SEWER

Phase	Estimated Starting Date (Month/Year)	% of Construction Now Complete	Estimated Service Availability Date (Month/Year)
1	8/1997	100%	8/1998
2	10/1998	0%	6/1999
3	10/1998	0%	11/1998
4	7/1999	0%	3/2000
5	3/2000	0%	11/2000
6	11/2000	0%	8/2001
7	8/2001	0%	5/2002

The central sewer system will be owned and operated by Mount Pleasant Waterworks, P.O. Box 330, 1619 Rifle Range Road, Mt. Pleasant, South Carolina 29464, (803) 884-9626. Mt. Pleasant Waterworks is a division of (or regulated and supervised by) the Town of Mt. Pleasant, South Carolina.

We have obtained the necessary permits for the construction of the central sewer system to serve the subdivision.

THE CENTRAL SEWER SYSTEM IS STILL UNDER CONSTRUCTION AND NOT PRESENTLY ABLE TO SERVE ALL LOTS BECAUSE SEWER MAINS HAVE NOT YET BEEN EXTENDED TO ALL LOTS. THE SEWER SYSTEM IS PRESENTLY COMPLETED TO SERVE APPROXIMATELY 80 LOTS.

Mt. Pleasant Waterworks has indicated that the sewage treatment facility is complete and has sufficient capacity to service all of the lots within the subdivision.

In addition to user fees, purchasers will be required to pay a one time connection fee to connect the dwelling on their lot to the central sewer system. The connection fee currently is $1,340. You must pay this connection fee prior to obtaining a building permit. This amount is subject to change by the owner of the central sewer system.

There is no charge to you for construction costs, availability fees, special assessments, or deposits for the central sewer system.

Individual sewage treatment systems, such as septic tanks, are not permitted on any lot. Connection to the central system is mandatory for all lots in the subdivision.

We are responsible for the construction of the sewer system improvements to serve the subdivision and all costs associated with such construction. We have posted a bond with the Town of Mt. Pleasant to provide financial assurances for completion of the sewer system improvements to serve the lots within Phase 1 of the subdivision. Prior to the conveyance of a lot in any subsequent phase of the subdivision, we will be required to post a bond with the Town of Mt. Pleasant to provide financial assurances for completion of the sewer system improvements to serve lots in such phase.

ELECTRICITY

Electricity is or will be provided by South Carolina Electric and Gas, a publicly regulated utility operating under the rules of the Public Service Commission of South Carolina. The primary electrical service lines will be extended in front of or adjacent to each lot.

Electrical service lines have not yet been extended to all lots in the subdivision. South Carolina Electric and Gas is responsible for installation of electrical service lines. Installation has begun and is expected to be completed in stages over the next 5 years.

The following chart sets forth the estimated starting dates and estimated service availability dates for each phase of the subdivision.

ELECTRIC SERVICE

Phase	Estimated Starting Date (Month & Year)	% of Construction Now Complete	Estimated Service Availability Date (Month & Year)
1	8/1997	100%	8/1998
2	10/1998	0%	6/1999
3	10/1998	0%	11/1998
4	7/1999	0%	3/2000
5	3/2000	0%	11/2000
6	11/2000	0%	8/2001
7	8/2001	0%	5/2002

You will not be responsible for any construction costs associated with extending the primary electrical service lines to the service point in front of or adjacent to your lot. You will be responsible for installing electrical lines within your lot boundaries and dwelling. At present, South Carolina Electric and Gas does not charge for such installation, but it may impose charges for installation in the future.

TELEPHONE

Telephone service will be available from BellSouth to serve each lot in the subdivision. Telephone service lines have been or will be extended in front of or adjacent to each lot.

Telephone service lines have not yet been extended to all lots in the subdivision. BellSouth is responsible for installation of telephone service lines. Installation has begun and is expected to be completed in stages over the next 5 years. The following chart sets forth the estimated starting dates and estimated service availability dates for each phase of the subdivision.

TELEPHONE

Phase	Estimated Starting Date (Month & Year)	% of Construction Now Complete	Estimated Service Availability Date (Month & Year)
1	8/97	100%	8/1998
2	10/98	0%	6/1999
3	10/98	0%	10/1998
4	7/99	0%	3/2000
5	3/2000	0%	11/2000
6	11/2000	0%	8/2001
7	8/2001	0%	5/2002

You will not be responsible for any construction costs associated with extending the telephone service lines to the service point in front of or adjacent to your lot. You will be responsible for the cost of installing service lines within your lot boundaries and dwelling. At present, BellSouth does not charge for such installation, but it may impose charges for such installation in the future.

FUEL OR OTHER ENERGY SOURCE

Natural gas service is not available to serve the subdivision at this time and we are not aware of any plans to extend natural gas service to the subdivision.

FINANCIAL INFORMATION

We experienced an operating loss during the last fiscal year. This may affect our ability to complete promised facilities and to discharge financial obligations.

As discussed earlier in this Property Report, we have we have posted bonds to provide financial assurances for completion of all streets and the central water and sewer system within the subdivision.

A copy of our audited financial statement for the period ending December 31, 1997, is available from us upon request.

LOCAL SERVICES

In this topic, we will discuss the availability of fire and public protection and the location of schools, medical care, shopping facilities, mail services and public transportation.

FIRE PROTECTION

Mt. Pleasant Fire Department provides fire protection services to the subdivision on a year round basis from a station located approximately 0.5 mile from the subdivision. Fire hydrants will be installed throughout the subdivision so that there is a fire hydrant within 300 feet of the front corner of each lot.

POLICE PROTECTION

Mt. Pleasant Police Department provides police protection services to the subdivision. The Police Department is located 0.5 mile from the subdivision.

SCHOOLS

James B. Edwards Elementary School, a public elementary school, is located 1.5 miles from the subdivision. Moultrie Middle School, a public intermediate school, is 2.3 miles from the subdivision. Wando High School, a public high school, is located 2 miles from the subdivision. School bus transportation will be available from within the subdivision to each of these schools.

HOSPITAL

The nearest available hospital is East Cooper Regional Hospital, located at 1200 Johnnie Dodds Boulevard, Mt. Pleasant, South Carolina 29464, approximately 1.2 miles from the subdivision.

Ambulance service is available through Charleston County Emergency Medical Service.

PHYSICIANS AND DENTISTS

The nearest physician's office is located at 900 Bowman Road, Mt. Pleasant, South Carolina, one mile from the subdivision, and the nearest dentist's office is located at 815 Lowcountry Boulevard, Mt. Pleasant, South Carolina, 0.1 mile from the subdivision.

SHOPPING FACILITIES

Shopping facilities are available in Mt. Pleasant, 0.6 mile from the subdivision.

MAIL SERVICE

The United States Postal Service provides mail service to the subdivision.

PUBLIC TRANSPORTATION

There is no public ground transportation within the subdivision and no public ground transportation to nearby towns. The closest bus stop is located on Houston Northcutt Boulevard, approximately 3/4 of a mile from the main entrance to the subdivision.

RECREATIONAL FACILITIES

Facility	% of Construction Now Complete	Estimated Date of Start of Construction (Month/Year)	Estimated Date Available for Use (Month/Year)	Financial Assurance of Completion	Buyer's Annual Cost or Assessments
PHASE 1					
Eastlake lake	75%	9/1997	11/1998	None	Part of annual HOA Assessment
Eastlake Boathouse	100%	4/1998	9/1998	None	Part of annual HOA Assessment
Canals	90%	11/1997	11/1998	None	Part of annual HOA Assessment
Sidewalks, paths and trails	50%	4/1998	11/1998	None	Part of annual HOA Assessment
Parks and Open Space	50%	4/1998	11/1998	None	Part of annual HOA Assessment
PHASE 2					
Creekside Park	0%	1/1999	9/1999	None	Part of annual HOA Assessment
Community Dock	0%	1/1999	9/1999	None	Part of annual HOA Assessment
Sidewalks, paths and trails	0%	1/1999	10/1999	None	Part of annual HOA Assessment
Parks and Open Space	0%	1/1999	10/1999	None	Part of annual HOA Assessment

Constructing the Facilities

We are responsible for construction of all of the recreational facilities described in the chart above. You will not be required to pay any costs of constructing these facilities.

Maintaining the Facilities

Upon completion of the recreational facilities described in the chart above, the I'On Assembly, Inc. will be responsible for their operation and maintenance. The annual cost to the lot owners to maintain, operate and insure the recreational facilities is or will be incorporated in the annual assessment which each owner pays to the I'On Assembly. Current owners association annual assessments are $400 per lot per year, but are subject to change as provided in the Declaration.

Transfer of the Facilities

The recreational facilities listed in the chart above shall, upon completion of construction, be conveyed to the I'On Assembly, Inc. by quitclaim deed free and clear of all monetary liens and encumbrances at no cost to the I'On Assembly or its members. Upon conveyance of these facilities to the I'On Assembly, Inc., it shall assume full responsibility for the costs of ownership, operation, and maintenance of the facilities conveyed to it. Such costs will increase the responsibilities of the I'On Assembly, Inc. and its board of trustees and could result in an increase in future assessments or special assessments payable by lot owners to the I'On Assembly, Inc.

Who May Use the Facilities

The recreational facilities listed in the chart above will be available for use by lot owners and other members of the I'On Assembly, Inc., including the developer, and their respective guests.

There may be additional recreational facilities in the subdivision which are not listed in the above chart and which will be privately owned and operated by a person or entity other than the I'On Assembly, Inc. The operation and use of, and access to, such facilities is not guaranteed and is subject to such terms and conditions and payment of such fees as the owner and operator of such facilities may establish from time to time. Any or all of such additional facilities may be operated as a private club for members and their guests. Membership in any such club may be subject to application, approval and availability, and payment of such initiation fees, dues and other charges as the owner/operator of the facility may establish and change in its sole discretion.

VARIOUS RECREATIONAL FACILITIES IN THE SUBDIVISION MAY BE OWNED AND OPERATED BY PERSONS OTHER THAN THE I'ON ASSEMBLY, INC. THERE IS NO GUARANTEE THAT ANY SUCH FACILITIES WILL BE AVAILABLE FOR USE BY LOT OWNERS. ANY OR ALL OF SUCH FACILITIES MAY BE OPERATED AS A PRIVATE CLUB FOR MEMBERS AND THEIR GUESTS. THERE IS NO ASSURANCE THAT YOU WILL BE ACCEPTED FOR MEMBERSHIP IN ANY SUCH PRIVATE CLUB IF YOU APPLY. IF ACCEPTED, THE COSTS OF SUCH A MEMBERSHIP MAY BE SUBSTANTIAL AND ARE IN ADDITION TO THE PURCHASE PRICE OF YOUR LOT. NO REFUND OF THE PURCHASE PRICE OF YOUR LOT WILL BE MADE IF YOU CANNOT OBTAIN A MEMBERSHIP. SINCE THE VALUE OF YOUR LOT MAY BE ADVERSELY AFFECTED BY YOUR INABILITY OR FAILURE TO OBTAIN A MEMBERSHIP, YOU SHOULD CAREFULLY CONSIDER YOUR PURCHASE OF A LOT IF IT IS BASED UPON YOUR PRESUMED ABILITY TO OBTAIN A MEMBERSHIP IN ANY PRIVATE CLUB AND TO USE ITS RECREATIONAL FACILITIES.

SUBDIVISION CHARACTERISTICS AND CLIMATE

In this section, we will discuss the basic terrain of the subdivision, the climate of the region, and any nuisances or hazards affecting the subdivision.

GENERAL TOPOGRAPHY

The general topography of the land in the subdivision is coastal lowcountry. The elevation of the subdivision ranges between 7 to 25 feet above sea level with an average elevation of 19 feet above sea level. The major physical characteristics of the land in the subdivision include primarily fine loamy sands with excellent permeability. There are over two miles of marsh frontage and 300 feet of deep water frontage along Hobcaw Creek, and three existing man-made lakes covering approximately 24.6 acres. The headwaters of Molasses Creek and tributaries of Hobcaw Creek originate within the subdivision and traverse the property. Approximately 9% of the land within the subdivision is planned to be maintained as natural open space and 10% is planned to be developed parkland.

We are not aware of any steep slopes, rock outcroppings, unstable or expansive soil conditions, or other conditions which would necessitate the use of special construction techniques to build on or use any lot listed in this Property Report.

WATER COVERAGE

There are no lots or portions of lots listed in this Property Report that are covered by water at any time.

DRAINAGE AND FILL

We are not aware of any lots listed in this Property Report which will require draining or fill prior to being used for the purpose for which they are sold. If any lots should require draining or fill prior to being used for home construction, we will be responsible for taking any corrective action that may be required.

FLOOD PLAIN

All or portions of Lots 9-15, 18-27, CV-3, CV-4, CM-9, 137 and 138 of Phase 1 are within a designated flood zone. In addition, Phase 2 of the subdivision adjoins a tidal marsh and Lots 82-89, 102-119, 130 and 131 of Phase 2 are in a designated flood zone. Flood insurance is available and will be required in connection with financing of improvements to these lots. The

estimated cost of flood insurance on these lots is $395 per year for a $250,000 home with $50,000 coverage for contents and a $500 deductible.

FLOODING AND SOIL EROSION

We have developed and are in the process of implementing a program which provides, or will provide, controls for soil erosion, sedimentation and storm water for the subdivision. The program includes seeding or silt fencing all exposed areas in accordance with the guidelines of the Department of Health and Environmental Control (DHEC) and the Office of Ocean and Coastal Resource Management (OCRM). The program has been reviewed and approved by all appropriate federal, state and Town of Mt. Pleasant regulatory agencies.

Implementation of the program began in August 1997 when initial soil disturbance permits were issued and is expected to be completed by January 2000. We are obligated to comply with the program. Satisfactory completion of environmental controls is a pre-requisite to approval of a final subdivision plat for each sub-phase of the subdivision.

Prior to recording a conditional plat for any sub-phase of development, we are required to provide financial assurances to the Town of Mt. Pleasant for completion of infrastructure to serve that sub-phase. Environmental controls are an essential component of the infrastructure covered by those financial assurances. At this time, we have obtained conditional plat approval for Phase 1A, consisting of 50 lots; for Phase 1B, consisting of 30 lots; and for Phase 1C, consisting of 31 lots. We have posted a letter of credit from Wachovia National Bank in an amount equal to one and one-half times our engineer's estimate of work to be complete within each of those sub-phases.

NUISANCES

There are no known land uses or nuisances which may adversely affect the subdivision.

HAZARDS

We are not aware of any unusual safety factors which affect the subdivision, nor are we aware of any proposed plans for construction which may create a nuisance or safety hazard or adversely affect the subdivision.

Due to its proximity to the Atlantic Ocean, the subdivision is subject to the effects of hurricanes. It has been formally identified by the Federal Emergency Management Agency as an area subject to the frequent occurrence of natural hazards, including earthquakes.

The Town of Mt. Pleasant has a rating system for fire hazard based on equipment, response time, and general effectiveness. The subdivision has a fire rating of 3 on a scale of 1 to 9 (1 being highest).

CLIMATE

The average temperature ranges for the area in which the subdivision is located are as follows:

	Summer (June-August)	Winter (November-March)
High	90.2°	57.8°
Mean	81.5°	47.8°
Low	72.7°	37.7°

The average annual rainfall is 51.53 inches and the average annual snowfall is approximately 0 inches.

OCCUPANCY

No homes in the subdivision are occupied on a full- or part-time basis as of the date of this Property Report.

ADDITIONAL INFORMATION

In this section, we will discuss the property owners association, your liability for real estate taxes and assessments levied against subdivision lots, matters pertaining to the resale of the lots, equal opportunity in lot sales and the listing of lots within the subdivision.

PROPERTY OWNERS ASSOCIATION

I'On Assembly, Inc., the property owners association for the subdivision ("Assembly"), was formed as a South Carolina nonprofit corporation on June 4, 1998 and has been operational since that date. The incorporator was Vincent G. Graham, 516 Mathis Ferry Road, Mt. Pleasant, South Carolina 29464.

The developer holds a Founder membership in the Assembly until all lots planned for the subdivision have been conveyed to purchasers other than builders or February 9, 2018, whichever is later. As the Founder member, we have the right to exercise control over the Assembly by appointing, removing and replacing a majority of the members of the Assembly's governing board ("Board of Trustees") until the earlier of (i) the date as of which 75% of the total acreage of the property planned for inclusion in the subdivision has been conveyed to persons other than builders, or (ii) February 9, 2018, unless we voluntarily choose to relinquish such right earlier.

Actions which require a vote of the membership generally require approval of a specified percentage of the property owners and the consent of the Founder. In addition, as long as the Founder membership exists, we have the specific right to disapprove any action, policy or program of the Assembly, the Board of Trustees or any committee which we believe would tend to impair our rights or the rights of builders under the Declaration or the Assembly's bylaws, or interfere with development or construction, or diminish the level of services being provided by the Assembly.

Membership in the Assembly is mandatory for every lot owner in the subdivision. If title to a lot is held in joint names, all owners of such lot share privileges and responsibilities of such membership.

Each lot owner is required to pay assessments to the Assembly. The annual General Assessment is currently $400 per lot. General Assessments cover the Assembly's annual operating costs. General Assessments may be adjusted each fiscal year by the Board of Trustees, subject to procedures set forth in the Declaration. The Board of Trustees may revise the budget and General Assessment from time to time and may retroactively budget and assess for any expenses incurred or shortfalls experienced by the Assembly. The Assembly may also levy Specific Area Assessments against the lots for costs of benefits or services which the Assembly might provide only within a specified area of the subdivision. The Assembly may also levy

assessments against the lot of an owner or resident who violates provisions of the Declaration or other governing documents.

The Assembly is responsible for management, operation and maintenance of the common properties; administering and enforcing the Declaration, the architectural standards known as the I'On Code, and the I'On Rules; making and amending the I'On Rules in accordance with the Declaration, and making or contracting for repairs, additions, and improvements to the common properties. It is also authorized, but not obligated, to contract for or provide services and facilities for the benefit of property owners and their lots, which might include such things as cable television service, security services, and landscape maintenance services, among other things.

In order to carry out these functions, the Assembly is authorized to adopt budgets and levy assessments against the property owners and their lots; open bank accounts, deposit funds received on behalf of the Assembly into such accounts, and use such funds to operate the Assembly; contract for insurance coverage for the Assembly; hire, compensate and fire personnel; purchase equipment, supplies and materials to be used by such personnel; and take specific enforcement action, including assessing monetary fines, suspending the right to vote and to use common properties; suspending services, exercising self-help, and bringing suit in court to enforce the governing documents. The Assembly has a duty to maintain books and records and to make them available to the members and their mortgagees.

Architectural control over the lots in the subdivision is exercised by the I'On Design Committee. We will appoint the members of the Design Committee as long as we own any property planned for inclusion in the subdivision. Thereafter, the Assembly's Board of Trustees will appoint the members of the Design Committee. The Assembly is authorized to enforce the architectural control provisions of the Declaration and the decisions of the I'On Design Committee.

There are no functions or services which we currently provide at no charge for which the Assembly may be required to assume responsibility in the future.

We believe the current level of assessments will be adequate, with appropriate adjustments for inflation and increases in the cost of living, for the Assembly to meet its present and planned financial obligations, including operating costs, maintenance and repair costs, and reserves for replacements. If the current level of assessments is not adequate to meet those obligations, it may be necessary for the Assembly to increase the assessments to be paid by property owners.

TAXES

You will be obligated to pay real property taxes on the lot after title to the lot is transferred to you. Real property taxes on the lot will be assessed by and paid to the Town of Mt.

Pleasant and Charleston County, South Carolina. For the 1998 tax year, real property taxes on property in the subdivision are assessed at a rate of $254.60 per $1,000 in assessed value of each residential lot and all structures located on the lot. The assessed value of a lot is currently 4% of the appraised value if the owner is a resident of Charleston County and 6% of the appraised value if the owner is not a resident of Charleston County.

There are currently no special taxes or tax assessments which affect the subdivision. The subdivision is not currently part of a special improvement district.

VIOLATIONS AND LITIGATION

OPPONENTS TO OUR REZONING OF THE PROPERTY COVERED BY THIS PROPERTY REPORT PETITIONED A REFERENDUM BY THE TOWN OF MT. PLEASANT, SOUTH CAROLINA TO RESCIND THE REZONING OF THE SUBDIVISION PROPERTY FOR RESIDENTIAL DEVELOPMENT. WE INSTITUTED A CIVIL ACTION IN THE CHARLESTON COUNTY COURT OF COMMON PLEAS. AFTER A RULING IN OUR FAVOR, THE TOWN OF MT. PLEASANT HAS WITHDRAWN FROM THE ACTION, BUT TWO CITIZENS JOINED IN THE LAWSUIT HAVE APPEALED THE TRIAL COURT'S ORDER. PRESENTLY, WE ARE PROCEEDING WITH DEVELOPMENT LAWFULLY AND PROPERLY UNDER THE EXISTING PD LAW.

RESALE OR EXCHANGE PROGRAM

Restrictions on the use of your lot have been discussed in the section of this Property Report entitled "Restrictions on the Use of Your Lot," above. Those restrictions which might hinder the lot owner in the resale of lots within the subdivision include the architectural approval and control provisions which limit or restrict the placement of signs within the subdivision.

Except in the case of certain exempt transfers, upon the transfer of title to a lot in the subdivision, the Declaration requires the transferring owner to pay a transfer fee to the I'On Trust, a South Carolina nonprofit corporation. Such transfer fee is in the amount of one tenth of one percent (.1%) of the total cost to the purchaser of the lot and any improvements on the lot, as such cost is indicated by the amount of tax imposed by Charleston County, South Carolina on th transfer of title. You are advised to review the provisions of Article X of the Declaration regarding the transfer fee carefully.

We have no program to assist you in the resale of your lot. We do not have any provision to allow you to exchange one lot for another.

EQUAL OPPORTUNITY IN LOT SALES

We are in compliance with Title VIII of the Civil Rights Act of 1968. We will not directly or indirectly discriminate against you on the basis of race, color, religion, sex, or national origin. Furthermore, we will not indicate a preference for or a rejection of any particular group in our advertising, in our rendering of services to lots, in requiring terms and conditions on lot sales and leases, or in any other manner.

LISTING OF LOTS

Below is a listing of the two hundred and forty-four (244) lots currently covered by this Property Report and intended for sale in the subdivision, as indicated on the referenced plats.

I'ON	
PLAT REFERENCE	LOTS NUMBERED
Phase 1 (76 lots)	
Phase 1A (21 lots)	11, 14, 15, 16, 18, 25, 27, 28, 37, 42, 44, 47-49, 61, 62, 64, 66-69
Phase 1B (26 lots)	137-145, 147-151, 154, 155, CM1, CM2, CM4, CM5, CM6, CM7, CM8, CM9, CV-1, CV-2
Phase 1C (29 lots)	50, 52-58, 70-81, 83-91
Phase 2 (135 lots)	1-135
Phase 3 (33 lots)	156-188

COST SHEET, SIGNATURE OF SENIOR EXECUTIVE OFFICER

In addition to the purchase price of your lot, there are other expenditures which must be made. Listed below are the major costs. There may be other fees for use of the recreational facilities. All costs are subject to change.

Sales Price

Cash Price of Lot .....$_____
Finance Charge .....$_____

Total .....$_____

Estimated One-Time Charges

1. Water connection fee .....$ 874.00
2. Sewer connection fee $1,340.00
3. Electric connection fee.....$_____
4. Telephone service installation charge.....$_____
5. Design review fees.....$_____
6. Other (identify) .....$_____

Total of estimated sales price and one-time charges.....$_____

Estimated Monthly/Annual charge
(exclusive of utility use fees)

1. Taxes -- Average unimproved lot after sale to purchaser .....$_____
2. Dues and assessments .....$ 400.00

The information contained in this Property Report is an accurate description of our subdivision and development plans.

The I'On Company, L.L.C., a South Carolina limited liability company

By: _____ (SEAL)
Vincent G. Graham
Its: Manager

on company LLC
subdivision ID
302647

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

We must give you a copy of this Property Report and give you an opportunity to read it before you sign any contract or agreement. By signing this receipt, you acknowledge that you have received a copy of our Property Report.

Received by: _____ Date: _____
Street Address: _____
City _____ State _____ Zip _____

If any representations are made to you which are contrary to those in the report, please notify:

Office of Interstate Land Sales Registration
HUD Building, 451 Seventh Street, S.W.
Washington, D.C. 20410

AGENT CERTIFICATION

I certify that I have made no representations to the person(s) receiving this Property Report which are contrary to the information contained in this Property Report.

Lot _____ Block _____ Section _____
Name of Salesperson: _____
Signature: _____ Date: _____

PURCHASER CANCELLATION

If you are entitled to cancel your purchase contract and wish to do so, you may cancel by personal notice or in writing. If you cancel in person or by telephone, it is recommended that you immediately confirm the cancellation by certified mail. You may use the form below:

Name of Subdivision: I'On
Date of Contract: _____

This will confirm that I/we wish to cancel our purchase contract.

Purchaser(s) signature: _____ Date: _____

POC
Jo Anne P. ~~Stubblefield~~ Stubblefield
Cont mod. 12/24/07

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

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Lot _____ Block _____ Section _____
Name of Salesperson: _____
Signature: _____ Date: _____

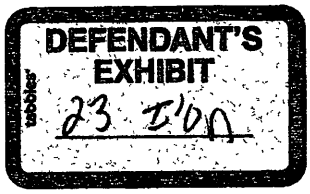
PURCHASER CANCELLATION

If you are entitled to cancel your purchase contract and wish to do so, you may cancel by personal notice or in writing. If you cancel in person or by telephone, it is recommended that you immediately confirm the cancellation by certified mail. You may use the form below:

Name of Subdivision: I'On
Date of Contract: _____

This will confirm that I/we wish to cancel our purchase contract.

Purchaser(s) signature: _____ Date: _____



READ THIS PROPERTY REPORT BEFORE SIGNING ANYTHING

This report is prepared and issued by the developer of this subdivision. It is NOT prepared or issued by the Federal Government.

Federal law requires that you receive this Report prior to your signing a contract or agreement to buy or lease a lot in this subdivision. However, NO FEDERAL AGENCY HAS JUDGED THE MERITS OR VALUE, IF ANY, OF THIS PROPERTY.

If you received this Report before you signed a contract or agreement, you may cancel your contract or agreement by giving notice to the seller any time before midnight of the seventh (7th) day following the signing of the contract or agreement.

If you did not receive this Report before you signed a contract or agreement, you may cancel the contract or agreement any time within two (2) years from the date of signing.

Name of Subdivision:	I'On
Names of Developer:	The I'On Company, L.L.C., a South Carolina limited liability company
Date of This Report:	April 10, 2000

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NOTE: In this Property Report, the words "you" and "your" refer to the buyer. The words "we," "us," and "our" refer to the developer.

RISKS OF BUYING LAND

The future value of any land is uncertain and dependent upon many factors. DO NOT expect all land to increase in value.

Any value which your lot may have will be affected if the roads, utilities and all proposed improvements are not completed.

Resale of your lot may be difficult or impossible, since you may face the competition of our own sales program, and local real estate brokers may not be interested in listing your lot.

Any subdivision will have an impact on the surrounding environment. Whether or not the impact is adverse and the degree of impact, will depend upon the location, size, planning, and extent of development. Subdivisions which adversely affect the environment may cause governmental agencies to impose restrictions on the use of the land. Changes in plant and animal life, air and water quality, and noise levels may affect your use and enjoyment of your lot and your ability to sell it.

In the purchase of real estate, many technical requirements must be met in order to assure that you receive proper title. Since this purchase involves a major expenditure of money, it is recommended that you seek professional advice before you obligate yourself.

- WARNINGS -

THROUGHOUT THIS PROPERTY REPORT THERE ARE SPECIFIC WARNINGS CONCERNING THE DEVELOPER, THE SUBDIVISION, OR INDIVIDUAL LOTS. BE SURE TO READ ALL WARNINGS CAREFULLY BEFORE SIGNING ANY CONTRACT OR AGREEMENT.

GENERAL INFORMATION

This report covers three hundred and two (302) lots in Charleston County, South Carolina. See page 33 for a listing of these lots. It is estimated that this subdivision will eventually contain approximately seven hundred and ninety-two (792) lots.

The developer of this subdivision is:

The I'On Company, L.L.C., a South Carolina limited liability company

159 Civitas Street

Mt. Pleasant, SC 29464

(843) 971-1662

Answers to questions and information about this subdivision may be obtained by telephoning the developer at the number listed above.

A CONDITIONAL PLAT OF THE LOTS IN PHASE 4 OF THE SUBDIVISION HAS NOT YET BEEN APPROVED OR RECORDED, BUT MUST BE APPROVED AND RECORDED PRIOR TO CONVEYANCE OF THOSE LOTS . UNTIL A CONDITIONAL PLAT IS RECORDED FOR SUCH LOTS, THE DESCRIPTION OF SUCH LOTS CONTAINED IN THIS PROPERTY REPORT IS NOT LEGALLY ADEQUATE FOR CONVEYANCE OF SUCH LOTS.

TITLE TO THE PROPERTY AND LAND USE

A person with legal title to property generally has the right to own, use, and enjoy the property. A contract to buy a lot may give you possession but does not give you legal title. You will not have legal title until you receive a valid deed. A restriction or an encumbrance on your lot, or on the subdivision, could adversely affect your title.

Here we will discuss the sales contract you will sign and the deed you will receive. We will also provide you with information about any land use restrictions and encumbrances, mortgages, or liens affecting your lot and some important facts about payments, recording, and title insurance.

METHOD OF SALE

Sales Contract and Delivery of Deed

If you decide to purchase a lot, you will sign a sales contract obligating you to pay for the lot entirely in cash (with or without obtaining your own financing) at the closing of the purchase and sale of the lot.

We will deliver a general warranty deed to the property to you within 180 days of execution of a sales contract. You will receive a general warranty deed at the closing of the purchase and sale of the lot.

Type of Deed

The transfer of title to all lots will be by a general warranty deed.

ENCUMBRANCES, MORTGAGES, AND LIENS

All lots described in the listing of lots on page 33 of this Property Report as "Assembly Lots" will be conveyed subject to the following blanket encumbrance.

(1) Declaration of Covenants, Conditions and Restrictions for I'On, recorded in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Book C-297, at Page 282.

All lots described in the listing of lots on page 33 of this Property Report as "Commercial Lots" will be conveyed subject to the following blanket encumbrance:

(2) Declaration of Covenants, Conditions and Restrictions for I'On Square, to be recorded in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina.

The lots in Phase 1 of the subdivision, as described in the listing of lots on page 33 of this Property Report, are also subject to the following blanket encumbrance:

(3) Mortgage from The I'On Company, L.L.C. to Wachovia Mortgage Company, dated August 12, 1997, in the original principal amount of $4,560,000.00, recorded August 12, 1997, in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Mortgage Book J-288 at Pages 611-618, as amended by that instrument recorded January 16, 1998 in Mortgage Book Z-295 at Page 363.

The lots in Phase 3 of the subdivision, as described on page 33 of this Property Report, are subject to the following blanket encumbrance:

(4) Mortgage from The I'On Company, L.L.C. to Wachovia Mortgage Company dated August 3, 1998, in the original principal amount of Nine Hundred and Forty Thousand Dollars ($940,000.00), recorded in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Mortgage Book N308, at Page 293.

The lots in Phase 2 of the subdivision, as described on page 33 of this Property Report, are subject to the following blanket encumbrance:

(5) Mortgage from The I'On Company, L.L.C. to Wachovia Mortgage Company dated March 22, 1999, in the original principal amount of Four Million Five Hundred Eighty Thousand Dollars ($4,580,000.00), recorded in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Mortgage Book F323, at Page 212.

The lots in Phase 4 of the subdivision, as described on page 33 of this Property Report, are subject to the following blanket encumbrance:

(6) Mortgage from The I'On Company, L.L.C. to Wachovia Bank, N.A. dated October 5, 1999, in the original principal amount of Two Million Dollars ($2,000,000.00), recorded in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Mortgage Book 335, at Page 366.

Release Provisions

The Mortgage described in item (3) above contains a provision requiring the lender to release its lien on any lot which is subject to the Mortgage upon receipt of payment of the greater of 61% of the gross sales price of the lot or the release price as stated in a separate I'On Development Loan Release Schedule agreed upon between us and the lender.

The Mortgage described in item (4) above contains a provision requiring the lender to release its lien on any lot which is subject to the Mortgage upon receipt of payment in the amount of Thirty-One Thousand One Hundred and Thirty-Four Dollars ($31,134.00) per lot to be released.

The Mortgage described in item (5) above contains a provision requiring the lender to release its lien on any lot which is subject to the Mortgage upon satisfaction of certain nonmonetary conditions relating to platting, zoning, and easements for development and the lender's receipt of payment in an amount equal to the greater of 76% percent of the net sales proceeds from the sale of the lot or the minimum release price for the lot set forth in Schedule A to such Mortgage.

The Construction Loan Agreement executed in connection with the Mortgage described in item (6) above, the terms of which are incorporated by reference in the Mortgage, contains a provision requiring the lender to release its lien on any lot which is subject to the Mortgage upon the lender's receipt of a release payment in the amount set forth on the release schedule attached to the Mortgage, provided the lender is reimbursed for any costs which it incurs in connection with the release.

The contract for the sale of each lot obligates us to request and obtain a release of such lot from the applicable Mortgages prior to or simultaneous with closing and transfer of title to such lot. Under the terms of each Mortgage, the lender's obligation to release its lien on a lot is conditioned upon there being no default under the terms of the Mortgage or the promissory note and security agreement referenced in the Mortgage at the time such release is requested. Prior to paying the purchase price for your lot at closing, you should confirm that all releases have been obtained.

RECORDING THE CONTRACT AND DEED

Method or Purpose of Recording

Under South Carolina law, recording a sales contract places third parties on notice that the subject property is under contract for sale and may protect you from claims of subsequent purchasers or creditors claiming an interest in the lot. However, South Carolina law does not require that sales contracts be recorded and it is not common practice to do so. The sales contract is not in proper form for recording and will not be recorded. By not recording sales contracts, we avoid creating a defect in title to the lot in the event that the sales contract is terminated and the transaction is not completed for any reason.

UNLESS YOUR CONTRACT OR DEED IS RECORDED, YOU MAY LOSE YOUR LOT THROUGH THE CLAIMS OF SUBSEQUENT PURCHASERS OR SUBSEQUENT CREDITORS OF ANYONE HAVING AN INTEREST IN THE LAND.

The deed to your lot will be recorded. In accordance with the South Carolina Code of Laws (1976), we will deliver the deed for your lot to the Office of the Register of Mesne Conveyances for Charleston County, South Carolina, for recording immediately following the closing. Under South Carolina law, recording a deed protects you from subsequent claims by third parties whose interest arises after the date of recording of the deed.

Title Insurance

You should obtain an attorney's opinion of title or title insurance policy which describes the rights of ownership you are acquiring in the lot you purchase. We recommend that an appropriate professional interpret the policy for you.

PAYMENTS

Escrow

Your earnest money deposit will be placed in an escrow account administered by I'On Realty, L.L.C., a South Carolina limited liability company, whose address is 159 Civitas Street, Mt. Pleasant, South Carolina 29464. I'On Realty, L.L.C. is a real estate broker licensed by the State of South Carolina and, as such, is required to comply with state laws and regulations regarding administration of escrow and trust accounts by real estate brokers.

I'On Realty, L.L.C. is a wholly owned subsidiary of The I'On Company, L.L.C. I'On Realty, L.L.C., as a real estate broker entitled to a commission from the sale of a lot, also has an interest in the transaction itself and thus, is not considered independent. You may lose your deposit on your lot if we fail to deliver legal title to you as called for in the contract, because it is not held in an escrow account which fully protects you.

Prepayment

If the purchase of your lot is financed by an independent financial institution, you will need to review the financing documents to determine whether there is any penalty for prepayment of the financing.

Default

The contract for sale specifies the rights and remedies which we may seek in the event you fail to make any payment or perform any obligation required by the contract prior to closing. If you default, we will give you written notice of the default and allow you at least 10 days from your receipt of that notice in which to correct the default. If you default in your obligations under the sales contract prior to closing, we may treat the contract as canceled and retain all monies you have paid as liquidated damages.

If you default in the performance of your obligations under the sales contract after the date of closing, we may elect to pursue any and all remedies available to us at law or in equity.

RESTRICTIONS ON THE USE OF YOUR LOT

Restrictive Covenants

Restrictive covenants have been recorded or will be recorded in the Office of the Register of Mesne Conveyances for Charleston County, South Carolina against each lot covered by this Property Report prior to its conveyance. Those lots identified in the listing of lots on page 33 as Assembly Lots will be subject to the restrictive covenants contained in the deed of conveyance and in the Declaration of Covenants, Conditions and Restrictions for I'On ("Assembly Declaration"). I'On Assembly, Inc. ("Assembly"), a mandatory membership property owners association, is charged with administering and enforcing the Assembly Declaration. Each purchaser of an Assembly Lot automatically becomes a member of the Assembly upon taking title to the lot and will remain a member as long as the purchaser owns the lot.

The restrictive covenants contained in the Assembly Declaration are described in the following paragraphs. The discussion only highlights the restrictions contained in the Assembly Declaration and should not be a substitute for your careful study of the document.

The Assembly Lots are subject to architectural controls and design standards. The Assembly Declaration requires, among other things, that a purchaser of a lot secure approval of the I'On Design Committee prior to improving a lot or making any additions or modifications to the exterior of existing improvements. The I'On Design Committee may establish and charge reasonable fees to defray costs of administering applications for approval.

All proposed work on an Assembly Lot must comply with the I'On Code, the document which sets forth the design standards for property in the subdivision, unless the I'On Design Committee has granted a variance in writing. Compliance with the I'On Code is a covenant undertaken by each purchaser of a lot subject to the Assembly Declaration.

In reviewing plans and specifications for proposed work, the I'On Design Committee is guided by the I'On Code, but the I'On Code is not the exclusive basis for its decisions and compliance with the I'On Code does not guarantee approval. The I'On Design Committee may consider any other factors it deems relevant and its decisions may be based on purely aesthetic considerations.

If construction has not commenced on proposed work within six months after the date of approval of any application for such work, the approval is deemed withdrawn. Unless otherwise approved by the I'On Design Committee, all elements of any improvements for which plans are approved must be completed within one year after the date of approval or such shorter period as may be specified in the sales contract for the purchase of the lot.

The Assembly Lots will be conveyed subject to a restriction that they shall not be used for any type of vacation timesharing plan, as defined by Section 27-32-10, *et seq.*, South Carolina Code (1976), without our prior written approval.

The Assembly Lots are also subject to certain use restrictions referred to in the Assembly Declaration as the I'On Rules. The initial I'On Rules are set out in Exhibit D to the Assembly Declaration and include restrictions on parking commercial and residential vehicles, boats and trailers; pets; television antennas, satellite dishes, radio receivers, and similar devices; trash and refuse containers; and signs. Additional restrictions may be established by the Board of Trustees of I'On Assembly, Inc., pursuant to its authority granted in the Assembly Declaration to make and amend reasonable rules and regulations governing use of property, activities and conduct in the subdivision. Such additions and changes to the I'On Rules need not be recorded.

A complete copy of these restrictions is available upon request.

The lots identified in the listing of lots on page 33 as Commercial Lots will be conveyed subject to the Declaration of Covenants, Conditions and Restrictions for I'On Square ("Commercial Declaration"). I'On Square Association, Inc.. ("Association"), a mandatory membership property owners association, is charged with administering and enforcing the Commercial Declaration. Each purchaser of a Commercial Lot automatically becomes a member of the Association upon taking title to the lot and will remain a member as long as the purchaser owns the lot.

The restrictive covenants contained in the Commercial Declaration are described in the following paragraphs. The discussion only highlights the restrictions and should not be a substitute for careful study of the Commercial Declaration, if applicable to the lot you are purchasing.

The Commercial Declaration contains architectural controls and design standards applicable to the Commercial Lots. Among other things, it requires that a purchaser of a lot secure approval prior to improving a lot or making any additions or modifications to the exterior of existing improvements. It authorizes the reviewer to establish and charge reasonable fees to defray costs of administering applications for approval.

All proposed work on a Commercial Lot must comply with architectural guidelines adopted pursuant to the Commercial Declaration, unless the reviewer has granted a variance in writing. Compliance with these standards is a covenant undertaken by each purchaser of a commercial lot. In reviewing plans and specifications for proposed work, the reviewer is guided by the architectural standards, but they are not the exclusive basis for its decisions and compliance with those standards does not guarantee approval. The reviewer may consider any other factors it deems relevant and its decisions may be based on purely aesthetic considerations.

If construction on a Commercial Lot has not commenced on proposed work within one year after the date of approval of any application for such work, the approval is deemed withdrawn. Unless otherwise approved by the reviewer, all elements of any improvements for which plans are approved must be completed within one year after the date of approval or such shorter period as may be specified in the sales contract for the purchase of the lot.

The Commercial Lots will be conveyed subject to a restriction that they shall not be used for any type of vacation timesharing plan, as defined by Section 27-32-10, *et seq.*, South Carolina Code (1976), without our prior written approval.

The Commercial Lots are also subject to certain use restrictions referred to in the Commercial Declaration as the Restrictions and Rules. The initial Restrictions and Rules are set out in Exhibit C to the Commercial Declaration and include restrictions and limitations on residential use, office use and other specific types of uses, as well as restrictions on activities such as parking, outdoor storage of goods, materials, or equipment, and conditions such as antennaes and similar devices; trash and refuse containers; and signs, among other things. The Restrictions and Rules restrict use of the street level of each Commercial Lot to use for operation of a restaurant, retail or neighborhood business whose goods or services are primarily marketed to the general public (i.e., retail consumers as opposed to other businesses, nonprofit organizations, or government agencies. The Board of Directors or members of the Association may establish additional rules and restrictions pursuant to the authority granted in the Commercial Declaration to make and amend reasonable rules and regulations governing use of property, activities and conduct. Such additions and changes to the Restrictions and Rules need not be recorded.

A complete copy of these restrictions is available upon request. As of the effective date of this Statement of Record, the Commercial Declaration has not been recorded, although we intend to record it against each Commercial Lot prior to conveying the Commercial Lot. Unless and until it is recorded against each Commercial Lot, there is no assurance that it will be applied uniformly and it may be difficult to enforce. The Commercial Declaration subject to change by us prior to recording and thereafter in accordance with the amendment provisions set forth in the Commercial Declaration.

Easements

There are easements which may affect your plans for building or using your lot. There are drainage, access and utility easements which affect the lots covered by the Property Report as shown or to be shown on the recorded plats. There are also easements applicable to the Assembly Lots that are described in the Declaration and easements applicable to the Commercial Lots that are described in the Commercial Declaration .

Article V of the Declaration and Article VII of the Commercial Declaration set forth certain easements for access by public safety officers and other public servants in the performance of their duties and easements for encroachments, maintenance, and utilities. The Declaration also provides for the creation of additional easements for conservation, wetlands buffering, landscaping and similar purposes, by other recorded instruments. You are advised to read Article V of the Declaration and Article VII of the Commercial Declaration carefully for an understanding of the nature and scope of these easements.

The lots covered by this Property Report are not subject to any type of flood control or flowage easements.

PLATS, ZONING, SURVEYING, PERMITS AND ENVIRONMENT

Plats

A final plat covering the lots in Phase 1A of the subdivision, as described on page 33 of this Property Report, has been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyances of Charleston County, South Carolina in Plat Book EC at Page 631. The descriptions of the lots on such plat are legally adequate for the conveyance of the lots.

Final plats covering the lots in Phase 1B of the subdivision, as described on page 33 of this Property Report, have been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyancse of Charleston County, South Carolina in Plat Book EC at Pages 976-977 and in Plat Book ED at Page 228 . The descriptions of the lots on such plats are legally adequate for the conveyance of the lots.

Final plats covering the lots in Phase 1C of the subdivision, as described on page 33 of this Property Report, have been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyances of Charleston County, South Carolina in Plat Book ED at Page 225 and in Plat Book ED at Page 227 . The descriptions of the lots on such plats are legally adequate for the conveyance of the lots.

A final plat covering the lots in Phase 3 of the subdivision, as described on page 33 of this Property Report, has been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyances of Charleston County, South Carolina in Plat Book ED at Page 328. The descriptions of the lots on such plat are legally adequate for the conveyance of the lots.

A conditional plat covering the lots in Phase 2, Subphases A-E of the subdivision (exclusive of the areas in Subphase 2B labeled "Future Development"), as described on page 33 of this Property Report, has been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyances of Charleston County, South Carolina in Plat Book ED at Pages 108-109. The descriptions of the lots on such plat are legally adequate for the conveyance of the lots.

A conditional plat covering the lots in Phase 2, Subphase IIB (Future Development Parcels) and Subphase F, as described on page 33 of this Property Report, has been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyances of Charleston County, South Carolina in Plat Book ED at Page 670. The descriptions of the lots on such plat are legally adequate for the conveyance of the lots.

A conditional plats of the lots in Phase 4 of the subdivision has not yet been approved or recorded, but must be approved and recorded prior to conveyance of those lots. Until either a conditional or final plat is recorded for particular lots, the description of the lot contained in this Property Report is not legally adequate for conveyance of such lot.

Zoning

All lots described on page 33 of this Property Report are designated for single-family residential use except those lots identified by the designation "CM" or "CV" before the lot number, which are designated for commercial or civic purposes, respectively. These uses conform to local zoning requirements and the restrictive covenants pertaining to the subdivision.

Surveying

Each lot has been or will be surveyed at our expense and identified on a recorded plat prior to conveyance. Pins will be set on the corners of each lot to physically mark the lot boundaries.

Permits

Before beginning construction on a lot, the purchaser must obtain approval of the plans for the proposed improvements, as discussed under the caption "Restrictive Covenants" above. In addition, the purchaser must obtain a building permit from the Town of Mt. Pleasant, South Carolina before commencing construction. Upon completion of construction, the purchaser must obtain a certificate of occupancy from the Town of Mt. Pleasant before the dwelling or other structure may be occupied. No other governmental permits will be necessary in order to use the lot for such purposes as are permitted by applicable zoning and recorded covenants and restrictions.

Environment

No independent environmental impact study has been required or conducted for the subdivision. Thus, no determination has been made as to all of the possible adverse effects the subdivision may have upon the environment and surrounding area.

In connection with our subdivision approval by the Town of Mt. Pleasant, we prepared an impact assessment which addresses the impact of the subdivision in a number of specific areas, including its impact on the environment. The assessment describes the following plans to mitigate any detrimental effect on the environment.

The subdivision has 2,488 linear feet of frontage along a section of Mathis Ferry Road designated as a South Carolina Scenic Highway in June 1988. In order to maintain and enhance the screening effect of the existing live oak canopy along this highway, we plan to provide a 25 foot wide natural buffer along the entire frontage, work with the South Carolina Department of Transportation and the Town of Mt. Pleasant to replant live oaks where trees have died or been removed, and utilize understated brick columns and minimal signage to designate entryways to the subdivision.

The subdivision currently drains overland to three lakes on the property, a large wetland at the headwaters of Molasses Creek, and the adjacent salt marshes. We plan to make extensive use of the three lakes and the existing freshwater wetlands to limit storm water runoff to pre-

development rates and contain non-point runoff from entering the salt marsh. An extensive park system planned along the highlands above the marshes and waters of Hobcaw Creek, together with other management practices, will serve a dual purpose of providing storm water control and serving as an amenity for residents.

The subdivision has over 2 miles of marsh and deep water frontage along Hobcaw Creek and 1.46 miles of frontage along the lakes mentioned above. The U. S. Army Corps of Engineers has delineated and approved the critical line along the marshes and waters of Hobcaw Creek and the freshwater wetlands within the subdivision. Rather than subdividing this premium frontage into lots, over 75% of the marsh, water frontage and lake frontage is planned as parks. One of the three lakes will be preserved as a wildlife sanctuary.

ROADS

Here we discuss the roads which lead to the subdivision, the roads within the subdivision, and the location of nearby communities.

ACCESS TO THE SUBDIVISION

Access to the subdivision is provided on a year-round basis by a public road designated as Mathis Ferry Road. Mathis Ferry Road is a two-lane, asphalt surface road. The width of the wearing surface is 24 feet.

The South Carolina Department of Transportation is responsible for improving and maintaining Mathis Ferry Road. You will not be responsible for any costs associated with maintaining this road (except to the extent that the taxes you pay are used to fund road maintenance and improvements). No improvements to the road are contemplated at the present time.

ACCESS WITHIN THE SUBDIVISION

Legal and physical access by conventional automobile to the lots within the subdivision is, or will be, provided on a year-round basis by public, two-lane roads with a wearing surface ranging from 17 to 30 feet, as shown in The I'On Code (a part of the zoning ordinance approving the development plan for the subdivision) and on the recorded plats of the subdivision. The surface of the roads will be predominantly asphalt, although there may be narrow strips of cobblestone, brick or granite pavers used for special purposes or effects at various points. In addition, many of the lots will be served by alleys or "service lanes" permitting vehicular access to the rear of the lot. Such service lanes have or will have a wearing surface which is approximately 9 feet in width and comprised of asphalt, a pervious paving material such as crusher run, or a combination thereof.

We are responsible for constructing the roads within the subdivision and will dedicate each road or portion thereof shown on a recorded final plat to the Town of Mt. Pleasant upon recording of the final plat. We will retain maintenance responsibility for the roads for approximately two years after completion of the roads, except that the I'On Assembly, Inc. or the I'On Square Association, Inc. will be responsible for maintenance of any cobblestone, granite or brick pavers within the public roads. The I'On Assembly, Inc. will also be responsible for maintaining the service lanes providing access to the rear of Assembly Lots within the subdivision. The I'On Square Association, Inc. will be responsible for maintaining the service lanes, if any, providing access to the rear of the Commercial Lots.

You will not be responsible for any costs associated with construction or maintenance of the public roads, except to the extent that the property taxes you pay to the Town of Mt. Pleasant are used to fund road maintenance and improvements and except to the extent that the

assessments you pay to the I'On Assembly, Inc. or the I'On Square Association, Inc., are used to maintain the cobblestone, granite or brick pavers within the public roads. You will not be responsible for any costs associated with construction of the service lanes, but will pay assessments to the I'On Assembly, Inc. or the I'On Square Association, Inc. for your pro rata share of the costs of maintaining the service lanes.

The roads in Phases 1, 2 and 3 of the subdivision are complete. Prior to the conveyance of a lot inPhase 4, we will be required to post a bond with the Town of Mt. Pleasant to provide financial assurances for completion of any incomplete roads within such phase.

The estimated completion dates for the construction of roads within the subdivision are as follows:

Phase	Estimated Starting Date	% of Construction Now Complete	Estimated Completion Date	Present Surface	Final Surface
1	8/1997	100%	N/A	Asphalt	Asphalt
2	3/1999	100%	N/A	Asphalt	Asphalt
3	10/1998	100%	N/A	Asphalt	Asphalt
4	12/1999	10%	8/2000	Dirt	Asphalt

The table below identifies the distance (in miles) from the subdivision to nearby communities.

Community Name	Population	Distance over Paved Roads	Distance Over Unpaved Roads	Total Miles
Charleston (County Seat)	76,854	5 miles	0 miles	5 miles
Sullivan's Island	1,339	5 miles	0 miles	5 miles
Mt. Pleasant	38,056	0 miles	0 miles	0 miles

UTILITIES

Here we will discuss the availability and costs of basic utilities. The areas covered will be water, central sewer, septic tank system, electricity, telephone, and fuel or other energy sources.

WATER

Water is or will be supplied to the lots within the subdivision by a central water distribution system which is presently owned and operated by Mount Pleasant Waterworks, P.O. Box 330, 1619 Rifle Range Road, Mt. Pleasant, South Carolina 29464.

Water mains are or will be extended in front of or adjacent to each lot.

The following chart indicates the current status of the construction of the central water distribution system for each existing phase of the subdivision:

WATER

Phase	Estimated Starting Date (Month & Year)	Percentage of Construction Now Complete	Estimated Service Availability Date (Month & Year)
1	8/1997	100%	Now Available
2	7/1999	100%	Now Available
3	10/1998	100%	Now Available
4	6/2000	0%	8/2000

Mt. Pleasant Waterworks, which is a division of the Town of Mt. Pleasant government (or whose operations are regulated by the Town of Mt. Pleasant), has indicated that the central water supply system has a present capacity of 3.2 million gallons per day, 300 gallons per connection and that this is sufficient to serve the anticipated population of the subdivision.

THERE HAVE BEEN NO HYDROLOGICAL SURVEYS CONDUCTED TO CONFIRM THAT A SUFFICIENT WATER SUPPLY IS AVAILABLE TO SERVE THE SUBDIVISION.

Mt. Pleasant Waterworks has represented that the water available for the subdivision is tested for purity and content on a regular basis and meets all standards for a public water supply.

The timetable for extension of the central water system is based upon our plans and projections for an orderly expansion of the subdivision over a 7 to 8 year period and the seasons during which construction is feasible.

We are responsible for the construction of the water mains and distribution system to serve the subdivision and all costs associated with such construction. Construction of the water mains and distribution system to serve the lots within Phases 1, 2 and 3 of the subdivision is complete. Prior to the conveyance of a lot in Phase 4 or any subsequent phase of the subdivision, we will be required to post a bond with the Town of Mt. Pleasant to provide financial assurances for completion of the water mains and distribution system to serve lots in such phase, if not then completed.

All permits have been obtained from the proper agencies for the construction, use, and operation of the water mains and distribution system to serve the lots covered in this Property Report.

In addition to user fees, each purchaser will be responsible for paying a one-time connection fee to connect the building on the lot to the central water system. Currently the cost to the purchaser per connection is $874. You must pay this connection fee prior to obtaining a building permit. This amount is subject to change by the owner of the water system.

You will also be responsible for the construction of service lines to any improvements you build on your lot, plus the cost of water meters, cut-off valves, or other equipment which may be related to your water connection. The amount of these additional charges will vary depending upon the location of your lot and the location of the improvements on your lot.

There is no charge to you for construction costs, availability fees, special assessments, or deposits for the central water system.

Individual water systems, such as a private well, are not permitted on any lot. Connection to the central system is mandatory for all lots in the subdivision.

SEWER

The subdivision will be served by a central sewer system. We are responsible for constructing the sewer mains, lift station and force main to permit the lots in the subdivision to connect to the central treatment plant. Sewer mains will be installed in front of, or adjacent to, each of the lots in the subdivision.

Construction of the sewer system improvements within the subdivision has begun and is completed to the lots in Phases 1, 2 and 3, which is approximately 83% of the lots covered in this Property Report. Installation of a force main and pump station to allow for expansion of the sewer system to other phases of the subdivision is complete. We estimate that service will be completed to all lots in the subdivision in stages over the next seven to eight years. The

following chart indicates the estimated timetable for construction and service availability for each existing phase of the subdivision:

SEWER

Phase	Estimated Starting Date (Month/Year)	% of Construction Now Complete	Estimated Service Availability Date (Month/Year)
1	8/1997	100%	Now Available
2	6/1999	100%	Now Available
3	10/1998	100%	Now Available
4	2/2000	70%	7/2000

The central sewer system will be owned and operated by Mount Pleasant Waterworks, P.O. Box 330, 1619 Rifle Range Road, Mt. Pleasant, South Carolina 29464, (843) 884-9626. Mt. Pleasant Waterworks is a division of (or regulated and supervised by) the Town of Mt. Pleasant, South Carolina.

We have obtained the necessary permits for the construction of the central sewer system to serve the subdivision.

THE CENTRAL SEWER SYSTEM IS STILL UNDER CONSTRUCTION AND NOT PRESENTLY ABLE TO SERVE ALL LOTS BECAUSE SEWER MAINS HAVE NOT YET BEEN EXTENDED TO ALL LOTS. THE SEWER SYSTEM IS PRESENTLY COMPLETED TO SERVE APPROXIMATELY 307 LOTS.

Mt. Pleasant Waterworks has indicated that the sewage treatment facility is complete and has sufficient capacity to service all of the lots within the subdivision.

In addition to user fees, purchasers will be required to pay a one time connection fee to connect the structure on their lot to the central sewer system. The connection fee currently is $1,340. You must pay this connection fee prior to obtaining a building permit. This amount is subject to change by the owner of the central sewer system.

There is no charge to you for construction costs, availability fees, special assessments, or deposits for the central sewer system.

Individual sewage treatment systems, such as septic tanks, are not permitted on any lot. Connection to the central system is mandatory for all lots in the subdivision.

We are responsible for the construction of the sewer system improvements to serve the subdivision and all costs associated with such construction.Construction of such improvements is complete to serve the lots in Phases 1, 2 and 3 of the subdivision. Prior to the conveyance of a lot in Phase 4 or any subsequent phase of the subdivision, we will be required to post a bond with the Town of Mt. Pleasant to provide financial assurances for completion of any incomplete sewer system improvements to serve lots in such phase.

ELECTRICITY

Electricity is or will be provided by South Carolina Electric and Gas, a publicly regulated utility operating under the rules of the Public Service Commission of South Carolina. The primary electrical service lines will be extended in front of or adjacent to each lot.

Electrical service lines have not yet been extended to all lots in the subdivision. South Carolina Electric and Gas is responsible for installation of electrical service lines. Installation has begun and is expected to be completed in stages over the next 8 years.

The following chart sets forth the estimated starting dates and estimated service availability dates for each existing phase of the subdivision.

ELECTRIC SERVICE

Phase	Estimated Starting Date (Month & Year)	% of Construction Now Complete	Estimated Service Availability Date (Month & Year)
1	8/1997	100%	Now Available
2	1/1999	60%	7/2000
3	10/1998	100%	Now Available
4	6/2000	0%	7/2000

You will not be responsible for any construction costs associated with extending the primary electrical service lines to the service point in front of or adjacent to your lot. You will be responsible for installing electrical lines within your lot boundaries and structures on your lot. At present, South Carolina Electric and Gas does not charge for such installation, but it may impose charges for installation in the future.

TELEPHONE

Telephone service will be available from BellSouth to serve each lot in the subdivision. Telephone service lines have been or will be extended in front of or adjacent to each lot.

Telephone service lines have not yet been extended to all lots in the subdivision. BellSouth is responsible for installation of telephone service lines. Installation has begun and is expected to be completed in stages over the next 5 years. The following chart sets forth the estimated starting dates and estimated service availability dates for each existing phase of the subdivision.

TELEPHONE

Phase	Estimated Starting Date (Month & Year)	% of Construction Now Complete	Estimated Service Availability Date (Month & Year)
1	8/97	100%	Now Available
2	10/98	40%	5/2000
3	10/98	100%	Now Available
4	7/99	0%	9/2000

You will not be responsible for any construction costs associated with extending the telephone service lines to the service point in front of or adjacent to your lot. You will be responsible for the cost of installing service lines within your lot boundaries and structures on your lot. At present, BellSouth does not charge for such installation, but it may impose charges for such installation in the future.

FUEL OR OTHER ENERGY SOURCE

Natural gas service is not available to serve the subdivision at this time and we are not aware of any plans to extend natural gas service to the subdivision.

FINANCIAL INFORMATION

A copy of our audited financial statement for the period ending December 31, 1998, along with an interim unaudited statement as of November 30, 1999, is available from us upon request.

LOCAL SERVICES

In this topic, we will discuss the availability of fire and police protection and the location of schools, medical care, shopping facilities, mail services and public transportation.

FIRE PROTECTION

Mt. Pleasant Fire Department provides fire protection services to the subdivision on a year round basis from a station located approximately 0.5 mile from the subdivision. Fire hydrants will be installed throughout the subdivision so that there is a fire hydrant within 300 feet of the front corner of each lot.

Statewide standards for water pressure (measured in gallons per minute) call for a minimum of 500 gpm. However, as part of an effort to preserve Mount Pleasant's high ISO rating, the Mount Pleasant Fire Department has imposed a minimum requirement for properties in Mount Pleasant of 1000 gpm. For structures with over 3000 square feet of floor area, the minimum required water pressure is determined by a formula. If the closest fire hydrant cannot reach those flow minimums for the structures on your lot, you must install a sprinkler system. We anticipate that most structures with more than 3000 square feet of floor area built on lots in Phase 2 in the area from around East Shipyard Road north to Hobcaw Creek will need sprinkler systems.

POLICE PROTECTION

Mt. Pleasant Police Department provides police protection services to the subdivision. The Police Department is located 0.5 mile from the subdivision.

SCHOOLS

James B. Edwards Elementary School, a public elementary school, is located 1.5 miles from the subdivision. Moultrie Middle School, a public intermediate school, is 2.3 miles from the subdivision. Wando High School, a public high school, is located 2 miles from the subdivision. School bus transportation will be available from within the subdivision to each of these schools.

HOSPITAL

The nearest available hospital is East Cooper Regional Hospital, located at 1200 Johnnie Dodds Boulevard, Mt. Pleasant, South Carolina 29464, approximately 1.2 miles from the subdivision.

Ambulance service is available through Charleston County Emergency Medical Service.

PHYSICIANS AND DENTISTS

The nearest physician's office is located at 900 Bowman Road, Mt. Pleasant, South Carolina, one mile from the subdivision, and the nearest dentist's office is located at 815 Lowcountry Boulevard, Mt. Pleasant, South Carolina, 0.1 mile from the subdivision.

SHOPPING FACILITIES

Shopping facilities are available in Mt. Pleasant, 0.6 mile from the subdivision.

MAIL SERVICE

The United States Postal Service provides mail service to the subdivision. Mail delivery may be provided to a central location or locations within the subdivision, rather than to individual lots.

PUBLIC TRANSPORTATION

There is no public ground transportation within the subdivision and no public ground transportation to nearby towns. The closest bus stop is located on Houston Northcutt Boulevard, approximately 3/4 of a mile from the main entrance to the subdivision.

RECREATIONAL FACILITIES

Facility	% of Construction Now Complete	Estimated Date of Start of Construction (Month/Year)	Estimated Date Available for Use (Month/Year)	Financial Assurance of Completion	Buyer's Annual Cost or Assessments
PHASE 1					
Eastlake Park and lake	100%	9/1997	Now Available	None	Part of annual assessment
Eastlake Boathouse	100%	4/1998	Now Available	None	Part of annual assessment
Canals	100%	11/1997	Now Available	None	Part of annual assessment
Sidewalks, paths and trails	95%	4/1998	4/2000	None	Part of annual assessment
Parks and Open Space	95%	4/1998	4/2000	None	Part of annual assessment
PHASE 2					
Marshwalk (park)	50%	2/2000	6/2000	None	Part of annual assessment
Community Docks	50%	1/2000	9/2000	None	Part of annual assessment
Sidewalks, paths and trails	100%	8/1999	Now Available	None	Part of annual assessment
Parks and Open Space	70%	2/2000	/7/2000	None	Part of annual assessment

PHASE 3					
Sidewalks	100%	2/2000	Now available	None	Part of property taxes paid to Town of Mt. Pleasant

Constructing the Facilities

We are responsible for construction of all of the recreational facilities described in the chart above. You will not be required to pay any costs of constructing these facilities.

Maintaining the Facilities

I'On Assembly, Inc. will be responsible for operation and maintenance of the recreational facilities described in the chart above, except as follows. Sidewalks will be maintained by the Town of Mt. Pleasant. The community dock will be owned, operated and maintained by I'On Club, L.L.C., subject to an easement for use and access by members of I'On Assembly, Inc. as set forth in a recorded easement agreement between I'On Assembly, Inc. and I'On Club, L.L.C. Such easement agreement obligates the Assembly to pay a share of the costs of maintaining and operating the community dock, as well as any adjacent boat ramp and parking area made available for use by members of I'On Assembly, Inc.

The annual cost to the owners of Assembly Lots to maintain, operate and insure the recreational facilities is or will be incorporated in the annual assessment which each such owner pays to I'On Assembly, Inc. Current owners association annual assessments are $400 per lot per year, but are subject to change as provided in the Declaration. Owners of Commercial Lots will have no right to use the recreational facilities owned by I'On Assembly, Inc. or I'On Club, L.L.C., and thus, will not be subject to assessment by I'On Assembly, Inc. for the costs associated with those recreational facilities.

Transfer of the Facilities

The recreational facilities listed in the chart above, other than the sidewalks and community dock, shall, upon completion of construction, be conveyed to I'On Assembly, Inc. by quitclaim deed free and clear of all monetary liens and encumbrances at no cost to I'On Assembly, Inc. or its members. Upon conveyance of these facilities to the I'On Assembly, Inc., it shall assume full responsibility for the costs of ownership, operation, and maintenance of the facilities conveyed to it. Such costs will increase the responsibilities of the I'On Assembly, Inc. and its board of trustees and could result in an increase in future assessments or special assessments payable to the I'On Assembly, Inc. by owners of Assembly Lots.

Who May Use the Facilities

The recreational facilities listed in the chart above will be available for use by owners and occupants of the Assembly Lots and other members of the I'On Assembly, Inc., including the developer, and their respective guests. In addition, the community dock, the Eastlake lake and boathouse, and certain parks will be available for use by such club members and others (which may include members of the general public) as I'On Club, L.L.C. may designate from time to time pursuant to the easement agreement referenced above. The recreational facilities are not available for use by owners or occupants of the Commercial Lots except to the extent that I'On Club, L.L.C. may authorize such use.

There may be additional recreational facilities in the subdivision which are not listed in the above chart and which will be privately owned and operated by a person or entity other than the I'On Assembly, Inc. The operation and use of, and access to, such facilities is not guaranteed and is subject to such terms and conditions and payment of such fees as the owner and operator of such facilities may establish from time to time. Any or all of such additional facilities may be operated as a private club for members and their guests. Membership in any such club may be subject to application, approval and availability, and payment of such initiation fees, dues and other charges as the owner/operator of the facility may establish and change in its sole discretion.

VARIOUS RECREATIONAL FACILITIES IN THE SUBDIVISION MAY BE OWNED AND OPERATED BY PERSONS OTHER THAN THE I'ON ASSEMBLY, INC. ANY OR ALL OF SUCH FACILITIES MAY BE OPERATED AS A PRIVATE CLUB FOR MEMBERS AND THEIR GUESTS. THERE IS NO ASSURANCE THAT YOU WILL BE ACCEPTED FOR MEMBERSHIP IN ANY SUCH PRIVATE CLUB IF YOU APPLY. IF ACCEPTED, THE COSTS OF SUCH A MEMBERSHIP MAY BE SUBSTANTIAL AND ARE IN ADDITION TO THE PURCHASE PRICE OF YOUR LOT. NO REFUND OF THE PURCHASE PRICE OF YOUR LOT WILL BE MADE IF YOU CANNOT OBTAIN A MEMBERSHIP. SINCE THE VALUE OF YOUR LOT MAY BE ADVERSELY AFFECTED BY YOUR INABILITY OR FAILURE TO OBTAIN A MEMBERSHIP, YOU SHOULD CAREFULLY CONSIDER YOUR PURCHASE OF A LOT IF IT IS BASED UPON YOUR PRESUMED ABILITY TO OBTAIN A MEMBERSHIP IN ANY PRIVATE CLUB AND TO USE ITS RECREATIONAL FACILITIES.

SUBDIVISION CHARACTERISTICS AND CLIMATE

In this section, we will discuss the basic terrain of the subdivision, the climate of the region, and any nuisances or hazards affecting the subdivision.

GENERAL TOPOGRAPHY

The general topography of the land in the subdivision is coastal lowcountry. The elevation of the subdivision ranges between 7 to 25 feet above sea level with an average elevation of 19 feet above sea level. The major physical characteristics of the land in the subdivision include primarily fine loamy sands with excellent permeability. There are over two miles of marsh frontage and 300 feet of deep water frontage along Hobcaw Creek, and three existing man-made lakes covering approximately 24.6 acres. The headwaters of Molasses Creek and tributaries of Hobcaw Creek originate within the subdivision and traverse the property. Approximately 9% of the land within the subdivision is planned to be maintained as natural open space and 10% is planned to be developed parkland.

We are not aware of any steep slopes, rock outcroppings, unstable or expansive soil conditions, or other conditions which would necessitate the use of special construction techniques to build on or use any lot listed in this Property Report.

WATER COVERAGE

There are no lots or portions of lots listed in this Property Report that are covered by water at any time.

DRAINAGE AND FILL

Before a building can be constructed on a lot in the subdivision, it will be necessary to strip the organic topsoil from that portion of the lot lying within the building footprint and replace it with structural fill in accordance with standard construction practices. We are not aware of any lots listed in this Property Report which will require draining or significant fill prior to being used for the purpose for which they are sold. If any lots should require draining or anything more than standard structural fill prior to being used for building construction, we will be responsible for taking any corrective action that may be required.

FLOOD PLAIN

All or portions of Lots CM-9, 137 and 138 of Phase 1 are within a designated flood zone. In addition, Phase 2 of the subdivision adjoins a tidal marsh and Lots 270-276, 278-284, 294-297, 253-259, and CV-6, and Lots 192-194, 195A, 195B, 195C and 195D of Phase 2 are in a designated A7 flood zone. All or portions of Lots 156-170 of Phase 3 are in a designated A7

flood zone. All or portions of Lots 327-329, 331-341, 351-353 and CV-7 of Phase 4 are in a designated A7 flood zone. Flood insurance is available and will be required in connection with financing of improvements to these lots should the structure(s) planned for the lots lie within the portion of the lot within the A7 flood zone. The estimated cost of flood insurance on these lots is $395 per year for a $250,000 home with $50,000 coverage for contents and a $500 deductible.

FLOODING AND SOIL EROSION

We have developed and are in the process of implementing a program which provides, or will provide, controls for soil erosion, sedimentation and storm water for the subdivision. The program includes seeding or silt fencing all exposed areas in accordance with the guidelines of the Department of Health and Environmental Control (DHEC) and the Office of Ocean and Coastal Resource Management (OCRM). The program has been reviewed and approved by all appropriate federal, state and Town of Mt. Pleasant regulatory agencies.

Implementation of the program began in August 1997 when initial soil disturbance permits were issued and is expected to be completed by June 2000 for the lots covered in this Property Report. We are obligated to comply with the program. Satisfactory completion of environmental controls is a pre-requisite to approval of a final subdivision plat for each sub-phase of the subdivision.

Prior to recording a conditional plat for any sub-phase of development, we are required to provide financial assurances to the Town of Mt. Pleasant for completion of infrastructure to serve that sub-phase. Environmental controls are an essential component of the infrastructure covered by those financial assurances. At this time, all infrastructure, including environmental controls, has been completed and final plats have superseded the conditional plats in all of Phases 1 and 3. We have obtained conditional approval of the plats for Phase 2, Subphases A-E (consisting of 80 lots), Subphase IIB Future Development Parcels (consisting of 13 lots) and Subphase IIF (consisting of 19 lots) and we have posted a letter of credit from Wachovia National Bank in an amount equal to one and one-half times our engineer's estimate of work to be complete within each of those sub-phases. No plat has been recorded yet for Phase 4. A letter of credit will be posted to assure completion of infrastructure, including environmental controls, in that phase prior to recording the conditional plat for that phase.

NUISANCES

There are no known land uses or nuisances which may adversely affect the subdivision.

HAZARDS

We are not aware of any unusual safety factors which affect the subdivision, nor are we aware of any proposed plans for construction which may create a nuisance or safety hazard or adversely affect the subdivision.

Due to its proximity to the Atlantic Ocean, the subdivision is subject to the effects of hurricanes. It has been formally identified by the Federal Emergency Management Agency as an area subject to the frequent occurrence of natural hazards, including earthquakes.

The Town of Mt. Pleasant has a rating system for fire hazard based on equipment, response time, and general effectiveness. The subdivision has a fire rating of 3 on a scale of 1 to 9 (1 being highest).

CLIMATE

The average temperature ranges for the area in which the subdivision is located are as follows:

	Summer (June-August)	Winter (November-March)
High	90.2°	57.8°
Mean	81.5°	47.8°
Low	72.7°	37.7°

The average annual rainfall is 51.53 inches and the average annual snowfall is approximately 0 inches.

OCCUPANCY

Seventy-two homes in the subdivision are occupied on a full- or part-time basis as of the date of this Property Report.

ADDITIONAL INFORMATION

In this section, we will discuss the property owners association, your liability for real estate taxes and assessments levied against subdivision lots, matters pertaining to the resale of the lots, equal opportunity in lot sales and the listing of lots within the subdivision.

PROPERTY OWNERS ASSOCIATION

I'On Assembly, Inc. ("Assembly"), is the property owners association for those lots within the subdivision which are described as Assembly Lots in the listing of lots on page 33 of this Property Report. The Assembly was formed as a South Carolina nonprofit corporation on June 4, 1998 and has been operational since that date. The incorporator was Vincent G. Graham, 516 Mathis Ferry Road, Mt. Pleasant, South Carolina 29464.

The developer holds a Founder membership in the Assembly until all lots planned for the subdivision have been conveyed to purchasers other than builders or February 9, 2018, whichever is later. As the Founder member, we have the right to exercise control over the Assembly by appointing, removing and replacing a majority of the members of the Assembly's governing board ("Board of Trustees") until the earlier of (i) the date as of which 75% of the total acreage of the property planned for inclusion in the subdivision has been conveyed to persons other than builders, or (ii) February 9, 2018, unless we voluntarily choose to relinquish such right earlier.

Actions which require a vote of the membership generally require approval of a specified percentage of the property owners and the consent of the Founder. In addition, as long as the Founder membership exists, we have the specific right to disapprove any action, policy or program of the Assembly, the Board of Trustees or any committee which we believe would tend to impair our rights or the rights of builders under the Assembly Declaration or the Assembly's bylaws, or interfere with development or construction, or diminish the level of services being provided by the Assembly.

Membership in the Assembly is mandatory for every owner of an Assembly Lot. If title to a lot is held in joint names, all owners of such lot share privileges and responsibilities of such membership.

Each owner of an Assembly Lot is required to pay assessments to the Assembly. The annual General Assessment is currently $400 per lot. General Assessments cover the Assembly's annual operating costs. General Assessments may be adjusted each fiscal year by the Board of Trustees, subject to procedures set forth in the Declaration. The Board of Trustees may revise the budget and General Assessment from time to time and may retroactively budget and assess for any expenses incurred or shortfalls experienced by the Assembly. The Assembly may also levy Specific Area Assessments against the lots for costs of benefits or services which the Assembly might provide only within a specified area of the subdivision. The Assembly may also

levy assessments against the lot of an owner or resident who violates provisions of the Assembly Declaration or other governing documents.

The Assembly is responsible for management, operation and maintenance of the common properties; administering and enforcing the Assembly Declaration, the architectural standards known as the I'On Code, and the I'On Rules; making and amending the I'On Rules in accordance with the Assembly Declaration, and making or contracting for repairs, additions, and improvements to the common properties. It is also authorized, but not obligated, to contract for or provide services and facilities for the benefit of property owners and their lots, which might include such things as cable television service, security services, and landscape maintenance services, among other things.

In order to carry out these functions, the Assembly is authorized to adopt budgets and levy assessments against the property owners and their lots; open bank accounts, deposit funds received on behalf of the Assembly into such accounts, and use such funds to operate the Assembly; contract for insurance coverage for the Assembly; hire, compensate and fire personnel; purchase equipment, supplies and materials to be used by such personnel; and take specific enforcement action, including assessing monetary fines, suspending the right to vote and to use common properties; suspending services, exercising self-help, and bringing suit in court to enforce the governing documents. The Assembly has a duty to maintain books and records and to make them available to the members and their mortgagees.

Architectural control over the lots in the subdivision is exercised by the I'On Design Committee. We will appoint the members of the Design Committee as long as we own any property planned for inclusion in the subdivision. Thereafter, the Assembly's Board of Trustees will appoint the members of the Design Committee. The Assembly is authorized to enforce the architectural control provisions of the Assembly Declaration and the decisions of the I'On Design Committee.

There are no functions or services which we currently provide at no charge for which the Assembly may be required to assume responsibility in the future.

We believe the current level of assessments will be adequate, with appropriate adjustments for inflation and increases in the cost of living, for the Assembly to meet its present and planned financial obligations, including operating costs, maintenance and repair costs, and reserves for replacements. If the current level of assessments is not adequate to meet those obligations, it may be necessary for the Assembly to increase the assessments to be paid by property owners.

I'On Square Association, Inc. ("Association") is or will be the property owners association for the lots described as Commercial Lots in the listing of lots on page 33 of this Property Report. We will incorporate the Association as a South Carolina nonprofit corporation before we transfer title to any Commercial Lot.

We will have the right to appoint a majority of the members of the Association's board of

directors until we have conveyed 75% of the total acreage of the property described in Exhibits "A" and "B" to the Commercial Declaration to persons other than our affiliates, or 20 years after the date on which the Declaration is recorded in the public records, whichever is earlier.

There are two classes of membership in the Association: Class A and Class B. All owners of Commercial Lots are Class A Members. We are the only Class B Member. Actions which require a vote of the membership generally require approval of a specified percentage of the Class A votes and our consent, as long as our Class B Membership exists. In addition, as long as the Class B membership exists, we have the specific right to disapprove any action, policy or program of the Assembly, the Board of Directors or any committee which we believe would tend to impair our rights or the rights of developers under the Commercial Declaration or the Association's bylaws, or interfere with development or construction, or diminish the level of services being provided by the Association. The Class B membership will terminate two years after expiration of our right to control the board of directors.

Membership in the Association is mandatory for all owners of Commercial Lots. Each owner of a Commercial Lot is obligated to pay assessments to the Association for a share of the common expenses of the Association, calculated in accordance with a formula set forth on Exhibit D to the Commercial Declaration. Assessments will vary from lot to lot based on the "Maximum Floor Area" allocated to the lot pursuant to the Commercial Declaration. Base Assessments for general common expenses are currently projected to be in the range of fifty cents (50¢) per square foot of Maximum Floor Area allocated to the lot, but are subject to increase by the board of directors from time to time in accordance with the procedures set forth in the Commercial Declaration. The Association may also levy special assessments to cover unbudgeted expenses, as well as specific assessments against the lot of an owner or occupant who violates provisions of the Commercial Declaration or other governing documents.

The Association performs much the same functions and has substantially the same powers with respect to the property subject to the Commercial Declaration as the Assembly performs with respect to the property subject to its Declaration, as described above.

We will exercise architectural control over the Commercial Lots during the development period and then will transfer responsibility for architectural control to an architectural control committee appointed by the Association's board of directors.

There are no functions or services that we currently provide at no charge for which the Association may be required to assume responsibility in the future.

We believe the projected level of assessments will be adequate, with appropriate adjustments for inflation and increases in the cost of living, for the Association to meet its present and planned financial obligations, including operating costs, maintenance and repair costs, and reserves for replacements. If the current level of assessments is not adequate to meet those obligations, it may be necessary for the Assembly to increase the assessments to be paid by the owners of Commercial Lots.

TAXES

You will be obligated to pay real property taxes on the lot after title to the lot is transferred to you. Real property taxes on the lot will be assessed by and paid to the Town of Mt. Pleasant and Charleston County, South Carolina. For the 2000 tax year, real property taxes on property in the subdivision are assessed at a rate of $254.60 per $1,000 in assessed value of each residential lot and all structures located on the lot. The assessed value of a residential lot is currently 4% of the appraised value if the owner is a resident of Charleston County and 6% of the appraised value if the owner is not a resident of Charleston County. The assessed value of a commercial lot is currently 6% of the appraised value.

There are currently no special taxes or tax assessments which affect the subdivision. The subdivision is not currently part of a special improvement district.

RESALE OR EXCHANGE PROGRAM

Restrictions on the use of your lot have been discussed in the section of this Property Report entitled "Restrictions on the Use of Your Lot," above. Those restrictions which might hinder the lot owner in the resale of lots within the subdivision include the architectural approval and control provisions which limit or restrict the placement of signs within the subdivision and restrictions on use of Commercial Lots which may limit the number and types of resale buyers who would be interested in purchasing the lot.

Except in the case of certain exempt transfers, upon the transfer of title to a lot in the subdivision, the applicable Declaration requires the transferring owner to pay a transfer fee to the I'On Trust, a South Carolina nonprofit corporation. Such transfer fee is in the amount of one tenth of one percent (.1%) of the total cost to the purchaser of the lot and any improvements on the lot, as such cost is indicated by the amount of tax imposed by Charleston County, South Carolina on the transfer of title. You are advised to review the provisions of Article X of the Declaration regarding the transfer fee carefully before making a decision to purchase a lot.

We have no program to assist you in the resale of your lot. We do not have any provision to allow you to exchange one lot for another.

EQUAL OPPORTUNITY IN LOT SALES

We are in compliance with Title VIII of the Civil Rights Act of 1968. We will not directly or indirectly discriminate against you on the basis of race, color, religion, sex, or national origin. Furthermore, we will not indicate a preference for or a rejection of any particular group in our advertising, in our rendering of services to lots, in requiring terms and conditions on lot sales and leases, or in any other manner.

LISTING OF LOTS

Below is a listing of the three hundred and two (302) lots currently covered by this Property Report and intended for sale in the subdivision, as indicated on the referenced plats.

I'ON	
PLAT REFERENCE	LOTS NUMBERED
Phase 1 (128 lots)	
Phase 1A (21 lots)	Assembly Lots: 11, 14, 15, 16, 18, 25, 27, 28, 37, 42, 44, 47-49, 61, 62, 64, 66-69
Phase 1B1 (26 lots)	Assembly Lots: 10, 137-145, 147-151, 154, 155, Commercial Lots: CM1, CM2, CM4, CM5, CM6, CM7, CM8, CM9, CV-1
Phase 1B2 (4 lots)	Assembly Lots: 3, 7, 8, 9
Phase 1C (29 lots)	Assembly Lots: 50, 52-58, 70-81, 83-91
Phase 1C2 (17 lots)	Assembly Lots: 103, 110, 111, 112, 117, 120-129, 135, 136
Phase 2 (109 lots)	
Subphases IIA-E (79 lots)	Assembly Lots: 190, 196-206, 211-222, 242-263, 265-276, 278-297, CV5
Subphase IIB -future development parcels (12 lots)	Assembly Lots: Lots 191-194, 195A, 195B, 195C, 195D, 207-210
Subphase IIF (18 lots)	Assembly Lots: Lots 223-229, 231-241
Phase 3 (33 lots)	Assembly Lots: 156-188
Phase 4 (63 lots)	Assembly Lots: 301-314; 316-329; 331-363; CV-7

COST SHEET, SIGNATURE OF SENIOR EXECUTIVE OFFICER

In addition to the purchase price of your lot, there are other expenditures which must be made. Listed below are the major costs. There may be other fees for use of the recreational facilities. All costs are subject to change.

Sales Price

Cash Price of Lot ..... $_____
Finance Charge ..... $_____

Total ..... $_____

Estimated One-Time Charges

1. Water connection fee ..... $ 874.00
2. Sewer connection fee $1,340.00
3. Electric connection fee ..... $_____
4. Telephone service installation charge ..... $_____
5. Design review fees ..... $_____
6. Other (identify) ..... $_____

Total of estimated sales price and one-time charges ..... $_____

Estimated Monthly/Annual charge
(exclusive of utility use fees)

1. Taxes -- Average unimproved lot after sale to purchaser ..... $_____
2. Dues and assessments ..... $_____

The information contained in this Property Report is an accurate description of our subdivision and development plans.

The I'On Company, L.L.C., a South Carolina limited liability company

By: _____ (SEAL)
Joseph E. Barnes
Its: Manager

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: April 10, 2000

We must give you a copy of this Property Report and give you an opportunity to read it before you sign any contract or agreement. By signing this receipt, you acknowledge that you have received a copy of our Property Report.

Received by: _____ Date: _____
Street Address: _____
City _____ State _____ Zip _____

If any representations are made to you which are contrary to those in the report, please notify:

Office of Interstate Land Sales Registration
HUD Building, 451 Seventh Street, S.W.
Washington, D.C. 20410

AGENT CERTIFICATION

I certify that I have made no representations to the person(s) receiving this Property Report which are contrary to the information contained in this Property Report.

Lot _____ Block _____ Section _____
Name of Salesperson: _____
Signature: _____ Date: _____

PURCHASER CANCELLATION

If you are entitled to cancel your purchase contract and wish to do so, you may cancel by personal notice or in writing. If you cancel in person or by telephone, it is recommended that you immediately confirm the cancellation by certified mail. You may use the form below:

Name of Subdivision: I'On
Date of Contract: _____

This will confirm that I/we wish to cancel our purchase contract.

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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Lot _____ Block _____ Section _____
Name of Salesperson: _____
Signature: _____ Date: _____

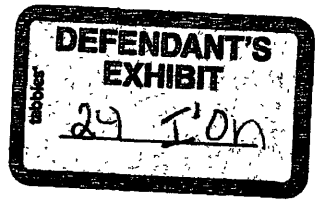
PURCHASER CANCELLATION

If you are entitled to cancel your purchase contract and wish to do so, you may cancel by personal notice or in writing. If you cancel in person or by telephone, it is recommended that you immediately confirm the cancellation by certified mail. You may use the form below:

Name of Subdivision: I'On
Date of Contract: _____

This will confirm that I/we wish to cancel our purchase contract.

Purchaser(s) signature: _____ Date: _____



READ THIS PROPERTY REPORT BEFORE SIGNING ANYTHING

This report is prepared and issued by the developer of this subdivision. It is NOT prepared or issued by the Federal Government.

Federal law requires that you receive this Report prior to your signing a contract or agreement to buy or lease a lot in this subdivision. However, NO FEDERAL AGENCY HAS JUDGED THE MERITS OR VALUE, IF ANY, OF THIS PROPERTY.

If you received this Report before you signed a contract or agreement, you may cancel your contract or agreement by giving notice to the seller any time before midnight of the seventh (7th) day following the signing of the contract or agreement.

If you did not receive this Report before you signed a contract or agreement, you may cancel the contract or agreement any time within two (2) years from the date of signing.

Name of Subdivision:	I'On
Names of Developer:	The I'On Company, L.L.C., a South Carolina limited liability company
Date of This Report:	December 29, 2000

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NOTE: In this Property Report, the words "you" and "your" refer to the buyer. The words "we," "us," and "our" refer to the developer.

RISKS OF BUYING LAND

The future value of any land is uncertain and dependent upon many factors. DO NOT expect all land to increase in value.

Any value which your lot may have will be affected if the roads, utilities and all proposed improvements are not completed.

Resale of your lot may be difficult or impossible, since you may face the competition of our own sales program, and local real estate brokers may not be interested in listing your lot.

Any subdivision will have an impact on the surrounding environment. Whether or not the impact is adverse and the degree of impact, will depend upon the location, size, planning, and extent of development. Subdivisions which adversely affect the environment may cause governmental agencies to impose restrictions on the use of the land. Changes in plant and animal life, air and water quality, and noise levels may affect your use and enjoyment of your lot and your ability to sell it.

In the purchase of real estate, many technical requirements must be met in order to assure that you receive proper title. Since this purchase involves a major expenditure of money, it is recommended that you seek professional advice before you obligate yourself.

- WARNINGS -

THROUGHOUT THIS PROPERTY REPORT THERE ARE SPECIFIC WARNINGS CONCERNING THE DEVELOPER, THE SUBDIVISION, OR INDIVIDUAL LOTS. BE SURE TO READ ALL WARNINGS CAREFULLY BEFORE SIGNING ANY CONTRACT OR AGREEMENT.

GENERAL INFORMATION

This report covers three hundred and two (302) lots in Charleston County, South Carolina. See page 33 for a listing of these lots. It is estimated that this subdivision will eventually contain approximately seven hundred and ninety-two (792) lots.

The developer of this subdivision is:

The I'On Company, L.L.C., a South Carolina limited liability company

159 Civitas Street

Mt. Pleasant, SC 29464

(843) 971-1662

Answers to questions and information about this subdivision may be obtained by telephoning the developer at the number listed above.

A CONDITIONAL PLAT OF THE LOTS IN PHASE 4 OF THE SUBDIVISION HAS NOT YET BEEN APPROVED OR RECORDED, BUT MUST BE APPROVED AND RECORDED PRIOR TO CONVEYANCE OF THOSE LOTS . UNTIL A CONDITIONAL PLAT IS RECORDED FOR SUCH LOTS, THE DESCRIPTION OF SUCH LOTS CONTAINED IN THIS PROPERTY REPORT IS NOT LEGALLY ADEQUATE FOR CONVEYANCE OF SUCH LOTS.

TITLE TO THE PROPERTY AND LAND USE

A person with legal title to property generally has the right to own, use, and enjoy the property. A contract to buy a lot may give you possession but does not give you legal title. You will not have legal title until you receive a valid deed. A restriction or an encumbrance on your lot, or on the subdivision, could adversely affect your title.

Here we will discuss the sales contract you will sign and the deed you will receive. We will also provide you with information about any land use restrictions and encumbrances, mortgages, or liens affecting your lot and some important facts about payments, recording, and title insurance.

METHOD OF SALE

Sales Contract and Delivery of Deed

If you decide to purchase a lot, you will sign a sales contract obligating you to pay for the lot entirely in cash (with or without obtaining your own financing) at the closing of the purchase and sale of the lot.

We will deliver a general warranty deed to the property to you within 180 days of execution of a sales contract. You will receive a general warranty deed at the closing of the purchase and sale of the lot.

Type of Deed

The transfer of title to all lots will be by a general warranty deed.

ENCUMBRANCES, MORTGAGES, AND LIENS

All lots described in the listing of lots on page 33 of this Property Report as "Assembly Lots" will be conveyed subject to the following blanket encumbrance.

(1) Declaration of Covenants, Conditions and Restrictions for I'On, recorded in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Book C-297, at Page 282.

All lots described in the listing of lots on page 33 of this Property Report as "Commercial Lots" will be conveyed subject to the following blanket encumbrance:

(2) Declaration of Covenants, Conditions and Restrictions for I'On Square, recorded in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Deed Book R354 at page 129, *et seq.*

The lots in Phase 1 of the subdivision, as described in the listing of lots on page 33 of this Property Report, are also subject to the following blanket encumbrance:

(3) Mortgage from The I'On Company, L.L.C. to Wachovia Mortgage Company, dated August 12, 1997, in the original principal amount of $4,560,000.00, recorded August 12, 1997, in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Mortgage Book J-288 at Pages 611-618, as amended by that instrument recorded January 16, 1998 in Mortgage Book Z-295 at Page 363.

The lots in Phase 3 of the subdivision, as described on page 33 of this Property Report, are subject to the following blanket encumbrance:

(4) Mortgage from The I'On Company, L.L.C. to Wachovia Mortgage Company dated August 3, 1998, in the original principal amount of Nine Hundred and Forty Thousand Dollars ($940,000.00), recorded in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Mortgage Book N308, at Page 293.

The lots in Phase 2 of the subdivision, as described on page 33 of this Property Report, are subject to the following blanket encumbrance:

(5) Mortgage from The I'On Company, L.L.C. to Wachovia Mortgage Company dated March 22, 1999, in the original principal amount of Four Million Five Hundred Eighty Thousand Dollars ($4,580,000.00), recorded in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Mortgage Book F323, at Page 212.

The lots in Phase 4 of the subdivision, as described on page 33 of this Property Report, are subject to the following blanket encumbrance:

(6) Mortgage from The I'On Company, L.L.C. to Wachovia Bank, N.A. dated October 5, 1999, in the original principal amount of Two Million Dollars ($2,000,000.00), recorded in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Mortgage Book 335, at Page 366.

Release Provisions

The Mortgage described in item (3) above contains a provision requiring the lender to release its lien on any lot which is subject to the Mortgage upon receipt of payment of the greater of 61% of the gross sales price of the lot or the release price as stated in a separate I'On Development Loan Release Schedule agreed upon between us and the lender.

The Mortgage described in item (4) above contains a provision requiring the lender to release its lien on any lot which is subject to the Mortgage upon receipt of payment in the amount of Thirty-One Thousand One Hundred and Thirty-Four Dollars ($31,134.00) per lot to be released.

The Mortgage described in item (5) above contains a provision requiring the lender to release its lien on any lot which is subject to the Mortgage upon satisfaction of certain nonmonetary conditions relating to platting, zoning, and easements for development and the lender's receipt of payment in an amount equal to the greater of 76% percent of the net sales proceeds from the sale of the lot or the minimum release price for the lot set forth in Schedule A to such Mortgage.

The Construction Loan Agreement executed in connection with the Mortgage described in item (6) above, the terms of which are incorporated by reference in the Mortgage, contains a provision requiring the lender to release its lien on any lot which is subject to the Mortgage upon the lender's receipt of a release payment in the amount set forth on the release schedule attached to the Mortgage, provided the lender is reimbursed for any costs which it incurs in connection with the release.

The contract for the sale of each lot obligates us to request and obtain a release of such lot from the applicable Mortgages prior to or simultaneous with closing and transfer of title to such lot. Under the terms of each Mortgage, the lender's obligation to release its lien on a lot is conditioned upon there being no default under the terms of the Mortgage or the promissory note and security agreement referenced in the Mortgage at the time such release is requested. Prior to paying the purchase price for your lot at closing, you should confirm that all releases have been obtained.

RECORDING THE CONTRACT AND DEED

Method or Purpose of Recording

Under South Carolina law, recording a sales contract places third parties on notice that the subject property is under contract for sale and may protect you from claims of subsequent purchasers or creditors claiming an interest in the lot. However, South Carolina law does not require that sales contracts be recorded and it is not common practice to do so. The sales contract is not in proper form for recording and will not be recorded. By not recording sales contracts, we avoid creating a defect in title to the lot in the event that the sales contract is terminated and the transaction is not completed for any reason.

UNLESS YOUR CONTRACT OR DEED IS RECORDED, YOU MAY LOSE YOUR LOT THROUGH THE CLAIMS OF SUBSEQUENT PURCHASERS OR SUBSEQUENT CREDITORS OF ANYONE HAVING AN INTEREST IN THE LAND.

The deed to your lot will be recorded. In accordance with the South Carolina Code of Laws (1976), we will deliver the deed for your lot to the Office of the Register of Mesne Conveyances for Charleston County, South Carolina, for recording immediately following the closing. Under South Carolina law, recording a deed protects you from subsequent claims by third parties whose interest arises after the date of recording of the deed.

Title Insurance

You should obtain an attorney's opinion of title or title insurance policy which describes the rights of ownership you are acquiring in the lot you purchase. We recommend that an appropriate professional interpret the policy for you.

PAYMENTS

Escrow

Your earnest money deposit will be placed in an escrow account administered by I'On Realty, L.L.C., a South Carolina limited liability company, whose address is 159 Civitas Street, Mt. Pleasant, South Carolina 29464. I'On Realty, L.L.C. is a real estate broker licensed by the State of South Carolina and, as such, is required to comply with state laws and regulations regarding administration of escrow and trust accounts by real estate brokers.

I'On Realty, L.L.C. is a wholly owned subsidiary of The I'On Company, L.L.C. I'On Realty, L.L.C., as a real estate broker entitled to a commission from the sale of a lot, also has an interest in the transaction itself and thus, is not considered independent. You may lose your deposit on your lot if we fail to deliver legal title to you as called for in the contract, because it is not held in an escrow account which fully protects you.

Prepayment

If the purchase of your lot is financed by an independent financial institution, you will need to review the financing documents to determine whether there is any penalty for prepayment of the financing.

Default

The contract for sale specifies the rights and remedies which we may seek in the event you fail to make any payment or perform any obligation required by the contract prior to closing. If you default, we will give you written notice of the default and allow you at least 10 days from your receipt of that notice in which to correct the default. If you default in your obligations under the sales contract prior to closing, we may treat the contract as canceled and retain all monies you have paid as liquidated damages.

If you default in the performance of your obligations under the sales contract after the date of closing, we may elect to pursue any and all remedies available to us at law or in equity.

RESTRICTIONS ON THE USE OF YOUR LOT

Restrictive Covenants

Restrictive covenants have been recorded or will be recorded in the Office of the Register of Mesne Conveyances for Charleston County, South Carolina against each lot covered by this Property Report prior to its conveyance. Those lots identified in the listing of lots on page 33 as Assembly Lots will be subject to the restrictive covenants contained in the deed of conveyance and in the Declaration of Covenants, Conditions and Restrictions for I'On ("Assembly Declaration"). I'On Assembly, Inc. ("Assembly"), a mandatory membership property owners association, is charged with administering and enforcing the Assembly Declaration. Each purchaser of an Assembly Lot automatically becomes a member of the Assembly upon taking title to the lot and will remain a member as long as the purchaser owns the lot.

The restrictive covenants contained in the Assembly Declaration are described in the following paragraphs. The discussion only highlights the restrictions contained in the Assembly Declaration and should not be a substitute for your careful study of the document.

The Assembly Lots are subject to architectural controls and design standards. The Assembly Declaration requires, among other things, that a purchaser of a lot secure approval of the I'On Design Committee prior to improving a lot or making any additions or modifications to the exterior of existing improvements. The I'On Design Committee may establish and charge reasonable fees to defray costs of administering applications for approval.

All proposed work on an Assembly Lot must comply with the I'On Code, the document which sets forth the design standards for property in the subdivision, unless the I'On Design Committee has granted a variance in writing. Compliance with the I'On Code is a covenant undertaken by each purchaser of a lot subject to the Assembly Declaration.

In reviewing plans and specifications for proposed work, the I'On Design Committee is guided by the I'On Code, but the I'On Code is not the exclusive basis for its decisions and compliance with the I'On Code does not guarantee approval. The I'On Design Committee may consider any other factors it deems relevant and its decisions may be based on purely aesthetic considerations.

If construction has not commenced on proposed work within six months after the date of approval of any application for such work, the approval is deemed withdrawn. Unless otherwise approved by the I'On Design Committee, all elements of any improvements for which plans are approved must be completed within one year after the date of approval or such shorter period as may be specified in the sales contract for the purchase of the lot.

The Assembly Lots will be conveyed subject to a restriction that they shall not be used for any type of vacation timesharing plan, as defined by Section 27-32-10, *et seq.*, South Carolina Code (1976), without our prior written approval.

The Assembly Lots are also subject to certain use restrictions referred to in the Assembly Declaration as the I'On Rules. The initial I'On Rules are set out in Exhibit D to the Assembly Declaration and include restrictions on parking commercial and residential vehicles, boats and trailers; pets; television antennas, satellite dishes, radio receivers, and similar devices; trash and refuse containers; and signs. Additional restrictions may be established by the Board of Trustees of I'On Assembly, Inc., pursuant to its authority granted in the Assembly Declaration to make and amend reasonable rules and regulations governing use of property, activities and conduct in the subdivision. Such additions and changes to the I'On Rules need not be recorded.

A complete copy of these restrictions is available upon request.

The lots identified in the listing of lots on page 33 as Commercial Lots will be conveyed subject to the Declaration of Covenants, Conditions and Restrictions for I'On Square ("Commercial Declaration"). I'On Square Association, Inc. ("Association"), a mandatory membership property owners association, is charged with administering and enforcing the Commercial Declaration. Each purchaser of a Commercial Lot automatically becomes a member of the Association upon taking title to the lot and will remain a member as long as the purchaser owns the lot.

The restrictive covenants contained in the Commercial Declaration are described in the following paragraphs. The discussion only highlights the restrictions and should not be a substitute for careful study of the Commercial Declaration, if applicable to the lot you are purchasing.

The Commercial Declaration contains architectural controls and design standards applicable to the Commercial Lots. Among other things, it requires that a purchaser of a lot secure approval prior to improving a lot or making any additions or modifications to the exterior of existing improvements. It authorizes the reviewer to establish and charge reasonable fees to defray costs of administering applications for approval.

All proposed work on a Commercial Lot must comply with architectural guidelines adopted pursuant to the Commercial Declaration, unless the reviewer has granted a variance in writing. Compliance with these standards is a covenant undertaken by each purchaser of a commercial lot. In reviewing plans and specifications for proposed work, the reviewer is guided by the architectural standards, but they are not the exclusive basis for its decisions and compliance with those standards does not guarantee approval. The reviewer may consider any other factors it deems relevant and its decisions may be based on purely aesthetic considerations.

If construction on a Commercial Lot has not commenced on proposed work within one year after the date of approval of any application for such work, the approval is deemed withdrawn. Unless otherwise approved by the reviewer, all elements of any improvements for which plans are approved must be completed within one year after the date of approval or such shorter period as may be specified in the sales contract for the purchase of the lot.

The Commercial Lots will be conveyed subject to a restriction that they shall not be used for any type of vacation timesharing plan, as defined by Section 27-32-10, *et seq.*, South Carolina Code (1976), without our prior written approval.

The Commercial Lots are also subject to certain use restrictions referred to in the Commercial Declaration as the Restrictions and Rules. The initial Restrictions and Rules are set out in Exhibit C to the Commercial Declaration and include restrictions and limitations on residential use, office use and other specific types of uses, as well as restrictions on activities such as parking, outdoor storage of goods, materials, or equipment, and conditions such as antennas and similar devices; trash and refuse containers; and signs, among other things. The Restrictions and Rules restrict use of the street level of each Commercial Lot to use for operation of a restaurant, retail or neighborhood business whose goods or services are primarily marketed to the general public (i.e., retail consumers as opposed to other businesses, nonprofit organizations, or government agencies. The Board of Directors or members of the Association may establish additional rules and restrictions pursuant to the authority granted in the Commercial Declaration to make and amend reasonable rules and regulations governing use of property, activities and conduct. Such additions and changes to the Restrictions and Rules need not be recorded.

A complete copy of these restrictions is available upon request. The Commercial Declaration is subject to change in accordance with the amendment provisions set forth in the Commercial Declaration.

Easements

There are easements which may affect your plans for building or using your lot. There are drainage, access and utility easements which affect the lots covered by the Property Report as shown or to be shown on the recorded plats. There are also easements applicable to the Assembly Lots that are described in the Declaration and easements applicable to the Commercial Lots that are described in the Commercial Declaration .

Article V of the Declaration and Article VII of the Commercial Declaration set forth certain easements for access by public safety officers and other public servants in the performance of their duties and easements for encroachments, maintenance, and utilities. The Declaration also provides for the creation of additional easements for conservation, wetlands buffering, landscaping and similar purposes, by other recorded instruments. You are advised to read Article V of the Declaration and Article VII of the Commercial Declaration carefully for an understanding of the nature and scope of these easements.

The lots covered by this Property Report are not subject to any type of flood control or flowage easements.

PLATS, ZONING, SURVEYING, PERMITS AND ENVIRONMENT

Plats

A final plat covering the lots in Phase 1A of the subdivision, as described on page 33 of this Property Report, has been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyances of Charleston County, South Carolina in Plat Book EC at Page 631. The descriptions of the lots on such plat are legally adequate for the conveyance of the lots.

Final plats covering the lots in Phase 1B of the subdivision, as described on page 33 of this Property Report, have been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyancse of Charleston County, South Carolina in Plat Book EC at Pages 976-977 and in Plat Book ED at Page 228 . The descriptions of the lots on such plats are legally adequate for the conveyance of the lots.

Final plats covering the lots in Phase 1C of the subdivision, as described on page 33 of this Property Report, have been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyances of Charleston County, South Carolina in Plat Book ED at Page 225 and in Plat Book ED at Page 227 . The descriptions of the lots on such plats are legally adequate for the conveyance of the lots.

A final plat covering the lots in Phase 3 of the subdivision, as described on page 33 of this Property Report, has been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyances of Charleston County, South Carolina in Plat Book ED at Page 328. The descriptions of the lots on such plat are legally adequate for the conveyance of the lots.

A conditional plat covering the lots in Phase 2, Subphases A-E of the subdivision (exclusive of the areas in Subphase 2B labeled "Future Development"), as described on page 33 of this Property Report, has been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyances of Charleston County, South Carolina in Plat Book ED at Pages 108-109. The descriptions of the lots on such plat are legally adequate for the conveyance of the lots.

A conditional plat covering the lots in Phase 2, Subphase IIB (Future Development Parcels) and Subphase F, as described on page 33 of this Property Report, has been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyances of Charleston County, South Carolina in Plat Book ED at Page 670. The descriptions of the lots on such plat are legally adequate for the conveyance of the lots.

A conditional plats of the lots in Phase 4 of the subdivision has not yet been approved or recorded, but must be approved and recorded prior to conveyance of those lots. Until either a conditional or final plat is recorded for particular lots, the description of the lot contained in this Property Report is not legally adequate for conveyance of such lot.

Zoning

All lots described on page 33 of this Property Report are designated for single-family residential use except those lots identified by the designation "CM" or "CV" before the lot number, which are designated for commercial or civic purposes, respectively. These uses conform to local zoning requirements and the restrictive covenants pertaining to the subdivision.

Surveying

Each lot has been or will be surveyed at our expense and identified on a recorded plat prior to conveyance. Pins will be set on the corners of each lot to physically mark the lot boundaries.

Permits

Before beginning construction on a lot, the purchaser must obtain approval of the plans for the proposed improvements, as discussed under the caption "Restrictive Covenants" above. In addition, the purchaser must obtain a building permit from the Town of Mt. Pleasant, South Carolina before commencing construction. Upon completion of construction, the purchaser must obtain a certificate of occupancy from the Town of Mt. Pleasant before the dwelling or other structure may be occupied. No other governmental permits will be necessary in order to use the lot for such purposes as are permitted by applicable zoning and recorded covenants and restrictions.

Environment

No independent environmental impact study has been required or conducted for the subdivision. Thus, no determination has been made as to all of the possible adverse effects the subdivision may have upon the environment and surrounding area.

In connection with our subdivision approval by the Town of Mt. Pleasant, we prepared an impact assessment which addresses the impact of the subdivision in a number of specific areas, including its impact on the environment. The assessment describes the following plans to mitigate any detrimental effect on the environment.

The subdivision has 2,488 linear feet of frontage along a section of Mathis Ferry Road designated as a South Carolina Scenic Highway in June 1988. In order to maintain and enhance the screening effect of the existing live oak canopy along this highway, we plan to provide a 25

foot wide natural buffer along the entire frontage, work with the South Carolina Department of Transportation and the Town of Mt. Pleasant to replant live oaks where trees have died or been removed, and utilize understated brick columns and minimal signage to designate entryways to the subdivision.

The subdivision currently drains overland to three lakes on the property, a large wetland at the headwaters of Molasses Creek, and the adjacent salt marshes. We plan to make extensive use of the three lakes and the existing freshwater wetlands to limit storm water runoff to pre-development rates and contain non-point runoff from entering the salt marsh. An extensive park system planned along the highlands above the marshes and waters of Hobcaw Creek, together with other management practices, will serve a dual purpose of providing storm water control and serving as an amenity for residents.

The subdivision has over 2 miles of marsh and deep water frontage along Hobcaw Creek and 1.46 miles of frontage along the lakes mentioned above. The U. S. Army Corps of Engineers has delineated and approved the critical line along the marshes and waters of Hobcaw Creek and the freshwater wetlands within the subdivision. Rather than subdividing this premium frontage into lots, over 75% of the marsh, water frontage and lake frontage is planned as parks. One of the three lakes will be preserved as a wildlife sanctuary.

ROADS

Here we discuss the roads which lead to the subdivision, the roads within the subdivision, and the location of nearby communities.

ACCESS TO THE SUBDIVISION

Access to the subdivision is provided on a year-round basis by a public road designated as Mathis Ferry Road. Mathis Ferry Road is a two-lane, asphalt surface road. The width of the wearing surface is 24 feet.

The South Carolina Department of Transportation is responsible for improving and maintaining Mathis Ferry Road. You will not be responsible for any costs associated with maintaining this road (except to the extent that the taxes you pay are used to fund road maintenance and improvements). No improvements to the road are contemplated at the present time.

ACCESS WITHIN THE SUBDIVISION

Legal and physical access by conventional automobile to the lots within the subdivision is, or will be, provided on a year-round basis by public, two-lane roads with a wearing surface ranging from 17 to 30 feet, as shown in The I'On Code (a part of the zoning ordinance approving the development plan for the subdivision) and on the recorded plats of the subdivision. The surface of the roads will be predominantly asphalt, although there may be narrow strips of cobblestone, brick or granite pavers used for special purposes or effects at various points. In addition, many of the lots will be served by alleys or "service lanes" permitting vehicular access to the rear of the lot. Such service lanes have or will have a wearing surface which is approximately 9 feet in width and comprised of asphalt, a pervious paving material such as crusher run, or a combination thereof.

We are responsible for constructing the roads within the subdivision and will dedicate each road or portion thereof shown on a recorded final plat to the Town of Mt. Pleasant upon recording of the final plat. We will retain maintenance responsibility for the roads for approximately two years after completion of the roads, except that the I'On Assembly, Inc. or the I'On Square Association, Inc. will be responsible for maintenance of any cobblestone, granite or brick pavers within the public roads. The I'On Assembly, Inc. will also be responsible for maintaining the service lanes providing access to the rear of Assembly Lots within the subdivision. The I'On Square Association, Inc. will be responsible for maintaining the service lanes, if any, providing access to the rear of the Commercial Lots.

You will not be responsible for any costs associated with construction or maintenance of the public roads, except to the extent that the property taxes you pay to the Town of Mt. Pleasant

are used to fund road maintenance and improvements and except to the extent that the assessments you pay to the I'On Assembly, Inc. or the I'On Square Association, Inc., are used to maintain the cobblestone, granite or brick pavers within the public roads. You will not be responsible for any costs associated with construction of the service lanes, but will pay assessments to the I'On Assembly, Inc. or the I'On Square Association, Inc. for your pro rata share of the costs of maintaining the service lanes.

The roads in Phases 1, 2 and 3 of the subdivision are complete. Prior to the conveyance of a lot inPhase 4, we will be required to post a bond with the Town of Mt. Pleasant to provide financial assurances for completion of any incomplete roads within such phase.

The estimated completion dates for the construction of roads within the subdivision are as follows:

Phase	Estimated Starting Date	% of Construction Now Complete	Estimated Completion Date	Present Surface	Final Surface
1	8/1997	100%	N/A	Asphalt	Asphalt
2	3/1999	100%	N/A	Asphalt	Asphalt
3	10/1998	100%	N/A	Asphalt	Asphalt
4	12/1999	10%	8/2000	Dirt	Asphalt

The table below identifies the distance (in miles) from the subdivision to nearby communities.

Community Name	Population	Distance over Paved Roads	Distance Over Unpaved Roads	Total Miles
Charleston (County Seat)	76,854	5 miles	0 miles	5 miles
Sullivan's Island	1,339	5 miles	0 miles	5 miles
Mt. Pleasant	38,056	0 miles	0 miles	0 miles

UTILITIES

Here we will discuss the availability and costs of basic utilities. The areas covered will be water, central sewer, septic tank system, electricity, telephone, and fuel or other energy sources.

WATER

Water is or will be supplied to the lots within the subdivision by a central water distribution system which is presently owned and operated by Mount Pleasant Waterworks, P.O. Box 330, 1619 Rifle Range Road, Mt. Pleasant, South Carolina 29464.

Water mains are or will be extended in front of or adjacent to each lot.

The following chart indicates the current status of the construction of the central water distribution system for each existing phase of the subdivision:

WATER

Phase	Estimated Starting Date (Month & Year)	Percentage of Construction Now Complete	Estimated Service Availability Date (Month & Year)
1	8/1997	100%	Now Available
2	7/1999	100%	Now Available
3	10/1998	100%	Now Available
4	6/2000	0%	8/2000

Mt. Pleasant Waterworks, which is a division of the Town of Mt. Pleasant government (or whose operations are regulated by the Town of Mt. Pleasant), has indicated that the central water supply system has a present capacity of 3.2 million gallons per day, 300 gallons per connection and that this is sufficient to serve the anticipated population of the subdivision.

THERE HAVE BEEN NO HYDROLOGICAL SURVEYS CONDUCTED TO CONFIRM THAT A SUFFICIENT WATER SUPPLY IS AVAILABLE TO SERVE THE SUBDIVISION.

Mt. Pleasant Waterworks has represented that the water available for the subdivision is tested for purity and content on a regular basis and meets all standards for a public water supply.

The timetable for extension of the central water system is based upon our plans and projections for an orderly expansion of the subdivision over a 7 to 8 year period and the seasons during which construction is feasible.

We are responsible for the construction of the water mains and distribution system to serve the subdivision and all costs associated with such construction. Construction of the water mains and distribution system to serve the lots within Phases 1, 2 and 3 of the subdivision is complete. Prior to the conveyance of a lot in Phase 4 or any subsequent phase of the subdivision, we will be required to post a bond with the Town of Mt. Pleasant to provide financial assurances for completion of the water mains and distribution system to serve lots in such phase, if not then completed.

All permits have been obtained from the proper agencies for the construction, use, and operation of the water mains and distribution system to serve the lots covered in this Property Report.

In addition to user fees, each purchaser will be responsible for paying a one-time connection fee to connect the building on the lot to the central water system. Currently the cost to the purchaser per connection is $874. You must pay this connection fee prior to obtaining a building permit. This amount is subject to change by the owner of the water system.

You will also be responsible for the construction of service lines to any improvements you build on your lot, plus the cost of water meters, cut-off valves, or other equipment which may be related to your water connection. The amount of these additional charges will vary depending upon the location of your lot and the location of the improvements on your lot.

There is no charge to you for construction costs, availability fees, special assessments, or deposits for the central water system.

Individual water systems, such as a private well, are not permitted on any lot. Connection to the central system is mandatory for all lots in the subdivision.

SEWER

The subdivision will be served by a central sewer system. We are responsible for constructing the sewer mains, lift station and force main to permit the lots in the subdivision to connect to the central treatment plant. Sewer mains will be installed in front of, or adjacent to, each of the lots in the subdivision.

Construction of the sewer system improvements within the subdivision has begun and is completed to the lots in Phases 1, 2 and 3, which is approximately 83% of the lots covered in this Property Report. Installation of a force main and pump station to allow for expansion of the

sewer system to other phases of the subdivision is complete. We estimate that service will be completed to all lots in the subdivision in stages over the next seven to eight years. The following chart indicates the estimated timetable for construction and service availability for each existing phase of the subdivision:

SEWER

Phase	Estimated Starting Date (Month/Year)	% of Construction Now Complete	Estimated Service Availability Date (Month/Year)
1	8/1997	100%	Now Available
2	6/1999	100%	Now Available
3	10/1998	100%	Now Available
4	2/2000	70%	7/2000

The central sewer system will be owned and operated by Mount Pleasant Waterworks, P.O. Box 330, 1619 Rifle Range Road, Mt. Pleasant, South Carolina 29464, (843) 884-9626. Mt. Pleasant Waterworks is a division of (or regulated and supervised by) the Town of Mt. Pleasant, South Carolina.

We have obtained the necessary permits for the construction of the central sewer system to serve the subdivision.

THE CENTRAL SEWER SYSTEM IS STILL UNDER CONSTRUCTION AND NOT PRESENTLY ABLE TO SERVE ALL LOTS BECAUSE SEWER MAINS HAVE NOT YET BEEN EXTENDED TO ALL LOTS. THE SEWER SYSTEM IS PRESENTLY COMPLETED TO SERVE APPROXIMATELY 307 LOTS.

Mt. Pleasant Waterworks has indicated that the sewage treatment facility is complete and has sufficient capacity to service all of the lots within the subdivision.

In addition to user fees, purchasers will be required to pay a one time connection fee to connect the structure on their lot to the central sewer system. The connection fee currently is $1,340. You must pay this connection fee prior to obtaining a building permit. This amount is subject to change by the owner of the central sewer system.

There is no charge to you for construction costs, availability fees, special assessments, or deposits for the central sewer system.

Individual sewage treatment systems, such as septic tanks, are not permitted on any lot. Connection to the central system is mandatory for all lots in the subdivision.

We are responsible for the construction of the sewer system improvements to serve the subdivision and all costs associated with such construction.Construction of such improvements is complete to serve the lots in Phases 1, 2 and 3 of the subdivision. Prior to the conveyance of a lot in Phase 4 or any subsequent phase of the subdivision, we will be required to post a bond with the Town of Mt. Pleasant to provide financial assurances for completion of any incomplete sewer system improvements to serve lots in such phase.

ELECTRICITY

Electricity is or will be provided by South Carolina Electric and Gas, a publicly regulated utility operating under the rules of the Public Service Commission of South Carolina. The primary electrical service lines will be extended in front of or adjacent to each lot.

Electrical service lines have not yet been extended to all lots in the subdivision. South Carolina Electric and Gas is responsible for installation of electrical service lines. Installation has begun and is expected to be completed in stages over the next 8 years.

The following chart sets forth the estimated starting dates and estimated service availability dates for each existing phase of the subdivision.

ELECTRIC SERVICE

Phase	Estimated Starting Date (Month & Year)	% of Construction Now Complete	Estimated Service Availability Date (Month & Year)
1	8/1997	100%	Now Available
2	1/1999	60%	7/2000
3	10/1998	100%	Now Available
4	6/2000	0%	7/2000

You will not be responsible for any construction costs associated with extending the primary electrical service lines to the service point in front of or adjacent to your lot. You will be responsible for installing electrical lines within your lot boundaries and structures on your lot.

At present, South Carolina Electric and Gas does not charge for such installation, but it may impose charges for installation in the future.

TELEPHONE

Telephone service will be available from BellSouth to serve each lot in the subdivision. Telephone service lines have been or will be extended in front of or adjacent to each lot.

Telephone service lines have not yet been extended to all lots in the subdivision. BellSouth is responsible for installation of telephone service lines. Installation has begun and is expected to be completed in stages over the next 5 years. The following chart sets forth the estimated starting dates and estimated service availability dates for each existing phase of the subdivision.

TELEPHONE

Phase	Estimated Starting Date (Month & Year)	% of Construction Now Complete	Estimated Service Availability Date (Month & Year)
1	8/97	100%	Now Available
2	10/98	40%	5/2000
3	10/98	100%	Now Available
4	7/99	0%	9/2000

You will not be responsible for any construction costs associated with extending the telephone service lines to the service point in front of or adjacent to your lot. You will be responsible for the cost of installing service lines within your lot boundaries and structures on your lot. At present, BellSouth does not charge for such installation, but it may impose charges for such installation in the future.

FUEL OR OTHER ENERGY SOURCE

Natural gas service is not available to serve the subdivision at this time and we are not aware of any plans to extend natural gas service to the subdivision.

FINANCIAL INFORMATION

A copy of our audited financial statement for the period ending December 31, 1998, along with an interim unaudited statement as of November 30, 1999, is available from us upon request.

LOCAL SERVICES

In this topic, we will discuss the availability of fire and police protection and the location of schools, medical care, shopping facilities, mail services and public transportation.

FIRE PROTECTION

Mt. Pleasant Fire Department provides fire protection services to the subdivision on a year round basis from a station located approximately 0.5 mile from the subdivision. Fire hydrants will be installed throughout the subdivision so that there is a fire hydrant within 300 feet of the front corner of each lot.

Statewide standards for water pressure (measured in gallons per minute) call for a minimum of 500 gpm. However, as part of an effort to preserve Mount Pleasant's high ISO rating, the Mount Pleasant Fire Department has imposed a minimum requirement for properties in Mount Pleasant of 1000 gpm. For structures with over 3000 square feet of floor area, the minimum required water pressure is determined by a formula. If the closest fire hydrant cannot reach those flow minimums for the structures on your lot, you must install a sprinkler system. We anticipate that most structures with more than 3000 square feet of floor area built on lots in Phase 2 in the area from around East Shipyard Road north to Hobcaw Creek will need sprinkler systems.

POLICE PROTECTION

Mt. Pleasant Police Department provides police protection services to the subdivision. The Police Department is located 0.5 mile from the subdivision.

SCHOOLS

James B. Edwards Elementary School, a public elementary school, is located 1.5 miles from the subdivision. Moultrie Middle School, a public intermediate school, is 2.3 miles from the subdivision. Wando High School, a public high school, is located 2 miles from the subdivision. School bus transportation will be available from within the subdivision to each of these schools.

HOSPITAL

The nearest available hospital is East Cooper Regional Hospital, located at 1200 Johnnie Dodds Boulevard, Mt. Pleasant, South Carolina 29464, approximately 1.2 miles from the subdivision.

Ambulance service is available through Charleston County Emergency Medical Service.

PHYSICIANS AND DENTISTS

The nearest physician's office is located at 900 Bowman Road, Mt. Pleasant, South Carolina, one mile from the subdivision, and the nearest dentist's office is located at 815 Lowcountry Boulevard, Mt. Pleasant, South Carolina, 0.1 mile from the subdivision.

SHOPPING FACILITIES

Shopping facilities are available in Mt. Pleasant, 0.6 mile from the subdivision.

MAIL SERVICE

The United States Postal Service provides mail service to the subdivision. Mail delivery may be provided to a central location or locations within the subdivision, rather than to individual lots.

PUBLIC TRANSPORTATION

There is no public ground transportation within the subdivision and no public ground transportation to nearby towns. The closest bus stop is located on Houston Northcutt Boulevard, approximately 3/4 of a mile from the main entrance to the subdivision.

RECREATIONAL FACILITIES

Facility	% of Construction Now Complete	Estimated Date of Start of Construction (Month/Year)	Estimated Date Available for Use (Month/Year)	Financial Assurance of Completion	Buyer's Annual Cost or Assessments
PHASE 1					
Eastlake Park and lake	100%	9/1997	Now Available	None	Part of annual assessment
Eastlake Boathouse	100%	4/1998	Now Available	None	Part of annual assessment
Canals	100%	11/1997	Now Available	None	Part of annual assessment
Sidewalks, paths and trails	95%	4/1998	4/2000	None	Part of annual assessment
Parks and Open Space	95%	4/1998	4/2000	None	Part of annual assessment
PHASE 2					
Marshwalk (park)	50%	2/2000	6/2000	None	Part of annual assessment
Community Docks	50%	1/2000	9/2000	None	Part of annual assessment
Sidewalks, paths and trails	100%	8/1999	Now Available	None	Part of annual assessment
Parks and Open Space	70%	2/2000	/7/2000	None	Part of annual assessment

PHASE 3					
Sidewalks	100%	2/2000	Now available	None	Part of property taxes paid to Town of Mt. Pleasant

Constructing the Facilities

We are responsible for construction of all of the recreational facilities described in the chart above. You will not be required to pay any costs of constructing these facilities.

Maintaining the Facilities

I'On Assembly, Inc. will be responsible for operation and maintenance of the recreational facilities described in the chart above, except as follows. Sidewalks will be maintained by the Town of Mt. Pleasant. The community dock will be owned, operated and maintained by I'On Club, L.L.C., subject to an easement for use and access by members of I'On Assembly, Inc. as set forth in a recorded easement agreement between I'On Assembly, Inc. and I'On Club, L.L.C. Such easement agreement obligates the Assembly to pay a share of the costs of maintaining and operating the community dock, as well as any adjacent boat ramp and parking area made available for use by members of I'On Assembly, Inc.

The annual cost to the owners of Assembly Lots to maintain, operate and insure the recreational facilities is or will be incorporated in the annual assessment which each such owner pays to I'On Assembly, Inc. Current owners association annual assessments are $400 per lot per year, but are subject to change as provided in the Declaration. Owners of Commercial Lots will have no right to use the recreational facilities owned by I'On Assembly, Inc. or I'On Club, L.L.C., and thus, will not be subject to assessment by I'On Assembly, Inc. for the costs associated with those recreational facilities.

Transfer of the Facilities

The recreational facilities listed in the chart above, other than the sidewalks and community dock, shall, upon completion of construction, be conveyed to I'On Assembly, Inc. by quitclaim deed free and clear of all monetary liens and encumbrances at no cost to I'On Assembly, Inc. or its members. Upon conveyance of these facilities to the I'On Assembly, Inc., it shall assume full responsibility for the costs of ownership, operation, and maintenance of the facilities conveyed to it. Such costs will increase the responsibilities of the I'On Assembly, Inc. and its board of trustees and could result in an increase in future assessments or special assessments payable to the I'On Assembly, Inc. by owners of Assembly Lots.

Who May Use the Facilities

The recreational facilities listed in the chart above will be available for use by owners and occupants of the Assembly Lots and other members of the I'On Assembly, Inc., including the developer, and their respective guests. In addition, the community dock, the Eastlake lake and boathouse, and certain parks will be available for use by such club members and others (which may include members of the general public) as I'On Club, L.L.C. may designate from time to time pursuant to the easement agreement referenced above. The recreational facilities are not available for use by owners or occupants of the Commercial Lots except to the extent that I'On Club, L.L.C. may authorize such use.

There may be additional recreational facilities in the subdivision which are not listed in the above chart and which will be privately owned and operated by a person or entity other than the I'On Assembly, Inc. The operation and use of, and access to, such facilities is not guaranteed and is subject to such terms and conditions and payment of such fees as the owner and operator of such facilities may establish from time to time. Any or all of such additional facilities may be operated as a private club for members and their guests. Membership in any such club may be subject to application, approval and availability, and payment of such initiation fees, dues and other charges as the owner/operator of the facility may establish and change in its sole discretion.

VARIOUS RECREATIONAL FACILITIES IN THE SUBDIVISION MAY BE OWNED AND OPERATED BY PERSONS OTHER THAN THE I'ON ASSEMBLY, INC. ANY OR ALL OF SUCH FACILITIES MAY BE OPERATED AS A PRIVATE CLUB FOR MEMBERS AND THEIR GUESTS. THERE IS NO ASSURANCE THAT YOU WILL BE ACCEPTED FOR MEMBERSHIP IN ANY SUCH PRIVATE CLUB IF YOU APPLY. IF ACCEPTED, THE COSTS OF SUCH A MEMBERSHIP MAY BE SUBSTANTIAL AND ARE IN ADDITION TO THE PURCHASE PRICE OF YOUR LOT. NO REFUND OF THE PURCHASE PRICE OF YOUR LOT WILL BE MADE IF YOU CANNOT OBTAIN A MEMBERSHIP. SINCE THE VALUE OF YOUR LOT MAY BE ADVERSELY AFFECTED BY YOUR INABILITY OR FAILURE TO OBTAIN A MEMBERSHIP, YOU SHOULD CAREFULLY CONSIDER YOUR PURCHASE OF A LOT IF IT IS BASED UPON YOUR PRESUMED ABILITY TO OBTAIN A MEMBERSHIP IN ANY PRIVATE CLUB AND TO USE ITS RECREATIONAL FACILITIES.

SUBDIVISION CHARACTERISTICS AND CLIMATE

In this section, we will discuss the basic terrain of the subdivision, the climate of the region, and any nuisances or hazards affecting the subdivision.

GENERAL TOPOGRAPHY

The general topography of the land in the subdivision is coastal lowcountry. The elevation of the subdivision ranges between 7 to 25 feet above sea level with an average elevation of 19 feet above sea level. The major physical characteristics of the land in the subdivision include primarily fine loamy sands with excellent permeability. There are over two miles of marsh frontage and 300 feet of deep water frontage along Hobcaw Creek, and three existing man-made lakes covering approximately 24.6 acres. The headwaters of Molasses Creek and tributaries of Hobcaw Creek originate within the subdivision and traverse the property. Approximately 9% of the land within the subdivision is planned to be maintained as natural open space and 10% is planned to be developed parkland.

We are not aware of any steep slopes, rock outcroppings, unstable or expansive soil conditions, or other conditions which would necessitate the use of special construction techniques to build on or use any lot listed in this Property Report.

WATER COVERAGE

There are no lots or portions of lots listed in this Property Report that are covered by water at any time.

DRAINAGE AND FILL

Before a building can be constructed on a lot in the subdivision, it will be necessary to strip the organic topsoil from that portion of the lot lying within the building footprint and replace it with structural fill in accordance with standard construction practices. We are not aware of any lots listed in this Property Report which will require draining or significant fill prior to being used for the purpose for which they are sold. If any lots should require draining or anything more than standard structural fill prior to being used for building construction, we will be responsible for taking any corrective action that may be required.

FLOOD PLAIN

All or portions of Lots CM-9, 137 and 138 of Phase 1 are within a designated flood zone. In addition, Phase 2 of the subdivision adjoins a tidal marsh and Lots 270-276, 278-284, 294-297, 253-259, and CV-6, and Lots 192-194, 195A, 195B, 195C and 195D of Phase 2 are in a

designated A7 flood zone. All or portions of Lots 156-170 of Phase 3 are in a designated A7 flood zone. All or portions of Lots 327-329, 331-341, 351-353 and CV-7 of Phase 4 are in a designated A7 flood zone. Flood insurance is available and will be required in connection with financing of improvements to these lots should the structure(s) planned for the lots lie within the portion of the lot within the A7 flood zone. The estimated cost of flood insurance on these lots is $395 per year for a $250,000 home with $50,000 coverage for contents and a $500 deductible.

FLOODING AND SOIL EROSION

We have developed and are in the process of implementing a program which provides, or will provide, controls for soil erosion, sedimentation and storm water for the subdivision. The program includes seeding or silt fencing all exposed areas in accordance with the guidelines of the Department of Health and Environmental Control (DHEC) and the Office of Ocean and Coastal Resource Management (OCRM). The program has been reviewed and approved by all appropriate federal, state and Town of Mt. Pleasant regulatory agencies.

Implementation of the program began in August 1997 when initial soil disturbance permits were issued and is expected to be completed by June 2000 for the lots covered in this Property Report. We are obligated to comply with the program. Satisfactory completion of environmental controls is a pre-requisite to approval of a final subdivision plat for each sub-phase of the subdivision.

Prior to recording a conditional plat for any sub-phase of development, we are required to provide financial assurances to the Town of Mt. Pleasant for completion of infrastructure to serve that sub-phase. Environmental controls are an essential component of the infrastructure covered by those financial assurances. At this time, all infrastructure, including environmental controls, has been completed and final plats have superseded the conditional plats in all of Phases 1 and 3. We have obtained conditional approval of the plats for Phase 2, Subphases A-E (consisting of 80 lots), Subphase IIB Future Development Parcels (consisting of 13 lots) and Subphase IIF (consisting of 19 lots) and we have posted a letter of credit from Wachovia National Bank in an amount equal to one and one-half times our engineer's estimate of work to be complete within each of those sub-phases. No plat has been recorded yet for Phase 4. A letter of credit will be posted to assure completion of infrastructure, including environmental controls, in that phase prior to recording the conditional plat for that phase.

NUISANCES

There are no known land uses or nuisances which may adversely affect the subdivision.

HAZARDS

We are not aware of any unusual safety factors which affect the subdivision, nor are we aware of any proposed plans for construction which may create a nuisance or safety hazard or adversely affect the subdivision.

Due to its proximity to the Atlantic Ocean, the subdivision is subject to the effects of hurricanes. It has been formally identified by the Federal Emergency Management Agency as an area subject to the frequent occurrence of natural hazards, including earthquakes.

The Town of Mt. Pleasant has a rating system for fire hazard based on equipment, response time, and general effectiveness. The subdivision has a fire rating of 3 on a scale of 1 to 9 (1 being highest).

CLIMATE

The average temperature ranges for the area in which the subdivision is located are as follows:

	Summer (June-August)	Winter (November-March)
High	90.2°	57.8°
Mean	81.5°.	47.8°
Low	72.7°	37.7°

The average annual rainfall is 51.53 inches and the average annual snowfall is approximately 0 inches.

OCCUPANCY

Seventy-two homes in the subdivision are occupied on a full- or part-time basis as of the date of this Property Report.

ADDITIONAL INFORMATION

In this section, we will discuss the property owners association, your liability for real estate taxes and assessments levied against subdivision lots, matters pertaining to the resale of the lots, equal opportunity in lot sales and the listing of lots within the subdivision.

PROPERTY OWNERS ASSOCIATION

I'On Assembly, Inc. ("Assembly"), is the property owners association for those lots within the subdivision which are described as Assembly Lots in the listing of lots on page 33 of this Property Report. The Assembly was formed as a South Carolina nonprofit corporation on June 4, 1998 and has been operational since that date. The incorporator was Vincent G. Graham, 516 Mathis Ferry Road, Mt. Pleasant, South Carolina 29464.

The developer holds a Founder membership in the Assembly until all lots planned for the subdivision have been conveyed to purchasers other than builders or February 9, 2018, whichever is later. As the Founder member, we have the right to exercise control over the Assembly by appointing, removing and replacing a majority of the members of the Assembly's governing board ("Board of Trustees") until the earlier of (i) the date as of which 75% of the total acreage of the property planned for inclusion in the subdivision has been conveyed to persons other than builders, or (ii) February 9, 2018, unless we voluntarily choose to relinquish such right earlier.

Actions which require a vote of the membership generally require approval of a specified percentage of the property owners and the consent of the Founder. In addition, as long as the Founder membership exists, we have the specific right to disapprove any action, policy or program of the Assembly, the Board of Trustees or any committee which we believe would tend to impair our rights or the rights of builders under the Assembly Declaration or the Assembly's bylaws, or interfere with development or construction, or diminish the level of services being provided by the Assembly.

Membership in the Assembly is mandatory for every owner of an Assembly Lot. If title to a lot is held in joint names, all owners of such lot share privileges and responsibilities of such membership.

Each owner of an Assembly Lot is required to pay assessments to the Assembly. The annual General Assessment is currently $400 per lot. General Assessments cover the Assembly's annual operating costs. General Assessments may be adjusted each fiscal year by the Board of Trustees, subject to procedures set forth in the Declaration. The Board of Trustees may revise the budget and General Assessment from time to time and may retroactively budget and assess for any expenses incurred or shortfalls experienced by the Assembly. The Assembly may also levy Specific Area Assessments against the lots for costs of benefits or services which the

Assembly might provide only within a specified area of the subdivision. The Assembly may also levy assessments against the lot of an owner or resident who violates provisions of the Assembly Declaration or other governing documents.

The Assembly is responsible for management, operation and maintenance of the common properties; administering and enforcing the Assembly Declaration, the architectural standards known as the I'On Code, and the I'On Rules; making and amending the I'On Rules in accordance with the Assembly Declaration, and making or contracting for repairs, additions, and improvements to the common properties. It is also authorized, but not obligated, to contract for or provide services and facilities for the benefit of property owners and their lots, which might include such things as cable television service, security services, and landscape maintenance services, among other things.

In order to carry out these functions, the Assembly is authorized to adopt budgets and levy assessments against the property owners and their lots; open bank accounts, deposit funds received on behalf of the Assembly into such accounts, and use such funds to operate the Assembly; contract for insurance coverage for the Assembly; hire, compensate and fire personnel; purchase equipment, supplies and materials to be used by such personnel; and take specific enforcement action, including assessing monetary fines, suspending the right to vote and to use common properties; suspending services, exercising self-help, and bringing suit in court to enforce the governing documents. The Assembly has a duty to maintain books and records and to make them available to the members and their mortgagees.

Architectural control over the lots in the subdivision is exercised by the I'On Design Committee. We will appoint the members of the Design Committee as long as we own any property planned for inclusion in the subdivision. Thereafter, the Assembly's Board of Trustees will appoint the members of the Design Committee. The Assembly is authorized to enforce the architectural control provisions of the Assembly Declaration and the decisions of the I'On Design Committee.

There are no functions or services which we currently provide at no charge for which the Assembly may be required to assume responsibility in the future.

We believe the current level of assessments will be adequate, with appropriate adjustments for inflation and increases in the cost of living, for the Assembly to meet its present and planned financial obligations, including operating costs, maintenance and repair costs, and reserves for replacements. If the current level of assessments is not adequate to meet those obligations, it may be necessary for the Assembly to increase the assessments to be paid by property owners.

I'On Square Association, Inc. ("Association") is or will be the property owners association for the lots described as Commercial Lots in the listing of lots on page 33 of this Property Report. We will incorporate the Association as a South Carolina nonprofit corporation before we transfer title to any Commercial Lot.

We will have the right to appoint a majority of the members of the Association's board of directors until we have conveyed 75% of the total acreage of the property described in Exhibits "A" and "B" to the Commercial Declaration to persons other than our affiliates, or 20 years after the date on which the Declaration is recorded in the public records, whichever is earlier.

There are two classes of membership in the Association: Class A and Class B. All owners of Commercial Lots are Class A Members. We are the only Class B Member. Actions which require a vote of the membership generally require approval of a specified percentage of the Class A votes and our consent, as long as our Class B Membership exists. In addition, as long as the Class B membership exists, we have the specific right to disapprove any action, policy or program of the Assembly, the Board of Directors or any committee which we believe would tend to impair our rights or the rights of developers under the Commercial Declaration or the Association's bylaws, or interfere with development or construction, or diminish the level of services being provided by the Association. The Class B membership will terminate two years after expiration of our right to control the board of directors.

Membership in the Association is mandatory for all owners of Commercial Lots. Each owner of a Commercial Lot is obligated to pay assessments to the Association for a share of the common expenses of the Association, calculated in accordance with a formula set forth on Exhibit D to the Commercial Declaration. Assessments will vary from lot to lot based on the "Maximum Floor Area" allocated to the lot pursuant to the Commercial Declaration. Base Assessments for general common expenses are currently projected to be in the range of fifty cents (50¢) per square foot of Maximum Floor Area allocated to the lot, but are subject to increase by the board of directors from time to time in accordance with the procedures set forth in the Commercial Declaration. The Association may also levy special assessments to cover unbudgeted expenses, as well as specific assessments against the lot of an owner or occupant who violates provisions of the Commercial Declaration or other governing documents.

The Association performs much the same functions and has substantially the same powers with respect to the property subject to the Commercial Declaration as the Assembly performs with respect to the property subject to its Declaration, as described above.

We will exercise architectural control over the Commercial Lots during the development period and then will transfer responsibility for architectural control to an architectural control committee appointed by the Association's board of directors.

There are no functions or services that we currently provide at no charge for which the Association may be required to assume responsibility in the future.

We believe the projected level of assessments will be adequate, with appropriate adjustments for inflation and increases in the cost of living, for the Association to meet its present and planned financial obligations, including operating costs, maintenance and repair costs, and reserves for replacements. If the current level of assessments is not adequate to meet

those obligations, it may be necessary for the Assembly to increase the assessments to be paid by the owners of Commercial Lots.

TAXES

You will be obligated to pay real property taxes on the lot after title to the lot is transferred to you. Real property taxes on the lot will be assessed by and paid to the Town of Mt. Pleasant and Charleston County, South Carolina. For the 2000 tax year, real property taxes on property in the subdivision are assessed at a rate of $254.60 per $1,000 in assessed value of each residential lot and all structures located on the lot. The assessed value of a residential lot is currently 4% of the appraised value if the owner is a resident of Charleston County and 6% of the appraised value if the owner is not a resident of Charleston County. The assessed value of a commercial lot is currently 6% of the appraised value.

There are currently no special taxes or tax assessments which affect the subdivision. The subdivision is not currently part of a special improvement district.

RESALE OR EXCHANGE PROGRAM

Restrictions on the use of your lot have been discussed in the section of this Property Report entitled "Restrictions on the Use of Your Lot," above. Those restrictions which might hinder the lot owner in the resale of lots within the subdivision include the architectural approval and control provisions which limit or restrict the placement of signs within the subdivision and restrictions on use of Commercial Lots which may limit the number and types of resale buyers who would be interested in purchasing the lot.

Except in the case of certain exempt transfers, upon the transfer of title to a lot in the subdivision, the applicable Declaration requires the transferring owner to pay a transfer fee to the I'On Trust, a South Carolina nonprofit corporation. Such transfer fee is in the amount of one tenth of one percent (.1%) of the total cost to the purchaser of the lot and any improvements on the lot, as such cost is indicated by the amount of tax imposed by Charleston County, South Carolina on the transfer of title. You are advised to review the provisions of Article X of the Declaration regarding the transfer fee carefully before making a decision to purchase a lot.

We have no program to assist you in the resale of your lot. We do not have any provision to allow you to exchange one lot for another.

EQUAL OPPORTUNITY IN LOT SALES

We are in compliance with Title VIII of the Civil Rights Act of 1968. We will not directly or indirectly discriminate against you on the basis of race, color, religion, sex, or national origin. Furthermore, we will not indicate a preference for or a rejection of any particular group

in our advertising, in our rendering of services to lots, in requiring terms and conditions on lot sales and leases, or in any other manner.

LISTING OF LOTS

Below is a listing of the three hundred and two (302) lots currently covered by this Property Report and intended for sale in the subdivision, as indicated on the referenced plats.

I'ON	
PLAT REFERENCE	LOTS NUMBERED
Phase 1 (128 lots)	
Phase 1A (21 lots)	Assembly Lots: 11, 14, 15, 16, 18, 25, 27, 28, 37, 42, 44, 47-49, 61, 62, 64, 66-69
Phase 1B1 (26 lots)	Assembly Lots: 10, 137-145, 147-151, 154, 155, Commercial Lots: CM1, CM2, CM4, CM5, CM6, CM7, CM8, CM9, CV-1
Phase 1B2 (4 lots)	Assembly Lots: 3, 7, 8, 9
Phase 1C (29 lots)	Assembly Lots: 50, 52-58, 70-81, 83-91
Phase 1C2 (17 lots)	Assembly Lots: 103, 110, 111, 112, 117, 120-129, 135, 136
Phase 2 (109 lots)	
Subphases IIA-E (79 lots)	Assembly Lots: 190, 196-206, 211-222, 242-263, 265-276, 278-297, CV5
Subphase IIB -future development parcels (12 lots)	Assembly Lots: Lots 191-194, 195A, 195B, 195C, 195D, 207-210
Subphase IIF (18 lots)	Assembly Lots: Lots 223-229, 231-241
Phase 3 (33 lots)	Assembly Lots: 156-188
Phase 4 (63 lots)	Assembly Lots: 301-314; 316-329; 331-363; CV-7

COST SHEET, SIGNATURE OF SENIOR EXECUTIVE OFFICER

In addition to the purchase price of your lot, there are other expenditures which must be made. Listed below are the major costs. There may be other fees for use of the recreational facilities. All costs are subject to change.

Sales Price

Cash Price of Lot ..... $_____
Finance Charge ..... $_____

Total ..... $_____

Estimated One-Time Charges

1. Water connection fee ..... $ 874.00
2. Sewer connection fee $1,340.00
3. Electric connection fee ..... $_____
4. Telephone service installation charge ..... $_____
5. Design review fees ..... $_____
6. Other (identify) ..... $_____

Total of estimated sales price and one-time charges ..... $_____

Estimated Monthly/Annual charge (exclusive of utility use fees)

1. Taxes -- Average unimproved lot after sale to purchaser ..... $_____
2. Dues and assessments ..... $_____

The information contained in this Property Report is an accurate description of our subdivision and development plans.

The I'On Company, L.L.C., a South Carolina limited liability company

By: _____ (SEAL)
Joseph E. Barnes
Its: Manager

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: December 29, 2000

We must give you a copy of this Property Report and give you an opportunity to read it before you sign any contract or agreement. By signing this receipt, you acknowledge that you have received a copy of our Property Report.

Received by: _____ Date: _____
Street Address: _____
City _____ State _____ Zip _____

If any representations are made to you which are contrary to those in the report, please notify:

Office of Interstate Land Sales Registration
HUD Building, 451 Seventh Street, S.W.
Washington, D.C. 20410

AGENT CERTIFICATION

I certify that I have made no representations to the person(s) receiving this PropertyReport which are contrary to the information contained in this Property Report.

Lot _____ Block _____ Section _____
Name of Salesperson: _____
Signature: _____ Date: _____

PURCHASER CANCELLATION

If you are entitled to cancel your purchase contract and wish to do so, you may cancel by personal notice or in writing. If you cancel in person or by telephone, it is recommended that you immediately confirm the cancellation by certified mail. You may use the form below:

Name of Subdivision: I'On
Date of Contract: _____

This will confirm that I/we wish to cancel our purchase contract.

Purchaser(s) signature: _____ Date: _____

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Name of Subdivision: I'On
Date of Contract: _____

This will confirm that I/we wish to cancel our purchase contract.

Purchaser(s) signature: _____ Date: _____

Joe's copy

I'On Lot Purchase Agreement
Phases 5 - 8

Purchaser: Lea Ann Adkins

[redacted]

Street Address / P.O. Box Mt. Pleasant, SC 29464

[redacted]

Seller: **The I'On Company, LLC**
159 Civitas Street, Mt. Pleasant, South Carolina 29464
Phone: (843) 971-1662 Fax: (843) 971-1664

Property: Lot 5-104, 34 Hopetown Rd., as shown on the plat by _____, dated _____, _____, having a latest revision date of _____, _____, and recorded in Plat Book _____, at Page(s) _____ in the RMC Office for Charleston County, South Carolina (the "Plat").

1. **Agreement to Buy and Sell:** In consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the Purchaser identified above ("Purchaser") agrees to buy and the Seller identified above ("Seller") agrees to sell, the Property described above ("Property"), subject to the matters herein provided.

2. **Purchase Price:** In consideration for the Property, the Purchaser agrees to pay to the Seller the sum of One hundred fifty nine thousand Dollars (U.S. $ 159,000) (the "Purchase Price") as follows:

(a) Fifteen thousand nine hundred Dollars (U.S. $ 15,900) (10% of Purchase Price) is paid by Purchaser upon execution of ~~this~~ Agreement as earnest money (the "Earnest Money"), to be held and disbursed in accordance with the terms of Paragraph 3 below. B. Slater J/Simonin by Boiga 4/30, 11:[illegible]

(b) The balance One hundred forty three thousand one hundred Dollars (U.S. $ 143,100) shall be paid in cash or immediately available funds at the closing of the purchase and sale transaction contemplated by this Agreement (the "Closing"). All deposits and other payments hereunder shall be made payable to Seller or an agent designated by Seller.

3. **Earnest Money and Completion Deposit:** The Earnest Money shall be deposited into an escrow account maintained by the Listing Broker, I'On Realty, L.L.C. By initialing below, Purchaser acknowledges that such account need not be interest-bearing, but if interest-bearing, the Purchaser relinquishes all rights of ownership of the accrued interest on said deposit and acknowledges that the Seller shall donate all interest earned on such account to The I'On Trust, a nonprofit organization. The Earnest Money shall be credited to Purchaser at Closing against the Purchase price or otherwise disbursed in accordance with the terms of this Agreement upon default of either party prior to or at Closing.

Purchaser shall have the right of cancellation of this Agreement and refund of the Earnest Money as set forth in Paragraph 1 of Addendum "A", Special Stipulations attached hereto.

THIS AGREEMENT IS SUBJECT TO BINDING ARBITRATION PURSUANT TO SECTION 15-48-10, ET SEQ. OF THE S. C. CODE OF LAWS (1976, AS AMENDED)

DEFENDANT'S EXHIBIT 25 Don

4. **Closing:** The Closing shall take place on April 30, 2003, at 10:30 a.m. at the office of Purchaser's attorney in Mt. Pleasant or Charleston, South Carolina, or such other time, date and place as the parties may mutually agree upon in writing, but in no event shall closing take place more than sixty (60) days after the date of Purchaser's execution of this Agreement, the time of Closing being of the essence.

If Purchaser is unable or fails to proceed with Closing within such 60-day period, Seller shall be entitled to terminate this Agreement, in which event Purchaser shall, subject to the provisions of Paragraph 12 below, forfeit the Earnest Money to Seller in full as agreed reasonable and fair liquidated damages.

Upon such default by Purchaser, Seller shall have no further obligation to Purchaser under this Agreement, unless Seller agrees, upon Purchaser's written request, to extend the date set for Closing in consideration for a nonrefundable payment by Purchaser to Seller, due prior to the date originally set for Closing, in the amount of 2% of the Purchase Price, which amount shall be in addition to, and not credited against, the Purchase Price. In no event shall Seller be obligated to extend the date for Closing such that the same shall occur more than 60 days after the date of Purchaser's execution of this Agreement.

At or prior to Closing, each party shall, upon the request of the other, deliver to the other party appropriate evidence to establish the authority of such party to enter into and close the transaction and any other documents reasonably necessary or appropriate to complete and evidence the transaction contemplated by this Agreement. Seller shall also deliver to Purchaser a non-foreign (FIRPTA) affidavit and, in consideration thereof, Purchaser covenants not to withhold any portion of the sales price as would otherwise be required by 26 U.S.C. Section 1445 (f) (3) of the Internal Revenue Code (as amended).

5. **Conveyance of Title:** At Closing, Seller shall deliver to Purchaser a properly executed general warranty indenture deed to be executed by both parties conveying good and marketable title to the Property, free and clear of all liens and encumbrances except for zoning and other applicable laws, and other matters provided herein as permitted encumbrances including the following:

(a) all covenants, restrictions, conditions, easements, rights, reservations, limitations, limitations on use, architectural and landscape approvals, and affirmative obligations to pay all assessments and charges as set forth on the Plat and in the "Declaration of Covenants, Conditions and Restrictions for I'On", recorded in Book C297, page 282 in the RMC Office for Charleston County, South Carolina, along with the "First Amendment to the Declaration of Covenants, Conditions, and Restrictions for I'On", recorded in Book H347, page 655 in the aforesaid RMC Office and the "Second Amendment to the Declaration of Covenants, Conditions and Restrictions for I'On", recorded in Book S361, page 297 in the aforesaid RMC Office (collectively the "Declaration"), and all related documents referenced therein, and those set forth in the I'On Code;

(b) a reservation of non-exclusive easements for the installation and maintenance of all utilities (i) adjacent to, parallel with and within 3 feet of the two side boundary lines of the Property, and (ii) within applicable setbacks for the front and rear boundary lines;

(c) the restriction that the Property shall not be used for any type of Vacation Time Sharing Plan as defined by Section 27-32-10 et. seq., S.C. Code (1976), as amended, without the express, written consent of Seller, its successors and assigns;

(d) ad valorem property taxes and governmental assessments not due and payable prior to Closing;

(e) a covenant that construction of the dwelling on the Property shall be performed only by a builder approved by The I'On Company, LLC; and

(f) other matters approved or waived by Purchaser as provided for in this Agreement.

Purchaser acknowledges and agrees that the Property is also subject to federal and state stormwater management laws and regulations currently administered by the Office of Ocean and Coastal Resource Management ("OCRM") of the South

Rev [illegible]

Carolina Department of Health and Environmental Control ("DHEC") and agrees for himself and his successors in title to abide by them.

6. **Closing Costs and Prorations:** Seller shall pay for the preparation of the deed, recording of any lien releases, Seller's attorneys' fees and the deed-recording fee required pursuant to §12-24-10, et seq. of the S.C. Code of Laws (1976, as amended). Purchaser shall pay all other closing costs. Charleston County property taxes shall be pro-rated as of the date of the Closing and Seller shall have deducted from the gross proceeds of sale Seller's pro-rata share thereof. The annual assessments levied by I'On Assembly, Inc. (the "Assembly") shall be prorated on a quarterly basis and paid by Purchaser as of the date of Closing. The Purchaser shall pay when due all assessments applicable to the Property coming due after the date of Closing as provided in Paragraph 7 of the Declaration and By-Laws, as the same may be amended from time to time.

7. **Possession:** Seller shall deliver possession of the Property to Purchaser upon Closing.

8. **Disclosures:**

(a) **Governing Documents:** By initialing this section, Purchaser acknowledges the receipt of copies of the following documents prior to entering into this Agreement: (a) the Declaration, (b) the By-Laws of I'On Assembly, Inc. ("By-Laws"), and (c) The I'On Code, (collectively, the "Governing Documents") and agrees to comply with and be bound by them.

Purchaser's Initials _____ Date 2/1, 2003

(b) **Membership in Assembly:** Upon conveyance of title to the Purchaser, Purchaser shall automatically become a member of the Assembly and shall remain a member so long as Purchaser holds title to the Property. Purchaser acknowledges that the Assembly is authorized to levy annual assessments against the Property for Purchaser's pro rata share of the common expenses of the Assembly as more fully set forth in the Declaration, and that such assessments against the Property is the personal obligation of the Purchaser in the same manner as they are the personal responsibility of all members owning property in I'On.

(c) **Neighborhood Improvements:** Purchaser acknowledges that inasmuch as Purchaser may be purchasing the Property prior to the completion of construction on other lots and streets in the Neighborhood, there may be certain inconveniences until all such construction is completed, and Purchaser waives all claims with respect thereto. Purchaser agrees that if Purchaser, his family, guests, employees, agents or invitees enter onto any area of construction, they do so at their own risk, and neither The I'On Company, LLC, Purchaser's Builder, or their respective contractors, agents, or employees, shall be liable for any damage, loss or injury to such person.

(d) **Use and Development Restrictions:** Purchaser acknowledges that the Property is subject to various restrictions on use and development including those as set forth in the Governing Documents listed in Paragraph 8 (a) above.

(e) **Plan Approval Pursuant to Declaration:** Purchaser acknowledges that all construction and landscaping on the Property and any modifications thereof affecting the exterior appearance of the Property are subject to prior approval in accordance with the Governing Documents. Purchaser further acknowledges that *TIME IS OF THE ESSENCE* in reference to the following required submittal dates for The I'On Design Committee:

(i) Within thirty (30) days after the date of Purchaser's execution of this Agreement, Purchaser shall have an orientation meeting with a member of the I'On Design Committee (IDC) at which time the Purchaser shall submit to the IDC for its review and consideration conceptual drawings, renderings, or photographs illustrating the architectural concept which Purchaser proposes for the improvements to be constructed on the Property.

(ii) Within one hundred eighty (180) days after the date of Purchaser's execution of this Agreement, Purchaser shall submit preliminary design documents to the IDC for its review and consideration.

(iii) In the event that the IDC disapproves Purchaser's conceptual plan or preliminary design documents, Purchaser shall work diligently and in good faith to revise and resubmit them as necessary until approval is granted.

(iv) Purchaser acknowledges that Purchaser must receive final approval of plans from IDC prior to commencing construction on the Property.

(v) Failure to submit such drawings within the required time periods, or failure to comply with the other requirements of the Declaration and the I'On Code relating to approval of plans, shall constitute a default by Purchaser, entitling Seller to the remedies set forth in Paragraph 12 of this Agreement. Purchaser acknowledges receipt of a copy of the Design Review Procedures for I'On by initialing this sub-paragraph 8 (e) below:

Purchaser's Initials _____ Date 2/1, 2003

(f) **House & Landscaping Completion Deposit:** Purchaser acknowledges that at the time of the Purchaser's Preliminary Design Submittal, the Purchaser shall also be required to pay a $4,000 House and Landscaping Completion Deposit to The I'On Company, LLC, or its assigns, which will be held and disbursed in accordance with the terms referenced in Paragraphs (i) and (ii) below.

(i) The $4000 Completion Deposit will be refunded, without interest, upon issuance of a certificate of occupancy and the substantial completion of the house in accordance with the Final Design Plans approved by the I'On Design Committee (IDC) and approval of the completion of the landscaping for the house by the IDC. It is the Purchasers responsibility to submit a Request for Final Inspection (Form F in the I'On Design Committee Procedures Manual) to IDC, and in turn IDC will do a final inspection of the property within 10 days of submittal. Within thirty (30) days from approval of the final inspection by IDC, the $4000 Completion Deposit will be refunded to the Purchaser.

(ii) In addition to other remedies set forth herein, failure to complete the house in accordance with the terms of this Agreement and/or failure to obtain approval of the completed landscaping within 90 days after issuance of the certificate of occupancy shall result in forfeiture of the $4000 Completion Deposit, and the same shall immediately become the sole property of The I'On Company, LLC, the parties hereby acknowledging and agreeing that such amount is reasonable and fair to reduce Seller's damages due to such default, and is not to be deemed a penalty.

The House and Landscaping Completion Deposit shall be deposited into an escrow account maintained by The I'On Company, L.L.C. or its assigns. By initialing below, Purchaser acknowledges that such account need not be interest-bearing, but if interest-bearing, the Purchaser relinquishes all rights of ownership of the accrued interest on said deposit and acknowledges that the Seller shall donate all interest earned on such account to The I'On Trust, a nonprofit organization.

Purchaser's Initials _____ Date 2/1, 2003

(g) **Building Permit Allocation Program of the Town of Mt. Pleasant and Application for Permit:** The Property herein is subject to the Permit Allocation Program of the Town of Mount Pleasant. Purchaser acknowledges that his ability to obtain a building permit is controlled by the terms of the Permit Allocation Program and construction may be delayed under same. Purchaser agrees to apply for a building permit with the Town of Mount Pleasant within two hundred seventy (270) days of Purchaser's execution of this Agreement. Failure to apply for a building permit within the required time period shall constitute a default by Purchaser, entitling Seller to the remedies set forth in Paragraph 12 hereof, and or in any Addendum to this Agreement.

(h) **Approved Builder:** Purchaser acknowledges that only builders approved by The I'On Company, LLC, the developer of I'On, may construct homes in I'On. Such approval requirement is for the protection of The I'On Company, LLC, only and shall not be construed to create any duty or liability to Purchaser on the part of The I'On Company, LLC. Purchaser agrees that Purchaser shall not permit any person other than a builder approved by The I'On Company, LLC to construct a home on the Property while title is vested in Purchaser. This limitation, among others set forth herein, is a covenant that runs with the land and is thus applicable and binding upon all successors in title to the Property. At Purchaser's request, The I'On Company, LLC will provide Purchaser with documentation outlining the criteria used in developing the list of approved builders.

(i) **Exemption from Interstate Land Sales Full Disclosure Act, Title 15, U.S. Code, Section 1701, et seq.:** This transaction is exempt from the Interstate Land Sales Full Disclosure Act pursuant to Section 1702 of Title 15 of the United States Code. In that connection, Seller represents to Purchaser that:

1. The Property is located within the Town of Mt. Pleasant (the "Town") which specifies minimum standards for the development of subdivision lots taking place within its boundaries;

2. The subdivision meets all local codes and standards, and each lot being offered for sale is subject to restrictive covenants that it be used for single family residences only;

3. The Property is or will be located on a paved street which has been built to standards applicable to streets maintained by the Town and is acceptable to the Town, or where such street is not completed, a bond or other surety acceptable to the Town has been posted to assure completion to such standards, and further the Town has accepted or is obligated to accept the responsibility of maintaining such street;

4. At the time of closing, potable water, sanitary sewage disposal, and electricity will have been extended to the Property;

5. The Seller will deliver a general warranty indenture deed free of monetary liens to the Purchaser at closing, and the closing will occur within 180 days after the signing of this Agreement. [Not withstanding foregoing language, in no event shall Seller be obligated to extend the date for Closing such that the same shall occur more than 60 days after the date of Purchaser's execution of this Agreement as set forth in Paragraph for of this Agreement.]

6. At the time of closing, Seller will provide to Purchaser a title insurance binder or title opinion in favor of the Purchaser reflecting the condition of title, and demonstrating that, subject only to such exceptions as are set forth herein which the Purchaser (by the execution of this Agreement) specifically approves, marketable title to the Property is vested in the Seller; and

7. There are no offers, by direct mail or telephone solicitation, of gifts, trips, dinners, or other such promotional techniques to induce prospective purchasers to visit the subdivision or to purchase a lot.

9. **Inspection; No Reliance:** Purchaser acknowledges that Purchaser or his or her spouse has made a personal, on-the-lot inspection of the Property prior to signing this Agreement. Purchaser acknowledges that this Agreement is entered into by Purchaser without reliance on any warranties, statements or representations, either written or oral, express or implied, by Seller, or by any agent, employee or representative of Seller, or by any broker or other person purporting to represent Seller, relating to the marketability or investment potential of the Property, the legal or tax consequences of this Agreement and the purchase or ownership of the Property, or other matters, except as set forth in this Agreement between Seller and Purchaser. Purchaser warrants and represents to Seller that if such matters are of concern to him, Purchaser has sought and obtained independent advice relative thereto.

Purchaser's Initials _____ Date 9/1, 2003

Seller's Initials _____ Date 2/1, 2003

10. Subdivision Improvements and Amenities: Purchaser and Seller agree that no representations regarding the provision or completion by the Seller of roads, sewer, gas, or electric services, or recreational amenities have been made by or on behalf of Seller, or relied upon by Purchaser, except as specifically set forth in this Agreement or any Addendums, exhibits or attachments. At or prior to Closing, Seller shall complete, or shall post a bond with the Town of Mount Pleasant, South Carolina or Charleston County, South Carolina, as appropriate, to provide financial assurances for completion of paved access from a public street or highway, central water and sewer service, and electricity to serve the Property.

11. Construction of Improvements: Purchaser shall obtain the I'On Design Committee's approval of plans for and cause construction of a residential dwelling to commence on the Property within 30 days after the date of a building permit being made available by the Town of Mount Pleasant, and shall cause such construction to be substantially completed and a certificate of occupancy issued within 12 months thereafter, subject only to delays occasioned by acts of God, material or labor shortages, or other conditions beyond the reasonable control of the Purchaser. Commencement of construction shall be deemed for purposes of this Agreement to start at the completion of the pouring of the footings for the approved residence on the Property. It is understood that the residential dwelling may be substantially complete even though minor punch list items and mechanical adjustments may not be completed.

12. Default and Remedies: Subject to Paragraph 20 below providing for arbitration of all disputes hereunder:

(a) **By Purchaser:**

(i) In the event of Purchaser's default in the performance of any obligation or covenant under this Agreement prior to Closing, and if Purchaser has paid less than or equal to 15% of the Purchase Price as Earnest Money or otherwise, exclusive of any interest, Seller may elect to terminate this Agreement by written notice to Purchaser and retain the Earnest Money as Seller's full and complete liquidated damages for such default, the parties hereby acknowledging and agreeing that the amount of Seller's actual damages in such circumstance would be difficult, if not impossible, to determine. The parties further agree, however, that the amount of the Earnest Money is a reasonable and fair estimate of Seller's damages and its forfeiture is deemed not to be a penalty.

(ii) Notwithstanding the provisions of Paragraph 12 (a)(i) above, if Purchaser loses rights and interest in the Property prior to closing because of Purchaser's default or breach of contract after more than 15% of the Purchase Price as Earnest Money or otherwise, exclusive of interest, has been paid, Seller shall refund to Purchaser any amount which remains from such payments made after subtracting 15% of the Purchase Price, exclusive of interest, or after subtracting the amount of Seller's actual damages, whichever is greater.

(iii) In the event of Purchaser's default after Closing in the performance of any obligation or covenant hereunder or under Purchaser's indenture deed from Seller, then in addition to the remedies set forth for specific events of default in this Agreement, including but not limited to any Addendums, Seller may elect to pursue any and all remedies available to it at law or in equity.

(b) **By Seller:** Except as otherwise specifically provided below, Purchaser's sole remedies in the event of Seller's default in the performance of its obligations and covenants under this Agreement shall be as follows:

(i) If Seller defaults under this Agreement prior to Closing, Purchaser, at its election, may as its sole remedies (a) seek the equitable remedy of specific performance; or (b) terminate this Agreement by written notice to Seller, whereupon Seller shall immediately refund to Purchaser all monies paid by Purchaser to Seller under this Agreement and the parties shall be relieved of any further obligations hereunder.

(ii) If Seller defaults under this Agreement in performance of any obligation to be performed after Closing and which expressly survives Closing, Purchaser may either seek specific performance of Seller's obligations hereunder or pursue any and all other remedies or actions at law or in equity available against Seller.

Rev 01[illegible]

(c) **Notice of Default and Right to Cure:** Notwithstanding anything to the contrary in this Paragraph 12, neither Seller nor Purchaser shall be entitled to exercise its remedies hereunder until the non-defaulting party has given the defaulting party at least 20 days written notice of such default, specifying the action necessary to cure such default, and if such default is cured during such 20-day period, this Agreement shall continue in full force and effect.

(d) **Fees and Costs:** If either party requires services of an attorney to enforce obligations under this Agreement, the prevailing party shall be due from the non-prevailing party reasonable attorneys' fees, costs and expenses actually incurred.

(e) **Escrow Agent:** If a dispute arises between Purchaser and Seller concerning the entitlement to and disposition of an Earnest Money deposit, or other money deposited with the escrow agent, and the dispute is not resolved by reasonable interpretation of the Agreement by the parties, then the escrow agent shall hold said Earnest Money and/or deposits until the dispute is resolved by:

(i) a written agreement which directs the disposition of monies and is signed by all parties claiming an interest in the monies. The agreement must be separate from the contract which directs the escrow agent to hold the monies; or,

(ii) an award rendered by an arbitrator(s) pursuant to Paragraph 20 below.

Seller agrees that if this Agreement is terminated under Paragraph 12 (a)(i) or (ii) above, whether by written agreement of the parties or by an arbitration award, then the escrow agent shall be entitled to retain one half of the balance of the Earnest Money deposit (not to exceed the amount of the commission due for this sale), and divide same equally with the cooperating brokerage firm, if any. The remainder shall then be paid to the Seller. Both parties agree to hold the escrow agent harmless with respect to its handling of the Earnest Money.

13. **Construction and Modification of Agreement; Applicable Law; Survival; Time of Essence:** The parties covenant and agree that this Agreement, together with any Addendums, exhibits or attachments, (i) supersedes any and all other agreements of the parties and constitutes and expresses the entire agreement between the parties; (ii) may be amended only by a written instrument executed by both parties; (iii) shall be governed, construed, and enforced in accordance with the laws of the State of South Carolina. Should any provision of this Agreement be void or become unenforceable at law or in equity, the remaining provisions shall remain in full force and effect and shall not in any manner be thereby affected or impaired. The provisions of this Agreement and any Exhibits or Addendums attached hereto which contemplate performance after Closing shall survive the Closing and shall not be merged into or with the indenture deed of conveyance. All times mentioned in this Agreement are of the essence hereof.

14. **Successors and Assigns; Transfer of Title:** This Agreement shall be binding upon and inure to the benefit of the heirs, personal representatives, successors, and assigns of the parties. Purchaser shall not transfer title to the Property after Closing unless such transfer is by indenture deed requiring an assumption by the transferee of Purchaser's obligations under this Agreement and the Purchaser's indenture deed with and from Seller, specifically including but not limited to an assumption of Purchaser's specific time limitations for performance in place at the time of such transfer.

15. **Notice:** Any communication under this Agreement shall be in writing and shall be deemed duly given if (i) deposited, properly addressed and postage prepaid, in the United States mail, certified mail with a return receipt requested, (ii) delivered personally, or (iii) delivered via overnight air courier, to the address stated herein or such other address as may have previously been designated by either party by written notice to the other in accordance with this paragraph.

16. **Force Majeure:** Either party hereto shall be excused for the period of delay in the performance of any obligations hereunder when such delay is occasioned by cause or causes beyond the control of the party whose performance is so delayed and the time for performance shall be automatically extended for a like period. Such causes shall include, without limitation, all labor disputes; civil commotion; war; war-like operations; sabotage; governmental or judicial regulations, legislation, or controls; inability to obtain any necessary materials or services; or acts of God.

17. **No Waiver:** Failure of either party to insist upon compliance with any provision hereof shall not constitute a waiver of the rights of such party to subsequently insist upon compliance with that provision or any other provision of this Agreement

18. **Brokers:** Seller and Purchaser each represent to the other that neither has dealt with a real estate broker or agent in connection with the purchase and sale contemplated by this Agreement, other than the broker(s), if any, whose name(s) and address(es) appear on the signature page of this Agreement. By initialing below Paragraph 19, Purchaser and Seller acknowledge that (i) the Listing Broker, if any, identified on the signature page of this Agreement has acted as the agent of Seller in this transaction and Seller shall pay any real estate commission to which such Listing Broker may be entitled; and (ii) the Selling Broker, if any, identified on the signature page of this Agreement has acted as the agent of the Purchaser in this transaction and I'On Realty shall pay any real estate commission to which such Selling Broker may be entitled in accordance with I'On Realty's cooperating brokerage policies.

19. **Commission from Builders:** Purchaser hereby acknowledges that builders in the I'On Guild who construct homes in I'On have agreed to pay the Listing Broker a commission of six percent (6%) of the Gross Sales Price of the improvements to be constructed by such builder on lots in I'On owned by third party purchasers, such as Purchaser. This Commission is to be calculated as follows: Commission = .06 x Gross Sales Price. The Gross Sales Price includes the Commission and can be calculated as follows: Gross Sales Price = The total of cost of improvements and overhead and profit divided by 0.94. Such commission shall be paid upon closing of the construction loan or commencement of construction, whichever next occurs after the builder enters into the contract for construction of a home for which a commission is payable.

Purchaser's Initials _____ Date 2/1, 2003

Seller's Initials _____ Date _____, 2003

20. **Arbitration:** This Agreement and all claims or disputes arising out of or related to same are subject to binding arbitration in accordance with Section 15-48-10, et seq. of the South Carolina Code of Laws (1976, as amended). Arbitration of any such matters shall be done in accordance with the Commercial Arbitration Rules of the American Arbitration Association unless the parties mutually agree otherwise. Notice of the demand for arbitration shall be served on the other party in the same manner as set forth in Paragraph 15 above, and any hearings shall be held in Charleston County, South Carolina at a mutually agreeable location. The award rendered by the arbitrator(s) shall specify the prevailing party, and shall be final, and judgment may be entered upon it in accordance with South Carolina law.

21. **Captions and Gender:** The captions used in this Agreement are for convenience only and shall not be considered in the construction of its provisions. In addition, all references to gender shall include the masculine, feminine and neuter genders as appropriate.

22. **Addendums:** Seller and Purchaser shall list all addendums to this Agreement below:

(a) Addendum "A", Special Stipulations;

(b) Addendum "B", Option to Repurchase and Right of First Refusal;

(c) Other addendums:_____

[REMAINDER OF PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have set their hands and seals, to be effective as of the date of execution by Seller below.

Signed, sealed and delivered in the presence of:

Laurie M. Thornhill

Laurie M. Thornhill (Printed Name)

_____

_____ (Printed Name)

PURCHASER:

By: _____

Lea Ann Adkins (Printed Name)

By: _____

_____ (Printed Name)

Date: February 1, 2003

Signed, sealed and delivered in the presence of:

_____

_____ (Printed Name)

SELLER: The I'On Company, LLC, a South Carolina limited liability company

By: Civitas, LLC, its Manager

By: _____

_____ (Printed Name)

Its: Manager

Date: _____, 2003

SELLER'S AGENT:

Name: I'On Realty, L.L.C.

Address: 159 Civitas Street
Mt. Pleasant, SC 29464

Phone: (843)884-3080; ext: 214

Agent: Laurie Thornhill

Cooperating Agent Please Circle One and Initial & Date

BUYER'S AGENT or REFERRING AGENT

_____ 2/1

Initial Date

Agency Name: Dunes Properties

Agent: Steve Forbes

Address: Isle of Palm, SC 29451

Phone: (843) 886-

ADDENDUM "A"
Special Stipulations

The following special stipulations shall be added to and become a part of the Lot Purchase Agreement by and between The I'On Company, L.L.C. ("Seller") and Lea Ann Adkins ("Purchaser") dated February 1, 2003 (the "Agreement"), and shall control over any inconsistent provisions in the body of such Agreement.

1. **Cancellation Period:** Notwithstanding any shorter cancellation period provided for in the body of the Agreement, Purchaser may terminate this Agreement and receive a full refund of the Earnest Money paid pursuant to Paragraph 3 by delivering written notice of such termination to Seller at any time before *the earlier of*: (a) 5:00 p.m. on the thirtieth (30th) day following the date of Purchaser's execution of this Agreement; or (b) Closing. Seller shall refund Purchaser's Earnest Money within thirty (30) days after receipt of such notice of termination. If Purchaser has not canceled the Agreement as provided for herein within the time period set forth above, then the Earnest Money shall thereafter be nonrefundable except as specifically provided in the Agreement.

2. **Seller's Option to Repurchase and Right of First Refusal:** Purchaser agrees that if Purchaser defaults in the obligation to apply for a building permit with the Town of Mount Pleasant within two hundred, seventy (270) days of Purchaser's execution of this Agreement, and/or fails to obtain approval of plans for, and commence construction of, a residential dwelling on the Property in good faith within 30 days after the date of a building permit being made available by the Town of Mount Pleasant, and/or fails to complete same within 12 months from the commencement of construction all as set forth in the Agreement, and such default remains uncured 20 days after written notice from Seller of such default, then Seller, its successors or assigns (hereafter, "Seller") shall have the option to repurchase the Property at the same Purchase Price as Purchaser paid to Seller hereunder, less real estate commissions and such other costs, and subject to such other terms, as are set forth in the Option to Repurchase and Right of First Refusal Agreement attached as Addendum "B" to the Agreement. Further, neither Purchaser nor any successor in title may transfer or convey any interest in the Property to any third party without giving Seller written notice of any such proposed transfer, upon receipt of which by Seller, Seller shall have the right of first refusal to repurchase such property, as follows:

a. In the event that Purchaser is not in default of the construction timeline and obligations set forth above, the purchase price shall be based upon a fair market value appraisal conducted by a mutually agreed upon appraiser. In the event that Purchaser and Seller are unable to agree upon an appraiser, each shall appoint an appraiser of their choosing, and the two appraisers shall then select a third appraiser, whose appraisal of the Property shall be binding upon the parties. The cost of the appraisal shall be borne by the Purchaser.

b. In the event that Purchaser is in default of the construction obligations set forth above, the purchase price shall be equal to the initial consideration paid by Purchaser to I'On for the Property less adjustments in said purchase price for all of I'On's initial closing costs, all closing costs incident to the repurchase closing, applicable commissions and any additional fees related to the initial closing.

Seller shall be deemed to have waived its right of first refusal if it fails to give notice of its intent to exercise same within 20 days of its receipt of the written notice of the proposed transfer.

If not earlier exercised or waived in writing by Seller, Seller's option to repurchase and its right of first refusal shall automatically terminate upon issuance of a certificate of occupancy by the appropriate governmental authorities for a residential dwelling on the Property or 3 years after the date of Closing, whichever is earlier, and upon receipt of a written request from Purchaser or any successor-in-title at any time thereafter. Seller shall execute a release of such option and right in recordable form.

3. **Execution of Option to Repurchase and Right of First Refusal Agreement:** The parties agree to execute simultaneously herewith the Option to Repurchase and Right of First Refusal Agreement attached hereto as Addendum "B" to effectuate the terms and provisions of Special Stipulation 2 herein.

Signed, sealed and delivered in the presence of:

_____

_____(Printed Name)

_____

_____(Printed Name)

PURCHASER:

By: _____

Lea Ann Adkins (Printed Name)

By: _____

_____(Printed Name)

Date: February 1, 2003

Signed, sealed and delivered in the presence of:

_____

_____(Printed Name)

SELLER: The I'On Company, LLC, - a South Carolina limited liability company

By: Civitas, LLC, its Manager

By: _____

_____(Printed Name)

Its: Manager

Date: _____, 2003

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

OPTION TO REPURCHASE and
RIGHT OF FIRST REFUSAL AGREEMENT

Addendum "B" to I'On Lot Purchase Agreement, Phase 5-8

This Option to Repurchase and Right of First Refusal Agreement (hereinafter "Addendum") is entered into this 1st day of February, 2003, by and between The I'On Company, LLC (a South Carolina limited liability company hereinafter referred to as "I'On") and Lea Ann Adkins (hereinafter "Purchaser"),

WITNESSES:

WHEREAS, of even date herewith I'On has contracted with Purchaser under a Lot Purchase Agreement for the sale and purchase of the property more particularly described on Exhibit "A" attached hereto and by this reference incorporated herein (the "Property); and

WHEREAS, the Lot Purchase Agreement between the parties hereto pursuant to which Purchaser is to acquire the Property from I'On provides that in the event Purchaser (or any successor in title to the Property) fails to apply for a building permit with the Town of Mount Pleasant within two hundred and seventy (270) days of Purchaser's execution of this Addendum, and/or fails to commence construction of a properly approved residence on the Property within 30 days after the date of a building permit being made available by the Town of Mount Pleasant, and/or fails to complete the same within 12 months from the Commencement thereof (hereinafter defined), I'On shall have the right and option to purchase the Property from the Purchaser (or any successor in title to the Property) for the same amount of consideration (less adjustments as set forth herein) paid by Purchaser to Seller upon the acquisition of the Property from I'On all in accordance with the remaining terms and provisions of the said Lot Purchase Agreement and the within Addendum. Commencement of Construction shall be deemed for the purposes of this Agreement to start at the completion of the pouring of the footings for the improved residence on the Property; and

WHEREAS, the Lot Purchase Agreement between the parties hereto pursuant to which Purchaser is to acquire the Property from I'On provides in Addendum "A" "Special Stipulations" that neither Purchaser nor any successor in title may transfer or convey any interest in the Property to any third party without giving I'On a right of first refusal to repurchase such Property for the same price as set forth for the potential repurchase under the option to repurchase granted herein. Neither Purchaser nor any successor in title may transfer or convey any interest in the Property to any third party without giving I'On written notice of any such proposed transfer, upon receipt of which by I'On, I'On shall have a right of first

refusal to repurchase such Property at the same price as set forth above for the potential repurchase by I'On under the option to repurchase above. Seller shall be deemed to have waived its right of first refusal if it fails to give notice of its intent to exercise same within 20 days of its receipt of the written notice of the proposed transfer.

NOW THEREFORE, for and in consideration of the Premises, and the sum of Five and no/100 Dollars ($5.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Purchaser from I'On, Purchaser does hereby grant and convey unto I'On, its successors and assigns, an Option to Repurchase ("Option") and a Right of First Refusal ("Right") pursuant to the terms hereinabove and herein-below to acquire the Property for a period of three (3) years starting on the date of the closing of the sale and purchase of the Property, unless this such Option and Right are stayed or sooner terminated under the further terms and provisions hereinafter set forth. This Option and Right shall be binding upon and inure to the benefit of the heirs, personal representatives, successors, and assigns of the parties to this Addendum.

This Option to Repurchase and Right of First Refusal granted herein shall terminate and be of no further force and effect upon the happening of any of the following:

1. The Commencement of the Construction of improvements on the Property within 30 days after the date of a building permit being made available by the Town of Mount Pleasant, and the substantial completion thereof followed by the issuance of the applicable certificate of occupancy from the Town of Mount Pleasant on or before the expiration of twelve (12) months from the date of Commencement of Construction.
2. In the event I'On grants to Purchaser (or any successor in title to the Property), for just cause, an extension of the Commencement of Construction date beyond said 30 day period, and construction of said improvements is commenced within the agreed upon extension therefor, the Option and Right granted herein shall terminate upon the substantial completion thereof followed by the issuance of the applicable certificate of occupancy from the Town of Mount Pleasant within 12 months from such delayed date of Commencement of Construction.
3. After the passage of three (3) years from Purchaser's initial closing, if the Option and Right granted herein has not otherwise sooner terminated, the same shall automatically terminate, be void, and of no further force and effect whatsoever.

Provided, however, during the existence of this Addendum, so long as the construction of improvements continues in an orderly and timely manner in observation of good construction practices, the rights of I'On hereunder shall be stayed and rendered temporarily unenforceable. If, on the other hand, such construction is interrupted for a period of 30 consecutive days, the stay provided herein shall automatically terminate, and this Agreement shall once again be of full force and effect. Any construction delay occasioned by *force majeure* (as defined in paragraph 16 of the I'On Lot Purchase Agreement) shall not be counted in the determination of the period of interruption.

This Option and Right granted herein shall be subordinate to a bona fide purchase money and/or construction loan secured by a first mortgage on the Property, but only in the total amount of such sums as are advanced under such loan for

payment of the lot purchase price, for payoff of any lot loan, and/or for labor and materials utilized in the construction of the residence on the Property, together with any advances made by the construction lender for taxes, insurance premiums, and costs of collection, including reasonable attorneys' fees.

In the event the Property at the time of the closing from Purchaser (or any successor in title to the Property) to I'On is subject to any mechanic's lien, the dollar amount thereof shall be placed in escrow with I'On Realty until a final adjudication of the claim for which such mechanic's lien was filed. If such claim is finally adjudicated as being valid, I'On may satisfy the same from said escrow and also withdraw from such escrow its related costs, expenses and reasonable attorneys' fees. If any such claim is adjudicated to be invalid and the lien adjudicated to be satisfied of record, the escrowed sum, less I'On costs, expenses and reasonable attorneys' fees, if any, related to such mechanic's lien dispute shall be promptly paid over by I'On Realty as escrow agent to Purchaser (or any successor in title to the Property) where title to the Property has been reconveyed to I'On in accordance with the terms of this Addendum.

In the event the title to the Property at the time of reconveyance is subject to any other lien, encumbrance or defect, I'On in addition to all other rights and remedies which it may have at law and/or in equity may remove any such lien, encumbrance or defect and deduct as an adjustment all costs and expenses incurred by I'On related thereto (including, but not limited to, attorneys' fees) from the amount of the purchase price otherwise payable by I'On to Purchaser (or any successor in title to the Property) as provided herein. I'On shall also be entitled to repurchase the said Property as aforesaid and take title, in its sole option, subject to any such lien, encumbrance or defect.

If I'On elects to exercise the within Option to Repurchase, it shall do so by the delivery of 20 days written notice of such election to Purchaser (or any successor in title to the Property) at the address shown on the I'On Lot Purchase Agreement or other appropriate address. Purchaser (or any successor in title to the Property) agrees to convey the Property to I'On by general warranty deed (subject to the same exceptions to title set forth in the deed of conveyance to Purchaser) at the end of 20 days from the date of the receipt by Purchaser (or any successor in title to the Property) from I'On of said notice (the exact date, time and location of the closing of the repurchase shall be selected by I'On). The consideration to be paid by I'On to the Purchaser (or any successor in title to the Property) for the Property is equal to the initial consideration paid by Purchaser to I'On for the Property less adjustments in said purchase price for all of I'On's initial closing costs, all closing costs incident to repurchase closing, applicable commissions and any additional fees related to the initial closing. Ad valorem taxes and assessments shall be prorated in the same manner as the initial closing. The resulting purchase price shall be paid by I'On to Purchaser (or any successor in title to the Property) in immediately available funds at the closing of the said repurchase.

If I'On elects to exercise the within Right of First Refusal, it shall do so within 20 days of receipt of written notice of Purchaser's proposed sale of the Property to a third party. Purchaser (or any successor in title to the Property) agrees to convey the Property to I'On by general warranty deed (subject to the same exceptions to title set forth in the indenture deed of conveyance to Purchaser) at the end of 20 days from the date of the receipt by Purchaser of notice of I'On's election to

exercise said Right (the exact date, time and location of the closing of the repurchase shall be selected by I'On). The consideration to be paid by I'On to the Purchaser (or any successor in title to the Property) for the Property in exercise of its Right of First Refusal is as follows:

a. In the event that Purchaser is not in default of the construction timeline and obligations set forth above, the purchase price shall be based upon a fair market value appraisal conducted by a mutually agreed upon appraiser. In the event that Purchaser and Seller are unable to agree upon an appraiser, each shall appoint an appraiser of their choosing, and the two appraisers shall then select a third appraiser, whose appraisal of the Property shall be binding upon the parties. The cost of the appraisal shall be borne by the Purchaser.

b. In the event that Purchaser is in default of the construction obligations set forth above, the purchase price shall be equal to the initial consideration paid by Purchaser to I'On for the Property less adjustments in said purchase price for all of I'On's initial closing costs, all closing costs incident to repurchase closing, applicable commissions and any additional fees related to the initial closing. Ad valorem taxes and assessments shall be prorated in the same manner as the initial closing. The resulting purchase price shall be paid by I'On to Purchaser (or any successor in title to the Property) in immediately available funds at the closing of the said repurchase.

The parties hereby acknowledge and agree that such repurchase price amount in exercise of I'On's Option or Right is reasonable and fair to reduce Seller's damages due to Purchaser's failure to perform as agreed in the I'On Lot Purchase Agreement, and is not to be deemed a penalty.

This Agreement shall be governed, construed, interpreted, and enforced by I'On, its successors and assigns, in accordance with the laws of the State of South Carolina in an action for specific performance or other applicable type of action.

In the event either party hereto is required or elects to take legal or equitable action against the other to enforce the non-defaulting party's rights under this Agreement, or to require performance by the defaulting party of its obligations under this Agreement, then the non-prevailing party shall immediately pay to the prevailing party for all costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by the prevailing party in such action. The award rendered by the arbitrator (s) shall specify the prevailing party.

This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, devisees, Personal Representatives, successors and assigns, and may be recorded in the R.M.C. Office for Charleston County, S.C., by either party at Purchaser's expense. At the time of any termination of this Agreement, I'On shall, upon receipt of a written request from Purchaser or any successor in title to the Property, execute and deliver a release and cancellation of this Agreement in recordable form.

IN WITNESS WHEREOF, The I'On Company, L.L.C. (a South Carolina Limited Liability Company), has caused these presents to be executed in its name by Civitas, LLC, its Manager, by Vincent G. Graham, its Manager, thereunto duly authorized as of this 14 day of February 2003.

In the presence of:

The I'On Company, LLC

By: Civitas, LLC, its Manager

_____
Witness 1

By:_____
Vincent G. Graham
Its: Manager

_____
Witness 2

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

The foregoing instrument was acknowledged before me by The I'On Company, LLC by Civitas, LLC, its Manager, by Vincent G. Graham, its Manager, this _____ day of _____, 2003.

_____(SEAL)
Notary Public for South Carolina
My Commission Expires:_____

IN WITNESS WHEREOF, my/our hand(s) and seal(s) have caused these presents to be executed this 15th day of February, 2003.

In the presence of:

PURCHASER(S):

_____
Witness

_____
Witness

_____

_____

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

The foregoing instrument was acknowledged before me by _____ and _____, this _____ day of _____, 2003.

_____(SEAL)
Notary Public for South Carolina
My Commission Expires:_____

Exhibit A to Option to Repurchase and Right of First Refusal Agreement

Lot _____, _____, as shown on the plat by _____, dated _____, _____, having a latest revision date of _____, _____, and recorded in Plat Book _____, at Page(s) _____ in the RMC Office for Charleston County, South Carolina.

BK M 342PG051

INDEXING NOTE: Please cross-reference to Declaration recorded at: Deed Book ~~XXXX~~ C297 Page ~~XXXX~~ 282

Prepared by/Record and return to:

Joseph E. Barnes
The I'On Company, L.L.C.
159 Civitas Street
Mt. Pleasant, South Carolina 29464

THIS SPACE FOR RECORDER'S USE

RECREATIONAL EASEMENT AND AGREEMENT TO SHARE COSTS

THIS RECREATIONAL EASEMENT AND AGREEMENT TO SHARE COSTS ("Agreement") is made this 9th day of February, 2000, by and between I'ON CLUB, LLC, a South Carolina limited liability company ("Club Owner"), THE I'ON COMPANY, L.L.C., a South Carolina limited liability company ("Developer"), and I'ON ASSEMBLY, INC., a South Carolina nonprofit corporation ("Assembly").

BACKGROUND STATEMENT

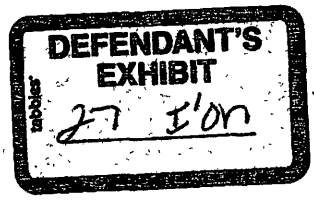
WHEREAS, I'On is a planned community which Developer is developing in Charleston County, South Carolina (the **"Community"**); and

WHEREAS, the Assembly is the entity charged with administering that Declaration of Covenants, Conditions, and Restrictions for I'On recorded in Deed Book C297, Page 282 of the Registry of Mesne Conveyances for Charleston County, South Carolina, as such Declaration may be amended or supplemented from time to time (**"Declaration"**), and maintaining and operating certain property described therein as **"Commons"**; and

WHEREAS, the Commons consists of such real property and interests therein as the Assembly owns or otherwise holds possessory or use rights in for the common use and enjoyment of the owners of property subject to the Declaration or their lessees, the occupants of their property, and their guests and invitees, and such other persons as the Declaration or the Assembly's Board of Trustees may authorize; and

WHEREAS, Developer is the owner of the property described on Exhibit "A"of this Agreement (**"Eastlake and the Amenity Area"**), which Developer intends to convey to the Assembly as a part of the Commons; and

WHEREAS, Club Owner is the owner of the real property described on Exhibit "B" of this Agreement (the **"Club Property"**), on which it has constructed or intends to construct certain recreational facilities, including a boat ramp and dock and a driveway and parking area to



serve them ("**Boating Facilities**"), for the use and enjoyment of those persons who apply, are approved, and pay the required fees for membership in a club established by Club Owner known as the I'On Club (the "**Club Members**") and such other persons as Club Owner may authorize; and

WHEREAS, the Assembly desires to acquire and Club Owner is willing to grant a nonexclusive easement over the Club Property for access to and use and enjoyment of the Boating Facilities by the owners of property subject to the Declaration or their lessees, the occupants of such property, and their guests, in common with such other persons as Club Owner may authorize; and

WHEREAS, the Assembly and Club Owner desire to provide for a reasonable allocation between them of the costs which Club Owner incurs in maintaining, repairing, replacing, insuring and operating those portions of the Club Property subject to such easement; and

WHEREAS, Club Owner desires to obtain a right of access to and use of Eastlake and the Amenity Area for the purpose of sponsoring various clinics, lessons, and recreational activities for such Club Members and others as Club Owner may authorize to participate; and

WHEREAS, pursuant to Section 5-103(c) of the Declaration, the Assembly, acting through its Board of Trustees, is authorized to grant easements, licenses and similar interests over the Commons for any lawful purpose which its Board of Trustees determines to be consistent with the interests of the Assembly; and

WHEREAS, the Assembly's Board of Trustees has determined that it is in the interests of the Assembly to promote sponsorship of clinics, lessons and other recreational activities within the Community and to enter into this Agreement; and

WHEREAS, Developer, as the current owner of Eastlake and Amenity Area, is willing to grant an easement over Eastlake and the Amenity Area to Club Owner for such purpose;

NOW, THEREFORE, for and in consideration of the foregoing recitals, the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, Club Owner, Assembly, and Developer hereby agree as follows:

Article I
Easements

1.1. Easement for Use and Enjoyment of Boating Facilities.

(a) Subject to subsection (b) below, Club Owner hereby grants to Assembly, for the benefit of the owners of property subject to the Declaration or their lessees, the occupants of such

property, and their guests, in common with such other persons as Club Owner may authorize, a perpetual, nonexclusive easement over and on:

(i) the driveways and designated parking areas within the Club Property, for the purposes of vehicular and pedestrian access to the Boating Facilities and temporary parking of vehicles and boat trailers, for periods not to exceed 12 hours in any 24 hour period without Club Operator's express permission, while using the Boating Facilities or while the boat launched from such trailer is in the water; and

(ii) the boat ramp which is part of the Boating Facilities, for the purpose of launching and recovery of boats; and

(iii) the boat dock which is part of the Boating Facilities, for the purpose of temporary docking of boats for periods not to exceed 8 hours in any 24 hour period, and for use and enjoyment of the dock by pedestrians, for fishing, and for such other purposes as Club Owner may permit.

(b) The foregoing easement shall be subject to:

(i) the right of Club Owner to adopt and amend reasonable rules and regulations pertaining to the use of the Boating Facilities, including, without limitation, rules establishing operating hours, limitations on and fees for guest use, and parking and traffic regulations; provided, any such rules and regulations shall apply uniformly to Club Members and other authorized users of the Boating Facilities;

(ii) the right of Club Owner to suspend the right of any person to use the Boating Facilities for any infraction of such rules and regulations and to recover from the Assembly or from such person all costs which Club Owner incurs in repairing any damage to the Club Property or the Boating Facilities resulting from the negligence, recklessness, or willful misconduct of any person exercising such easement;

(iii) the right of Club Owner to temporarily close or reserve the Boating Facilities from time to time, for limited periods of time, for maintenance and special events, including, without limitation, private parties, lessons, and similar activities;

(iv) the right of Club Owner to deny access to the Boating Facilities pursuant to this easement for any period during which the Assembly is delinquent in paying amounts owed to Club Owner hereunder; and

(v) the right of Club Owner to offer boat and/or tackle rentals, sell bait and offer similar items and services for a fee or other charge, and to appropriate for its exclusive use such portion of the Boating Facilities as Club Owner deems reasonably necessary to provide such items or services;

(vi) the right of Club Owner to install on the Club Property a fence, gate, key entry or other mechanisms or systems to limit access to the Boating Facilities by unauthorized persons and during times that the Boating Facilities are closed, and to require authorized users to purchase, for a fee not to exceed Club Owner's cost, a key, pass card or similar devices to gain access to the Boating Facilities; and

(vii) any other easements and restrictions of record affecting the Club Property.

1.2. Easement for Use and Enjoyment of Commons.

(a) Subject to subsection (b) below, Assembly hereby consents to the grant of, and Developer hereby grants to Club Owner, for the benefit of such Club Members, their guests, and other persons as Club Owner may authorize, a perpetual, nonexclusive easement over and on:

(i) the property described on Exhibit "A" as "Eastlake" and the boathouse and other facilities thereon, for purposes of boating, fishing, storing boats, boat rentals, and conducting clinics, lessons and other activities sponsored by Club Owner which do not materially adversely interfere with use of the lake by others and for which Club Owner may or may not charge a fee, in its discretion;

(ii) the property described on Exhibit "A" as "Amenity Area", for the purpose of engaging in games, sports and other recreational activities and conducting clinics and lessons sponsored by Club Owner, for which Club Owner may or may not charge a fee, in its discretion;

provided, no person may exercise this easement without the prior permission of Club Owner and then only to the extent authorized by Club Owner.

(b) The foregoing easement shall be subject to:

(i) the requirement that Club Owner make arrangements in advance with the Assembly before exercising the easement for group activities or in a manner that will materially limit the access to or use of such facilities by others;

(ii) the right of the Assembly to charge Club Owner reasonable user fees for use of the Commons by persons who are not otherwise authorized to use the Commons pursuant to the Declaration, and to charge Club Owner for any reasonable costs incurred and documented by the Assembly in making the facilities available to Club Owner, over and above its usual and customary costs, such fees and costs to be agreed upon between Club Owner and the Assembly in advance of such use;

(iii) the right of the Assembly to adopt and amend reasonable rules and regulations pertaining to the use of the Commons, including, without limitation, rules establishing operating hours and parking and traffic regulations; provided, any such rules and regulations shall apply uniformly to all authorized users of the Commons (whether authorized

pursuant to this Agreement or otherwise) and shall not unreasonably interfere with the ability of Club Owner to exercise the easement rights granted herein;

(iv) the right of the Assembly to suspend the right of any person to use the Commons for any infraction of such rules and regulations and to recover from any person exercising such easement all costs which the Assembly incurs in repairing any damage to the Commons resulting from the negligence, recklessness, or willful misconduct of any person exercising such easement;

(v) the right of the Assembly to temporarily close or reserve portions of the Commons from time to time, for limited periods of time, for maintenance and special events;

(vi) the right of the Assembly to install a fence, gate, key entry or other mechanisms or systems to limit access to portions of the Commons by unauthorized persons and during times that the Commons are closed, and to require authorized users to purchase, for a fee not to exceed the Assembly's cost, a key, pass card or similar devices to gain access; and

(vii) any other easements and restrictions of record affecting the Commons.

Article II
Obligation to Maintain and Insure

2.1. Maintenance Responsibility. Club Owner shall maintain the portions of the Club Property that are subject to an easement under Article I in good repair and in a manner consistent with the standard of maintenance generally prevailing within the Community. Assembly shall maintain Eastlake and the Amenity Area in good repair and in a manner consistent with the standard of maintenance generally prevailing within the Community.

2.2. Insurance Responsibility. Club Owner and the Assembly shall each obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available, on the property and facilities which it is obligated to maintain under Section 2.1:

(a) Property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements, in amounts sufficient to cover full replacement cost (less a reasonable deductible);

(b) Commercial general liability insurance, insuring such party for damage or injury caused by the negligence of such party or any of its employees, agents or contractors while acting on such party's behalf, in such amount as the party deems prudent; provided, if available at reasonable cost, such coverage (including primary and any umbrella coverage) shall have a limit of at least $1,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage. Each party shall have the other named as an additional insured under this coverage.

2.3. Right to Enforce. If either Club Owner or the Assembly fails to adequately to perform its maintenance responsibilities hereunder or fails to obtain and maintain insurance as required herein, the other party may notify it of such default and, unless the defaulting party takes affirmative steps to cure such default within a reasonable period of time set forth in the notice, the other may pursue any and all remedies available to it at law or in equity to enforce the defaulting party's obligations hereunder.

Article III
Obligation of Assembly to Share Costs

3.1. Covenant to Pay. The Assembly shall be obligated to pay to Club Owner assessments as provided for herein to cover a share of the costs incurred by Club Owner in maintaining, repairing, replacing, operating and insuring the Boating Facilities. Such obligation shall be a separate and independent covenant on the part of the Assembly, and no diminution or abatement of the Assembly's financial obligations hereunder or setoff shall be claimed or allowed by reason of any alleged failure of Club Owner to adequately maintain or insure the Boating Facilities, the sole remedy of the Assembly for failure of Club Owner to perform being suit at law or in equity.

3.2. Computation of Assessment.

(a) Not later than November 1 of each year, Club Owner shall prepare an estimated budget for maintenance, operation, repair, replacement and insurance of the Boating Facilities during the coming calendar year, including a reasonable and appropriate amount to be placed in a reserve fund for capital repairs to and replacement of improvements to the Boating Facilities (the "Budget"). The costs of operation shall include, by way of example and not limitation, utility costs, insurance premiums, and compensation and related costs of personnel who devote all or a portion of their time to the maintenance and/ or operation of the Boating Facilities (including, without limitation, any management personnel, and maintenance personnel), allocated in proportion to the average time devoted to matters relating to the Boating Facilities, if less than full time is so devoted.

(b) Not later than November 15 of each year, Club Owner shall send a copy of the Budget to the Assembly along with notice of the assessment for the Assembly's share of such costs. The Assembly's share shall be computed by multiplying the total Budget by a fraction, the numerator of which is the number of Lots subject to assessment under the Declaration as of November 1 of the year preceding the year for which the Budget is to be effective (y) and the denominator of which is that number (y) plus the number of memberships in the Club issued and outstanding to persons who do not own a Lot in the Community as of such date (z), reflected by the following formula:

$$\text{Assembly's} = \frac{y}{\quad} \times \text{Budget}$$

Share

y + z

(c) The total assessment levied for the Assembly's share of the Budget shall be payable in equal quarterly installments on or before the last day of each calendar quarter.

(d) In the event that the Club Owner for any reason fails to determine the Budget for any year, then until such time as a Budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

3.3. Adjustment for Actual Expenses. Within 60 days after the end of each fiscal year, Club Operator shall provide to the Assembly a statement of expenses for the previous year in an actual versus budget format. In the event that the actual expenses (including budgeted contributions to a reserve fund) for any year are less than reflected in the Budget, any excess amount paid by the Assembly for such year shall be credited against future amounts due from the Assembly. In the event that the actual expenses (including budgeted contributions to a reserve fund) for any year are greater than reflected in the Budget, the shortfall may be added to the Budget for the following year for purposes of computing the Assembly's assessment for that year.

3.4. Delinquencies; Collection. Any amounts due from the Assembly hereunder which are delinquent for a period of more than 10 days shall incur a late charge in the amount of $25.00 or 10% of the amount due, whichever is greater. In addition, the Assembly shall reimburse Club Owner for costs incurred in attempting to collect the past due amount, including reasonable attorneys' and paralegals' fees actually incurred, whether or not suit is filed. If the delinquent amount remains unpaid 45 days after the due date, Club Owner may institute suit to collect the delinquent amount, plus late charges, interest at the rate of 18% (or the maximum rate permitted by law, whichever is less) from the date first due and payable, and costs of collection, as described above. All payments shall be applied first to costs and attorneys' fees, then to late charges, then to interest and then to other delinquent amounts.

3.5. Expenditure of Funds. The assessments levied by Club Owner hereunder may be used for such purposes relating to the maintenance, operation, repair, replacement and insurance of the Boating Facilities as Club Owner deems appropriate. The judgment of Club Owner in the allocation and expenditure of such funds shall be final so long as such judgment is exercised in good faith, and neither Club Owner, its members, officers, or agents shall be liable to any person or entity for any error in judgment, or any action or inaction relating to the expenditure of such funds; provided, nothing herein shall protect any person from liability for gross negligence or willful misconduct in the handling of such funds.

3.6. Recordkeeping. Club Owner shall maintain or cause to be maintained full and accurate books of account with respect to the performance of its responsibilities under this Agreement. Such books and records and financial statements related thereto shall be made available for inspection and copying by the Assembly's officers, trustees, or agents upon request, during normal business hours or under other reasonable circumstances. Copying charges shall be

paid by the Assembly or person requesting such copies. If the Assembly desires to have the records audited, it may do so at its own expense, and Club Owner shall cooperate by making available to the party performing the audit the records, including all supporting materials (e.g., check copies, invoices, etc.) for the year in question. If the amount of actual expenses for the year is disputed after audit, the Assembly and Club Owner shall cause a second audit to be performed by a mutually acceptable auditor and the decision of the second auditor shall be binding. If the amount as determined by the second auditor varies from the amount asserted by Club Owner by five (5%) percent or more, Club Owner shall pay the entire cost of the second auditor. If the amount as determined by the second auditor varies from the amount asserted by Club Owner by two (2%) percent or less, then the Assembly shall pay the entire cost of the second auditor. Otherwise, the cost of the second auditor shall be shared equally by Club Owner and the Assembly. Variances shall be taken into account in the following year's Budget as provided above.

Article IV
General

4.1. Amendment. This Agreement may be amended only by an instrument signed on behalf of the Assembly, with the approval of a majority of the members of its Board of Trustees, and by the Club Owner. Amendments to this Agreement shall become effective upon recordation in the Registry of Mesne Conveyances for Charleston County, South Carolina, unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six months of its recordation. In no event shall a change of conditions or circumstances operate to amend any provisions of this Agreement.

4.2. Term. This Agreement, as it may be amended pursuant to Section 4.1, shall have a term of 30 years and thereafter shall automatically be renewed for successive periods of 10 years each unless and until terminated by either party at the end of the initial or any renewal term by written notice to the other given not less than 6 months prior to the end of such term. However, if any of the covenants, conditions, restrictions, or other provisions of this Agreement shall be declared by a court of law to be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

4.3. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid, but if the application of any nonessential provision to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application and without defeating the intent hereof, and, to this end, the provisions of this Agreement are declared to be severable.

4.4. Notices. Any notice provided for in this Agreement shall be in writing and shall be deemed to have been duly given, if personally delivered, at the time of personal delivery, or if

mailed, on the second business day following the deposit of the envelope containing such notice in the United States Mail, registered or certified, first class postage prepaid, and properly addressed:

(a) if to Club Owner, at the address of the principal office of I'On Club, LLC in the State of South Carolina; or

(b) if to the Assembly, at the address of the principal office of I'On Assembly, Inc. in the State of South Carolina.

4.5. Indemnification; Assumption of Risk. Each party shall indemnify and hold harmless the other from any loss, damages, and costs, including reasonable attorneys and paralegal fees, which the indemnified party may incur as a result of the failure of persons exercising the easement granted to the other party herein to comply with the rules and regulations adopted for use of the property subject to such easement.

Each person exercising the easement rights granted hereunder assumes all risk of personal injury, including death, and loss or damage to personal property, arising out of their use of the property subject to the easement and agrees that the Assembly, Club Owner and their respective owners, members, officers, trustees, directors, agents and employees, shall have no liability for, and further agrees to indemnify and hold each of the foregoing harmless from, any and all claims arising out of any such injury, loss or damage, unless and except to the extent that such injury, loss or damage is the direct result of the gross negligence or willful misconduct of the party to be held liable.

4.6. Binding Effect; Successors and Assigns. This Agreement and the easements created herein shall run with the title to Eastlake and the Amenity Area and the Club Property and shall be binding upon and inure to the benefit of all parties having any right, title, or interest in Eastlake and the Amenity Area or the Club Property, their successors, successors-in-interest and assigns, as well as the owners of the real property now and hereafter made subject to the Declaration and their respective successors and successors-in-title.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

CLUB OWNER: I'ON CLUB, LLC, a South Carolina limited liability company

ADDRESS: 516 Mathis Ferry Road
Mt. Pleasant, SC 29464

By: _____
Name: Joseph E. Brana
Title: Manager

BK M 342PG060

WITNESSES:

David E. Thompson
David E. Thompson (Printed Name)

Linda M. German
Linda M. German (Printed Name)

STATE OF SOUTH CAROLINA

CHARLESTON COUNTY

PERSONALLY appeared before me the undersigned witness and made the oath that (s)he saw the within named I'On Club, LLC, a South Carolina limited liability company, by Joe Barnes, its Manager, sign, seal and deliver the within instrument, and the (s)he with the other witness above subscribed, witnessed the execution thereof.

David E. Thompson

Sworn to before me this 9th day of February, 2000:

[Notarial Seal]

Linda M. German
Notary Public for the State of South Carolina
My Commission Expires: 3/2/2009

DEVELOPER: THE I'ON COMPANY, LLC, a South Carolina limited liability company

ADDRESS: 516 Mathis Ferry Road
Mt. Pleasant, SC 29464

By:
Name: Joseph E. Barnes
Title: Manager

WITNESSES:

David E. Thompson
David E. Thompson (Printed Name)

BK M 342PG061

Linda M. Gorman
Linda M. Gorman (Printed Name)

STATE OF SOUTH CAROLINA

CHARLESTON COUNTY

PERSONALLY appeared before me the undersigned witness and made the oath that (s)he saw the within named I'On Club, LLC, a South Carolina limited liability company, by Joe Barnes, its Manager, sign, seal and deliver the within instrument, and the (s)he with the other witness above subscribed, witnessed the execution thereof:

David E. Thompson

Sworn to before me this 9th day of February, 2000:

[Notarial Seal]

Linda M. Gorman
Notary Public for the State of South Carolina
My Commission Expires: 3/2/2009

ASSEMBLY: I'ON ASSEMBLY INC., a South Carolina nonprofit corporation

[Corporate Seal]

ADDRESS: 516 Mathis Ferry Road
Mt. Pleasant, SC 29464

By:
Name: President Joseph E. Barnes
Title: President

WITNESSES:

David E. Thompson
David E. Thompson (Printed Name)

Linda M. Gorman
Linda M. Gorman (Printed Name)

BK M 342PG062

STATE OF SOUTH CAROLINA

CHARLESTON COUNTY

PERSONALLY appeared before me the undersigned witness and made the oath that (s)he saw the within named I'On Assembly, Inc., a South Carolina nonprofit corporation by Joe Barnes, its Manager, sign, seal and deliver the within instrument, and the (s)he with the other witness above subscribed, witnessed the execution thereof.

David E. Thompson

Sworn to before me this 9th day of February, 2000:

[Notarial Seal]

Linda M. Herman
Notary Public for the State of South Carolina

My Commission Expires: 3/2/2009

523901/Club/Rec.Easmt/020700/jps

BK M 42PG063

Exhibit "A"

Eastlake and the Amenity Area

ALL that certain piece, parcel or tract of land, situate, lying and being in I'On in the Town of Mt. Pleasant, County of Charleston, State of South Carolina, being shown as "Eastlake, 13.48 acres" on a plat entitled "Plat of Eastlake Containing 13.48 Acres, Owned by The I'On Company, Town of Mt. Pleasant, Charleston County, South Carolina" prepared by F. Elliotte Quinn, III, R.L.S. of Thomas and Hutton Engineering Company, dated December 21, 1998, and recorded in the RMC Office for Charleston County, South Carolina in Plat Book ED, Page 229, said tract having such size, shape, buttings, and boundings as shown on said plat;

TOGETHER WITH:

ALL that certain piece, parcel or tract of land, situate, lying and being in I'On in the Town of Mt. Pleasant, County of Charleston, State of South Carolina, being shown as "Amenity Area, 109,934 square feet" on a plat entitled "Final Subdivision Plat of Lots 11-49, 60-69, Phase I-A, I'On, Town of Mt. Pleasant, Charleston County, South Carolina" prepared by F. Elliotte Quinn, III, R.L.S. of Thomas and Hutton Engineering Company, dated April 12, 1998, and recorded in the RMC Office for Charleston County, South Carolina in Plat Book EC, Page 631, said tract having such size, shape, buttings, and boundings as shown on said plat;

Said tract butting and bounding according to said plat as follows: to the south on the right-of-way of Mathis Ferry Road, to the west on the right-of-way of Eastlake Road, to the north on a 20' Drainage Easement, and to the east on property now or formerly of R. E. Mevers (TMS #514-00-00-074).

BK M 342PG064

Exhibit "B"

Club Property

ALL that certain piece, parcel or tract of land, situate, lying and being in I'On in the Town of Mt. Pleasant, County of Charleston, State of South Carolina, being shown as Lot CV-6 on a plat entitled "Conditional Subdivision Plat of Phase II, Subphases A-E, I'On, Town of Mt. Pleasant, Charleston County, South Carolina" prepared by F. Elliotte Quinn, III, R.L.S. of Thomas and Hutton Engineering Company, dated April 19, 1999, and recorded in the RMC Office for Charleston County, South Carolina in Plat Book ED, Page 108-109, said tract having such size, shape, buttings, and boundings as shown on said plat;

Henry B. Fishburne, Jr.

TO
Henry B. Fishburne

20.00 B

BK M 342PG065

FILED

M 342-51

2000 FEB 15 PM 12:55

CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

BK C 353PG484

STATE OF SOUTH CAROLINA)
) INDENTURE DEED
COUNTY OF CHARLESTON)

WHEREAS, The I'On Company, L.L.C., is a South Carolina Limited Liability Company, and Joseph E. Barnes, as Manager, is authorized to execute and deliver deeds on behalf of the Company.

KNOW ALL MEN BY THESE PRESENTS, that The I'On Company, L.L.C. in the State aforesaid for and in consideration of the sum of Five ($5.00) dollars being the full and true consideration to it in hand paid at and before the sealing of these presents by I'on Club, LLC in the State aforesaid, the receipt whereof is hereby acknowledged, has granted, bargained, sold and released, and by these presents does grant, bargain, sell and release, subject to the exceptions, restrictions, easements and limitations hereinafter set forth unto the said I'on Club, LLC, the following described property, to-wit:

See Attached Exhibit "A" for Legal Description

TMS#: 535-06-00-219 & 535-06-00-230

Grantees' address: 151 Civitas Street
Mt. Pleasant, SC 29464

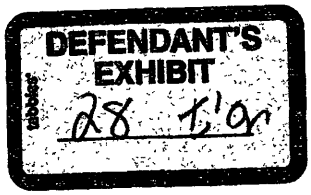
TOGETHER with all and singular, the Rights, Members, Hereditaments and Appurtenances to the said Premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular, the said Premises before mentioned, subject to the matters set forth in (a) through (k) on Exhibit "A", unto the said I'on Club, LLC, its Successors and Assigns forever.

AND subject to the matters set forth in (a) through (k) on Exhibit "A", The I'On Company, L.L.C. does hereby bind itself and its Successors and Assigns, to warrant and forever defend, all and singular, the said Premises unto the said I'on Club, LLC, its Successors and Assigns, against it and its Successors and Assigns, and all persons whomsoever lawfully claiming, or to claim the said or any part thereof.

By the acceptance of this deed, the Grantee(s) agree(s) to observe and be bound by the aforesaid Declaration of Covenants and Restrictions and the By-Laws of the Association which said Declaration shall constitute covenants running with the land and shall be binding upon the owner(s) of said lot and the owner's family, servants, guests, invitees and tenants.

IN WITNESS WHEREOF, The I'On Company, L.L.C., a South Carolina Limited liability company, has caused these presents to be executed in its name by Joseph E. Barnes, its Manager, this 15th day of August, in the year of our Lord Two Thousand and in



BK C 353PG485

the Two Hundred Twenty-Fourth Year of the Sovereignty and Independence of the United States of America.

SIGNED, SEALED AND DELIVERED

THE I'ON COMPANY, L.L.C.

By: _____
Joseph E. Barnes
Its: Manager

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON) ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me this 15th day of August 2000 by The I'On Company, L. L. C., by Joseph E. Barnes, its Manager.

_____
NOTARY PUBLIC FOR SOUTH CAROLINA
MY COMMISSION EXPIRES: 2-07-2013
AFFIX SEAL

BK C 353PG486

EXHIBIT "A"

PROPERTY DESCRIPTION

All those lots, pieces, or parcels of land situate, lying and being in the Town of Mt. Pleasant, Charleston County, South Carolina, shown and designated as Lots CV5 and CV6, Phase 2A, I'On, on plats thereof entitled "Conditional Plat of Phase II, Subphases A-E, I'on Subdivision, Town of Mt. Pleasant, Charleston County, S. C." dated March 17, 1999, prepared by F. Elliotte Quinn, III, R. L. S. of Thomas & Hutton Engineering Co., and recorded in the RMC Office for Charleston County in Plat Book ED at page 108 and 109; said lots having such size, shape, location, butting and bounding as are shown on said plat.

This conveyance is made subject to the following:

(a) All covenants, restrictions, conditions, easements, rights, reservations, limitation, limitations on use, architectural and landscape approvals, and affirmative obligations to pay all assessments and charges as set forth on the aforesaid Plat (the "Plat") and in the Declaration of Covenants, Conditions and Restrictions for I'On, recorded in the RMC Office for Charleston County, South Carolina (the "Declaration") in Book C-297 at page 282, Book E308 at page 752 and L316 at page 13 and all documents referenced therein;

(b) All easements, conditions, restrictions and other matters shown on the aforesaid plat;

(c) A reservation of non-exclusive easements along the boundary lines of the Property for the installation and maintenance of utilities contained in the Declaration;

(d) Easement to South Carolina Electric and Gas Company, recorded in Book X115 at page 28, RMC Office for Charleston County.

(e) Easements for access, utilities and drainage reserved in the deed from David N. Jordan, KREPS Investment Company, LLC, KAYJ Investment Company, LLC, L-J, Inc. and Barbara J. Alford, as Trustee of the Trust under the Will of Hampton S. Alford to the I'On Company, L.L.C. dated August 12, 1997 and recorded in the RMC Office for Charleston County in book J288 at page 190.

(f) Easement to BellSouth Telecommunications, Inc. dated November 6, 1997 and recorded November 7, 1997 in the RMC Office for Charleston County in Book U292 at page 209.

(g) The restriction that the Property shall not be used for any type of Vacation Time Sharing Plan as defined by Section 27-32-10 et. seq., S. C. Code (1976), as amended, without the express, written consent of Seller, its successors and assigns;

BK 353P6487

(h) Zoning or other restrictions of record as imposed by governmental authorities having jurisdiction over the use of the property.

(i) Any interest created by or limitations on use imposed by the Federal Coastal Zone Management Act or other Federal law or regulations or by South Carolina Code Section 48-39-10 through Section 48-39-220, as amended, or any regulations promulgated pursuant to said State or Federal Laws, inclusive of DHEC (formerly South Carolina Coastal Council) and U. S. Army Corps of Engineers.

(j) Ad valorem property taxes and governmental assessments not due prior to closing of this sale.

(k) All easements, conditions, restrictions and other matters contained in Declarations of Restrictive Covenants dated December 10, 1998 and recorded in the RMC Office for Charleston County in Book L313 at page 13 and as shown on the plat entitled "Plat of Wetlands and Buffers for I'On, Town of Mt. Pleasant, Charleston County, SC" dated June 9, 1998 by Thomas and Hutton Engineering Company and recorded in Plat Book EC at pages 899-903, aforesaid records.

(l) Easement to CPW in Book J316 at page 228 and O319 at page 482.

This being a portion of the premises conveyed to the Grantor herein by deed of David N. Jordan, KREPS Investment Company, LLC, L-J, Inc. and Barbara J. Alford, as Trustee of the Trust under the Will of Hampton S. Alford, dated January 11th, 1999 and recorded February 9, 1999 in the RMC Office for Charleston County in Book Y319 at page 382.

BC 353P6488

STATE OF SOUTH CAROLINA) AFFIDAVIT
COUNTY OF CHARLESTON)

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. I have read the information on the back of this affidavit and I understand such information.
2. Property located at Lots CV5 and CV6, Phase 2, Tax Map Plat Plat [illegible] Charleston County, SC bearing County Tax Map Number _____ was transferred by The I'On Company to I'on Club, LLC on 8/18/09.
3. Check one of the following: The Deed is
   a) ____ subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
   b) ____ subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.
   c) EXEMPT from the deed recording fee because (exemptions 1-12) (If exempt, please skip items 4-7, and go to item 8 of this affidavit.) 8. to become a member
4. Check one of the following if either item 3(a) or item 3(b) above has been checked.
   a) The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of $_____
   b) The fee is computed on the fair market value of the realty which is $_____.
   c) The fee is computed on the fair market value of the realty as established for property tax purposes which is $ _____.
5. Check YES ____ or NO __X__ to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement or realty after the transfer. If "YES" the amount of the outstanding balance of this lien or encumbrance is $_____.
6. The DEED recording fee is computed as follows:
   a) $_____ the amount listed in item 4 above
   b) _____ the amount listed in item 5 above (no amount place zero)
   c) _____ subtract line 6(b) from Line 6(a) and place the result.
7. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: closing attorney.
8. I understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

Purchaser, Legal Representative
of the Purchaser, or other Responsible
Person Connected with the Transaction

SWORN to before me this 18th day of August, 2009.

Notary Public for SC, My Commission Exp: 2-03-2013

Woodruff Law Firm

BK 353PG489

FILED
C353-484
2000 AUG 16 PM 3:54
CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

Recording Fee 11.00
State Fee
County Fee EXEMPT
Postage
TOTAL 11.00
C

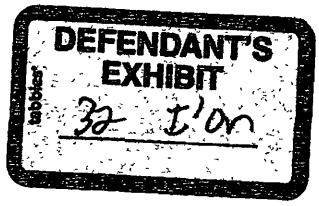
RECEIVED FROM RMC
AUG 18 2000
PEGGY A. MOSELEY
CHARLESTON COUNTY AUDITOR

TMS VERIFIED
BAC
DTD

March 5, 2009

Mr. Timothy W. Bouch
Leath, Bouch and Crawford
134 Meeting Street
Charleston, SC 29402

FAX 937-0606



Mr. Bouch:

I am writing as a member of the I'On Assembly to express my interest in your opinion regarding my property rights, in particular those listed in the HUD Property Report provided to me upon closing of my property at [redacted], Mount Pleasant, South Carolina in 2003 and provided to me by closing attorney Dan Orvin.

On Page 21 of the Report, there is a chart of "Recreational Facilities" which lists, among other facilities, a "Creekside Park" and a "Community Dock." These two facilities show estimated start dates for construction of "1/1999." The Property Report itself is dated November 3, 1998. There were no improvements or construction yet done to the facilities, on the date this Property Report was written.

Further, on Page 22 of the Report, it states:

"The recreational facilities listed in the chart above shall, upon completion of construction, be conveyed to the I'On Assembly, Inc. by quitclaim deed free and clear of all monetary liens and encumbrances at no cost to the I'On Assembly or its members."

Also on Page 22 of the Report, it is written:

"There may be additional recreational facilities in the subdivision which are not listed in the above chart and which will be privately owned and operated by a person or entity other than the I'On Assembly, Inc. The operation and use of, and access to, such facilities is not guaranteed....." (The conclusion being that the facilities which are listed, are guaranteed.)

To define exactly what the "Community Dock" and "Creekside Park" are requires examining the I'On Impact Assessment. On Page 6 of the Assessment, there is this information:

"**There will be no private docks in the neighborhood.** Instead, I'On residents will be able to use seven community docks which will provide access to the marsh and waters of Hobcaw Creek for fishing and boating. These docks will range from small crabbing docks to **a larger community dock** reminiscent of the dock pavilion at Newpoint or at

the Sea Island Yacht Club in Rockville." The photo there of the "Community dock" at Newpoint is a clear model for our own Community dock in I'On, which with its gazebo is probably one of the most recognizable landmarks in the neighborhood.

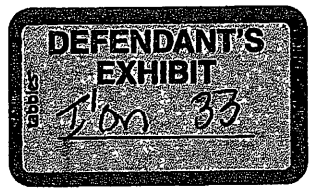
Regarding what the Impact Assessment says about "Recreation" in I'On are some important points:

"I'On has approximately 2.1 miles of marsh and **deep water frontage along Hobcaw Creek**....Rather than divide up this premium frontage among a relatively few private lots, the developers believe that the value of the neighborhood as a whole is significantly enhanced **if all residents have access to these amenities.**" It continues, "They base this approach on their experience at Newpoint and Broad Street in Beaufort.....as well as observation and study at places like historic Charleston, Beaufort and the Old Village where **all residents have access to the waterfront at road endings and in established parks.**" Civic site 6 provides the only waterfront access at a road ending.

On Page 6 of the Assessment, there is a photograph of an established park featuring significant open area surrounded by large oaks, noted as "a park on Middle Street in the Old Village." As you can see, there are scattered picnic tables on this lawn of open area. The photograph looks like the lawn and grounds of the Creek Club, which happens to be located along the waters of Hobcaw Creek, with significant waterfront area, at a road ending. On the previous page, 5, of the Assessment, it describes the **"extensive park** system planned along the highlands above the marshes and **waters of Hobcaw Creek,** together with other best management practices will serve a dual purpose of providing storm water control and **serving as an amenity for residents."** This, and other references, gives reason to believe that the current parcel of land, Civic site 6, which is the location of the Creek Club, is actually the "Creekside Park" listed in the Property Report.

In light of the pending sale of the Creek Club -- along with its accompanying sale of multiple docks, a parking lot on the property, and a boat ramp on the property -- I would request your representing me, as a member of the Assembly, regarding the HUD Property Report and, in particular, the Community Dock and the Creekside Park, (and whether the present owner has the right to sell these properties to another owner if these properties are to be transferred to the Assembly as documented in the Property Report.) I requested an opportunity to attend the meeting today to witness your observations and hear your thoughts about this issue but was told I was not allowed to attend, through a statement issued by the President of the I'On Assembly Board of Trustees. Therefore, I would appreciate being provided access to your written opinion regarding this matter at its earliest availability.

Lea Ann Adkins



TOWN OF MOUNT PLEASANT, SOUTH CAROLINA
BOARD OF ZONING APPEALS
FEBRUARY 23, 2009
MINUTES

Present:	Brian Garris, Chair, Robert Hollings, Saila Smyly, Scott Lane, Dave Wilcox, Charles Moore.
Absent:	Ann Dovre-Coker (excused)
Staff:	Christiane Farrell, Allen Young, Kent Prause, Lynnette Lynes

Mr. Garris called the meeting to order at 6:12 p.m. He reviewed the procedure with the public and administered the oath to those wishing to speak.

Roll Call

Mr. Garris stated that Ms. Dovre-Coker was absent due to illness. Mr. Garris introduced Ms. Saila Toropainen-Smyly as the newest member and welcomed her to the Board.

Approval of Minutes

Mr. Lane moved to approve the minutes from the previous meeting. Mr. Wilcox seconded the motion. All in favor, with Ms. Smyly abstaining.

Approval of Agenda

Mr. Prause suggested election of officers, adoption of rules and procedure, and an update on Code of Ordinances should be added to the agenda in order to take care of some administrative actions.

The Commission agreed to amend the agenda and add the items Mr. Prause recommended.

Correspondence

Mr. Prause stated that a statement from Mr. William Hamilton was received, which was e-mailed to the Board as well as the attorneys for both sides.

New Business

1. **Case A-01-09. Appeal from the decision of the Zoning Administrator that the use of the I'On Creek Club property located at 44 Saturday Road, I'On subdivision, TMS No. 535-06-00-230 as a venue for weddings, receptions, meetings and other special events is a permitted use pursuant to the provisions of Mount Pleasant Ordinance No. 97010.**

Mr. Lane recused himself due to a conflict of interest in being a member of the I'On Club and long-time resident of the subdivision.

Mr. Prause reviewed staff comments as follows:

- Please refer to the letter from Mr. Joel P. Ford of December 8, 2008 and referenced attachments for an explanation of the zoning administrator's interpretation of the Creek Club use.

- Also, please refer to the appeal documents filed by Ms. Catherine Templeton of 34 Saturday Road, I'On subdivision on January 7, 2009 for an explanation of how this decision is incorrect and the relief she seeks.
- The Town's position is that Ordinance No.07010 expressly designates the Creek Club site for a civic building and neighborhood clubhouse use. Civic uses may include those uses which are "strongly vested with public or social importance." One could certainly posit that a wedding, for example, or the Mount Pleasant Cotillion gala, which recently occurred there, are obvious examples of uses vested with public or social importance.
- However, the Town's main interest in this matter is not being placed in the position of being the arbiter in issues of neighborhood clubhouse use. There are many, many neighborhoods that have these clubhouses and virtually all are used to a certain degree for these types of activities by a variety of entities. The Town has no desire to dictate to any neighborhood; neither I'On, Hobcaw, Creekside, Belle Hall, Dunes West, Charleston National, Snee Farm, Rivertown, Hamlin Plantation or any of numerous others with neighborhood clubhouses, to whom they may rent their facilities, for what purpose, for what remuneration, if any, or in what frequency.
- The courts in SC and elsewhere have consistently determined that controlling ownership of property is not a legitimate exercise of the local government police power; i.e. zoning. In fact, all neighborhood clubhouses are privately owned, even those owned by homeowner or neighborhood associations. Therefore, ownership by a private entity should not be an issue for zoning control.

Mr. Paul Dominick, attorney for Catherine Templeton, reviewed the request with the Board. He stated that Ms. Templeton takes issue with the Creek Club being a civic use. He stated that the opinion is based on the fact that the Creek Club is a neighborhood clubhouse, which Ms. Templeton takes issue with as the I'On Creek Club is a privately owned business. He read a portion of Mr. Ford's letter as follows:

Therefore, there is no question that the Creek Club building is a neighborhood clubhouse, which the ordinance specifically identifies as a civic building...some are owned by neighborhood associations and used solely for the enjoyment of residents of the neighborhood.

Mr. Dominick stated that the Creek Club does not fit the definition outlined in Mr. Ford's letter as it is used for hosting events for profit and primarily for individuals and organizations outside of the neighborhood. He stated that the Creek Club does not have any members and does not fit the definition of the I'On Code defines "civic realm" not civic use as follows:

Those spaces in the neighborhood shared by all residents...they include thoroughfares, greens, parks, and squares.

Mr. Dominick stated that the Creek Club has a business license for commercial use, which is similar to the Cottage on the Creek. He stated that the Cottage on the Creek is privately owned and rents the facilities and does not have memberships. He stated that they are requesting that the Board overturn the decision of the Zoning Administrator.

Ms. LeAnn Adkins, [redacted], stated that her first reaction to Mr. Ford's letter was that the letter was in error as the facility is not used as a neighborhood clubhouse. She stated that 2007 HOA minutes says that the lack of a community center is an issue and that they inquired

about using the Montessori School for meetings, but this did not come to fruition. Another meeting in 2007 indicates that there is no neighborhood center. In 2007, Chad Besenfelder indicated that the I'On Group is working on options for a neighborhood community center and could purchase the Creek Club for use as neighborhood center or rent the building as a community center for approximately $50,000. She stated that she wondered why the HOA would do this if the Creek Club was their neighborhood clubhouse. She stated that the Creek Club has been referred to as several things such as an event venue, a perfect venue, a conference and event site, a quintessential lowcountry option, etc. She stated that while you can say that the Creek Club is anyone of those things, it cannot be said that the Creek Club is a neighborhood clubhouse and the only one that does is Mr. Ford. She suggested that the basis of the ruling is in error.

Ms. Catherine Templeton, stated that civic uses does not have to be redefined. She stated that there is no control over what occurs at the Creek Club whatsoever. She stated that there is no access to the Creek Club by the I'On residents unless it is paid for. She stated that only recently have there been negotiations to sell the Creek Club. She stated Saturday Road continues through the middle of the subdivision and expressed concern with child safety. She expressed concern with parking as well and took exception with the overflow parking and stated that the parking area referred to is personally owned by the Grahams and not part of the Creek Club. She stated that there are few parking spaces available at any given night in the subdivision. She stated that Mr. Ford relying on the fact that it looks like a neighborhood club and looks like a neighborhood club then it is a club. She suggested that this is incorrect and erroneous and should be repealed.

Ms. Susan Simpson, 38 Saturday Road, stated that she lives next door to the Creek Club. She stated that the Creek Club was to be built for the I'On residents for civic use, but it is not being use for civic uses for I'On residents.

Mr. William Hamilton, stated that he has scheduled some meetings and events at the Creek Club during the week, but not on weekends because of not being able to afford the rental fee. He stated that the Creek Club fails to be a civic club. The Creek Club is not a part of the civic fabric of the community and the members of the club do not have control or vote over the club activities either. He stated that other clubhouses require a percentage of the members to live in the neighborhood, but not the Creek Club. He suggested that there should be a clear definition of the uses for the Creek Club. He stated that the Creek Club also controls the boat ramp and boat landing. He suggested that there needs to be a solid definition of civic uses to protect the civic buildings before they are lost. He asked that his affidavit be entered into the record in full. Mr. Garris stated that the affidavit would be entered into the record.

Mr. Bruce Kinney, 94 Saturday Road, president of the board of trustees (HOA Board) stated that the current use of the Creek Club includes a recorded easement to allow use of the boat landing and boat ramp for all residents and that there are days throughout the year for annual uses such as annual and semi-annual meetings, events, etc. He stated that since the potential sale of the club became public there has been more interest in the uses at the Creek Club. He stated that there was a misconception that the I'On board owned the club. He stated that the board has reviewed the documents and stated that the vast majority of homeowners fear that the current use of the club will change after it is sold, but do not have many objections with the current uses. He stated that the I'On board voted to ensure that it is used in the future as in the past. Mr. Kinney stated that Ms. Templeton asked for an agreement with the new owner to have weddings and receptions

and keep the use for meetings. He stated that the board agreed to amend the agreement that includes the following points:

- Agreement to have exclusive right to use the club building for one day a year
- Rules adopted by the club owner for use of the boat facilities would apply to all users
- Boating facilities would only be closed for repairs and would remain open during private functions at the Creek Club
- Acknowledge use for weddings, receptions, and other uses would be allowed as in the past
- Agreement could only be cancelled by the HOA assembly and the perpetual easement would be recorded and have continued civic use as well as provide a revenue source for upkeep of facilities.

Mr. Kinney stated that the board has agreed to enter into an agreement with the new owner to be used as has been used in past and is consistent with Dec 2008 letter from the Town of Mount Pleasant. He stated that a portion of the annual assessment is sent to the Creek Club owner to reserve for use of the club for up to 52 days a year.

Mr. Dan Orvin, attorney representing the I'On Creek Club, and Tom Graham, owner of club is present. Mr. Orvin stated that the property for the Creek Club includes the building, boat ramp and boat landing. He stated that the operation of boat ramp and landing built in 2000 with building constructed in 2001. He stated that the facility is used for numerous events such as Piccolo Spoleto, I'Onissimo, community oyster roasts, Charleston Animal Society, Muscular Dystrophy Association, etc. He stated that the building has also been used for HOA meetings. He stated that the Creek Club is a benefit to the community and adds marketing value to the neighborhood. He stated that the operation of the Creek Club has been consistent with the zoning designation of civic use. He stated that just because the civic uses have economic value does not invalidate the civic use. He stated that a 2003 Court of Appeals defined as a civic use the private school under the planned development. Thus, a private school, making a profit was a permissible civic use. Mr. Orvin stated that they understand that there is concern over change of ownership, but the use will remain the same as in the past seven years. A 1983 Court of Appeals case in Sullivan's Island cites that the use is the factor, not the ownership. It is a neighborhood clubhouse and when the planned development was established, the property was zoned for a civic use with the intention to have a clubhouse. He stated that it does meet the requirements for a civic use. He suggested that there is not a civic building in the area that does not have a rental or economic component. Mr. Orvin stated that only when the contract for sale of the property was announced was there any opposition raised regarding the use of the Creek Club. He stated that there has not been any opposition for seven years. He stated that the State vs. Sweat states that when interpreting an ordinance must receive a practical, reasonable interpretation of the language of the ordinance. He stated that the civic club a permissible use and this purpose is consonant with other clubhouses in the surrounding community. He stated that the Town must be allowed to interpret its own law.

Mr. Tom Graham, father of Vince and Jeff Graham who built I'On stated that the I'On Club owns the Creek Club and envisioned that it would be similar to the Sea Island Yacht Club. He stated that it was built to be a rental venue for all sorts of uses as an amenity to I'On. He stated that the rental has been advertised for private events on weekends with community, civic events and activities for the remainder of the week. He stated that it has been run this way since 2001

without incident. He stated that this is a legal use and have been consistent with the use since beginning.

Ms. Templeton stated that while she appreciates Mr. Graham and Mr. Kinney's efforts to negotiate with the potential owners, what is missing is the neighborhood component. She suggested that there is no control over the use of the club. She stated that the concern was raised when it was found that the neighborhood would not have any control over the events held and is now not an option. She suggested that the definition of Mr. Ford is not met by the Creek Club. She took issue with Mr. Donovan's statement that the HOA board unanimously agrees and stated that she has e-mails to the contrary. She stated that she wants the property to continue to be used as civic property and for the Town to enforce that use.

Mr. Hamilton clarified that the Montessori School is a public school.

Mr. Orvin further clarified that at the time the case was heard, the Montessori School was a private school and had not applied for charter school status and that this was what the case law referred to. He stated that while he understands the concern, the issue is the current use of the building and not the possibility of a future violation.

Mr. Matt Walsh, 57 Saturday Road, stated that he is vice-president and clarified that they approved to use the easement for perpetual use of the residents and did not vote for the current use.

Mr. Hollings asked Mr. Kinney how many days are allocated to civic uses for I'On residents. Mr. Kinney answered that the I'On residents negotiate for approximately one day a week for community events. He stated that approximately 26 of the 50 days for this year have been booked. Mr. Walsh stated that they have 52 dates at $150/day or $600 a month. Mr. Hollings asked if the dates are pre-assigned. Mr. Kinney answered that the dates are pre-arranged. Mr. Hollings asked if it is a partial day or full day. Mr. Walsh answered that it is usually a full day unless re-negotiated differently. He stated that this is negotiated annually. Mr. Hollings asked how many parking spaces are in the overflow parking. Mr. Kinney answered that he is unsure and that it is rarely used by assembly members. Mr. Hollings asked if use of the clubhouse facility is consistent with the zoning. Mr. Kinney answered that his opinion is that the use is desirable for the neighborhood. He stated that they are trying to have the right of the clubhouse once a week as a right instead of being negotiated on an annual basis. He stated that this would preserve the existing use. He stated that his opinion is that it would be consistent today.

Ms. Smyly asked about the parking on the club property. Mr. Chad Besenfelder, general manager, answered that the overflow has 50 parking spaces. Ms. Smyly asked what the designation was for the overflow. Mr. Besenfelder answered that he was unsure. Ms. Smyly asked how many spaces are at the club. Mr. Besenfelder answered that there are approximately 20-22 spaces, with 36 spaces of on-street parking. Ms. Smyly asked who holds the liquor license for the Creek Club. Mr. Besenfelder answered that the I'On Club does not hold the liquor license. Ms. Smyly asked about the impact assessment and how the traffic impact was discerned for civic uses. Mr. Prause answered that he was unsure. Ms. Smyly asked if the impact assessment specifically depicts traffic impact for civic uses. Mr. Prause answered that there is some consideration for uses and stated that it is beyond his expertise. Ms. Smyly asked if the potential for additional outside traffic was a consideration in the impact assessment for that use at the time of approval of the impact assessment and if sufficient parking was determined at that

time. Mr. Prause answered that the traffic impact study shows the ITE codes, but it does not specifically note the civic use. He stated that in regard to the overflow parking, it is designated as a civic use lot. He stated that the parking was not felt to be a town issue as to whether it is used for weddings or boat landing parking. Ms. Smyly asked if the zoning designates the types of uses such as to facilitate weddings, etc. Mr. Prause answered that there are certain zonings that allow those types of uses, including residential zoning. He stated that most of the golf communities are zoned R-1 including Rivertowne Country Club, Hobcaw Yacht Club, Snee Farm, Hamlin Planatation, Charleston National Country Club, etc. He stated that the code does not specifically address who can use the facility; that is between the residents and the person that runs the facility.

The Board convened for a short break at 7:53 p.m. The Board reconvened at 7:59 p.m.

Mr. Garris stated that the zoning map shows the property as a civic use and are common in other communities and quoted a portion of Mr. Ford's letter. He stated that based on the testimony he has heard, it is difficult to say that Mr. Ford has not done his job. He stated that there may be some things that must be done between the HOA and the owners of the club, but it is not a Town responsibility. He stated that it was zoned for a civic building and is being used for that, with the HOA having to pay for that use, which is not a violation of the determination.

Mr. Wilcox asked for a showing of those present that that lived in I'On prior to 1999 and have not called 911.

Mr. Morgan Templeton, stated that he has called 911 on several occasions and the response has been that nothing could be done and that it is a neighborhood matter, not a police matter. He stated that it is the board's duty is to uphold the law and they should do so. He stated that it is not a civic use on a civic lot.

Mr. Wilcox asked how one becomes a member of the HOA.. Mr. Templeton answered that an owner of property is a member of HOA. Mr. Wilcox asked about one of the photos reviewed by staff earlier and what the sign meant. Ms. Templeton answered that this refers to use of the docks, which are deeded to HOA through quit-claim deed. Mr. Orvin answered that these points are irrelevant to the issue. He stated that there is an easement allowing access to the docks.

Mr. Moore asked what the consequence would be for supporting the application. Mr. Prause answered that it could be appealed to the circuit court, appellate court, and then the supreme court as both parties do not appear to be near a resolution. Mr. Moore suggested that the definition of a club is not the issue, but the use of the club. He suggested that over the years it has satisfied the use as a civic building. He suggested that the building would not be built and approved if it did not comply with the zoning. He suggested that the building, by design, satisfied the civic building and clubhouse function. He suggested that the Board is not in the position to resolve the differences. He stated that it was unfortunate that there are neighbors in close proximity, but that this does not affect the use of the building.

Mr. Wilcox asked for clarification on the meeting time. Mr. Prause answered it was advertised that the meeting starts at 6:00 p.m. in the newspaper and on the property.

Ms. Smyly asked Mr. Graham about the ownership of the overflow parking. Mr. Graham answered that the civic lots are owned by the I'On Company with a civic lot zoning designation

to support the events, etc. He stated that it is a necessary component with the construction of the building in order to have the civic use and is part of the contract for sale. Ms. Smyly suggested that the ownership as determined by the Zoning Administrator is correct and that it is a zoning and land use matter, regardless of the owner. She stated that a civic organization in the code includes a description that a civic organization operates for the benefits of its members and not the general public. She stated that the planned development regulations impose a geographical limitation relative to it being a neighborhood clubhouse. She stated that the limitation relates to the internal capture of traffic and has a lesser impact on the surrounding neighborhoods. She suggested that the definition in the planned development regulations imposes this geographical limitation. She stated that the unpublished order refers to a planned development statement that civic buildings are to be cited to be visual landmarks and symbols of identity within the community and ties to the definition of a civic use. She stated that she is conflicted on the mechanism used to regulate these types of clubs, understanding that there is allowance for outside neighborhood uses. She stated that there is no control by the HOA over use of the property, which does not fit in this definition as it is not a controlling aspect.

Ms. Smyly further stated that she believes this is a commercial use and if necessary the Town needs to endeavor to define the boundary of uses for civic uses. She stated that it appears from the impact assessment perspective, the overflow parking is utilizing another civic area that may be appropriate, but expressed concern that the general traffic impact from what seems to be a commercial use should more properly be allowed in a commercial district or perhaps an economic development district that is a tourism related use, particularly if this is a regional destination for events. She stated that she does not believe the current zoning is correct for the existing uses and should be better defined. She stated that regarding the neighborhood's ability to obtain the use of a clubhouse, the Board does not have the authority to dictate this.

Mr. Moore moved to uphold the Zoning Administrator's findings with the findings that there is a valid use under the zoning code and that it does perform its function and support the findings of the Zoning Administrator's letter dated December 8, 2008. Further, based on 156.411(A)(1) the decision of the Zoning Administrator is affirmed. Mr. Wilcox seconded the motion.

Mr. Garris read Mr. Ford's letter, dated December 8, 2008 for the record as follows:

> To Whom It May Concern:
>
> Please be advised that the current use of the I'On Creek Club as a venue for weddings, receptions, meetings and other similar special events is a permitted use pursuant to the provisions of Mount Pleasant Ordinance No. 97010.
>
> Mount Pleasant Ordinance No. 97010 is a planned development ordinance consisting primarily of three separate documents: the "I'On Impact Assessment", "The I'On Code" and a sketch plan map entitled "I'On Technical Plan." Page three of the impact assessment document provides that, "Throughout the community, specific sites are designated for civic buildings – *neighborhood clubhouses*, a scout den hut, churches and other civic uses" (Emphasis added). The I'On Technical Plan map specifically identifies the Creek Club parcel as a civic building site. Page seven of the impact assessment document contains two photographs of the Sea Island Yacht Club in Rockville, SC with the notation that "*Clubhouses* in I'On will be modeled after traditional

structures like the Sea Island Yacht Club in Rockville, SC." (Emphasis added, again) The Creek Club building is a very close architectural replica of the Sea Island Yacht Club building. Therefore, there can be no question that the Creek Club building is a neighborhood clubhouse, which the ordinance specifically identifies as a type of civic building.

Such neighborhood clubhouses are common throughout the Town of Mount Pleasant and other communities. Some are owned by neighborhood associations and used primarily for the enjoyment of the residents of the neighborhood. Others are privately owned and offer memberships not only for those living in the neighborhood but to the general public also. Virtually all are rented at different times for various functions to a variety of different folks: neighborhood residents and non-residents, members and non-members. The town does not regulate these aspects of neighborhood clubhouse use, believing these matters are best handled privately between those involved.

Please also be advised that Sections 156.411(A)(1) and (5) of the Mount Pleasant Zoning Code provide a mechanism to appeal this determination to the Mount Pleasant Board of Zoning Appeals.

Sincerely,
Joel P. Ford, Director

Mr. Garris called for a vote on the motion. Motion passed on a 4 to 1 vote, with Ms. Smyly opposed and Mr. Lane abstaining.

The Board convened for short break at 8:26 p.m. and reconvened at 8:30 p.m.

Election of Officers

The Board voted by acclamation for Mr. Garris to serve as chair and Mr. Lane to serve as vice-chair.

Adoption of Rules of Procedure

Mr. Lane moved to approve the rules of procedure. Mr. Moore seconded the motion. All in favor.

Update of Code of Ordinances

Mr. Prause asked that the Board ensure that their Code of Ordinance books are updated and asked that they bring them to the next meeting so that they can be updated.

There being no further business, *Mr. Lane moved for adjournment at 8:34 p.m. Mr. Wilcox seconded the motion. All in favor.*

Submitted by,
L. Lynes
BOZA02232009

I'On Lot Purchase Agreement

Purchaser: BRAD J. WALBECK [redacted]

[redacted]

Seller: I'On COMPANY, LLC [redacted]

(Name(s)) Phone - Office Phone -Home

159 CIVITAS STREET MT. PLEASANT, SC. 29464

(Mailing Address) Fax Number

Property: Lot 224, 114 N. SHELMORE BLVD as shown on the plat by THOMAS & HUTTON dated AUGUST 11, 1999, having a latest revision date of _____, 19_____, and recorded in Plat Book _____, at Page(s) _____ in the RMC Office for Charleston County, South Carolina (the "Plat")

1. **Agreement to Buy and Sell:** In consideration of Five and no/100 Dollars ($5.00), the mutual covenants and agreements contained herein, and other good and valuable consideration, the Purchaser identified above ("Purchaser") agrees to buy and the Seller identified above ("Seller") agrees to sell, the Property described above ("Property), subject to the matters herein provided.

2. **Purchase Price:** In consideration for the Property, the Purchaser agrees to pay to the Seller the sum of SIXTY ONE THOUSAND FIVE HUNDRED Dollars ($ 61,500.00) (the "Purchase Price") as follows: THREE THOUSAND SEVENTY FIVE Dollars ($ 3075.00) (5% of Purchase Price) is paid by Purchaser upon execution of this Agreement as earnest money (the "Earnest Money"), to be held and disbursed in accordance with Paragraph 3 below.

(b) FIFTY EIGHT THOUSAND FOUR HUNDRED TWENTY FIVE Dollars ($ 58,425.00) shall be paid in cash or immediately available funds at Closing. All amounts due hereunder shall be paid in United States dollars by certified or cashier's check, or in such other form as is acceptable to Seller. All deposits and other payments hereunder shall be made payable to Seller or an agent designated by Seller.

3. **Earnest Money:** The Earnest Money shall be deposited into an escrow account maintained by the Listing Broker identified on the signature page of this Agreement. Such account is not interest bearing. The Earnest Money shall be credited to Purchaser at Closing, as defined in Paragraph 4 below, or otherwise disbursed in accordance with the terms of this Agreement upon default of either party prior to Closing.

(a) Purchaser hereby acknowledges that the Earnest Money deposit shall be forfeited at the end of the sixtieth (60th) day following execution of this agreement unless Purchaser notifies Seller in writing of their intent to withdraw from this agreement prior to such date.

4. [redacted]

(a) The closing of the purchase and sale transaction contemplated by this Agreement ("Closing") shall not be later than o[redacted] the execution hereof, at the Seller's attorney's office in Charleston, South Carolina, or such other time, date and place as the parties mutually agree in writing, the time of closing being of the essence. In the event of closing not taking place within aforementioned time, Seller shall have the option of (a) extending this agreement and require a 1% payment of the lot purchase price, which is non refundable and non applicable or (b) Purchaser shall forfeit the earnest money to Seller and Seller have no further obligation to Purchaser under this agreement.

DEFENDANT'S EXHIBIT tabbies 34 I'On

a. Purchaser shall submit to the I'On Design Committee (IDC), conceptual drawings, rendering or photographs illustrating the Architectural intent planned for the property, within forty fi[redacted]on hereof. Failure to do so will make this agreement terminable by the Seller and Purchaser shall receive a full refund of all Earnest monies paid to date.

b. Purchaser shall submit to the IDC[redacted]on hereof, Preliminary Design documents for approval and comments. Failure to submit such drawings will be considered default and at the Seller's option, this contract shall be terminable and Purchaser shall forfeit all earnest monies paid to date. Approval of Preliminary Design must be obtained prior to closing.

c. Purchaser acknowledges receipt of the Design Review Procedures and agrees to submit drawings and specifications in accordance with these Guidelines.

Purchaser's Initial GW

(b) At or prior to Closing, each party shall, upon the request of the other, deliver to the other party appropriate evidence to establish the authority of such party to enter into and close the transaction and any other documents reasonably necessary or appropriate to complete and evidence the transaction contemplated by this Agreement. Seller shall also deliver to Purchaser a non-foreign (FIRPTA) affidavit and, in consideration thereof, Purchaser covenants not to withhold any tax pursuant to Section 1445 of the Internal Revenue Code, as amended.

5. **Conveyance of Title:** At Closing, Seller shall deliver to Purchaser a properly executed general warranty deed conveying good and marketable title to the Property, free and clear of all liens and encumbrances except for zoning and other applicable laws, and other matters provided herein. The Property shall also be conveyed subject to:

(a) all covenants, restrictions, conditions, easements, rights, reservations, limitations, limitations on use, architectural and landscape approvals, and affirmative obligations to pay all assessments and charges as set forth on the Plat and in the Declaration of Covenants, Conditions and Restrictions for I'On, recorded or to be recorded prior to Closing in the RMC Office for Charleston County, South Carolina (the "Declaration") and all documents referenced therein;

(b) a reservation of non-exclusive easements along the boundary lines of the Property for the installation and maintenance of utilities;

(c) the restriction that the Property shall not be used for any type of Vacation Time Sharing Plan as defined by Section 27-32-10 et. seq., S.C. Code (1976), as amended, without the express, written consent of Seller, its successors and assigns;

(d) ad valorem property taxes and governmental assessments not due prior to Closing;

(e) a covenant that construction of the dwelling on the Property shall be performed only by a builder approved by The I'On Company, LLC, a South Carolina limited liability company;

(f) other matters approved or waived by Purchaser as provided for in this Agreement.

Purchaser acknowledges and agrees that the Property is also subject to federal and state stormwater management laws and regulations currently administered by the Office of Ocean and Coastal Resource Management ("OCRM") of the South Carolina Department of Health and Environmental Control ("DHEC") and agrees to abide by them.

6. **Closing Costs and Prorations:** Seller shall pay for the preparation of the deed, recording of any lien releases, and Seller's legal fees. Purchaser shall pay the deed recording fee required pursuant to §12-24-10 *et seq.* of the S.C. Code of Laws, 1976, as amended and all other closing costs. Property taxes shall be pro-rated between the parties as of the date of Closing. Any annual assessments by I'On Assembly, Inc. (the "Assembly") which have been paid in advance shall be prorated quarterly between Seller and Purchaser as of the date of Closing. The Purchaser shall pay when due all assessments applicable to the Property coming due after the date of Closing as provided in the Declaration and Bylaws referenced in Paragraph 7, as the same may be amended.

7. **Possession:** Seller shall deliver possession of the Property to Purchaser upon Closing.

8. **Disclosures:**

(a) **Assembly Documents:** The real property which is the subject matter of this Agreement is part of the planned community known as I'On, and is subject to the Declaration of Covenants, Conditions and Restrictions of I'On, as it may be amended and supplemented from time to time, as well as the Bylaws, and the Codes of the I'On Assembly, an owners association responsible for administering I'On in accordance with the Declaration. By initialing below in the space provided, Purchaser acknowledges receipt of the foregoing documents and agrees to be bound by the terms and provisions thereof.

initials _____ initials _____

(b) **Membership in Assembly:** Upon conveyance of title to the Purchaser, Purchaser shall automatically become a member of the Assembly and shall remain a member so long as Purchaser holds title to the Property. Purchaser acknowledges that the Assembly is authorized to levy annual assessments against the Property for Purchaser's pro rata share of the common expenses of the Assembly as more fully set forth in the Declaration, and that such assessments are the personal obligation of each member.

(c) **Neighborhood Improvements:** Purchaser acknowledges that in as much as Purchaser may be purchasing the Property prior to the completion of construction on other lots and streets in the Neighborhood, there may be certain inconveniences until all such construction is completed, and Purchaser waives all claims with respect thereto. Purchaser agrees that if Purchaser, his family, guests, employees, agents or invitees enter onto any area of construction, they do so at their own risk, and neither The I'On Company, LLC, Builder, or their respective contractors, agents, or employees, shall be liable for any damage, loss or injury to such person.

(d) **Use and Development Restrictions:** Purchaser acknowledges that the Property is subject to various restrictions on use and development as set forth in the Declaration and I'On Code.

(e) **Plan Approval Pursuant to Declaration:** Purchaser acknowledges that all construction and landscaping on the Property and any modifications thereof affecting the exterior appearance of the Property are subject to prior approval in accordance with the Declaration and the I'On Code.

(f) **Approved Builder:** Purchaser acknowledges that only builders approved by The I'On Company, LLC, the developer of I'On, may construct homes in I'On. Such approval requirement is for the protection of The I'On Company, LLC, only and shall not be construed to create any duty or liability to Purchaser on the part of The I'On Company, LLC. Purchaser agrees that Purchaser shall not permit any person other than a builder approved by The I'On Company, LLC to engage in any construction on the Property.

9. **No Reliance:** Purchaser acknowledges that Purchaser or his or her spouse has made a personal, on-the-lot inspection of the Property prior to signing this Agreement. Purchaser acknowledges that this Agreement is entered into by Purchaser without reliance on any warranties, statements or representations, either written or oral, express or implied, by Seller, or by any agent, employee or representative of Seller, or by any broker or other person purporting to represent Seller, relating to the marketability or investment potential of the Property, the legal or tax consequences of this Agreement and the purchase or ownership of the Property, or other matters, except as set forth

in this Agreement between Seller and Purchaser. Purchaser warrants and represents that if such matters are of concern to him, Purchaser has sought and obtained independent advice relative thereto.

10. **Subdivision Improvements and Amenities:** Purchaser and Seller agree that no representations regarding the provision or completion by the Seller of roads, sewer, gas, or electric services, or recreational amenities have been made by or on behalf of Seller, or relied upon by Purchaser, except as specifically set forth in this Agreement and the Property Report delivered to Purchaser prior to execution of this Agreement. At or prior to Closing, Seller shall complete, or shall post a bond with the Town of Mount Pleasant, South Carolina or Charleston County, South Carolina, as appropriate, to provide financial assurances for completion of paved access from a public street or highway, central water and sewer service, and electricity to serve the Property. Seller agrees to construct the following recreational facilities within or adjacent to the subdivision in which the Property is located, and to complete such construction within 180 days of the estimated date specified below, subject to such contingencies which otherwise excuse any delay in performance under the terms of this Agreement.

Facility	Estimated Date Available for Use
Eastlake lake	11/1998
Eastlake Boathouse	9/1998
Canals	11/1998
Sidewalks, paths and trails - Phase 1	11/1998
Parks and Open Space - Phase 1	11/1998
Creekside Park	9/1999
Community Dock	9/1999
Sidewalks, paths and trails - Phase 2	10/1999
Parks and Open Space - Phase 2	10/1999

11. **Construction of Improvements:** Purchaser shall cause construction of a residential dwelling to commence on the Property within 180 days after closing and shall cause such construction to be substantially completed and a certificate of occupancy issued within 12 months thereafter, subject only to delays occasioned by acts of God, material or labor shortages, or other conditions beyond the reasonable control of Seller.

12. **Default and Remedies:**

(a) **By Purchaser:**

(i) In the event of Purchaser's default in the performance of any obligation or covenant under this Agreement prior to Closing, Seller may elect to terminate this Agreement by written notice to Purchaser and retain the Earnest Money as Seller's full and complete liquidated damages for such default, the parties hereby acknowledging and agreeing that the amount of Seller's actual damages in such circumstance would be difficult, if not impossible, to determine. The parties further agree that such amount is a reasonable estimate of damages and is not a penalty.

(ii) In the event of Purchaser's default in the performance of any obligation or covenant hereunder after Closing, then in addition to the remedies set forth for specific events of default in this Agreement, Seller may elect to pursue any and all remedies available to it at law or in equity.

(iii) If Purchaser loses rights and interest in the Property because of Purchaser's default or breach of contract after 15% of the purchase price, exclusive of interest, has been paid, Seller shall refund to Purchaser any amount which remains from the payments made after subtracting 15% of the purchase price, exclusive of interest, or the amount of Seller's actual damages, whichever is greater.

(b) **By Seller:** Except as otherwise specifically provided below, Purchaser's sole remedies in the event of Seller's default in the performance of its obligations and covenants under this Agreement shall be as follows:

(i) If Seller defaults under this Agreement prior to Closing, Purchaser, at its election, may (i) avail itself of the equitable remedy of specific performance; or (ii) terminate this Agreement by written notice to Seller, whereupon Seller shall immediately refund to Purchaser all monies paid by Purchaser to Seller under this Agreement and the parties shall be relieved of any further obligations hereunder.

(ii) If Seller defaults under this Agreement in performance of any obligation to be performed after Closing and which expressly survives Closing, Purchaser may either seek specific performance of Seller's obligations hereunder or pursue any and all other remedies or actions at law or in equity available against Seller.

(c) **Notice of Default; Costs:** Notwithstanding anything to the contrary in this Paragraph 12, neither Seller nor Purchaser shall be entitled to exercise its remedies hereunder until the non-defaulting party has given the defaulting party at least 20 days written notice of such default, specifying the action necessary to cure such default, and if such default is cured during such 20-days, this Agreement shall continue in full force and effect. In any action at law or in equity between the parties occasioned by a default hereunder, the prevailing party shall be entitled to collect its reasonable attorney's fees and paralegal's fees actually incurred in the action from the non-prevailing party.

13. **Construction and Modification of Agreement:** The parties covenant and agree that this Agreement, together with any exhibit(s) or attachments referenced herein, (i) supersedes any and all other agreements of the parties and constitutes and expresses the entire agreement between the parties; (ii) may be amended only by a written instrument executed by both parties; (iii) shall be governed, construed, and enforced in accordance with the laws of the State of South Carolina. Should any provision of this Agreement be void or become unenforceable at law or in equity, the remaining provisions shall remain in full force and effect and shall not in any manner be thereby affected or impaired. The provisions of this Agreement which contemplate performance after Closing shall survive the Closing. Time is of the essence for this Agreement.

14. **Successors and Assigns; Transfer of Title:** This Agreement shall be binding upon and inure to the benefit of the heirs, personal representatives, successors, and assigns of the parties. Purchaser shall not transfer title to the Property after Closing unless such transfer is accompanied by an assignment to and assumption by the transferee of Purchaser's obligations under this Agreement.

15. **Notices:** Any communication under this Agreement shall be deemed duly given if in writing and either deposited, postage prepaid in the United States mail, certified mail with a return receipt requested, delivered personally, or via overnight air courier, to the address stated herein or such other address as may have previously been designated by either party by written notice to the other in accordance with this section.

16. **Force Majeure:** Either party hereto shall be excused for the period of delay in the performance of any obligations hereunder when such delay is occasioned by cause or causes beyond the control of the party whose performance is so delayed and the time for performance shall be automatically extended for a like period. Such causes shall include, without limitation, all labor disputes; civil commotion; war; war-like operations; sabotage; governmental or judicial regulations, legislation, or controls; inability to obtain any necessary materials or services; or acts of God.

17. **No Waiver:** Failure of either party to insist upon compliance with any provision hereof shall not constitute a waiver of the rights of such party to subsequently insist upon compliance with that provision or any other provision of this Agreement.

18. **Brokers:** Seller and Purchaser each represent to the other that neither has dealt with a real estate broker or agent in connection with the purchase and sale contemplated by this Agreement, other than the broker(s), if any,

whose name(s) and address(es) appear on the signature page of this Agreement. By initialing below, Purchaser and Seller acknowledge that (i) the Listing Broker, if any, identified on the signature page of this Agreement has acted as the agent of Seller in this transaction and Seller shall pay any real estate commission to which such Listing Broker may be entitled; and (ii) the Selling Broker, if any, identified on the signature page of this Agreement has acted as the agent of the Purchaser in this transaction and I'On Realty shall pay any real estate commission to which such Selling Broker may be entitled

19. Commission: Purchaser hereby acknowledges that Builder has agreed to pay Broker a commission of six (6%) of the Gross Sales Price, of the improvements to be constructed by Builder on Purchasers lot. Said commission shall be paid upon closing of the construction loan or commencement of construction, whichever next occurs after Builder enters into the contract for which commission is payable hereunder.

Seller's Initials_____ Purchaser's Initials BW

IN WITNESS WHEREOF, the parties have set their hands and seals, to be effective as of the date of execution by Seller below.

YOU HAVE THE OPTION TO CANCEL YOUR CONTRACT OR AGREEMENT OF SALE BY NOTICE TO THE SELLER UNTIL MIDNIGHT OF THE SEVENTH DAY FOLLOWING THE SIGNING OF THE CONTRACT OR AGREEMENT.

IF YOU DID NOT RECEIVE A PROPERTY REPORT PREPARED PURSUANT TO THE RULES AND REGULATIONS OF THE OFFICE OF INTERSTATE LAND SALES REGISTRATION, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, IN ADVANCE OF YOUR SIGNING THE CONTRACT OR AGREEMENT, THE CONTRACT OR AGREEMENT OF SALE MAY BE CANCELED AT YOUR OPTION FOR TWO YEARS FROM THE DATE OF SIGNING.

Signed, sealed and delivered in the presence of:

William H. O'Brien (Printed Name)

_____ (Printed Name)

PURCHASER:

By: _____

Brad J. Walbeck (Printed Name)

By: _____

_____ (Printed Name)

Date: 11/27/99

Signed, sealed and delivered in the presence of:

_____ (Printed Name)

SELLER: The I'On Company, L.L.C., a South Carolina limited liability company

By: _____

_____ (Printed Name)

Its: _____

Date: _____

LISTING BROKER:	SELLING BROKER:
Name: I'On Realty Address: 159 Civitas Street Mt. Pleasant, SC 29464 Phone: (843)884-3080	Name: I'On Realty Address: 159 Civitas St Mt Pleasant SC Agent: William H. Orange Phone: (843) [illegible] 884-3080

ADDENDUM "A"

Special Stipulations

The following special stipulations shall be added to and become a part of the Lot Purchase Agreement by and between The I'On Company, L.L.C. ("Seller") and BRAD J. WALBECK ("Purchaser") dated 27 November 1999 (the "Agreement"), and shall control over any inconsistent provisions in the body of such Agreement.

1. Purchaser shall grant to Seller the right to re-purchase the Property at Purchaser's original Purchase Price, in the event that Purchaser defaults on the provision in Paragraph 11, fails to commence construction of residential dwelling on the Property within six (6) months following closing and default remains uncured after 30 day written notice of default. Purchaser shall execute a repurchase option as shown on Addendum "B" of this agreement at closing.

Signed, sealed and delivered in the presence of:

_____
_____ (Printed Name)

_____
_____ (Printed Name)

PURCHASER:

By: BJWalbeck
BRAD J. WALBECK (Printed Name)

By: _____
_____ (Printed Name)

Date: 11/27/99

Addendum "B"

Option to Purchase

This Agreement is entered into this 27 day of NOVEMBER 1999, by and between The I'On Company, LLC, (hereinafter referred to as "Grantor") and BRAD J. WALBECK (hereinafter referred to as "Grantee").

WHEREAS, of even date herewith Grantor has conveyed to Grantee the property more particularly described on Exhibit "A" attached hereto and by this reference incorporated here (the "Property");

WHEREAS, the Lot Purchase Agreement (herein the "Agreement") pursuant to which Grantee acquired the Property from Grantor provided that in the event Grantee, within six (6) months from the date of the acquisition of the Property fails to commence construction of a properly approved residence on the Property, Grantor shall have the right to purchase the Property from the Grantee at the purchase price paid by Grantee upon the acquisition of the Property from Grantor;

NOW THEREFORE, for and in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantee does hereby grant and convey unto Grantor a right and option to repurchase the Property for a period commencing on the date hereof and terminating on the third anniversary of the date hereof, or the earlier date when a certificate of occupancy is issued for a residential dwelling on such Property (the "Term"). This option to repurchase is subordinate to any first mortgage or other security instrument of first priority securing a bona fide construction loan on the property. Grantor's election not to exercise its option to repurchase the Property shall not be deemed a waiver of the right to exercise such option.

If Grantor elects to exercise its option to repurchase, it shall do so by delivering written notice of such election to Grantee during the Term. Grantee shall convey the Property to Grantor by general warranty deed (subject to the same exceptions to title set forth in the deed of conveyance to Grantee within thirty (30) days after the date of receipt of Grantor's notice (the exact date, time, and location of closing of the repurchase to be selected by Grantor), for a purchase price which is equal to the amount paid by Grantee to Grantor for the lot. Such purchase price shall be paid in immediately available funds. If the title proposed to be conveyed is subject to any lien, encumbrance or defect which is not permitted, Grantor, in addition to all other rights and remedies which it may have at law or in equity, may remove any such lien, encumbrance or defect and deduct all costs and expenses incurred by Grantor (including, but not limited to, attorney's fees) from the amount of the purchase price otherwise payable as provided herein. Ad valorem taxes and assessments shall be prorated in the same manner as prorated with

respect to the original conveyance of the Property by grantor to Grantee.

The option to purchase set forth in this Instrument shall automatically terminate upon the issuance of a certificate of occupancy by the appropriate governmental authorities for a residential dwelling on the property, and Grantor shall, upon receipt of a written request from Grantee or a successor-in-title to the Property, execute a release of such option to purchase in recordable form.

IN WITNESS WHEREOF, the parties hereto have executed this agreement under seal on the date first above written

The I'On Company, LLC, a South Carolina limited liability company

By: _____

Name: _____

Title: _____

Signed, sealed, and delivered in the Presence of:

_____

WITNESS

_____

NOTARY PUBLIC

My Commission Expires:

[AFFIX NOTARY SEAL]

Grantee: _____

By: _____

Name: _____

Title: 1/27/98

Signed, sealed, and delivered in the presence of:

WITNESS

NOTARY PUBLIC

My Commission Expires:

[AFFIX NOTARY SEAL]

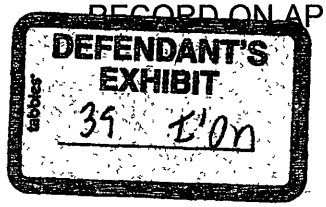
I'ON ASSEMBLY
PROPOSED 2004 BUDGET (December 3, 2003)

ACCOUNT	REVENUES	Actual 2001	Actual 2002	Actual 2003 YTD Thru 9/30/03	Budget 2003	Budget 2004	% Chg.	% of Total	Comments
0301-A	Regular Assessments	$ 125,207	$ 192,998		$ 240,963	$ 260,000	14%	94%	%Change includes
0301-B	Expected New Assessments			YTD		$ 15,000			the new assessments
0307	Interest Income		$ 326	Revenues	$ 350	$ 25	-93%	0.01%	
03070001	Interest Income Reserves	$ 1,308		Not Included	$ 120	$ 75	-38%	0.03%	
0318	Fines & Late Charges	$ 512	$ 1,137	At This	$ 600	$ 1,000	67%	0.36%	
0320	Developer		$ 16,000	Time	$ 5,000				
0328	Shared Service Reimbursement	$ (2,022)							
0351	Advertising Income	30							
	Total Revenues	**$ 125,035**	**$ 210,461**		**$ 247,033**	**$ 276,100**	**12%**	**100%**	
	Repairs & Maintenance								
0430	Maintenance & Repairs	$ 10,008	$ 14,263	$ 2,132	$ 20,000	$ 9,563	-52%	3%	
0440	Landscape Maint. & Supplies	$ 11,992	$ 4,036	$ 21,944	$ 17,250	$ 10,000	-42%	4%	
0443	Contract Landscape Maint.	$ 44,914	$ 64,907	$ 42,800	$ 59,904	$ 59,400	-1%	22%	
0448	Tree Maint. & Supplies, Fertilizer	$ 9,314	$ 250	$ 3,675	$ 4,000	$ 4,000	0%	1%	Incl. Arborist consult.
0445	Lake Maintenance	$ 890	$ 11,455	$ 8,136	$ 14,800	$ 6,000	-59%	2%	
0447	Irrigation Maintenance	$ 168	$ 1,492	$ 1,303	$ 1,200	$ 2,000	67%	1%	
04400006	Mulch					$ 16,000		6%	
0454	Dock Maintenance		$ 4,115	$ 3,033	$ 4,044	$ 4,044	0%	1%	
0493	Sign Maintenance	$ 3	$ 926	$ 299				0%	
	Total	**$ 77,289**	**$ 101,444**	**$ 83,322**	**$ 121,198**	**$ 111,007**	**-8%**	**40%**	
	General & Administrative								
0510	Office Supplies	$ 516	$ 238	$ 71	$ 700	$ 300	-57%	0%	
0511	Printing	$ 1,627	$ 2,565	$ 1,508	$ 500	$ 2,000	300%	1%	
0512	Postage	$ 1,662	$ 2,271	$ 812	$ 1,200	$ 1,200	0%	0%	
0513	Directory/Newsletter			$ 60	$ 1,200	$ 2,000	67%	1%	
0515	Internet Home Page	$ 5,414	$ 2,750	$ 615	$ 900	$ 900	0%	0%	10% less if pd Jan.1
0520	Legal Services	$ -	$ 8,148	$ (3,280)	$ 2,500	$ 2,500	0%	1%	
0521	Audit Services	$ 1,200	$ 1,325	$ 60	$ 1,400	$ 3,500	150%	1%	
0522	Management Services	$ 22,800	$ 36,960	$ 27,720	$ 39,960	$ 42,000	5%	15%	

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ACCOUNT		Actual 2001	Actual 2002	Actual 2003 YTD Thru 9/30/03	Budget 2003	Budget 2004	% Chg.	% of Total	Comments
0523	Professional Services							0%	
0529	Community Manager		$ 8,000	$ 546	$ 9,104		-100%	0%	
0530	Insurance Expense	$ 3,866	$ 5,502	$ 4,363	$ 6,540	$ 7,250	11%	3%	
0540	Annual Meeting Exp.							0%	
	Loan Repayment					$ 16,000		6%	
	Boroughs Committee					$ 500		0%	
	Other	$ 869						0%	
	Total	**$ 37,954**	**$ 67,759**	**$ 32,478**	**$ 64,004**	**$ 78,150**	**22%**	**28%**	
	Utilities								
0600	Electricity	$ 15,019	$ 2,073	$ 2,044	$ 2,185	$ 3,200	46%	1%	See Note 2, below
06001	Street Lights	$ 298	$ 38,661	$ 35,353	$ 39,063	$ 55,000	41%	20%	See Note 2, below
0601	Water & Sewer	$ 5,297	$ 5,242	$ 511	$ 6,000	$ 5,000	-17%	2%	
0606	Telephone	$ 1,109	$ 175	$ 116	$ 360	$ 200	-44%	0%	
	Total	**$ 21,723**	**$ 46,151**	**$ 38,024**	**$ 47,608**	**$ 63,400**	**33%**	**23%**	
	Other Expenses								
0910	Replacement Reserves			$ 12,375	$ 16,500	$ 16,500	0%	6%	
0930	Operating Contingency							0%	
	Bad Debt Allowance, Uncollectables					$ 6,828			2.5% of Reg. & New Assess.
0920	Federal Income Tax	$ 370	$ 6	$ 90	$ 90	$ 90	0%	0%	Used '03 data for '04
0921	State Income Tax	$ 27	$ 62	$ 15	$ 15	$ 15	0%	0%	Used '03 data for '04
0924	C/A Prop. Tax	$ 81	$ 23		$ 59	$ 110	86%	0%	
	Total	**$ 478**	**$ 91**	**$ 12,480**	**$ 16,664**	**$ 23,543**	**41%**	**9%**	
	Expenses, Grand Total	**$ 137,444**	**$ 215,445**	**$ 188,301**	**$ 249,474**	**$ 276,100**	**11%**	**100%**	
				12/31/02: 406 Homes	In 2003: 481 Homes	In 2004: 520 Homes			

Note 1: "New Assessments" amount based on prorated new sales; % change includes the New Assessments estimate.
Note 2: 2003 Power cost split, streetlights vs all other, was estimated using the ratios obtained using the 2002 Actual and 2004 Estimated numbers. (The ratios for 2002 and 2004 agreed within 1%.)



I'On Assembly		UNITS:	644			
2005 BUDGET			Actual		Variance btw.	
Revised 10/10/04	2005 Budget	$/Unit/Yr	1/04thru8/04	2004 Budget	2004 & 2005	% of
			(8 months)		Budgets	Total
REVENUE						
Gross Regime Fees	418600	650	260000	260000	158600	97%
Expected new assessments(40)	15000	0	35886	15000	0	3%
Misc. Income	0	0	0	1100	-1100	0%
TOTAL REVENUE	433600	650	295886	276100	157500	100%
ADMINISTRATION						
6311 Office Supplies	3000	5	1825	3500	-500	1%
6320 Mgmt Fee	42000	65	24500	42000	0	10%
6341 Legal Fees	3000	5	not billed yet	2500	500	1%
6350 Accounting	350	1	not billed yet	300	50	0%
Audit	1500	2	5900	3500	-2000	0%
6360 Telephone	0	0	0	2000	-2000	0%
6370 Bad Debt 1%	3040	5	0	6828	-3788	1%
6390 Creek Club Rental Fee	1800	3	400	50	1750	0%
Directory/Newsletter	2500	4	not billed yet	2000	500	1%
Website	1050	2	0	900	150	0%
Loan repayment	0	0	16000	16000	-16000	0%
Boroughs committee	300	0	0	500	-200	0%
Creek Club Dock usage Fee	4044	6	2696	4044	0	1%
TOTAL ADMIN	62584	97	51321	84122	-21538	14%
OPERATING EXP						
6456 Electricity	7000	11	3602	3200	3800	2%
Street Lights	56000	87	36792	55000	1000	13%
Water & Sewer	16000	25	8036	5000	11000	4%
TOTAL OPERATING	79000	123	48430	63200	15800	18%
MAINTENANCE						
Power washing	1000	2	150	0	1000	0%
Signs	500	1	306	0	500	0%
6521 Grounds Supplies	8687	13	7702	10000	-1313	2%
Fountain Maintenance	1750	3	0	0	1750	0%
Seasonal Flowers	5000	8	2260	incl. in Gnd. Supplies		1%
Plant/Tree Replacement	20000	31	4375	incl. in Gnd. Supplies		5%
Pet Stations	2407	4	320	0	2407	1%
Mulch	11000	17	15160	16000	-5000	3%
6522 Grounds Contractor	110000	171	39600	59400	50600	25%
Tree Maintenance	13520	21	1475	4000	9520	3%
6542 Repairs	10000	16	1320	9563	437	2%
6686 Lake Maintenance	13680	21	3487	6000	7680	3%
Irrigation Maintenance	3500	5	2432	2000	1500	1%
Parking/Traffic Improvements	10000	16	0		10000	2%
TOTAL MAINT	211044	328	78587	106963	104081	49%
TAXES & INS						
TAX/ IRS	200	0	67	215	-15	0%
Hazard Insurance	10000	16	6705	7250	2750	2%
TOTAL TAX & INS	10200	16	6772	7465	2735	2%
TOTAL EXPENSES	362828	563		261750	101078	84%
CAPITAL EXPENSES						
Replacement Reserves	32320	50	11000	16500	15820	7%
extra from expected assessments	15000	23	0	0	15000	3%
Repayment of unfunded reserves	23452	36	0	0	23452	5%
TOTAL CAPITAL EXP	70772	110	11000	16500	54272	16%

NET CASH FLOW		0	0		-2150	0	0%
Notes:							
	The landscape committee recommends $11,000 for mulch, $16,000 for landscape supplies(seasonal flowers, pre emergent, ants, fountain maintenance, etc.),and $110,000 for the landscape contract. The landscape contract will include service						
	2X per week in Jan., Feb., March, Nov., and Dec.; 3X per week in April, May,and Oct.; 5X per week in June, July, Aug., and Sept.						
	The lakes committee recommends using Estate management and their monthly price is $1090.						
	The finance committee has reviewed the insurance policy on the common areas and the premium will be $10,000.						
	A reserve study was done and the recommended and accepted figure is $31,320. The finance committee also asks to budget an additional $1000 for the reserve study to be updated in 5 years.						
	The reserve study shows the reserves are currently underfunded. $22852 is budgeted to start repaying this amount in 2005.						
	The traffic committee has asked for $10,000 to help with parking/ road issues.						
	There is a tentative usage agreement for the Club. The Assembly would pay $200 per month/$2400 per year.						
	Pet Stations: There are currently 6. It has been suggested to add an additional 8 in 2005.						
	They are $279 each. Bags included in the budgeted amount.						
	The Creek Club rental fee expense is $1800 per year. This is the amount the Creek Club is chargeing the HOA for use of the Club for homeowner meetings. Biznet and The Trust are also paying a rental fee.						

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I'On Assembly			UNITS:	682		
2006 BUDGET				Actual		Variance btw
		2006 Budget	$/Unit/Yr	1/05thru8/05	2005 Budget	2005 & 2006
				(8 months)		Budgets
REVENUE						
4120	Gross Regime Fees	443300	650	430600	418600	24700
	Expected new assess.(20)	8125	0	incl. in gross fees	15000	-6875
	Misc. Income	0	0	0	0	0
TOTAL REVENUE		451425	650	430600	433600	17825
ADMINISTRATION						
6311	Office Supplies	5000	7	3232	3000	2000
6320	Mgmt Fee	44100	65	2800	42000	2100
6341	Legal Fees	7000	10	3616	3000	4000
6350	Accounting	400	1	350	350	50
6375	Audit	1500	2	0	1500	0
6360	Telephone	0	0	0	0	0
6370	Bad Debt 1%	4622	7	0	3040	1582
6390	Creek Club Rental Fee	3250	5	1050	1800	1450
6209	Directory/Newsletter	5000	7	541	2500	2500
6212	Website	650	1	644	1050	-400
6213	Boroughs committee	1000	1	0	300	700
6688	Creek Club Dock usage Fee	4044	6	2696	4044	0
6373	Neighborhood Watch	10000	15	2840	0	10000
6323	Comm. Events	2000	3	500	0	2000
TOTAL ADMIN		88566	112	18269	62584	25982
OPERATING EXP						
6456	Electricity	5000	7	2484	7000	-2000
6445	Street Lights	60000	88	35181	56000	4000
6451	Water & Sewer	16000	23	8319	16000	0
	Street light installation	6500	10	0	0	6500
TOTAL OPERATING		87500	128	45984	79000	8500
MAINTENANCE						
6519	Power washing & Painting	5000	7	150	1000	4000
6440	Signs	3000	4	1100	500	2500
6521	Grounds Supplies	9190	13	10118	8687	503
6534	Fountain Maintenance	1995	3	546	1750	245
6535	Seasonal Flowers	5300	8	2475	5000	300
6533	Plant/Tree Replacement	5000	7	10165	20000	-15000
6529	Pet Stations	2000	3	332	2407	-407
6532	Mulch	13110	19	9210	11000	2110
6522	Grounds Contractor	125820	184	76248	114372	11448
6531	Tree Maintenance/trimming	2000	3	8437	13520	-11520
6542	Repairs	10000	15	11984	10000	0
6686	Lake Maintenance	14035	21	10023	13680	355
6455	Irrigation Maintenance	6000	9	3403	3500	2500
6689	Parking/Traffic Improvemen	0	0	0	10000	-10000
6526	Walking Path Refurbishment	3500	5	0	0	3500
6527	Landscape Lighting	2500	4	0	0	2500
6525	East bank of East Lake	3680	5		0	3680

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TOTAL MAINT		212130	311	144191	215416	-3286
TAXES & INS						
6715	TAX/ IRS	750	1	722	200	550
6719	Hazard Insurance	12000	18	9841	10000	2000
TOTAL TAX & INS		12750	19	10563	10200	2550
TOTAL EXPENSES		400946	588	219007	367200	33746
Reserve set a side						
	Replacement Reserves *	31000	45	50180	32320	-1320
	extra from expected assessme	8125	12	0	15000	-6875
	Repayment of unfunded rese	0	0	0	23452	-23452
6870	Contingency **	11354	17	0	0	11354
TOTAL Reserve set aside		50479	74	50180	70772	-20293
NET CASH FLOW		0	0	161413	-4372	0
Notes:						
*	The replacement reserves are based on the reserve study prepared by Falcon Engineering in 2004.					
**	The contingency account in the "Reserve set aside" could be used for neighborhood watch,					
	expenses associated with the Town parking plan,					
	unforeseen repairs and/or storm clean up, and road corner cuts etc., and any other unforeseen exper					

I'On Assembly	Units:	702	(2006 Based on 682 Units)				
2007 BUDGET			2006		Variance btw.		
		2007 Budget	Projected	2006 Budget	2006 & 2007 Budgets	$/Unit/Yr	% of Total
REVENUE							
4120	Gross Regime Fees	526500	450798	451425	75075	750	98.14%
	Operating Interest Income	10000	6000	0	10000	0	1.86%
TOTAL REVENUE		536500	456798	451425	85075	750	100%
ADMINISTRATION							
6312	Office Supplies-Off Site	7200	7196	5000	2200	10	1.34%
6320	Mgmt Fee	45864	43838	44100	1764	65	8.55%
6340	Legal Fees***	3500	4188	0	3500	5	0.65%
6341	Legal Fees-Liens	3500	3321	7000	-3500	5	0.65%
6375	Accounting	0	0	400	-400	0	0.00%
6350	CPA - Tax Return/Audit	1900	1840	1500	400	3	0.35%
6370	Bad Debt 1%	0	0	4622	-4622	0	0.00%
6364	Bank Charges ***	90	88	0	90	0	0.02%
6326	Creek Club Rental Fee	4719	2531	3250	1469	7	0.88%
6392	Directory	3000	2500	5000	-2000	4	0.56%
6328	Newsletter	4000	1178	0	4000	6	0.75%
6212	Website	702	750	650	52	1	0.13%
6327	Boroughs Committee	200	96	1000	-800	0	0.04%
6329	Creek Club Dock usage Fee	4044	4044	4044	0	6	0.75%
6361	Neighborhood Watch	10000	10170	10000	0	14	1.86%
6325	Social/Comm. Events	750	227	2000	-1250	1	0.14%
6220	Community Support***	5000	0	0	5000	7	0.93%
6319	Sound Equipment***	1500	0	0	1500	2	0.28%
6391	Reserve Study Expense	0	4325	0	0	0	
TOTAL ADMIN		95969	86291	88566	7403	137	17.89%
OPERATING EXP							
6450	Electricity	0	0	5000	-5000	0	0.00%
6495	Street Lights	40000	39423	60000	-20000	57	7.46%
6451	Water & Sewer	0	0	16000	-16000	0	0.00%
6453	Chas Cnty Strm Swg Fees	75	54	0	75	0	0.01%
6454	Water-Eastlake-00491296	37	35	0	37	0	0.01%
6455	Water-Frogmore-00491821	36	35	0	36	0	0.01%
6456	Water-Ionsborough-119-004923	305	291	0	305	0	0.06%
6457	Water-Ionsborough-167-00492345	403	384	0	403	1	0.08%
6458	Water-Isle of Hope -00491391	142	135	0	142	0	0.03%
6459	Water-Jogg/Sanib-00492486	179	170	0	179	0	0.03%
6460	Water-MF516 00490000-00087584	1621	1544	0	1621	2	0.30%
6461	Water-MF516 00490001-0008758	27	25	0	27	0	0.00%
6463	Water-MF518 00490020-0009678	3972	3783	0	3972	6	0.74%
6464	Water-McDaniel 00492248	4927	4693	0	4927	7	0.92%
6465	Water-Moultrieville-00491381	63	60	0	63	0	0.01%
6466	Water-N. Shelmore-00492249	62	59	0	62	0	0.01%
6467	Water-N. Shelmore-00491371	34	33	0	34	0	0.01%
6480	Elec-Boathouse Close-0273-2265	677	645	0	677	1	0.13%
6481	Elec-Civitas St 5502-826	210	200	0	210	0	0.04%
6482	Elec-Eastlake-0273-3036	338	322	0	338	0	0.06%
6483	Elec-Faye/Lati-5618-1074	308	294	0	308	0	0.06%
6484	Elec-Frogmore-5625-8898	208	198	0	208	0	0.04%
6485	Elec-Hospita Irr 5611-5015	291	277	0	291	0	0.05%
6486	Elec-Ionsborough-6071-3304	519	494	0	519	1	0.10%
6487	Elec-Isle of Hope-5607-858	207	197	0	207	0	0.04%
6488	Elec-Joggling-6438-0159	188	179	0	188	0	0.04%
6489	Elec-Low Country-5617-2161	207	198	0	207	0	0.04%

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6490	Elec-Math Fer Irr-5607-8852	337	321	0	337	0	0.06%
6491	Elec-McDaniel/Star-5822-867	219	208	0	219	0	0.04%
6492	Elec-Sanibel/W Shi-6131-6993	811	772	0	811	1	0.15%
6493	Elec-Saturday Irr-5611-504	222	212	0	222	0	0.04%
6494	Elec-Saturday Lts-5611-496	207	197	0	207	0	0.04%
6496	Elec-W Shipy Irr-5618-1021	1080	1029	0	1080	2	0.20%
6441	Street Light Installation	0	0	6500	-6500	0	0.00%
TOTAL OPERATING		57914	56467	87500	-29586	82	10.79%
MAINTENANCE							
6533	Power Washing & Painting	7150	3618	5000	2150	10	1.33%
6440	Signs	4700	3386	3000	1700	7	0.88%
6521	Grounds Supplies	9190	9190	9190	0	13	1.71%
6515	Fountain Maintenance	0	375	1995	-1995	0	0.00%
6516	Seasonal Flowers	10000	7113	5300	4700	14	1.86%
6524	Plant/Tree Replacement	4000	9375	5000	-1000	6	0.75%
6520	Landscaping Enhancement/Maint.	37722	18720	0	37722	54	7.03%
6519	East bank of East Lake	0	0	3680	-3680	0	0.00%
6564	Pet Stations	200	385	2000	-1800	0	0.04%
6526	Pine straw/Mulch	15695	15170	13110	2585	0	2.93%
6522	Grounds Contractor	129600	125700	125820	3780	0	24.16%
6525	Tree Maintenance/Trimming	3681	5522	2000	1681	0	0.69%
6542	Repairs	10000	9410	10000	0	0	1.86%
6686	Lake Maintenance	14736	13660	14035	701	0	2.75%
6687	Lake Equip. Maint.***	2500	0	0	2500	0	0.47%
6684	Fish and Wildlife***	3089	0	0	3089	0	0.58%
6530	Irrigation Maintenance	7000	8459	6000	1000	0	1.30%
6517	Walking Path Refurbishment	3500	1965	3500	0	2	0.65%
6518	Landscape Lighting	1500	2605	2500	-1000	1	0.28%
6689	Playground Maint/Rpr ***	1500	2550	0	1500	1	0.28%
TOTAL MAINT		265764	237202	212130	53634	108	49.54%
TAXES & INS							
6711	TAX/ IRS	3085	973	750	2335	4	0.58%
6719	Hazard Insurance	10200	9584	12000	-1800	15	1.90%
6715	Property Taxes	125	113	0	125	0	0.02%
6722	Workers Comp Ins.***	959	799	0	959	5	0.18%
TOTAL TAX & INS		14369	11469	12750	1619	24	2.68%
TOTAL EXPENSES		434016	391429	400946	33070	351	80.90%
NET BEFORE RESERVES		102484	65369	50479	52005	146	0
Reserve Set Aside							
	Capital Reserves *	104027	42354	31000	73027	148	19.39%
	Less Interest on Funds	-10000	0	0	10000		
	Contribution From Budget	94027	0	0			
	extra from expected assessments	0	0	8125	-8125	0	0.00%
	Contingency/Oper. Reserve **	8457	23015	11354	-2897	12	1.58%
TOTAL		102484	65369	50479	72005	160	19.10%
NET CASH FLOW		0	0	0	0	0	0.00%

Notes:

* The contribution to the Capital Replacement Reserve account is based on the recommendations in the revised Capital Reserve report prepared by Miller-Dodson & Associates dated November 29, 2006.

** Contingency/Operating Reserves account can be used for expenses associated with use of off-duty police for security patrols, $5000 in tax reserves to pay taxes in 2008 on incurred 2007 earnings, unforeseen repair expenses and/or storm cleanup, and other unbudgeted expenses. Any balance remaining at year end will be applied to the Capital Reserve account.

*** New Account for 2007 Budget

I'On Assembly	Units:	708	(2007 Based on 702 Units)				
2008 BUDGET			Actuals		Variance btw.		
		2008 Budget	1/01/07-10/31/07	2007 Budget	2007 & 2008 Budgets	$/Unit/Yr	% of Total
REVENUE							
4120	Gross Regime Fees	637200	527,303.39	526500	110700	900	98.45%
	Operating Interest Income	10000		10000	0	14	1.55%
TOTAL REVENUE		647200	527,303.39	536500	110700	914	100%
ADMINISTRATION							
6212	Website	702	0.00	702	0	1	0.11%
6220	I'On Trust Expense	7700	5,000.00	5000	2700	11	1.19%
6312	Office Supplies-Off Site	4500	3,577.31	7200	-2700	6	0.70%
6319	Sound Equipment	0	1,368.14	1500	-1500	0	0.00%
6320	Mgmt Fee	45864	38,073.00	45864	0	65	7.09%
6325	Social/Comm. Events	850	466.20	750	100	1	0.13%
6326	Creek Club Rental Fee	4719	3,432.00	4719	0	7	0.73%
6327	Boroughs Committee	200	0.00	200	0	0	0.03%
6328	Newsletter	4000	840.22	4000	0	6	0.62%
6329	Creek Club Dock usage Fee	6665	3,370.00	4044	2621	9	1.03%
6340	Legal Fees	13500	1,389.50	3500	10000	19	2.09%
6341	Legal Fees-Liens	3500	-1,675.36	3500	0	5	0.54%
6350	CPA - Tax Return/Audit	5350	400.00	1900	3450	8	0.83%
6351	Membership/Association Expense	1200	872.85	0	1200	2	0.19%
6361	Neighborhood Watch	7500	6,485.00	10000	-2500	11	1.16%
6364	Bank Charges	25	3.00	90	-65	0	0.00%
6370	Bad Debt 1%	6372	0.00	0	6372	9	0.98%
6375	Professional Fees	0	31.61	0	0	9	0.98%
6392	Directory Expense	4400	0.00	3000	1400	6	0.68%
6393	Reserve Study Expense	0	810.00	0	0	0	0.00%
TOTAL ADMIN		117047	64,443.47	95969	21078	165	18.09%
OPERATING EXP							
6440	Signs	4700	1,964.58	4700	0	7	0.73%
6453	Chas Cnty Strm Swg Fees	75	36.00	75	0	0	0.01%
6454	Water-Eastlake-00491296	32	25.70	37	-5	0	0.00%
6455	Water-Frogmore-00491821	229	188.54	36	193	0	0.04%
6456	Water-Ionsborough-119-004923	548	461.68	305	243	1	0.08%
6457	Water-Ionsborough-167-00492345	165	139.76	403	-238	0	0.03%
6458	Water-Isle of Hope -00491391	68	53.14	142	-74	0	0.01%
6459	Water-Jogg/Sanib-00492486	668	560.87	179	489	1	0.10%
6460	Water-MF516 00490000-00087584	555	440.36	1621	-1066	1	0.09%
6461	Water-MF516 00490001-0008758	4050	2,926.15	27	4023	6	0.63%
6463	Water-MF518 00490020-0009678	6397	4,762.69	3972	2425	9	0.99%
6464	Water-McDaniel 00492248	5618	4,575.19	4927	691	8	0.87%
6465	Water-Moultrieville-00491381	55	44.40	63	-8	0	0.01%
6466	Water-N. Shelmore-00492249	54	43.50	62	-8	0	0.01%
6467	Water-N. Shelmore-00491371	32	-437.26	34	-2	0	0.00%
6468	Water-Saturday RD-00491401	54	43.50	0	54	0	0.01%
6469	Water-Georgetown 00092314	1790	178.27	0	1790	3	0.28%
6480	Elec-Boathouse Close-0273-2265	2008	1,593.32	677	1331	3	0.31%
6481	Elec-Civitas St Shed 5502-826	218	171.37	210	8	0	0.03%
6482	Elec-Eastlake-0273-3036	237	184.85	338	-101	0	0.04%
6483	Elec-Faye/Lati-5618-1074	330	260.00	308	22	0	0.05%
6484	Elec-Frogmore-5625-8898	210	165.14	208	2	0	0.03%
6485	Elec-Hospita Irr 5611-5015	430	338.11	291	139	1	0.07%
6486	Elec-Ionsborough-6071-3304	606	473.01	519	87	1	0.09%
6487	Elec-Isle of Hope-5607-858	210	165.14	207	3	0	0.03%

DEFENDANT'S EXHIBIT 42 1102

I'On Assembly	Units:	708	(2007 Based on 702 Units)				
2008 BUDGET			Actuals		Variance btw.		
		2008 Budget	1/01/07-10/31/07	2007 Budget	2007 & 2008	$/Unit/Yr	% of
6488	Elec-Jogging-6438-0159	308	247.13	188	120	0	0.05%
6489	Elec-Low Country-5617-2161	210	165.14	207	3	0	0.03%
6490	Elec-Math Fer Irr-5607-8852	421	333.73	337	84	1	0.07%
6491	Elec-McDaniel/Star-5822-867	286	230.45	219	67	0	0.04%
6492	Elec-Sanibel/W Shi-6131-6993	697	547.55	811	-114	1	0.11%
6493	Elec-Saturday Irr-5611-504	241	202.74	222	19	0	0.04%
6494	Elec-Saturday Lts-5611-496	210	165.14	207	3	0	0.03%
6495	Elec-Street Lights	41002	32,323.85	40000	1002	58	6.34%
6496	Elec-W Shipy Irr-5618-1021	3013	2,365.40	1080	1933	4	0.47%
TOTAL OPERATING		75727	55,939.14	62612	13115	107	10.96%
MAINTENANCE							
6516	Seasonal Flowers	10000	4,150.00	10000	0	14	1.55%
6517	Walking Path Refurbishment	3500	2,150.00	3500	0	5	0.54%
6518	Landscape Lighting	1500	5,729.58	1500	0	2	0.23%
6520	Landscaping Enhancement/Maint.	20000	7,317.50	37722	-17722	28	3.09%
6521	Grounds Supplies	35850	19,470.00	9190	26660	51	5.54%
6522	Grounds Contract/Landscaping	139200	108,250.00	129600	9600	197	21.51%
6524	Plant/Tree Replacement	4000	0.00	4000	0	6	0.62%
6525	Tree Maintenance/Trimming	15800	10,871.50	3681	12119	22	2.44%
6526	Pine straw/Mulch	18450	17,346.50	15695	2755	26	2.85%
6530	Irrigation Repairs	5000	14,630.00	7000	-2000	7	0.77%
6533	Power Washing & Painting	9175	8,385.00	7150	2025	13	1.42%
6542	Repairs	17000	22,770.39	10000	7000	24	2.63%
6543	Mailbox Repairs***	3500	0.00	0	3500	5	0.54%
6564	Pet Stations	3710	3,710.00	200	3510	5	0.57%
6684	Fish and Wildlife	4685	3,246.32	3089	1596	7	0.72%
6686	Lake Maintenance	14736	11,799.50	14736	0	21	2.28%
6687	Lake Equip. Maint.	2500	583.58	2500	0	4	0.39%
6689	Playground Maint/Rpr	10000	0.00	1500	8500	14	1.55%
TOTAL MAINT		318606	240,409.87	261063	57543	450	47.68%
TAXES & INS							
6711	Income Taxes	3000	2,351.00	3085	-85	4	0.46%
6715	Property Taxes	500	0.00	125	375	1	0.08%
6719	Hazard Insurance	15000	9,982.00	10200	4800	21	2.32%
6722	Workers Comp Ins.	625	456.54	959	-334	1	0.10%
TOTAL TAX & INS		19125	12,789.54	14369	4756	27	2.96%
TOTAL EXPENSES		530505	373582	434013	96492	749	81.97%

I'On Assembly	Units:	708	(2007 Based on 702 Units)				
2008 BUDGET			Actuals		Variance btw.		
		2008 Budget	1/01/07-10/31/07	2007 Budget	2007 & 2008	$/Unit/Yr	% of
NET BEFORE RESERVES		116695	153721	102487	14208	165	0
Reserve Set Aside							
	Capital Reserves *	0	94027	104027	-104027	0	0.00%
	Less Interest on Funds	0	296	-10000	10000	0	0.00%
	Contribution From Budget	94027	0	94027	0	133	14.53%
	extra from expected assessments	3750	0	0	3750	5	0.58%
	Contingency/Oper. Reserve **	18918	0	8457	10461	27	2.92%
TOTAL		116695	94323	196511	-79816	165	18.03%
NET CASH FLOW		0	59398	-94024	94024	0	0.00%

Notes:

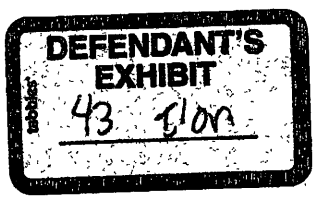
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** Contingency/Operating Reserves account can be used for expenses associated with use of off-duty police for security patrols, $5000 in tax reserves to pay taxes in 2008 on incurred 2007 earnings, unforeseen repair expenses and/or storm cleanup, and other unbudgeted expenses. Any balance remaining at year end will be applied to the Capital Reserve account.

*** New Account for 2008 Budget

I'ON
2009 BUDGET

	2009 Budget	2008 Budget	2008 Estmated	09 Budget to 08 Budget		09 Budget to 08 Estimated	
Prepaid Fees	$ -	$ -	$ (45)	$ -	0%	$ 45	-100%
Gross Regime Fees	663,172	637,200	631,669	25,972	4%	31,503	5%
Reserve Contribution	(100,000)	(116,695)	(120,000)	16,695	-14%	20,000	-17%
Operating Interest Income	4,800	10,000	5,900	(5,200)	-52%	(1,100)	-19%
Income - Late Fees	-	-	1,500	-	0%	(1,500)	-100%
Income - NSF Fees	-	-	50	-	0%	(50)	-100%
Other	-	-	19	-	0%	(19)	-100%
	567,972	530,505	519,093	37,467	7%	48,879	9%
Website	1,200	702	130	498	71%	1,070	823%
I'On Trust Expense	6,000	7,700	7,700	(1,700)	-22%	(1,700)	-22%
Office Supplies-Off Site	6,000	4,500	6,500	1,500	33%	(500)	-8%
Sound Equipment	-	-	-	-	0%	-	0%
Mgmt Fee	45,864	45,864	45,864	-	0%	-	0%
Social/Comm. Events	3,000	850	2,000	2,150	253%	1,000	50%
Creek Club Rental Fee	6,200	4,719	6,000	1,481	31%	200	3%
Boroughs Committee	-	200	-	(200)	-100%	-	0%
Newsletter	-	4,000	-	(4,000)	-100%	-	0%
Creek Club Dock usage Fee	6,720	6,665	6,660	55	1%	60	1%
Legal Fees	9,996	13,500	8,000	(3,504)	-26%	1,996	25%
Legal Fees-Liens	3,000	3,500	2,500	(500)	-14%	500	20%
CPA - Tax Return/Audit	100	5,350	-	(5,250)	-98%	100	0%
Membership/Association Expense	700	1,200	632	(500)	-42%	68	11%
Neighborhood Watch	9,000	7,500	7,500	1,500	20%	1,500	20%
Bank Charges	-	25	-	(25)	-100%	-	0%
Bad Debt	20,004	6,372	6,372	13,632	214%	13,632	214%
Professional Fees	-	-	-	-	0%	-	0%
Directory Expense	4,000	4,400	6,700	(400)	-9%	(2,700)	-40%
Reserve Study Expense	-	-	-	-	0%	-	0%
	121,784	117,047	106,558	4,737	4%	15,226	14%
Signs	2,400	4,700	1,000	(2,300)	-49%	1,400	140%
Water	-	-	-	-	0%	-	0%
Chas Cnty Strm Swg Fees	85	75	80	10	13%	5	6%
Water-Eastlake-00491296	-	32	(1)	(32)	-100%	1	-100%



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I'ON
2009 BUDGET

	2009 Budget	2008 Budget	2008 Estmated	09 Budget to 08 Budget		09 Budget to 08 Estimated	
Water-Frogmore-00491821	252	229	230	23	10%	22	10%
Water-Ionsborough-119-004923	876	548	810	328	60%	66	8%
Water-Ionsborough-167-00492345	192	165	183	27	16%	9	5%
Water-Isle of Hope -00491391	1,140	68	1,047	1,072	1576%	93	9%
Water-Jogg/Sanib-00492486	1,692	668	1,576	1,024	153%	116	7%
Water-MF516 00490000-00087584	432	555	396	(123)	-22%	36	9%
Water-MF516 00490001-0008758	996	4,050	938	(3,054)	-75%	58	6%
Water-MF518 00490020-0009678	5,424	6,397	5,055	(973)	-15%	369	7%
Water-McDaniel 00492248	13,452	5,618	12,500	7,834	139%	952	8%
Water-Moultrieville-00491381	36	55	25	(19)	-35%	11	46%
Water-N. Shelmore-00492249	24	54	23	(30)	-56%	1	3%
Water-N. Shelmore-00491371	33	32	31	1	3%	2	7%
Water-Saturday RD-00491401	24	54	19	(30)	-56%	5	24%
Water-Georgetown 00092314	312	1,790	284	(1,478)	-83%	28	10%
Elec-Boathouse Close-0273-2265	1,632	2,008	1,523	(376)	-19%	109	7%
Elec-Civitas St Shed 5502-826	240	218	219	22	10%	21	10%
Elec-Eastlake-0273-3036	228	237	218	(9)	-4%	10	5%
Elec-Faye/Lati-5618-1074	348	330	322	18	5%	26	8%
Elec-Frogmore-5625-8898	228	210	217	18	9%	11	5%
Elec-Hospita Irr 5611-5015	456	430	418	26	6%	38	9%
Elec-Ionsborough-6071-3304	504	606	466	(102)	-17%	38	8%
Elec-Isle of Hope-5607-858	228	210	217	18	9%	11	5%
Elec-Jogging-6438-0159	348	308	324	40	13%	24	8%
Elec-Low Country-5617-2161	228	210	217	18	9%	11	5%
Elec-Math Fer Irr-5607-8852	648	421	593	227	54%	55	9%
Elec-McDaniel/Star-5822-867	384	286	360	98	34%	24	7%
Elec-Sanibel/W Shi-6131-6993	684	697	636	(13)	-2%	48	8%
Elec-Saturday Irr-5611-504	432	241	409	191	79%	23	6%
Elec-Saturday Lts-5611-496	228	210	217	18	9%	11	5%
Elec-Street Lights	37,980	41,002	35,479	(3,022)	-7%	2,501	7%
Elec-W Shipy Irr-5618-1021	2,880	3,013	2,682	(133)	-4%	198	7%
	75,046	75,727	68,712	(681)	-1%	6,334	9%
Seasonal Flowers	15,000	10,000	10,000	5,000	50%	5,000	50%
Walking Path Refurbishment	2,400	3,500	1,000	(1,100)	-31%	1,400	140%

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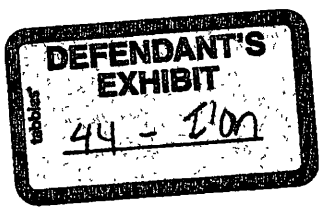
I'ON
2009 BUDGET

	2009 Budget	2008 Budget	2008 Estmated	09 Budget to 08 Budget		09 Budget to 08 Estimated	
Landscape Lighting	2,004	1,500	2,000	504	34%	4	0%
Landscaping Enhancement/Maint.	25,000	20,000	30,000	5,000	25%	(5,000)	-17%
Grounds Supplies	38,004	35,850	40,000	2,154	6%	(1,996)	-5%
Grounds Contract/Landscaping	151,200	139,200	132,200	12,000	9%	19,000	14%
Plant/Tree Replacement	4,000	4,000	3,000	-	0%	1,000	33%
Tree Maintenance/Trimming	16,464	15,800	17,125	664	4%	(661)	-4%
Pine straw/Mulch	20,000	18,450	18,450	1,550	8%	1,550	8%
Irrigation Repairs	7,500	5,000	7,000	2,500	50%	500	7%
Power Washing & Painting	9,500	9,175	9,175	325	4%	325	4%
Repairs	25,200	17,000	17,000	8,200	48%	8,200	48%
Mailbox Repairs	2,400	3,500	1,500	(1,100)	-31%	900	60%
Pet Stations	2,600	3,710	3,000	(1,110)	-30%	(400)	-13%
Fish and Wildlife	3,000	4,685	1,000	(1,685)	-36%	2,000	200%
Lake Maintenance	14,520	14,736	14,736	(216)	-1%	(216)	-1%
Lake Equip. Maint.	3,000	2,500	2,000	500	20%	1,000	50%
Playground Maint/Rpr	10,000	10,000	16,000	-	0%	(6,000)	-38%
	351,992	318,606	325,186	33,386	10%	26,806	8%
Income Taxes	6,000	3,000	7,270	3,000	100%	(1,270)	-17%
Property Taxes	750	500	500	250	50%	250	50%
Hazard Insurance	11,000	15,000	9,667	(4,000)	-27%	1,333	14%
Umbrella							
Workers Comp Ins.	1,400	625	1,200	775	124%	200	17%
	19,150	19,125	18,637	25	0%	513	3%
Total Expenses	567,972	530,505	519,093	37,467	7%	48,878	9%
Net Income	$ 0	$ -	$ (0)	$ 0		$ 1	
HOA Fee	$ 910	$ 900		$ 10	1%		
Number of Homes	729	708					

5/17/2012

I'ON 2010 PROPOSED BUDGET

	2010 Budget	2009 Budget	2009 Projected	10 Budget to 09 Budget		10 Budget to 09 Projected	
REVENUE							
Gross Regime Fees	$ 656,035	$ 663,172	$642,000	$ (7,137)	-1%	$ 14,035	-2%
Reserve Contribution net of transfer fee	(94,334)	(100,000)	(100,000)	5,666	-6%	5,666	-6%
Operating Interest Income	1,700	4,800	1,700	(3,100)	-65%	-	0%
Income - Late Fees			3,600	-	#DIV/0!	(3,600)	-100%
Other			65	-	#DIV/0!	(65)	-100%
	563,401	567,972	547,365	(4,571)	-1%	16,036	3%
EXPENSE							
Website	1,000	1,200	1,000	(200)	-17%	-	0%
I'On Trust Expense	6,000	6,000	6,000	-	0%	-	0%
Office Supplies-Off Site	4,000	6,000	4,000	(2,000)	-33%	-	0%
Mgmt Fee	45,864	45,864	45,864	-	0%	-	0%
Social/Comm. Events	2,000	3,000	2,000	(1,000)	-33%	-	0%
Creek Club Rental Fee	7,680	6,200	7,680	1,480	24%	-	0%
Creek Club Dock usage Fee	8,080	6,720	6,660	1,360	20%	1,420	21%
Legal Fees	12,000	9,996	11,000	2,004	20%	1,000	9%
Legal Fees-Liens	4,000	3,000	4,000	1,000	33%	-	0%
CPA - Tax Return/Audit	3,000	100	3,000	2,900	2900%	-	0%
Membership/Association Expense	1,000	700	1,000	300	43%	-	0%
Neighborhood Watch	6,000	9,000	5,000	(3,000)	-33%	1,000	20%
Bank Charges			15	-	#DIV/0!	(15)	-100%
Bad Debt	25,000	20,004	-	4,996	25%	25,000	#DIV/0!
Directory Expense	4,000	4,000	4,000	-	0%	-	0%
Reserve Study Expense	4,325			4,325	#DIV/0!	4,325	#DIV/0!
	133,949	121,784	101,219	12,165	10%	32,730	32%
Signs	500	2,400	300	(1,900)	-79%	200	67%
Chas Cnty Strm Swg Fees	80	85	80	(5)	-6%	-	0%
Water-Frogmore-00491821	180	252	170	(72)	-29%	10	6%
Water-Ionsborough-119-004923	590	876	586	(286)	-33%	4	1%
Water-Ionsborough-167-00492345	210	192	205	18	9%	5	2%
Water-Isle of Hope -00491391	175	1,140	168	(965)	-85%	7	4%
Water-Jogg/Sanib-00492486	550	1,692	546	(1,142)	-67%	4	1%
Water-MF516 00490000-00087584	1,280	432	1,276	848	196%	4	0%
Water-MF516 00490001-0008758	120	996	105	(876)	-88%	15	14%
Water-MF518 00490020-0009678	5,850	5,424	5,751	426	8%	99	2%
Water-McDaniel 00492248	40	13,452	1,839	(13,412)	-100%	(1,799)	-98%
Water-Moultrieville-00491381		36		(36)	-100%	-	#DIV/0!
Water-N. Shelmore-00492249		24		(24)	-100%	-	#DIV/0!
Water-N. Shelmore-00491371		33	14	(33)	-100%	(14)	-100%



I'ON 2010 PROPOSED BUDGET

	2010 Budget	2009 Budget	2009 Projected	10 Budget to 09 Budget		10 Budget to 09 Projected	
Water-Saturday RD-00491401		24		(24)	-100%	-	#DIV/0!
Water-Georgetown 00092314	500	312	491	188	60%	9	2%
MF Circle	700			700	#DIV/0!	700	#DIV/0!
Elec-Square	150			150	#DIV/0!	150	#DIV/0!
Elec-Boathouse Close-0273-2265	1,700	1,632	1,684	68	4%	16	1%
Elec-Civitas St Shed 5502-826	150	240	245	(90)	-38%	(95)	-39%
Elec-Eastlake-0273-3036	160	228	252	(68)	-30%	(92)	-37%
Elec-Faye/Lati-5618-1074	430	348	427	82	24%	3	1%
Elec-Frogmore-5625-8898	250	228	247	22	10%	3	1%
Elec-Hospita Irr 5611-5015	485	456	480	29	6%	5	1%
Elec-Ionsborough-6071-3304	700	504	671	196	39%	29	4%
Elec-Isle of Hope-5607-858	250	228	244	22	10%	6	2%
Elec-Jogging-6438-0159	415	348	409	67	19%	6	1%
Elec-Low Country-5617-2161	250	228	245	22	10%	5	2%
Elec-Math Fer Irr-5607-8852	405	648	399	(243)	-38%	6	2%
Elec-McDaniel/Star-5822-867	410	384	405	26	7%	5	1%
Elec-Sanibel/W Shi-6131-6993	890	684	877	206	30%	13	1%
Elec-Saturday Irr-5611-504	450	432	443	18	4%	7	2%
Elec-Saturday Lts-5611-496	250	228	244	22	10%	6	2%
Elec-Street Lights	43,000	37,980	42,049	5,020	13%	951	2%
Elec-W Shipy Irr-5618-1021	2,400	2,880	2,373	(480)	-17%	27	1%
	63,520	75,046	63,225	(11,526)	-15%	295	0%
Seasonal Flowers	15,000	15,000	15,000	-	0%	-	0%
Walking Path Refurbishment	4,000	2,400	4,000	1,600	67%	-	0%
Landscape Lighting	2,100	2,004	2,200	96	5%	(100)	-5%
Landscaping Enhancement/Maint.	27,500	25,200	42,500	2,300	9%	(15,000)	-35%
Grounds Supplies	36,735	38,004	38,000	(1,269)	-3%	(1,265)	-3%
Grounds Contract/Landscaping	152,643	151,200	151,200	1,443	1%	1,443	1%
Plant/Tree Replacement	4,000	4,000	4,000	-	0%	-	0%
Tree Maintenance/Trimming	24,000	16,464	22,000	7,536	46%	2,000	9%
Pine straw/Mulch	21,000	20,000	21,000	1,000	5%	-	0%
Irrigation Repairs	5,000	7,500	4,000	(2,500)	-33%	1,000	25%
Power Washing & Painting	8,000	9,500	4,000	(1,500)	-16%	4,000	100%
Repairs	20,000	25,200	19,000	(5,200)	-21%	1,000	5%
Mailbox Repairs	500	2,400	1,500	(1,900)	-79%	(1,000)	-67%
Pet Stations	4,000	2,600	5,000	1,400	54%	(1,000)	-20%
Fish and Wildlife	600	3,000	550	(2,400)	-80%	50	9%
Lake Maintenance	15,000	14,520	15,000	480	3%	-	0%
Lake Equip. Maint.	4,000	3,000	4,000	1,000	33%	-	0%

I'ON 2010 PROPOSED BUDGET

	2010 Budget	2009 Budget	2009 Projected	10 Budget to 09 Budget		10 Budget to 09 Projected	
Playground Maint/Rpr	5,000	10,000	7,000	(5,000)	-50%	(2,000)	-29%
	349,078	351,992	359,950	(2,915)	-1%	(10,873)	-3%
Income Taxes	5,000	6,000	6,660	(1,000)	-17%	(1,660)	-25%
Property Taxes	750	750	750	-	0%	-	0%
Hazard Insurance	10,000	11,000	9,408	(1,000)	-9%	592	6%
Workers Comp Ins.	1,000	1,400	1,000	(400)	-29%	-	0%
	16,750	19,150	17,818	(2,400)	-13%	(1,068)	-6%
Total Expenses	563,297	567,972	542,212	(4,676)	-1%	21,085	7%
Net Income	$ 105	$ -	$ 5,153	$ 842	#DIV/0!	$ (5,049)	-0.020699
HOA Fee	$ 895	$ 910		$ (16)	-2%		
Number of Homes	733	729					

CERTIFICATE OF OCCUPANCY

Mt. Pleasant
Building Inspection Service

Permit No. 28190
Tax Map No. _____

Tor Clubhouse

The building located at 44 Saturday Rd

having been inspected and found to be in accord with the Mt. Pleasant building code and other applicable regulations may be occupied as a _____

provided the following limitations are met _____

April 10, 2001
Date

Building Official

Original: Owner
Copies to: Board of Assessment
Town File

Phillip W Smith Const

DEFENDANT'S EXHIBIT
49 Tor

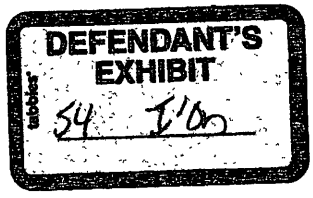
CONFIDENTIAL

FIRST AMENDED AND RESTATED

OPERATING AGREEMENT

OF

THE I'ON GROUP, LLC



CONFIDENTIAL

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CONFIDENTIAL

FIRST AMENDED AND RESTATED

OPERATING AGREEMENT

OF

THE I'ON GROUP, LLC

This First Amended and Restated Operating Agreement of THE I'ON GROUP, LLC ("Company") dated August 22, 2005 amends and restates the Operating Agreement of the Civitas, LLC dated January ___, 1999 and is (a) adopted by the Manager (as defined below) and (b) executed and agreed to, for good and valuable consideration, by the Member (as defined below).

ARTICLE I
DEFINITIONS

As used in this Operating Agreement, the following terms have the following meanings:

A. **"Act"** means the Uniform Limited Liability Company Act of 1996 and any successor statute as amended from time to time.

B. **"Articles"** means the Articles of Organization filed with the Secretary of State of South Carolina by which CIVITAS, L.L.C. was organized as a South Carolina Limited Liability Company under and pursuant to the Act which were amended by Articles of Amendment dated May 31, 2005 changing the name of the Company to The I'On Group, LLC.

C. **"Business Day"** means any day other than a Saturday, a Sunday, or a holiday on which national banking associations in the State of South Carolina are closed.

D. **"Capital Contribution"** means any contribution by a Member to the capital of the Company.

E. **"Code"** means the Internal Revenue Code of 1986 and any successor statute, as amended from time to time.

F. **"Company"** means THE I'ON GROUP, LLC, a South Carolina Limited Liability Company.

G. **"Company Liability"** means any enforceable debt or obligation for which the Company is liable or which is secured by any Company Property.

H. **"Distributional Interest"** means all of a Member's interest in distributions by the Company.

I. **"Dispose," "Disposing," or "Disposition"** means a sale, assignment, transfer, exchange, mortgage, pledge, grant of a security interest, or other disposition or encumbrance (including, without limitation, by operation of law), or the acts thereof.

J. **"Manager or Managers"** means LeGrand Elébash or any Person hereafter elected as a Manager of the Company as provided in this Operating Agreement, but does not include any Person who has ceased to be a Manager of the Company.

K. **"Member"** means Vincent G. Graham.

L. **"Net Losses"** means the losses and deductions of the Company determined in accordance with accounting principles consistently applied from year to year employed under the method of accounting adopted by the Company and as reported separately or in the aggregate, as appropriate, on the tax return of the Company filed for federal income tax purposes.

M. **"Net Profits"** means the income and gains of the Company determined in accordance with accounting principles consistently applied from year to year employed under the method of accounting adopted by the Company and as reported separately or in the aggregate as appropriate on the tax return of the Company filed for federal income tax purposes.

N. **"Operating Agreement"** has the meaning given that term in the introductory paragraph.

O. **"Person"** includes an individual, partnership, limited partnership, limited liability company, foreign limited liability company, trust, estate, corporation, custodian, trustee, executor, administrator, nominee or entity in a representative capacity.

P. **"Proceeding"** means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative.

Other terms defined herein have the meanings so given them.

ARTICLE II
ORGANIZATION

2.1 Formation.

The Company has been organized as a South Carolina Limited Liability Company by the filing of Articles pursuant to the Act and the issuance of a certificate of organization for the Company by the Secretary of State of South Carolina.

2.2 Name.

The name of the Company is THE I'ON GROUP, LLC. and all Company business must be conducted in that name or such other names that comply with applicable law as the Managers may select from time to time.

2.3 Designated Office.

The designated office of the Company required by the Act to be maintained in the State of South Carolina shall be the office of the initial registered agent named in the Articles or such other office (which need not be a place of business of the Company) as the Managers, or Member if there is no Manager, may designate from time to time in the manner provided by law.

2.4 Registered Agent.

The registered agent of the Company in the State of South Carolina shall be the initial registered agent named in the Articles or such other Person or Persons as the Managers, or Member if there is no Manager, may designate from time to time in the manner provided by law.

2.5 Principal Office In The United States Other Offices.

The principal office of the Company in the United States shall be at such place as the Managers, or Member if there is no Manager or the management of the Company is reserved to the Member, may designate from time to time, which need not be in the State of South Carolina. The Company may have such other offices as the Managers, or Member if there is no Manager, may designate from time to time.

2.6 Purposes.

The purposes of the Company are to own and operate a full service real estate development company offering a continuum of services for the creation of new places and the improvement of existing towns and cities and engage in any lawful business activities.

2.7 Foreign Qualification.

Prior to the Company's conducting business in any jurisdiction other than South Carolina, the Manager shall cause the Company to comply, to the extent procedures are available and those matters are reasonably within the control of the Manager or Member, with all requirements necessary to qualify the Company as a foreign limited liability company in that jurisdiction. At the request of the Manager or Member, the Member shall execute, acknowledge, swear to, and deliver all certificates and other instruments conforming with this Operating Agreement that are necessary or appropriate to qualify, continue, and terminate the Company as a foreign limited liability company in all such jurisdictions in which the Company may conduct business.

2.8 Term.

The Company commenced on the date the Articles were filed with the Secretary of State of South Carolina for the Company and shall continue in existence for the period fixed in the Articles for the duration of the Company, or such earlier time as this Operating Agreement may specify.

2.9 Mergers.

The Company may merge with another business entity subject to the requirements of Sections 33-44-904 through 33-44-907 of the Act.

ARTICLE III
MEMBERS

3.1 Additional Members.

Additional Persons may be admitted to the Company as a Member and Memberships may be created and issued to those Persons and to the Member at the direction of the Member, on such terms and conditions as the Member may determine at the time of admission. The terms of admission or issuance must specify the percentage of Net Profit, Net Loss, allocable to such Person and the Capital Contribution applicable thereto and may provide for the creation of different classes or groups of Members and having different rights, powers, and duties. The Member shall reflect the creation of any new class or group in an amendment to this Operating Agreement indicating the different rights, powers, and duties. Any such admission also must comply with the requirements described elsewhere in this Operating Agreement and is effective only after the new Member has executed and delivered to the Company, as appropriate, a document including the new Member's notice address, its agreement to be bound by the terms of an Operating Agreement which reflects the existence of at least two Members, and its representation and warranty that the representation and warranties required of new Members are true and correct with respect to the new Member.

3.2 Liabilities to third parties.

Except as otherwise expressly agreed in writing, no Member shall be liable for the debts, obligations or liabilities of the Company, including under a judgment decree or order of a court.

3.3 Withdrawal.

No Member may withdraw from the Company as a Member prior to the date specified in the Articles of Organization for dissolution of the Company.

3.4 Place and manner of meeting.

All meetings of the Member shall be held at such time and place, within or without of the State of South Carolina, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

3.5 Special meetings.

Special meetings of the Member may be called at any time by the Member.

3.6 Action without meeting.

Any action required by the Act to be taken at a meeting of the Member, or any action which may be taken at a meeting of the Member, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall have been signed by the Member.

3.7 Assignment of distributional interest.

Unless otherwise provided by this Operating Agreement:

A. a Distributional Interest is assignable in whole or in part;

B. an assignment of a Distributional Interest does not entitle the assignee to become, or to exercise rights or powers of, a Member;

C. an assignment entitles the assignee to receive distributions, to which the assignor was entitled, to the extent those items are assigned and allocates to the assignee the assignors allocable share of Net Profit and Net Loss; and

D. until the assignee becomes a Member, the assignor Member continues to be a Member and to have the power to exercise any rights or powers of a Member.

3.8 Right to distribution.

Subject to the Act, at the time that a Member becomes entitled to receive a distribution, with respect to a distribution, that Member has the status of and is entitled to all remedies available to a creditor of the Company.

3.9 Limitation on distribution.

No distribution may be made if, after giving effect to the distribution:

A. the Company would not be able to pay its debts as they become due in the usual course of business; or

B. the Company's assets would be less than the sum of its liabilities plus, the amount that would be needed, if the Company were to be dissolved, wound up, and terminated at the time of the distribution, to satisfy the preferential rights upon dissolution, winding up and termination of Member whose preferential rights are superior to those receiving the distribution. The Company may base a determination that a distribution is not prohibited upon the provisions of Section 33-44-406(b) and (c) of the Act.

3.10 Redemption of Member's Financial Rights Subjected to Charging Order.

In the event a Member's interest in the Company is subjected to a charging order as provided from under Section 33-44-504 of the Act, the Company may redeem the Member's interest so charged, with the Company property, at any time prior to foreclosure of said financial rights in accordance with Section 33-44-504(c).

3.11 Buyout of Disassociating Member.

Except as otherwise provided herein, if, following the death, retirement, resignation, expulsion, bankruptcy or dissolution of a Member or the occurrence of any event which terminates the continued Membership of a Member in the Company, the disassociating Member shall be entitled to receive any distribution which the disassociating Member was entitled to receive prior to the death, retirement, resignation, expulsion, bankruptcy or dissolution of a Member or the occurrence of any event which terminates the continued Membership of a Member in the Company. The Company shall have no obligation to purchase a disassociating Member's Membership until the date of the expiration of the specified term of the Company that existed on the date of the disassociation. The date of payment and fair market value, if any, of the Disassociating Members Membership shall be determined by the Company. The death of a Member or the appointment of a guardian or general conservator shall not constitute an event of disassociation and the Member's Membership shall (i) in the case of death pass to and may be voted by the Member's estate (Personal Representative) and subsequent beneficiary under the terms of the Member's will or (ii) in the case of disability, be voted by such Members guardian or general conservator.

ARTICLE IV
CAPITAL CONTRIBUTIONS

4.1 Initial Contributions.

The Member's Capital Contribution is described in Exhibit A. The value of the Capital Contributions is set forth on Exhibit A. No interest shall accrue on any Capital Contribution and the Member shall have the right to withdraw or be repaid any Capital Contribution except as provided in this Operating Agreement.

4.2 Return Of Contributions.

The Member is not entitled to the return of any part of its Capital Contributions or to be paid interest in respect of either its capital account, or its Capital Contributions. An unrepaid Capital Contribution is not a liability of the Company or of any Member. The Member is not required to contribute or to lend any cash or property to the Company.

4.3 Advanced By Members.

If the Company does not have sufficient cash to pay its obligations, the Member may advance all or part of the needed funds to or on behalf of the Company. An advance described in this section constitutes a loan from the Member to the Company from the date of the advance until the day of payment, and is not a Capital Contribution.

ARTICLE V
MANAGER

5.1 Management By Manager.

Except for situations in which the approval of the Members is required by this Operating Agreement or by nonwaivable provisions of applicable law, and subject to the provisions of Section 5.2, (i) the powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, the Manager; and (ii) the Manager may make all decisions and take all actions for the Company not otherwise provided for in this Operating Agreement, including, without limitation, the following:

A. entering into, making, and performing contracts, agreements, leases, loans, management contract and other undertakings binding the Company that may be necessary, appropriate, or advisable in furtherance of the purposes of the Company and making all decisions and waivers thereunder;

B. opening and maintaining bank and investment accounts and arrangements, drawing checks and other orders for the payment of money and designating individuals with authority to sign or give instructions with respect to those accounts and arrangements;

C. maintaining the assets of the Company in good order;

D. collecting sums due the Company;

E. to the extent that funds of the Company are available therefore, paying debts and obligations of the Company;

F. acquiring, utilizing for Company purposes, and disposing of any asset of the Company;

G. selecting, removing, and changing the authority and responsibility of lawyers, accountants, and other advisers and consultants;

H. obtaining insurance for the Company;

5.2 Actions By Managers; Delegation Of Authority And Duties.

A. In Managing the business and affairs of the Company and exercising its powers, the Managers shall act (i) through meetings and written consents as may be provided or limited in other provisions of this Operating Agreement.

B. Any Person dealing with the Company, other than a Member, may rely on the authority of any Manager in taking any action in the name of the Company without inquiry into the provisions of this Operating Agreement or compliance herewith, regardless of whether that action actually is taken in accordance with the provisions of this Operating Agreement.

C. The Manager may, from time to time, designate one or more persons to act as Assistant Manager(s). Any Assistant Manager so designated shall have such authority and perform such duties as the Manager may, from time to time, delegate. Each Assistant Manager shall hold office until his or her successor shall be duly designated and shall qualify or until his or her death or until he or she shall resign or shall have been removed by the Manager.

5.3 Powers Of Managers.

The Managers are an agent of this Company for the purpose of its business or affairs and the act of the Managers, including, but not limited to, the execution in the name of the Company of any instrument for apparently carrying on in the usual way the Company business or businesses of the kind carried on by the Company, binds the Company, unless the Managers so acting have, in fact, no authority to act for this Company in the particular matter, and the person with whom the Managers are dealing has knowledge of the fact that the Managers have no such authority.

5.4 Number And Term Of Office

The Manager of the Company shall be LeGrand Elebash. He shall serve as Manager of the Company until removal or upon resignation. Unless otherwise provided in the Articles, the Manager need not be a Member or resident of the State of South Carolina.

5.5 Removal.

The Manager may be removed, with or without cause, at any meeting of the Member.

5.6 Resignations.

Any Manager may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or , if no time be specified then at the time of its receipt by the other Managers, if any. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

5.7 Vacancies.

Any vacancy occurring in the Manager due to the death or legal incompetency of LeGrand Elebash shall be filled by Vincent G. Graham. A Manager elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any Manager position to be filled by reason of an increase in the number of Managers shall be filled by the Member.

5.8 Place And Manner Of Meetings.

Meeting of the Managers, regular or special, may be held either within or without the State of South Carolina. Managers may participate in such meetings by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting as provided herein shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

5.9 First Meetings.

The first meeting of the newly elected Managers shall be held without further notice immediately following the annual meeting of Member, and at the same place, unless by unanimous consent of the Managers then elected and serving, such time or place shall be changed.

5.10 Regular Meeting Of Managers.

A regular meeting of the Managers may be held at such time as shall be determined from time to time by resolution of the Managers.

5.11 Special Meeting Of Managers.

The Managers may call a special meeting of the Managers at any time.

5.12 Action Without Meeting.

Any action required by statute to be taken at a meeting of the Managers, or any action which may be taken at a meeting of the Managers, may be taken without a meeting if a consent in writing,

setting forth the action so taken, shall be signed by all the Managers. Such consent shall have the same force and effect as a unanimous vote at a meeting.

5.13 Approval Or Ratification Or Acts Or Contracts By Members.

The Managers in their discretion may submit any act or contract for approval or ratification to the Member.

5.14 Interested Managers, Officers And Members.

A. INTERESTED MANAGERS. No contract or transaction between this Company and one or more of its Managers or officers, or between this Company and any other limited liability company, corporation, partnership, association, or other organization in which one or more of its Managers or officers are managers or officers or have a financial interest, shall be void or voidable solely for this reason, solely, because the Manager is present at or participates in the meeting of Managers or of a committee of Managers which authorizes the contract or transaction, or solely because such Manager's or Managers' votes are counted for such purpose, if:

(1) The material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Managers, and the Managers in good faith authorizes the contract or transaction by the affirmative vote of a majority of the Managers; or

(2) The material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Member; or

(3) The contract or transaction is fair as to this Company as of the time it is authorized, approved, or ratified by the Managers or the Member.

B. This provision shall not be construed to invalidate any contract or transaction which would be valid in the absence of this provision.

5.15 Compensation.

By resolution of the Member, the Manager may be paid his expenses, if any, of attendance at each meeting of the Managers and may be paid a fixed sum for attendance at each meeting of the Managers or a stated salary as Manager. No such payment shall preclude any Manager from serving the Company in any other capacity and receiving compensation therefor.

ARTICLE VI
INDEMNIFICATION

6.1 Indemnification.

The Company shall indemnify the Members, Managers, and agents for all costs, losses, liabilities, and damages paid or accrued by such Members, Managers or agents in connection with the business of the Company, to the fullest extent provided or allowed by the laws of the State; provided, however, the Company shall not indemnify a Member or Manager as a result of any Member or Manager's violation of his duty of care or loyalty to the Company or another Member or willful dishonesty towards, fraud upon, or deliberate injury or attempted injury to the Company and/or a Member. The Company shall not indemnify a Member or Manager for any cost, loss, liability or damage paid or accrued by such Member, Manager or agent in connection with any action, suit or proceeding, threatened or pending against such Member or Manager by the Company or the other Member or Manager.

ARTICLE VII
DISSOLUTION, LIQUIDATION, AND TERMINATION

7.1 Dissolution.

The Company shall dissolve and its affairs shall be wound up only upon the first to occur of the following:

A. the written consent of the Member;

B. the expiration of the period fixed for the duration of the Company set forth in the Articles; or

C. administrative dissolution as provided in Section 33-44-809 of the Act.

7.2 Winding Up And Termination.

On dissolution of the Company, the Managers shall act as liquidator. If there is no Manager, then the Member will act as Liquidator. The Liquidator shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Act. The costs of liquidation shall be borne as a Company expense. Until final distribution, the Liquidator shall continue to operate the Company properties with all of the power and authority of the Manager. The steps to be accomplished by the liquidator are as follows:

A. as promptly as possible after dissolution and again after final liquidation, the liquidator shall cause a proper accounting to be made of the Company's assets, liabilities, and

operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed as applicable.

B. the liquidator shall cause the notice described in Section 33-44-807 of the Act to be mailed to each known creditor of and claimant against the Company in the manner described in such Section 33-44-808 of the Act;

C. the liquidator shall pay, satisfy or discharge from Company funds all of the debts, liabilities and obligations of the Company (including, without limitation, all expenses incurred in liquidation and any advances) or otherwise make adequate provision for payment and discharge thereof (including, without limitation, the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine); and

D. all remaining assets of the Company shall be distributed to the Member.

7.3 Articles Of Termination.

After the dissolution of the limited liability company pursuant to Section 33-44-801 of the Act, the Managers or the Member shall file Articles of Termination with the Secretary of State of South Carolina and take such other actions as may be necessary to terminate the Company.

ARTICLE VIII
GENERAL PROVISIONS

8.1 Books And Records.

A. The Company shall maintain those books and records as it may deem necessary or desirable.

B. The Company shall keep its books on the cash method of accounting.

8.2 Amendment Or Modification.

The Operating Agreement may be amended and modified from time to time by the Member. No Member or Manager shall have any vested rights in the Operating Agreement.

8.3 Checks, Notes, Drafts, Etc.

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Company shall be signed or endorsed by the Manager or a designated person which may be appointed by the Manager. The designated person may be a Manager(s) or other person(s) as may from time be designated.

8.4 Headings.

The headings used in this Operating Agreement have been inserted for convenience only and do not constitute matter to be construed in interpretation.

8.5 Construction.

Whenever the context so requires, the gender of all words used in this Operating Agreement includes the masculine, feminine, and neuter, and the singular shall include the plural, and conversely. All references to Articles and Sections refer to articles and sections of this Operating Agreement, and all references to Exhibits, if any, are to Exhibits attached hereto, if any, each of which is made a part hereof for all purposes. If any portion of this Operating Agreement shall be invalid or inoperative, then, so far as is reasonable and possible:

A. The remainder of this Operating Agreement shall be considered valid and operative; and

B. Effect shall be given to the intent manifested by the portion held invalid or inoperative.

8.6 Entire Agreement; Supersedure.

This Operating Agreement constitutes the entire agreement of the Member and the Managers relating to the Company and supersedes all prior contracts or agreements with respect to the Company, whether oral or written.

8.7 Effect Of Waiver Or Consent.

A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations with respect to the Company is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person with respect to the Company. Failure on the part of a Person to complain of any act of any Person or to declare any Person in default with respect to the Company, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default until the applicable statute-of-limitations period has run.

8.8 Binding Effect.

This Operating Agreement is binding on and inures to the benefit of the Member and its successors, and assigns.

8.9 Governing Law; Severability.

THIS OPERATING AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF SOUTH CAROLINA EXCLUDING ANY CONFLICT-OF-LAWS RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR THE CONSTRUCTION OF THIS OPERATING AGREEMENT TO THE LAW OF ANOTHER JURISDICTION. In the event of a direct conflict between the provisions of this Operating Agreement and (a) a mandatory provision of the Articles, or (b) any mandatory provision of the Act, the applicable mandating provision of the Articles or the Act shall control. If any provision of this Operating Agreement or the application thereof to any Person or circumstance is held invalid or unenforceable to any extent, the remainder of this Operating Agreement and the application of that provision to other Persons or circumstances is not affected thereby and that provision shall be enforced to the greatest extent permitted by law.

8.10 Further Assurances.

In connection with this Operating Agreement and the transactions contemplated hereby, the Member shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Operating Agreement and those transactions.

8.11 Counterparts.

This Operating Agreement may be executed in any number of counterparts with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

8.12 Conflicting Provisions.

To the extent that one or more provisions of this Operating Agreement appear to be in conflict with one another, then the Member shall have the right to choose which of the conflicting provisions are to be enforced. Wide latitude is given to the Member, in interpreting the provision of this Operating Agreement to accomplish the purposes and objectives of the Company, and the Member, in interpreting the provisions of this Operating Agreement to accomplish the purposes and objectives of the Company, and the Member may apply this Operating Agreement in such a manner as to be in the best interest of the Company, in his sole discretion, even if such interpretation or choice of conflicting provisions to enforce is detrimental to the Member or Managers.

CONFIDENTIAL

The undersigned, being the Member and Manager, hereby certify that the foregoing First Amended and Restated Operating Agreement was unanimously adopted by the Manager, and the Members, effective as of the 22nd day of August, 2005, TO WITNESS WHICH we have hereunto affixed our signatures.

WITNESSES:

MEMBER

_____ _____(SEAL)
Vincent G. Graham

WITNESSES:

MANAGER

_____ _____(SEAL)
LeGrand Elebash

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CONFIDENTIAL

EXHIBIT A
Initial Capital Contributions

MEMBER	CAPITAL CONTRIBUTION	FAIR MARKET VALUE
Vincent G. Graham	Cash	$_____

FIFTH AMENDED AND RESTATED

OPERATING AGREEMENT

OF

THE I'ON COMPANY, L.L.C.

This Fifth Amended and Restated Operating Agreement of The I'On Company, L.L.C. (the "Company"), dated August 22, 2005, amending and restating the Fourth Amended and Restated Operating Agreement of the Company dated as of April 2, 2002 which amended and restated the Third Amended and Restated Operating Agreement dated December ___, 2001, , is (a) adopted by the Manager (as defined below) and (b) executed and agreed to, for good and valuable consideration, by the Members (as defined below).

ARTICLE I
DEFINITIONS

As used in this Operating Agreement, the following terms have the following meanings:

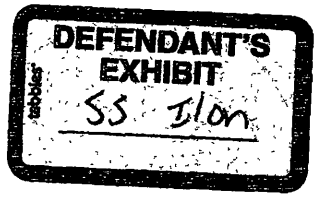
A. "Act" means the Uniform Limited Liability Company Act of 1996 and any successor statute as amended from time to time.

B. "Adjusted Invested Capital" means, as of any time, all Capital Contributions of a Member, less all amounts distributed to that Member by the Company pursuant to Section 5.5, except for distributions pursuant to Sections 5.5(B)(1) or (B)(2) in payment of the Cumulative Preferred Return of that Member; provided, however, that the Adjusted Invested Capital shall not be reduced below zero.

C. "Annual Business Plan and Budget" means the business plan and budget described in Section 3.8 of this Operating Agreement

D. "Articles" means the Articles of Organization filed with the Secretary of State of South Carolina by which The Graham Company, a Georgia General Partnership, converted to a South Carolina limited liability company and in conjunction with that conversion, The I'On Company, L.L.C. was organized as a South Carolina Limited Liability Company under and pursuant to the Act.

E. "Bankrupt Member" means a Member who is the subject of an order for relief under Title 11 of the United States Code or a comparable order under a successor statute of general application or a comparable order under federal, state, or foreign law governing insolvency and has the same meeting as the term "Debtor in Bankruptcy" defined in § 33-44-101(4) of the Act.



F. "Business Day" means any day other than a Saturday, a Sunday, or a holiday on which national banking associations in the State of South Carolina are closed.

G. "Capital Contribution" means any contribution by a Member to the capital of the Company.

H. "Cash Flow" means, for any fiscal year, all cash receipts of the Company (other than Capital Contributions and loan proceeds), plus excess reserves, less all cash expenditures and such reasonable reserves as the Manager shall determine from time to time.

I. "Code" means the Internal Revenue Code of 1986 and any successor statute, as amended from time to time.

J. "Company" means The I'On Company, L.L.C., a South Carolina Limited Liability Company.

K. "Company Liability" means any enforceable debt or obligation for which the Company is liable or which is secured by any of the Company's property.

L. "Company Minimum Gain" means an amount determined by first computing for each Company Nonrecourse Liability any gain the Company would realize if it disposed of the Company's property subject to that liability for no consideration other than full satisfaction of the liability, and then aggregating the separately computed gains. The amount of Company Minimum Gain includes such minimum gain arising from a conversion, refinancing, or other change to a debt instrument, only to the extent a Member is allocated a share of that minimum gain. For any taxable year, the net increase or decrease in Company Minimum Gain is determined by comparing the Company Minimum Gain on the last day of the immediately preceding taxable year with the Minimum Gain on the last day of the current taxable year. Notwithstanding any provision to the contrary contained herein, Company Minimum Gain and increases and decreases in Company Minimum Gain are intended to be computed in accordance with § 704 of the Code and the Regulations issued thereunder, as the same may be issued and interpreted from time to time. A Member's share of Company Minimum Gain at the end of any taxable year equals; the sum of Nonrecourse Deductions allocated to that Member (and to that Member's predecessors in interest) up to that time and the distributions made to that Member (and to that Member's predecessors in interest) up to that time of proceeds of a nonrecourse liability allocable to an increase in Company Minimum Gain minus the sum of that Member's (and that Member's predecessors' in interest) aggregate share of the net deceases in Company Minimum Gain plus their aggregate share of decreases resulting from revaluations of the Company's property subject to one or more Company Nonrecourse Liabilities.

M. "Company Nonrecourse Liability" means a Company Liability to the extent that no Member or related person bears the economic risk of loss (as defined in § 1.752-2 of the Regulations) with respect to the liability.

N. [redacted]

O. "Default Interest Rate" means a rate per annum equal to the lesser of (1) five percent (5.0%) plus a varying rate per annum that is equal to the *Wall Street Journal* prime rate as quoted in the money rates section of the *Wall Street Journal*, from time to time as its prime commercial or similar reference interest rate, with adjustments in that varying rate to be made on the same date as any change in that rate, and (2) the maximum rate permitted by applicable law.

P. "Delinquent Member" means a Member who does not contribute by the time required all or any portion of a Capital Contribution that Member is required to make as provided in this Operating Agreement.

Q. "Distributional Interest" means all of a Member's interest in distributions by the Company.

R. "Dispose," "Disposing," or "Disposition" means a sale, assignment, transfer, exchange, mortgage, pledge, grant of a security interest, or other disposition or encumbrance (including, without limitation, by operation of law), or the acts thereof.

S. "General Interest Rate" means a rate per annum equal to the lesser of (1) the *Wall Street Journal* prime rate as quoted in the money rates section of the Wall Street Journal, from time to time as its prime commercial or similar reference interest rate, with adjustments in that varying rate to be made on the same date as any change in that rate, and (2) the maximum rate permitted by applicable law.

T. "Graham Group" means Graham Development, Inc., Vincent G. Graham and Geoffrey D. Graham, collectively.

U. "Lending Member" means those Members, whether one or more, who advance the portion of the Delinquent Member's Capital Contribution that is in default.

V. "Manager" means any Person elected as a Manager of the Company as provided in this Operating Agreement, but does not include any Person who has ceased to be a Manager of the Company.

W. "Member" means any Person executing this Operating Agreement, or hereafter admitted to the Company as a Member as provided in this Operating Agreement, but does not include any Person who has ceased to be a Member in the Company.

X. "Member Minimum Gain" means an amount determined by first computing for each Member Nonrecourse Liability any gain the Company would realize if it disposed of the

Company's property subject to that liability for no consideration other than full satisfaction of the liability, and then aggregating the separately computed gains. The amount of Member Minimum Gain includes such minimum gain arising from a conversion, refinancing, or other change to a debt instrument, only to the extent a Member is allocated a share of that minimum gain. For any taxable year, the net increase or decrease in Member Minimum Gain is determined by comparing the Member Minimum Gain on the last day of the immediately preceding taxable year with the Minimum Gain on the last day of the current taxable year. Notwithstanding any provision to the contrary contained herein, Member Minimum Gain and increases and deceases in Member Minimum Gain are intended to be computed in accordance with § 704 of the Code or the Regulations issued thereunder, as the same may be issued and interpreted from time to time.

Y. "Member Nonrecourse Liability" means any Company Liability to the extent of liability is nonrecourse under state law, and on which a Member or related person bears the economic risk of loss under § 1.752-2 of the Regulations because, for example, the Member or related person is the creditor or a guarantor.

Z. "Membership Interests" means any Member's ownership interest in the Company, including, without limitation, rights to distributions (as provided in Section 5.5 of this Operating Agreement), allocations (as provided in Section 5.1 of this Operating Agreement), information, and to consent or approve.

AA. "Net Losses" means the losses and deductions of the Company determined in accordance with accounting principles consistently applied from year to year employed under the method of accounting adopted by the Company and as reported separately or in the aggregate, as appropriate, on the tax return of the Company filed for federal income tax purposes.

BB. "Net Profits" means the income and gains of the Company determined in accordance with accounting principles consistently applied from year to year employed under the method of accounting adopted by the Company and as reported separately or in the aggregate as appropriate on the tax return of the Company filed for federal income tax purposes.

CC. "Nonrecourse Liabilities" means Company Nonrecourse Liabilities and Member Nonrecourse Liabilities.

DD. "Offsettable Decrease" means any allocation that unexpectedly causes or increases a deficit in the Member's Capital Account as of the end of the taxable year to which the allocation relates attributable to depletion allowances under § 1.704(b)(2)(iv)(k) of the Regulations, allocations of loss and deductions under §§ 704(e)(2) or 706 of the Code or under § 1.751-1 of the Regulations, or distributions that, as of the end of the year are reasonably expected to be made to the extent they exceed the offsetting increases to such Member's Capital Account that reasonably are expected to occur during or (prior to) the taxable years in which such distributions are expected to be made (other than increases pursuant to a Minimum Gain Chargeback).

EE. "Operating Agreement" means this Fourth Amended and Restated Operating Agreement.

FF. "Person" includes an individual, partnership, limited partnership, limited liability company, foreign limited liability company, trust, estate, corporation, custodian, trustee, executor, administrator, nominee or entity in a representative capacity.

GG. "Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative.

HH. "Property" means the property described in Exhibit A attached hereto.

II. "Required Interest" means seventy (70%) percent of all Membership Interests.

Other terms defined herein have the meanings so given them.

ARTICLE II
ORGANIZATION

2.1 FORMATION.

The Company has been organized as a South Carolina Limited Liability Company by the filing of Articles pursuant to the Act and the issuance of a certificate of organization for the Company by the Secretary of State of South Carolina.

2.2 NAME.

The name of the Company is The I'On Company, L.L.C. and all Company business must be conducted in that name or such other names that comply with applicable law as the Manager may select from time to time.

2.3 DESIGNATED OFFICE.

The registered office of the Company required by the Act to be maintained in the State of South Carolina shall be the office of the initial registered agent named in the Articles or such other office (which need not be a place of business of the Company) as the Manager, or Members if there is no Manager, may designate from time to time in the manner provided by law.

2.4 REGISTERED AGENT.

The registered agent of the Company in the State of South Carolina shall be the initial registered agent named in the Articles or such other Person or Persons as the Manager, or Members if there is no Manager, may designate from time to time in the manner provided by law.

2.5 PRINCIPAL OFFICE IN THE UNITED STATES; OTHER OFFICES.

The principal office of the Company in the United States shall be at such place as the Manager, or Members if there is no Manager, may designate from time to time, which need not be in the State of South Carolina. The Company may have such other offices as the Manager, or Members if there is no Manager, may designate from time to time.

2.6 PURPOSES.

The purposes of the Company are to acquire that portion of the Property which has not been purchased pursuant to the terms of that certain Option Agreement by and between L-J, Inc., Barbara J. Alford, Trustee, KREPS Investment Company, LLC, David N. Jordan and John R. Jordan, as from time to time amended, and originally dated June 15, 1995 and to hold, lease, sell, rent, develop, improve, operate, transfer, exchange, or otherwise dispose of the Property as a residential master planned community, and to provide management, development and/or management consulting services related to the Property, and to engage in any and all lawful business activities related or incidental to the foregoing.

2.7 FOREIGN QUALIFICATION.

Prior to the Company's conducting business in any jurisdiction other than South Carolina, the Manager shall cause the Company to comply, to the extent procedures are available and those matters are reasonably within the control of the Manager or Members, with all requirements necessary to qualify the Company as a foreign limited liability company in that jurisdiction. At the request of the Manager or Members, each Member shall execute, acknowledge, swear to, and deliver all certificates and other instruments conforming with this Operating Agreement that are necessary or appropriate to qualify, continue, and terminate the Company as a foreign limited liability company in all such jurisdictions in which the Company may conduct business.

2.8 TERM.

The Company commenced on the date the Articles were filed with the Secretary of State of South Carolina for the Company and shall continue in existence for the period fixed in the Articles for the duration of the Company, or such earlier time as this Operating Agreement may specify.

2.9 MERGERS.

The Company may merge with another business entity subject to the requirements of Sections 33-44-904 through 33-44-907 of the Act.

2.10 NO STATE-LAW PARTNERSHIP.

The Members intend that the Company not be a partnership (including, without limitation, a limited partnership) or joint venture, and that no Member or Manager be a partner or

joint venturer of any other Member or Manager, for any purposes other than federal and state tax purposes, and this Operating Agreement may not be construed to suggest otherwise.

ARTICLE III
MEMBERS

3.1 ADMISSION OF MEMBERS.

A. After the formation of the Company, a person becomes a new Member:

(1) in the case of a person acquiring a Membership Interest directly from the Company, on compliance with the provisions of Section 3.2 and 3.6 of this Operating Agreement governing admission of new Members or, if this Operating Agreement contains no relevant admission provisions, on the written consent of all Members; and

(2) in the case of an assignee of a Membership Interest if there is the unanimous consent of the Members to permit the admission of a substituted Member pursuant to § 33-44-503 of the Act.

B. Any person may be admitted as a Member unless the person lacks capacity.

3.2 REPRESENTATIONS AND WARRANTIES.

A. Each Member hereby represents and warrants to the Company and each other Member that (1) if that Member is an individual, he has full power and authority to execute and agree to this Operating Agreement and to perform his obligations hereunder; (2) if that Member is a corporation, it is duly organized, validly existing and in good standing under the law of the state of its incorporation and is duly qualified and in good standing as a foreign corporation in the jurisdiction of its principal place of business (if not incorporated therein); (3) if that Member is a limited liability company, it is duly organized, validly existing, and (if applicable) in good standing under the law of the state of its organization and is duly qualified and (if applicable) in good standing as a foreign limited liability company in the jurisdiction of its principal place of business (if not organized therein); (4) if that Member is a partnership, trust, or other entity, it is duly formed, validly existing, and (if applicable) in good standing under the law of the state of its formation, and if required by law is duly qualified to do business and (if applicable) in good standing in the jurisdiction of its principal place of business (if not formed therein), and the representations and warranties in clause (2), (3), or (4), as applicable, are true and correct with respect to each partner (other than limited partners), trustee, or other Member thereof, (5) that Member has full corporate, limited liability company, partnership, trust, or other applicable power and authority to execute and agree to this Operating Agreement and to perform obligations hereunder and all necessary actions by the board of directors, shareholders, manager, members, partners, trustees, beneficiaries, or other Persons necessary for the due authorization, execution, delivery, and performance of this Operating Agreement by that Member have been duly taken; (6) that Member has duly executed and delivered this Operating Agreement; and (7) that Member's authorization, execution, delivery, and performance of this Operating Agreement

do not conflict with any other agreement or arrangement to which that Member is a party or by which it is bound.

3.3 RESTRICTIONS ON THE DISPOSITION OF A MEMBERSHIP INTEREST.

A. Membership and transferability of Membership Interests are substantially restricted. An unauthorized transfer of a Membership Interest could create a substantial hardship to the Company, jeopardize its capital base, and adversely affect its tax structure. These restrictions upon ownership and transfer are not intended as a penalty, but as a method to protect and preserve existing relationships based upon trust and the Company's capital and its financial ability to continue. Except as provided in Section 3.4 of this Operating Agreement, a Disposition of a Membership Interest in the Company may be effective only with the unanimous consent of the Members, which consent may be withheld by any Member for any reason or for no reason.

B. An assignee who becomes a Member has, to the extent assigned, the rights and powers and is subject to the restrictions and liabilities of a Member under this Operating Agreement and the Act. Unless otherwise provided by this Operating Agreement, an assignee who becomes a Member also is liable for the obligations of the assignor to make contributions but is not obligated for any such obligations unknown to the assignee at the time the assignee became a Member and which could not be ascertained from this Operating Agreement. Whether or not an assignee of a Membership Interest becomes a Member, the assignor is not released from the assignor's liability to the Company.

C. Subject to the provisions of the following Section 3.3(D), a Person to whom a Membership Interest in the Company is transferred has the right to be admitted to the Company as a Member with the interest in Net Profits, Net Losses, and capital so transferred to such Person, if (1) the Member making such transfer grants the transferee the right to be so admitted, and (2) such transfer is consented to in accordance with this Section 3.3.

D. The Company may not recognize for any purpose any purported Disposition of a Membership Interest unless and until the other applicable provisions of this Section 3.3 have been satisfied and the Manager has received, on behalf of the Company, a document (1) executed by both the Member effecting the Disposition (or if the transfer is on account of the death, incapacity, or liquidation of the transferor, his representative) and the Person to which the Membership Interest is Disposed, (2) including the notice address of any Person to be admitted to the Company as a Member and its agreement to be bound by this Operating Agreement in respect of the Membership Interest being obtained, (3) setting forth the Person's interest in Net Profits, Net Losses and capital after the Disposition by the Member affecting the Disposition and the Person to which the Membership Interest is Disposed (which together must total the Person's interest in Net Profits, Net Losses and capital of the Member affecting the Disposition before the Disposition), and (4) containing a representation and warranty that the Disposition was made in accordance with all applicable laws and regulations (including securities laws) and, if the Person to which the Membership Interest is Disposed is to be admitted to the Company, its representation and warranty that the representations and warranties in this Operating Agreement are true and correct with respect to that Person.

E. For the right of a Member to Dispose of a Membership Interest or of any Person to be admitted to the Company in connection therewith to exist or be exercised, (1) either (A) the Membership Interest subject to the Disposition or admission must be registered under the Securities Act of 1933, as amended, and any applicable state securities laws or (B) the Company must receive a favorable opinion of the Company's legal counselor or other legal counsel acceptable to the Manager to the effect that the Disposition or admission is exempt from registration under those laws and (2) the Company must receive a favorable opinion of the Company's legal counsel or of other legal counsel acceptable to the Manager to the effect that the Disposition or admission, when added to the total of all other sales, assignments, or other Dispositions within the preceding twelve (12) months, would not result in the Company's being considered to have terminated within the meaning of the Code. The Manager, however, may waive the requirements of this sub-part of this Section 3.3.

F. The Member effecting a Disposition and any Person admitted to the Company in connection therewith shall pay, or reimburse the Company for, all costs incurred by the Company in connection with the Disposition or admission (including, without limitation, the legal fees incurred in connection with the legal opinions referred above) on or before the tenth day after the receipt by that Person of the Company's invoice for the amount due. If payment is not made by the date due, the Person owing that amount shall pay interest on the unpaid amount from the date due until paid at a rate per annum equal to the Default Interest Rate.

3.4 RIGHT OF FIRST REFUSAL.

A. Except as otherwise provided in this Operating Agreement, if a Member shall desire to sell all of its Membership Interests (the "Offered Interests"), such Member shall first offer to sell the Offered Interests to the Company and the other Members by delivering to the Company and the other Members a written notice of the proposed sale. Such notice shall state the Membership Interests offered, the price and terms upon which the Offered Interests are proposed to be sold and the name and address of the person or entity desiring to purchase the Offered Interests (and if the proposed buyer is an entity, the principals and parents of the proposed buyer). The Company shall have the right to elect within thirty (30) days thereafter to purchase all, but not less than all, of the Offered Interests at the same price and upon the same terms and conditions as those contained in such offer by giving notice to the selling Member within the 30-day period.

B. If the Company does not accept an offer made in accordance with Section 3.4(A) above within the 30-day period, then the non-selling Members shall have the right, within five (5) days following the earlier of either (1) the expiration of the 30-day period or (2) the giving of written notice by the Company to the selling Member and the non-selling Members that it will not purchase the Offered Interests, to elect to purchase all of the Offered Interests at the same price and upon the same terms and conditions as those contained in such offer by giving written notice to Member and the Company within the five-day period. Each non-selling Member shall have the right to purchase that number of Offered Interests not elected to be purchased by the Company as shall equal the number of Offered Interests so remaining multiplied by a fraction,

the numerator of which is such Member's Membership Interests in the Company and the denominator of which shall be the total of each of the non-selling Members' Membership Interests in the Company (the "Pro Rata Amount"). The non-selling Members shall have a right of oversubscription, such that if any Member electing to purchase the Offered Interests elects to purchase less than the Member's Pro Rata Amount, the other Members electing to purchase the Offered Interests shall have the right to purchase the balance of any Offered Interests on a pro rata basis in accordance with their respective Pro Rata Amount.

C. If the Company and the non-selling Members do not elect, or elect and subsequently fail, to purchase all of the Offered Interests in accordance with this Section 3.4, then, subject to the other provisions of this Operating Agreement, the selling Member shall be free to sell all of the Offered Interests to the proposed purchaser at not less than the price and on the same terms and conditions within ninety (90) days following, as the case may be, (x) the failure of the non-selling Members to make such purchase of the Offered Interests, or (y) the earlier of either (1) the expiration of the period within which the non-selling Members may elect to purchase the Offered Interests or (2) the giving of written notice by the non-selling Members to the selling Member that they do not elect to purchase all of the Offered Interests.

D. If the selling Member does not sell all of the Offered Interests within the 90-day period specified in Section 3.4(C) above, then the rights of the Company or the non-selling Members under this Section 3.4 shall be fully restored and reinstated as if such offer had never been made

E. With respect to sale of Offered Interests pursuant to this Section 3.4, unless the parties agree otherwise, the closing date shall be the date thirty (30) days after the selling Member and the Company and any Member electing to purchase the Offered Interests provided written notice of its intent to purchase the Offered Interests. The closing shall occur at the Company's offices, or at any other place as the parties shall agree.

3.5 INTENTIONALLY LEFT BLANK.

3.6 ADDITIONAL MEMBERS.

Additional Persons may be admitted to the Company as Members and Membership Interests may be created and issued to those Persons and to existing Members at the direction of all of the Members. The terms of admission or issuance must specify the portion of Net Profit, Net Loss, allocable to such person and the Capital Contribution applicable thereto and may provide for the creation of different classes or groups of Members and having different rights, powers, and duties. The Members shall reflect the creation of any new class or group in an amendment to this Operating Agreement indicating the different rights, powers, and duties, and such an amendment need be executed only by the Members. Any such admission also must comply with the requirements described elsewhere in this Operating Agreement and is effective only after the new Member has executed and delivered to each of the Members a document, including the new Member's notice address, its agreement to be bound by this Operating Agreement, and its representation and warranty that the representation and warranties required of

new Members are true and correct with respect to the new Member. The provisions of this section shall not apply to Dispositions of a Membership Interest.

Notwithstanding the foregoing, the Members shall have a preemptive right to acquire additional, newly created Membership Interests of the Company, or securities of the Company convertible into or carrying a right to subscribe to or acquire Membership Interests, except to the extent limited or denied by the Articles.

3.7 INTERESTS IN A MEMBER.

A Member that is not a natural person may not cause or permit an interest, direct or indirect, in itself to be Disposed of such that after the Disposition the Company would be considered to have terminated within the meaning of section 708 of the Code. No Member that is not a natural person may cause or permit an interest, direct or indirect, in itself to be Disposed, without the consent of a Required Interest that Member shall cease to be controlled by substantially the same Persons who control it as of the date of its admission to the Company. On any breach of the provisions of the immediately preceding sentence, the Company shall have the option to buy, and on exercise of that option the breaching Member shall sell, the breaching Member's Membership Interests all in accordance with Section 3.2.

3.8 INFORMATION.

A. The Manager shall prepare annually, on or before November 1, an Annual Business Plan and Budget for the following year, and shall present such Annual Business Plan and Budget to the Members as soon as these documents are prepared. The Manager shall prepare and present to the Members, monthly, a progress report which will include a financial statement for the previous six (6) months, a comparison of the benchmarks established in the Annual Business Plan and Budget developed by the Manager with the actual performance to date, a cash flow analysis and a comparison of the monthly sales goals with actual sales. The Company shall provide or cause to be provided to the Members, within ninety (90) days after the close of each fiscal year of the Company, reports containing financial statements of the Company for the preceding fiscal year, including a balance sheet, a statement of income, a statement of Members' equity and a statement of changes in financial position, which financial statements may be audited, in the sole discretion and sole expense of a Member, by a certified public accountant selected by such Member. In addition, within ninety (90) days after the close of each fiscal year, the Company shall provide or cause to be provided to each person who was a holder of a Membership Interest at any time during the calendar year then ended (including any assignee permitted under this Operating Agreement) all Company tax information kept on a tax basis as shall be necessary for the preparation of the holder's U.S. federal and state income or other tax and information return. On request by a Member, the Company shall provide or cause to be provided to the Members copies of all federal, state and local income tax returns or information returns, if any, which the Company is required to file. In the event any Member shall report an item inconsistent with the manner in which the Company reported such item to the Member, such Member shall (1) file all necessary informational statements with the

appropriate taxing authority regarding the inconsistent treatment and (2) disclose the inconsistent treatment to the Company.

B. In addition to the other rights specifically set forth in this Operating Agreement, each Member is entitled to all information to which that Member is entitled to have access pursuant to Section 33-44-408 of the Act under the circumstances and subject to the conditions therein stated.

C. Each Member and the Manager acknowledges that, from time to time, they may receive information from or regarding the Company in the nature of trade secrets or that otherwise is confidential, the release of which may be damaging to the Company or Persons with which it does business. Each Member and the Manager shall hold in strict confidence any information it receives regarding the Company, whether or not it is identified as being confidential, and may not disclose it to any Person other than another Member or the Manager, except for disclosures (1) compelled by law (but the Manager must notify the Members promptly of any request for that information, before disclosing it, if practicable), (2) to advisers or representatives of the Member or Persons to which that Member's Membership Interests may be Disposed as permitted by this Operating Agreement, but only if the recipients have agreed to be bound by the provisions of this Section 3.8(C) or (3) of information that Member also has received from a source independent of the Company that the Member reasonably believes obtained that information without breach of any obligation of confidentially. The Members acknowledge that breach of the provisions of this Section 3.8(C) may cause irreparable injury to the Company and to the other Members for which monetary damages are inadequate, difficult to compute, or both. Accordingly, the Members agree that the provisions of this Section 3.8(C) may be enforced by the Company or the other non-breaching Member(s) by specific performance, without the Company or the other non-breaching Members being required to show any actual damage or to post an injunction bond.

3.9 LIABILITIES TO THIRD PARTIES.

Except as otherwise expressly agreed in writing, no Member or Manager shall be liable for the debts, obligations or liabilities of the Company, including under a judgment decree or order of a court.

3.10 WITHDRAWAL.

No Member may withdraw from the Company as a Member prior to the date specified in the Articles of Organization for dissolution of the Company.

3.11 CLASSES AND VOTING.

There shall be one class of Members. The unanimous written consent of all Members at a duly authorized annual or special meeting may elect to establish two or more classes or groups of one or more Members with such rights and obligations as the Members may unanimously approve.

3.12 PLACE AND MANNER OF MEETING.

All meetings of the Members shall be held at such time and place, within or without the State of South Carolina, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof. Members may participate in such meetings by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting as provided herein shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

3.13 CONDUCT OF MEETINGS.

All meetings of the Members shall be presided over by Vincent G. Graham. The chairman of any meeting of Members shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seem to him in order.

3.14 ANNUAL MEETING.

The annual meeting of the Members for the transaction of all other business which may come before the meeting shall be held on the first Monday in July in each year (if not a legal holiday and, if a legal holiday, then on the next business day following) at the hour specified in the notice of the meeting. If the annual meeting is not held on the date above specified, the Manager shall cause a special meeting of the Members in lieu thereof to be held as soon thereafter as convenient, and any business transacted or election held at the meeting shall be as valid as if held at the annual meeting. Failure to hold the annual meeting at the designated time shall not work a dissolution of the Company.

3.15 VOTING LISTS.

The Manager, officer, or agent having charge of the records reflecting the Membership Interests of each Member of each class, if more than one class, shall make, at least ten (10) days before each meeting of Members, a complete list of the Members, entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order with the address of and Membership Interests of each Member of each class, if more than one class, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the registered office of the Company and shall be subject to inspection by any Member at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the whole time of the meeting. The original records reflecting the Membership Interests of each Member of each class, if more than one class, shall be prima-facie evidence as to who are the Members entitled to examine such list or records or to vote at any meeting of Members.

Failure to comply with the requirements of this Article III shall not affect the validity of any action taken at such meeting.

3.16 SPECIAL MEETINGS.

Special meetings of the Members may be called at any time by the holders of at least ten percent (10%) of the Membership Interests. Special meetings of Members may also be called by the Manager upon the written request of the holders of at least twenty-five percent (25%) of the Members or at least ten percent (10%) of the Membership Interests. Such request shall state the purpose or purposes of such meeting and the matters proposed to be acted on there at.

3.17 NOTICE.

A. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting either personally or by mail, or at the direction of the officer or person calling the meeting, to each Member entitled to vote at the meeting, provided that such notice may be waived as provided in this Operating Agreement. Unless notice is waived as provided in this Operating Agreement, failure to provide notice in accordance with this Section to each Member entitled to vote at the meeting shall render all action taken at such meeting null and void and of no force or effect.

B. Any notice required to be given to any Member hereunder or under the Articles of Organization need not be given to the Member if (A) notice of two consecutive annual meetings of the Company and all notices of meetings held during the period between those annual meetings, if any, have been mailed to that person, addressed at his address as shown on the records of the Company, and have been returned undeliverable or (B) all (but in no event less than two) payments (if sent by first class mail) of distributions during a twelve-month period have been mailed to that person, addressed at his address as shown on the records of the Company, and have been returned undeliverable. Any action or meeting taken or held without notice to such person shall have the same force and effect as if the notice had been duly given.

3.18 QUORUM OF MEMBERS.

Unless otherwise provided in the Articles, the holders of eighty (80%) percent of the Membership Interests entitled to vote, represented in person or proxy, shall constitute a quorum at a meeting of Members.

3.19 MAJORITY VOTE; WITHDRAWAL OF QUORUM.

With respect to any matter when a quorum is present at any meeting, the vote of the holders of sixty-five (65%) percent of the Membership Interests, present in person or represented by proxy, having voting power with respect to that matter, shall decide such matter brought before such meeting, unless the matter is one upon which, by express provision of the Articles or

this Operating Agreement, or by any express provision of the statutes which is applicable to such vote unless overridden by the Articles, a different vote is required, in which case such express provision shall govern and control the decision of such matter. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Membership Interests to leave less than a quorum.

3.20 VOTING OF MEMBERSHIP INTEREST.

On each matter submitted to a vote of the Membership Interests (as opposed to a vote of the Members) each Member shall be entitled to vote in proportion to its outstanding Membership Interests. Membership Interests owned by another limited liability company or corporation, the majority of the Membership Interests or voting stock of which is owned or controlled by the Company, and Membership Interests held by the Company in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting, and shall not be counted in determining the total Membership Interests at any given time.

A Member may vote either in person or by proxy executed in writing by the Member or by his duly authorized attorney in fact. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Each proxy shall be revocable unless the proxy form conspicuously states that the proxy is irrevocable and the proxy is coupled with an interest.

3.21 ACTION WITHOUT MEETING.

Any action required by the Act to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall have been signed by the holder or holders of all the Membership Interests for each class, if more than one class, entitled to vote with respect to the action that is the subject matter of the consent. Every written consent pursuant to this Section 3.21 shall have the same force and effect as a vote of the Members. Every written consent pursuant to this Section 3.21 shall be signed, dated and delivered in the manner required by, and shall become effective at the time and remain effective for the period specified by, the Act. A photographic, photostatic, facsimile, or similar reproduction of a writing signed by a Member, shall be regarded as signed by the Member for purposes of this section. Prompt notice of the taking of any action by Members without a meeting by less than unanimous written consent shall be given to those Members who did not consent in writing to the action.

For purposes of this Section 3.21, the taking of the action includes amending this Operating Agreement or creating, under provisions of this Operating Agreement, a class of membership that was not previously outstanding.

3.22 ASSIGNMENT OF DISTRIBUTIONAL INTEREST.

A. Unless otherwise provided by this Operating Agreement:

(1) a Distributional Interest is assignable in whole or in part;

(2) an assignment of a Distributional Interest does not entitle the assignee to become, or to exercise rights or powers of, a Member;

(3) an assignment entitles the assignee to receive distributions, to which the assignor was entitled, to the extent those items are assigned and allocates to the assignee the assignors allocable share of Net Profit and Net Loss; and

(4) until the assignee becomes a Member, the assignor Member continues to be a Member and to have the power to exercise any rights or powers of a Member.

3.23 DISTRIBUTION IN KIND.

Except as provided by the Articles or this Operating Agreement, a Member, regardless of the nature of the Member's contribution, may not demand or receive a distribution from the Company in any form other than cash.

3.24 RIGHT TO DISTRIBUTION.

Subject to the Act, at the time that a Member becomes entitled to receive a distribution, with respect to a distribution, that Member has the status of and is entitled to all remedies available to a creditor of the Company.

3.25 LIMITATION ON DISTRIBUTION.

No distribution may be made if, after giving effect to the distribution:

A. the Company would not be able to pay its debts as they become due in the ordinary course of business; or

B. the Company's total assets would be less than the sum of its liabilities plus, the amount that would be needed, if the Company were to be dissolved, wound up, and terminated at the time of the distribution, to satisfy the preferential rights upon dissolution, winding up and termination of Members whose preferential rights are superior to their receiving the distribution. The Company may base a determination that a distribution is not prohibited upon the provisions of Section 33-44-406(b) and (c) of the Act.

3.26 BUYOUT OF DISASSOCIATING MEMBER.

Following the death, retirement, resignation, expulsion, bankruptcy or dissolution of a Member or the occurrence of any other event which terminates the continued membership of a Member in the Company, the disassociating Member shall be entitled to receive any distribution which the disassociating Member was entitled to receive prior to the death, retirement, resignation, expulsion, bankruptcy or dissolution of a Member or the occurrence of any other event which terminates the continued membership of a Member in the Company. The Company shall have no obligation to purchase a disassociating Member's Membership Interests until the date of the expiration of the specified term of the Company that existed on the date of the disassociation. The date of payment and fair market value, if any, of the Disassociating Member's Membership Interests shall be determined by the Manager and a majority of disinterested Members.

The death of a Member or the appointment of a guardian or general conservator shall not constitute an event of dissociation and the Member's Membership Interests shall (i) in the case of death, pass to and may be voted by the deceased's Member's estate and subsequent beneficiary under the terms of the Member's will, or (ii) in the case of disability, be voted by such deceased Member's guardian or general conservator.

3.27 PERSONAL GUARANTIES.

The Graham Group shall, if required by a financial institution extending credit to the Company or by any vendor of the Company, personally guaranty the Company's obligations.

ARTICLE IV
CAPITAL CONTRIBUTIONS

4.1 INITIAL CONTRIBUTIONS.

Each initial Member made the Capital Contribution described for that Member on Exhibit B. No interest shall accrue on any Capital Contribution and no Member shall have the right to withdraw or be repaid any Capital Contribution except as provided in this Operating Agreement.

4.2 MEMBERSHIP INTERESTS.

The Members shall have the following Membership Interests:

Graham Development, Inc.	70%
Vincent G. Graham	25%
Geoffrey D. Graham	5%
Total:	100.00%

4.3 SUBSEQUENT CONTRIBUTIONS.

A. Without creating any rights in favor of any third party, each Member shall contribute to the Company, in cash, on or before the date specified as hereinafter described that Member's prorata share of all monies that a Required Interest determines is necessary to enable the Company to cause the assets of the Company to be properly operated and maintained and to discharge its costs, expenses, obligations and liabilities. The Manager, following the Members' determination of the need for additional capital, shall notify each Member of the need for Capital Contributions pursuant to this Section 4.3 when appropriate, which notice must include a statement in reasonable detail of the proposed uses of the Capital Contributions and a date (which date may be no earlier than the fifth Business Day following each Member's receipt of its notice) before which the Capital Contributions must be made.

B. If in accordance with Section 6.2, the Manager determines that additional capital is necessary for any purpose related to the business of the Company, then such additional capital shall be contributed by the Members in the following percentages: 70% Graham Development, Inc.; 25% Vincent G. Graham; and 5% to Geoffrey D. Graham.

C. The Manager, following his/her determination of the need for additional capital, shall notify each of the Members of the need for Capital Contributions pursuant to this Section 4.3 when appropriate, which notice must include a statement in reasonable detail of the proposed uses of the Capital Contributions and a date (which date may be no earlier than the thirtieth (30th) Business Day following each Member's receipt of its notice) before which the Capital Contributions must be made.

4.4 FAILURE TO CONTRIBUTE.

A. If a Member does not contribute, by the time required, all or any portion of a Capital Contribution that Member is required to make as provided in this Operating Agreement, the Company may exercise, on notice to that Member (the "Delinquent Member"), one or more of the following remedies:

(1) taking such action (including, without limitation, court proceedings) as the Manager may deem appropriate to obtain payment by the Delinquent Member of the portion of the Delinquent Member's Capital Contribution that is in default together with interest thereon at the Default Interest Rate from the date that the Capital Contribution was due until the date that it is made, all at the cost and expense of the Delinquent Member;

(2) permitting the non-delinquent Graham Group Members on a pro rata basis or in such other percentages as they may agree (the "Lending Member," whether one or more), to advance the portion of the Delinquent Member's Capital Contribution that is in default, with the following results:

(a) the sum advanced constitutes a loan from the Lending Member to the Delinquent Member and a Capital Contribution of that sum to the Company by the Delinquent Member pursuant to the applicable provisions of this Operating Agreement,

(b) the principal balance of the loan and all accrued unpaid interest thereon is due and payable in whole on the tenth day after written demand therefor by the Lending Member to the Delinquent Member,

(c) the amount loaned bears interest at the Default Interest Rate from the day that the advance is deemed made until the date that the loan, together with all interest accrued on it, is repaid to the Lending Member,

(d) all distributions from the Company that otherwise would be made to the Delinquent Member (whether before or after dissolution of the Company) instead shall be paid to the Lending Member until the loan and all interest accrued on it have been paid in full to the Lending Member (with payments being applied first to accrued and unpaid interest and then to principal),

(e) the payment of the loan and interest accrued on it is secured by a security interest in the Delinquent Member's Membership, as more fully set forth in this section, and

(f) the Lending Member has the right, in addition to the other rights and remedies granted to it pursuant to this Operating Agreement or available to it at law or in equity, to take any action (including without limitation, court proceedings) that the Lending Member may deem appropriate to obtain payment by the Delinquent Member of the loan and all accrued and unpaid interest on it, at the cost and expense of the Delinquent Member;

(3) exercising the rights of a secured party under the Uniform Commercial Code of the State of South Carolina, as more fully set forth in this Section; or

(4) exercising any other rights and remedies available at law or in equity.

B. Each Member grants to the Company, and to each Lending Member with respect to any loans made by the Lending Member to that Member as a Delinquent Member pursuant to this Section, as security, equally and ratably, for the payment of all Capital Contributions that Member has agreed to make and the payment of all loans and interest accrued on them made by Lending Members to that Member as a Delinquent Member pursuant to this Section, a security interest in and a general lien on its Membership Interests and the proceeds thereon, all under the Uniform Commercial Code of the State of South Carolina. On any default in the payment of a Capital Contribution or in the payment of such a loan or interest accrued on it, the Company or the Lending Member, as applicable, is entitled to all the rights and remedies of a secured party under the Uniform Commercial Code of the State of South Carolina with respect to the security interest granted in this Section. Each Member shall execute and deliver to the Company and the other Members all financing statements and other instruments that the Manager or the Lending

Member, as applicable, may request to effectuate and carry out the preceding provisions of this Section. At the option of the Manager or a Required Interest, as appropriate, or a Lending Member, this Operating Agreement or a carbon, photographic, or other copy hereof may serve as a financing statement.

4.5 RETURN OF CONTRIBUTIONS.

A Member is not entitled to the return of any part of its Capital Contributions or to be paid interest in respect of either its Capital Account, or its Capital Contributions. An unrepaid Capital Contribution is not a liability of the Company or of any Member. A Member is not required to contribute or to lend any cash or property to the Company to enable the Company to return any Member's Capital Contributions.

4.6 ADVANCED BY MEMBERS.

If the Company does not have sufficient cash to pay its obligations, any Member(s) that may agree to do so may advance all or part of the needed funds to or on behalf of the Company. An advance described in this section constitutes a loan from the Member to the Company, bears interest at the General Interest Rate from the date of the advance until the day of payment, and is not a Capital Contribution.

4.7 MAINTENANCE OF CAPITAL ACCOUNTS.

The Company shall establish and maintain Capital Accounts for each Member.

Each Member's Capital Accounts shall be increased by (A) the amount of any money actually contributed by the Member to the capital of the Company, (B) the fair market value of any property contributed, as determined by the Manager, a majority of disinterested Members and such Member at arm's length at the time of contribution (net of liabilities assumed by the Company or subject to which the Company takes such property, within the meaning of § 752 of the Code), (C) the Member's share of Net Profits and of any separately allocated items of income or gain (D) such other adjustments required by the Code.

Each Member's Capital Account shall be decreased by (A) the amount of Money actually distributed by the Company to the Member, (B) the fair market value of any property distributed to the Member, as determined by the Manager, a majority of disinterested Members and such Member at arm's length at the time of distribution (net of liabilities of the Company assumed by the Member or subject to which the Member takes such property within the meaning of § 752 of the Code), (C) the Member's share of Net Losses and of any separately allocated items of deduction or loss and (D)such other adjustments required by the Code.

4.8 DISTRIBUTION OF ASSETS.

If the Company, at any time, distributes any of its assets in-kind to any Member, the Capital Account of each Member shall be adjusted in accordance with Section 704(c) of the

Code to account for that Member's allocable share of the Net Profits or Net Losses that would have been realized by the Company had it sold the assets that were distributed at their respective fair market value immediately prior to their distribution. The fair market value of such assets shall be determined by the Manager and a majority of disinterested Members.

4.9 SALE OR EXCHANGE OF INTEREST.

In the event of a sale or exchange of some or all of the Member's Membership Interests, the Capital Account of the transferring Member shall become the Capital Account of the assignee, to the extent it relates to the portion of the interest transferred.

4.10 COMPLIANCE WITH SECTION 704(b) OF THE CODE.

The provisions of this Article IV as they relate to the maintenance of Capital Accounts are intended, and shall be construed, and, if necessary, modified to cause the allocations of profits, losses, income, gain and credit pursuant to Article V to have substantial economic effect under the Regulations promulgated under § 704(b) of the Code, in light of the distributions made pursuant to Articles V and XI and the Capital Contributions made pursuant to this Article IV. In cases where § 704(c) and § 1.704-3 of the Regulations apply to the Company's property, Members' Capital Accounts shall be adjusted in accordance with § 1.704-1(b)(2)(iv)(g) of the Regulations for allocations to them of income, gain, loss, and deduction (including depreciation), depletion, amortization, or other cost recovery) as computed for book purposes, with respect to property. Notwithstanding anything herein to the contrary, this Operating Agreement shall not be construed as creating a deficit restoration obligation.

ARTICLE V
ALLOCATIONS AND DISTRIBUTIONS

5.1 ALLOCATIONS OF NET PROFITS AND NET LOSSES FROM OPERATIONS.

Except as may be required by § 704(c) of the Code, and Sections 5.2, 5.3, and 5.4 of this Article V, Net Profits, Net Losses, and other items of income, gain, loss, deduction and credit shall be apportioned among the Members as follows:

A. After giving effect to the special allocations set forth in Sections 5.2, 5.3 and 5.4 of this Operating Agreement, Net Losses for each fiscal year of the Company shall be allocated:

(1) among the Graham Group in proportion to positive balances in their Capital Accounts (if any), until all Capital Accounts have been reduced to zero (0); and

(2) any remaining Net Losses shall be allocated to the Graham Group, 70% to Graham Development, Inc., 20% to Vincent G. Graham and 5% to Geoffrey D. Graham.

B. Net Profits for each fiscal year of the Company shall be allocated as follows:

(1) First, to the Members until the cumulative Net Profits allocated pursuant to this Section are equal to the cumulative Net Losses allocated to Members for all prior fiscal years;

(2) Second, to the Graham Group in an amount equal to its accrued Cumulative Preferred Return, reduced by prior allocations pursuant to this sub-section (2); and

(3) Finally, the remaining Net Profits, if any, shall be allocated to the Members in proportion to their respective Membership Interests.

C. All Net Profits and Net Losses allocated to the Graham Group shall be allocated among the Graham Group Members as follows: 70% to Graham Development, Inc.; 25% to Vincent G. Graham; and 5% to Geoffrey D. Graham.

5.2 COMPANY MINIMUM GAIN CHARGEBACK.

If there is a net decrease in Company Minimum Gain for a taxable year, each Member must be allocated items of income and gain for that taxable year equal to that Member's share of the net decrease in Company Minimum Gain. A Member's share of the net decrease in Company Minimum Gain is the amount of the total net decrease multiplied by the Member's percentage share of the Company Minimum Gain at the end of the immediately preceding taxable year. A Member's share of any decrease in Company Minimum Gain resulting from a revaluation of Company's property equals the increase in the Member's Capital Account attributable to the revaluation to the extent the reduction in minimum gain is caused by the revaluation. A Member is not subject to the Company Minimum Gain Chargeback Requirement to the extent the Member's share of the net decrease in Company Minimum Gain is caused by a guarantee, refinancing, or other change in the debt instrument causing it to become partially or wholly a Recourse Liability or a Member Nonrecourse Liability, and the Member bears the economic risk of loss (within the meaning of § 1.752-2 of the Regulations) for the newly guaranteed, refinanced, or otherwise changed liability.

5.3 MEMBER MINIMUM GAIN CHARGEBACK.

If during a taxable year there is a net decrease in Member Minimum Gain, any Member with a share of that Member Minimum Gain (as determined under § 1.704-2(i)(5) of the Regulations) as of the beginning of that taxable year must be allocated items of income and gain for that taxable year (and, if necessary, for succeeding taxable years) equal to that Member's share of the net decrease in the Company Minimum Gain. A Member's share of the net decrease in Member Minimum Gain is determined in a manner consistent with the provisions of § 1.704-2(g)(2) of the Regulations. A Member is not subject to this Member Minimum Gain Chargeback, however, to the extent the net decrease in Member Minimum Gain arises because the liability ceases to be Member Nonrecourse Liability due to a conversion, refinancing, or other change in the debt instrument that causes it to become partially or wholly a Company

Nonrecourse Liability. The amount that would otherwise be subject to the Member Minimum Gain Chargeback is added to the Member's share of Company Minimum Gain. In addition, rules consistent with those applicable to Company Minimum Gain shall be applied to determine the shares of Member Minimum Gain and Member Minimum Gain Chargeback to the extent provided under the Regulations issued pursuant to § 704(b) of the Code.

5.4 QUALIFIED INCOME OFFSET.

In the event any Member, in such capacity, unexpectedly received an Offsettable Decrease, such Member will be allocated items of income and gain (consisting of a pro rata portion of each item of partnership income and gain for such year) in an amount and manner sufficient to offset such Offsettable Decrease as quickly as possible.

5.5 DISTRIBUTIONS.

A. From time to time, but no less than annually, the Manager shall determine to what extent, if any, the Company's cash on hand, and Cash Flow, exceeds the current and anticipated needs, including, without limitation, needs for operating expenses, debt service, acquisitions, reserves, and mandatory distributions, if any. To the extent such excess exists, the Manager shall cause to be made distributions to the Members. Such distributions shall be in cash. Cash Flow and other excess cash on hand will be distributed pursuant to Section 5.5(B).

B. Distributions of Cash Flow and other cash on hand in excess of current and anticipated needs, including, without limitation, needs for operating expenses, debt service, acquisitions, reserves, and mandatory distributions, if any, shall be made in the following order of priorities:

(1) [redacted] (except for distributions pursuant to Section 5.5 in payment of the Cumulative Preferred Return of the Graham Group) plus their Cumulative Preferred Return (distributions to the Graham Group shall be made 70% to Graham Development, Inc., 20% to Vincent G. Graham and 5% to Geoffrey D. Graham); and

(2) Finally, the balance shall be distributed in proportion to the Member's respective Membership Interests.

Any distribution in liquidation shall be made in accordance with Section 10.2

The Manager shall endeavor to make distributions to the Members, with respect to each fiscal year of the Company, as soon as practicable after the end of the fiscal year.

ARTICLE VI
MANAGER

6.1 MANAGEMENT BY MANAGER.

The Manager will be nominated and elected by a Required Interest. The Manager is designated in Exhibit C to this Operating Agreement.

All decisions made by the Manager with respect to the management and control of the Company shall be binding on the Company and each of the Members. In no event may the Manager delegate his or her decision-making authority to any other Person.

The Manager shall not take, without the prior necessary approval set forth in this Operating Agreement, any action on behalf of, or in the name of, the Company, or enter into any contract, agreement, commitment or obligation binding upon the Company, or, in its capacity as a Member or Manager, as the case may be, perform any act in any way relating to the Company or the Company's assets, except for (A) actions expressly provided for in this Operating Agreement and (B) actions authorized in the manner set forth in this Operating Agreement.

6.2 RIGHTS AND POWERS OF THE MANAGER.

A. Except for situations in which the approval of the Members is required by this Operating Agreement or by nonwaivable provisions of applicable law or as otherwise provided in this Operating Agreement, and subject to the provisions of Section 6.2(B), (i) the powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, the Manager; and (ii) the Manager may make all decisions and take all actions for the Company not otherwise provided for in this Operating Agreement, including, without limitation, the following:

(1) hold, lease, sell, rent, develop, operate, transfer, exchange, otherwise dispose of and market the Property in accordance with the Annual Business Plan and Budget;

(2) entering into, making, and performing contracts, agreements, leases, management contract and other undertakings binding the Company that may be necessary, appropriate, or advisable in furtherance of the purposes of the Company and making all decisions and waivers thereunder;

(3) opening and maintaining bank and investment accounts and arrangements, drawing checks and other orders for the payment of money;

(4) maintaining the assets of the Company in good order;

(5) collecting sums due the Company;

(6) to the extent that funds of the Company are available therefore, paying debts and obligations of the Company;

(7) subject to Section 6.2(A)(1), acquiring, utilizing for Company purposes, and disposing of any asset of the Company;

(8) obtaining insurance for the Company;

(9) establishing a development loan with Wachovia Bank, or other such banking institution acceptable to the Members and drawing upon such loan at any time and from time to time, borrowing money or otherwise committing the credit of the Company for Company activities, and voluntary prepayments or extensions of debt;

(10) executing any bond, note or debenture in the Company's name; and

(11) selecting, hiring or firing the Company's accountants, lawyers or other professionals.

B. Notwithstanding anything to the contrary contained in this Operating Agreement, neither the Company nor the Manager shall undertake any of the following acts without the prior written consent of a Required Interest:

(12) amending this Operating Agreement;

(13) creating a class of membership that was not previously existing;

(14) admitting a Person as a new Member, other than as expressly permitted in this Operating Agreement;

(15) increasing or decreasing the number of Managers;

(16) authorizing the Transfer or issuance of Membership Interests, other than as expressly permitted in this Operating Agreement;

(17) authorizing the direct or indirect sale or other transfer of a material portion of the Company's assets;

(18) authorizing any merger, recapitalization or reorganization of the Company;

(19) changing or adding to any of the Company's purposes;

(20) using the Company's funds or capital in any way other than for the business and purpose of the Company as set forth in this Operating Agreement;

(21) commingling any Company funds or capital with the funds of any other Person;

(22) approving transactions with any Member, the Manager or any affiliates or relatives of any Member or the Manager;

(23) forming or acquiring one or more subsidiaries of the Company;

(24) an increase in the amount of compensation established in the Annual Business Plan paid to any Member, the Manager or any affiliates or relatives of any Member or the Manager;

(25) causing or permitting any subsidiary to do any of the foregoing acts; or

(26) selling, transferring, encumbering or granting options in any interest in a subsidiary of the Company.

6.3 ACTIONS BY MANAGER; DELEGATION OF AUTHORITY AND DUTIES.

A. In managing the business and affairs of the Company and exercising its powers, the Manager shall act in accordance with provisions of this Operating Agreement.

B. The Manager may, from time to time, designate one or more Persons to be officers of the Company. No officer need be a resident of the State of South Carolina or a Member. Any officers so designated shall have such authority and perform such duties as the Manager may, from time to time, delegate to them. The Manager may assign titles to particular officers. Unless the Manager decides otherwise, if the title is one commonly used for officers of a business corporation, the assignment of such title shall constitute the delegation to such officer of the authority and duties that are normally associated with that office, subject to any specific delegation of authority and duties made to such officer by the Manager. Each officer shall hold office until his successor shall be duly designated and shall qualify or until his death or until he shall resign or shall have been removed in the manner hereinafter provided. Any number of offices may be held by the same Person. The salaries or other compensation, if any, of the officers and agents of the Company shall be fixed from time to time by the Members.

C. Any officer may resign as such at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or if no time be specified, at the time of its receipt by the Manager. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation. Any officer may be removed as such, either with or without cause, by the Manager whenever in his/her judgment the best interests of the Company will be served thereby. Designation of an officer shall not of itself create contract rights. Any vacancy occurring in any office of the Company may be filled by the Manager.

D. Any Person dealing with the Company, other than a Member, may rely on the authority of the Manager or officer in taking any action in the name of the Company without

inquiry into the provisions of this Operating Agreement or compliance herewith, regardless of whether that action actually is taken in accordance with the provisions of this Operating Agreement.

6.4 POWERS OF MANAGER.

The Manager is an agent of the Company for the purpose of its business or affairs and the act of the Manager, including, but not limited to, the execution in the name of the Company of any instrument for apparently carrying on in the usual way the Company business or businesses of the kind carried on by the Company, binds the Company, unless the Manager has, in fact, no authority to act for the Company in the particular matter, and, except as provided in Section 33-44-301(c) of the Act, the person with whom the Manager is dealing has knowledge of the fact that the Manager has no such authority. All decisions and determinations of the Manager in connection with this Agreement shall be made in the Manager's good faith and reasonable judgment.

6.5 NUMBER AND TERM OF OFFICE.

The I'On Group, LLC shall serve as Manager of the Company until removal as provided in Section 6.6 of this Agreement or upon resignation as provided in Section 6.7 of this Agreement. Unless otherwise provided in the Articles, the Manager need not be a Member or resident of the State of South Carolina.

6.6 REMOVAL.

Any and all Managers may be removed, either for or without cause by a Required Interest.

6.7 RESIGNATIONS.

The Manager may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time be specified then at the time of its receipt by the Members. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

6.8 VACANCIES.

Any vacancy occurring in the Manager may be filled by a Required Interest.

6.9 PLACE AND MANNER OF MEETINGS.

Meetings of the Manager, regular or special, may be held either within or without the State of South Carolina. The Manager may participate in such meetings by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting as provided herein shall constitute

presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

6.10 REGULAR MEETING OF MANAGER.

A regular meeting of the Manager may be held at such time as shall be determined from time to time by resolution of the Manager.

6.11 SPECIAL MEETING OF MANAGERS.

The Manager may call a special meeting of the Manager at any time. Such special meeting shall be held at the time specified in the notice of meeting. Except as otherwise expressly provided by statute, or by the Articles, or by this Operating Agreement, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in the notice or waiver of notice.

6.12 NOTICE OF MANAGER'S MEETINGS.

All meetings of the Manager (annual, regular or special) shall be held upon at least two (2) days written notice stating the date, place and hour of meeting delivered to the Manager either personally or by mail or at the direction of the President or the Secretary or the officer or person calling the meeting.

In any case where the Manager executes a waiver of notice of the time and place of the meeting, no notice thereof shall be required, and any such meeting (whether annual, regular or special) shall be held at the time and at the place (either within or without the state of South Carolina) specified in the waiver of notice. Attendance of the Manager at any meeting shall constitute a waiver of notice of such meeting, except where the Manager attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

6.13 ACTION WITHOUT MEETING.

Any action required by statute to be taken at a meeting of the Manager, or any action which may be taken at a meeting of the Manager, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by the Manager. Such consent shall have the same force and effect as a unanimous vote at a meeting.

6.14 APPROVAL OR RATIFICATION OF ACTS OR CONTRACTS BY MEMBERS.

Subject to Section 6.2(b), the Manager may unanimously vote to submit any act or contract for approval or ratification at any annual meeting of the Members or at any special meeting of the Members called for the purpose of considering any such act or contract, and any act or contract that shall be approved or be ratified by a Required Interest shall be as valid and as

binding upon the Company and upon all the Members as if it shall have been approved or ratified by every Member of the Company.

6.15 INTERESTED MEMBERS AND OFFICERS.

A. No contract or transaction between the Company and one or more of its Members or officers, or between the Company and any other limited liability company, corporation, partnership, association, or other organization in which one or more of its Members or officers are managers or officers or have a financial interest, shall be void or voidable solely for this reason, solely, because the Member or officer is present at or participates in the meeting of Members or of a committee of Members which authorizes the contract or transaction, or solely because such Member's or Members' votes are counted for such purpose, if:

(1) The material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Members or the committee, and the Members or committee in good faith authorizes the contract or transaction by the affirmative vote of a majority of the disinterested Members, even though the disinterested Members be less than a quorum; or

(2) The material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Members entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the Members; or

(3) The contract or transaction is fair as to the Company as of the time it is authorized, approved, or ratified by the Members.

B. Common or interested Members may be counted in determining the presence of a quorum at a meeting of the Members.

C. This Section 6.15 shall not be construed to invalidate any contract or transaction which would be valid in the absence of this Section 6.15.

6.16 COMPENSATION.

Upon the unanimous agreement of the Members, the Members may be paid their expenses, if any, of attendance at each meeting of the Members and may be paid a fixed sum for attendance at each meeting of the Members. No such payment shall preclude any Member from serving the Company in any other capacity and receiving compensation therefor. Members of any special or standing committees may, by the unanimous agreement of the Members, be allowed like compensation for attending committee meetings.

ARTICLE VII
INDEMNIFICATION

7.1 INDEMNIFICATION.

The Company shall indemnify the Members, the Manager, and the Company's agents for all costs, losses, liabilities, and damages paid or accrued by such Members, Manager or agents in connection with the business of the Company, to the fullest extent provided or allowed by the laws of the State of South Carolina.

Each Member (an "Indemnifying Party") hereby indemnifies all other Members, Managers and the Company from and against any and all claims, demands, actions, losses and rights of action (including reasonable attorneys' fees and costs, whether suit is instituted or not, and if instituted, whether at any trial or appellate level) which shall or may arise by virtue of anything done or omitted to be done by the indemnifying Member outside the scope of, or in breach of, the terms of this Operating Agreement. Each other Member and Manager shall be notified promptly of the existence of any such claim, demand, action or cause of action and shall be given reasonable opportunity to participate in the defense thereof.

ARTICLE VIII
TAXES

8.1 "TAX MATTERS MEMBER."

Vincent G. Graham is designated as the "tax matters member" of the Company pursuant to § 6231(a)(7) of the Code.

ARTICLE IX
NOTICE

9.1 NOTICE.

All notices, requests, consents and other communications required or permitted under this Operating Agreement shall be in writing (including electronic transmission) and shall be (as elected by the person giving such notice) hand delivered by messenger or courier service, electronically transmitted, or mailed (airmail if international) by registered or certified mail (postage prepaid), return receipt requested, addressed to:

If to any of the Graham Group:

159 Civitas Street
Mt. Pleasant, SC 29464
Attn: Vincent G. Graham
Facsimile No.: (843) 971-1664

With a copy to:

Warren & Sinkler, L.L.P.
171 Church Street
Suite 340
Charleston, SC 29401
Attn: Scott Y. Barnes, Esq.
Facsimile No.: (843) 577-6843

or to such other address as any party may designate by notice complying with the terms of this Section. Each such notice shall be deemed delivered (i) on the date delivered if by personal delivery; (ii) on the date of transmission with confirmed answer back if by electronic transmission; and (iii) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed.

ARTICLE X
DISSOLUTION, LIQUIDATION, AND TERMINATION

10.1 DISSOLUTION.

The Company shall dissolve and its affairs shall be wound up only upon the first to occur of the following:

A. the written consent of all Members;

B. the expiration of the period fixed for the duration of the Company set forth in the Articles;

C. upon an event that makes it unlawful for all or substantially all of the business of the Company to be continued, but any cure of illegality within ninety (90) days after notice to the Company of the event is effective retroactively to the date of the event;

D. upon entry of a judicial decree that:

(1) the economic purpose of the Company is likely to be unreasonably frustrated;

(2) another Member has engaged in conduct relating to the Company's business that makes it not reasonably practicable to carry on the Company's business with that Member;

(3) it is not otherwise reasonably practicable to carry on the Company's business in conformity with the Articles of Organization and this Operating Agreement;

(4) the Company failed to purchase the Member's Distributional interest as required by § 33-44-701 of the Act; or

(5) the Manager or Members in control of the Company have acted, are acting, or will act in a manner that is illegal, oppressive, fraudulent, or unfairly prejudicial to a Member; and

E. entry of a decree of judicial dissolution of the Company under Section 33-44-801 (b) of the Act or administrative dissolution as provided in Section 33-44-809 of the Act.

10.2 WINDING UP AND TERMINATION.

On dissolution of the Company, the Manager shall act as liquidator or may appoint one or more Members as liquidators. If there is no Manager, then a Required Interest of the Members will appoint one or more Members as Liquidators. The liquidator shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Act. The costs of liquidation shall be borne as a Company expense. Until final distribution, the liquidator shall continue to operate the Company properties with all of the power and authority of the Manager. The steps to be accomplished by the liquidator are as follows:

A. as promptly as possible after dissolution and again after final liquidation, the liquidator shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company's assets, liabilities, and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed as applicable.

B. the liquidator shall cause the notice described in Section 33-44-807 of the Act to be mailed to each known creditor of and claimant against the Company in the manner described in such Section 33-44-808 of the Act;

C. the liquidator shall pay, satisfy or discharge from Company funds all of the debts, liabilities and obligations of the Company (including, without limitation, all expenses incurred in liquidation and any advances described in Section 4.6) or otherwise make adequate provision for payment and discharge thereof (including, without limitation, the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine); and

D. all remaining assets of the Company shall be distributed to Members as follows:

(1) the liquidator may sell any or all Company's property, including to Members, and any resulting gain or loss from each sale shall be computed and allocated to the Capital Accounts of the Members;

(2) with respect to all the Company's property that has not been sold, the fair market value of that property shall be determined and the Capital Accounts of the Members shall

be adjusted to reflect the manner in which the unrealized income, gain, loss, and deduction inherent in property that has not been reflected in the Capital Accounts previously would be allocated among the Members if there were a taxable disposition of that property for the fair market value of that property on the date of distribution; and

(3) the Company's property shall be distributed among the Members as follows:

(i) [redacted] (except for distributions pursuant to Section 5.5 in payment of the Cumulative Preferred Return of the Graham Group) plus their Cumulative Preferred Return (distributions to the Graham Group shall be made 70% to Graham Development, Inc., 20% to Vincent G. Graham and 5% to Geoffrey D. Graham); and

(ii) Finally, the balance shall be distributed in proportion to the Member's respective Membership Interests.

Such distributions shall be made, if possible, by the end of the taxable year of the Company during which the liquidation of the Company occurs.

All distributions in kind to the Members shall be made subject to the Liability of each distributee for costs, expenses, and liabilities theretofore incurred or for which the Company has committed and those costs, expenses, and liabilities shall be allocated to the distributee pursuant to this Section 10.2. To the extent that a Member returns funds to the Company, it has no claim against any other Member for those funds.

10.3 DEFICIT CAPITAL ACCOUNTS.

Notwithstanding anything to the contrary contained in this Operating Agreement, and notwithstanding any custom or rule of law to the contrary, to the extent that the deficit, if any, in the Capital Account of any Member results from or is attributable to deductions and losses of the Company (including non-cash items such as depreciation) or distributions of money pursuant to this Operating Agreement to all Members in proportion to their respective Membership Interests, upon dissolution of the Company such deficit shall not be an asset of the Company and such Members shall not be obligated to contribute such amount to the Company to bring the balance of such Member's Capital Account to zero.

10.4 ARTICLES OF DISSOLUTION.

After the dissolution of the limited liability company pursuant to Section 33-44-801 of the Act, the Manager or the authorized Member shall file Articles of Dissolution with the Secretary of State of South Carolina and take such other actions as may be necessary to terminate the Company. An "Authorized Member" will be a Member or Members appointed by the Manager.

ARTICLE XI
GENERAL PROVISIONS

11.1 EXCLUSIVITY OF RELATIONSHIP; AND OTHER ACTIVITIES.

A. Each Member and any of its affiliates or any person or entity holding a legal or beneficial interest in a Member may engage in or possess an interest in other business ventures of every nature and description, independently or with others. The Members represent and warrant to each other that their engagement in any permitted business venture will not in any way interfere with or limit their ability to adequately perform each of their duties, obligations and responsibilities under this Operating Agreement. Neither the Company nor the other Member(s) (not engaging in such permitted activities) shall have any right by virtue of this Operating Agreement to enter into or participate in such permitted independent ventures or to share the income or profits derived therefrom or any other rights therein, and the Company and each of the Members hereby waives whatever statutory or other rights to the contrary which it may now or hereafter possess.

B. Notwithstanding anything to the contrary contained in Section 11.1(A), all activities associated with the Property, including land development and sales, shall be conducted by the Company and not by the Members separately; provided, however, the commercial area commonly referred to by the Members as "The I'On Square" shall be developed by any or all of the I'On Square L.L.C. and the Graham Group, without the participation of the Company, pursuant to a separate agreement. All land underlying "The I'On Square" shall be sold by the Company to the I'On Square L.L.C. or any or all of the Graham Group at the price agreed to by the Company and I'On Square L.L.C. Except for land underlying "The I'On Square" any portions of the Property sold or leased to Members, the Manager or any affiliate or relative of a Member or the Manager shall be sold or leased at a price at least equal to the fair market value. The fair market value shall be determined by the Manager and a majority of disinterested Members.

11.2 BOOKS AND RECORDS; ACCOUNTING METHOD.

A. The Company shall maintain or cause to be maintained, in accordance with generally accepted accounting principles in the United States of America applied in a consistent manner, proper and complete records and books of account in which shall be entered fully and accurately all transactions and other matters relative to the Company's business as are usually entered into records and books of accounts maintained by persons engaged in business of like character. In addition, the Company shall maintain all other records necessary to file the Company's federal income tax information return and all other records necessary, convenient or incidental to the business of the Company as provided for in this Operating Agreement.

B. The books and records shall upon reasonable notice be made available during regular business hours at the principal office of the Company, or such other place or places as the Manager determines, for the reasonable inspection and examination of any Member or its duly authorized representatives. Each Member shall bear all expenses incurred in connection with

any examination made for such Member's account and shall keep all information obtained during such inspection confidential. In the exercise of their rights under this Section, the Members agree that they shall not cause any unreasonable interference with, or disruption of, the Company's business.

C. The Company's books shall be kept on the accrual accounting method.

11.3 AMENDMENT OR MODIFICATION.

This Operating Agreement may be amended and modified from time to time only by a written instrument adopted and executed by all of the Members.

11.4 CHECKS, NOTES, DRAFTS, ETC.

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Company shall be signed or endorsed by a designated person which may be appointed by the Manager. The designated person may be a Manager, officer(s), Member(s), or other person(s) as may from time be designated.

11.5 HEADINGS.

The headings used in this Operating Agreement have been inserted for convenience only and do not constitute matter to be construed in interpretation.

11.6 CONSTRUCTION.

Whenever the context so requires, the gender of all words used in this Operating Agreement includes the masculine, feminine, and neuter, and the singular shall include the plural, and conversely. All references to Articles and Sections refer to articles and sections of this Operating Agreement, and all references to Exhibits, if any, are to Exhibits attached hereto, if any, each of which is made a part hereof for all purposes. If any portion of this Operating Agreement shall be invalid or inoperative, then, so far as is reasonable and possible:

A. The remainder of this Operating Agreement shall be considered valid and operative; and

B. Effect shall be given to the intent manifested by the portion held invalid or inoperative.

11.7 ENTIRE AGREEMENT; SUPERSEDURE.

This Operating Agreement constitutes the entire agreement of the Members and their Affiliates relating to the Company and supersedes all prior contracts or agreements with respect to the Company, whether oral or written.

11.8 EFFECT OF WAIVER OR CONSENT.

A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations with respect to the Company is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person with respect to the Company. Failure on the part of a Person to complain of any act of any Person or to declare any Person in default with respect to the Company, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default until the applicable statute-of-limitations period has run.

11.9 BINDING EFFECT.

Subject to the restrictions on Dispositions set forth in this Operating Agreement, this Operating Agreement is binding on and inures to the benefit of the Members and their respective heirs, legal representatives, successors, and assigns.

11.10 INTENTIONALLY LEFT BLANK.

11.11 GOVERNING LAW; SEVERABILITY.

THIS OPERATING AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF SOUTH CAROLINA EXCLUDING ANY CONFLICT-OF-LAWS RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR THE CONSTRUCTION OF THIS OPERATING AGREEMENT TO THE LAW OF ANOTHER JURISDICTION. In the event of a direct conflict between the provisions of this Operating Agreement and (A) a mandatory provision of the Articles, or (B) any mandatory provision of the Act, the applicable provision of the Articles or the Act shall control. If any provision of this Operating Agreement or the application thereof to any Person or circumstance is held invalid or unenforceable to any extent, the remainder of this Operating Agreement and the application of that provision to other Persons or circumstances is not affected thereby and that provision shall be enforced to the greatest extent permitted by law.

11.12 FURTHER ASSURANCES.

In connection with this Operating Agreement and the transactions contemplated hereby, each Member shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Operating Agreement and those transactions.

11.13 NOTICE TO MEMBERS OF PROVISIONS OF THIS OPERATING AGREEMENT.

By executing this Operating Agreement, each Member acknowledges that it has actual notice of (A) all of the provisions of this Operating Agreement, including, without limitation, the

restrictions on the transfer of Membership Interests set forth in Article III, and (B) all of the provisions of the Articles. Each Member hereby agrees that this Operating Agreement constitute adequate notice of all such provisions, and each Member hereby waives any requirement that any further notice thereunder be given.

11.14 COUNTERPARTS.

This Operating Agreement may be executed in any number of counterparts with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

11.15 CONFLICTING PROVISIONS.

To the extent that one or more provisions of this Operating Agreement appear to be in conflict with one another, then Graham Development, Inc. shall have the right to choose which of the conflicting provisions are to be enforced. Subject to the preceding sentence, reasonable business judgment is given to Graham Development, Inc., in interpreting the provision of this Operating Agreement to accomplish the purposes and objectives of the Company, and the Manager or a Required Interest, if there is no Manager, in interpreting the provisions of this Operating Agreement to accomplish the purposes and objectives of the Company and consistent with the interpretation given by Graham Development, Inc.

The undersigned, being all the Members and Manager, hereby certify that the foregoing Fifth Amended and Restated Operating Agreement was unanimously adopted by the Managers, and the Members, effective as of the 22 day of August, 2005, TO WITNESS WHICH we have hereunto affixed our signatures this 22 day of August, 2005.

WITNESS:

MEMBERS:

GRAHAM DEVELOPMENT, INC. (Member)

By: _____
Its: President

Vincent G. Graham (Member)

Geoffrey D. Graham (Member)

MANAGER:

The I'On Group, LLC

By: LeGrand Elebash
Its: Manager

\\Sybsyb\ION Company\Fifth Amended and Restated Op Agmt.clean,081005.doc

EXHIBIT "A"

PROPERTY DESCRIPTION

ALL that certain piece, parcel or tract of land, and the improvements thereon, situate, lying and being in Christ Church Parish, in the County of Charleston and State of South Carolina, containing 325.02 acres of highland and 107.1 acres of marshland and pond as shown on a Plat of E. M. Seabrook, Jr., C.E., and L.S., No. 1375, dated January 14, 1964, and recorded in the Office of the R.M.C. for Charleston County, S.C., in Plat Book R, Page 1; said tract measuring and containing and butting and bounding to the South on the right-of-way of the Mathis Ferry Road Three Thousand Two Hundred Ninety-Three and One Tenth (3,293.1') feet, as designated by the lettered line ABCDEF on said Plat; on the West line on lands of various owners in Scanlonville, on Muirhead Road, on Hobcaw Drive and on Hobcaw Point Five Thousand Eight Hundred One and Eight-Tenths (5,801.8') feet, as designated by the lettered broken line ONMLKJIHGF; on the North line on the waters of Hobcaw Creek; and on the East line on lands now or formerly of E. Capers and J. Read Johnson Four Thousand Six Hundred Forty-Five and Seven-Tenths (4,645.7') feet, as designated by the lettered line PQRA on said Plat; all as by reference to said Plat of E. M. Seabrook, Jr., will more fully appear; EXCEPTING THEREFROM the William Read family cemetery of a quarter of an acre in extent on the Read Old Home Tract, with the rights of ingress and egress thereto said cemetery, being designated by a cross mark on the said Plat; ALSO, EXCEPTING THEREFROM, the following described premises: All that piece, or lot of land, in Christ Church Parish, Charleston County, South Carolina, containing ONE (1) ACRE, more or less, bounded on the North and East by lands of Cooper Corporation, formerly Shelmore Oyster Products Company; on the South by lands now or formerly of Benjamin Brown, et al; on the West by Muirhead Road (Molasses Creek Road), with lines and marks as agreed upon by H. G. Leiding and Benjamin Brown, May 21, 1943, said marks being blazed.

SAVING AND EXCEPTING THEREFROM, all that certain piece, parcel or tract of land, and improvements thereon, situate, lying and being in Christ Church Parish, in the County of Charleston, State of South Carolina, containing 78.00 acres highland and 12.4 acres marsh as shown on a Plat by E. M. Seabrook Jr., Inc., dated May 18, 1976, and entitled, "Plat of Tract of Land Situate on Mathis Ferry Road in Christ Church Parish, Charleston County, S. C., and owned by R. E. Mevers," and said Plat was recorded the 8th day of June, 1976, in Plat Book AG, Page 58, R.M.C. Office for Charleston County, South Carolina.

Said parcel of land having such size, shape, dimensions, butting and boundings as will by reference to said Plat more fully appear.

EXHIBIT "B"

MEMBER	CONTRIBUTION	FAIR MARKET VALUE
Graham Development, Inc.	Cash	$ 300,000
Vincent G. Graham	Cash	$ 100,000
Geoffrey D. Graham		$ 0

EXHIBIT "C"

MANAGER

The I'On Group, LLC

SECOND AMENDED AND RESTATED

OPERATING AGREEMENT

OF

I'ON CLUB, LLC

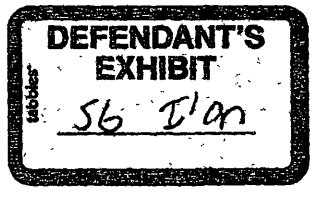


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SECOND AMENDED AND RESTATED

OPERATING AGREEMENT

OF

I'ON CLUB, LLC

This Second Amended and Restated Operating Agreement of I'ON CLUB, LLC ("Company") dated June ____, 2005 amends and restates the First Amended and Restated Operating Agreement of the Company dated August 9, 2002, which amended and restated the Operating Agreement of the Company dated October ____, 1999, and is (a) adopted by the Manager (as defined below) and (b) executed and agreed to, for good and valuable consideration, by the Member (as defined below).

ARTICLE I
DEFINITIONS

As used in this Operating Agreement, the following terms have the following meanings:

A. **"Act"** means the Uniform Limited Liability Company Act of 1996 and any successor statute as amended from time to time.

B. **"Articles"** means the Articles of Organization filed with the Secretary of State of South Carolina by which I'ON CLUB, LLC was organized as a South Carolina Limited Liability Company under and pursuant to the Act.

C. **"Business Day"** means any day other than a Saturday, a Sunday, or a holiday on which national banking associations in the State of South Carolina are closed.

D. **"Capital Contribution"** means any contribution by a Member to the capital of the Company.

E. **"Code"** means the Internal Revenue Code of 1986 and any successor statute, as amended from time to time.

F. **"Company"** means I'ON CLUB, LLC, a South Carolina Limited Liability Company.

G. **"Company Liability"** means any enforceable debt or obligation for which the Company is liable or which is secured by any Company Property.

H. **"Distributional Interest"** means all of a Member's interest in distributions by the Company.

I. **"Dispose," "Disposing," or "Disposition"** means a sale, assignment, transfer, exchange, mortgage, pledge, grant of a security interest, or other disposition or encumbrance (including, without limitation, by operation of law), or the acts thereof.

J. **"Manager or Managers"** means LeGrand Elebash or any Person hereafter elected as a Manager of the Company as provided in this Operating Agreement, but does not include any Person who has ceased to be a Manager of the Company.

K. **"Member"** means The I'On Company, L.L.C.

L. **"Operating Agreement"** has the meaning given that term in the introductory paragraph.

M. **"Person"** includes an individual, partnership, limited partnership, limited liability company, foreign limited liability company, trust, estate, corporation, custodian, trustee, executor, administrator, nominee or entity in a representative capacity.

N. **"Proceeding"** means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative.

Other terms defined herein have the meanings so given them.

ARTICLE II
ORGANIZATION

2.1 Formation.

The Company has been organized as a South Carolina Limited Liability Company by the filing of Articles pursuant to the Act and the issuance of a certificate of organization for the Company by the Secretary of State of South Carolina.

2.2 Name.

The name of the Company is I'ON CLUB, LLC and all Company business must be conducted in that name or such other names that comply with applicable law as the Managers may select from time to time.

2.3 Designated Office.

The designated office of the Company required by the Act to be maintained in the State of South Carolina shall be the office of the initial registered agent named in the Articles or such other office (which need not be a place of business of the Company) as the Managers, or Member if there is no Manager, may designate from time to time in the manner provided by law.

2.4 Registered Agent.

The registered agent of the Company in the State of South Carolina shall be the initial registered agent named in the Articles or such other Person or Persons as the Managers, or Member if there is no Manager, may designate from time to time in the manner provided by law.

2.5 Principal Office In The United States Other Offices.

The principal office of the Company in the United States shall be at such place as the Managers, or Member if there is no Manager or the management of the Company is reserved to the Member, may designate from time to time, which need not be in the State of South Carolina. The Company may have such other offices as the Managers, or Member if there is no Manager, may designate from time to time.

2.6 Purposes.

The purposes of the Company are to own and operate the I'On Club, a proprietary club located within the I'On Development and to engage in any lawful business activities.

2.7 Foreign Qualification.

Prior to the Company's conducting business in any jurisdiction other than South Carolina, the Managers shall cause the Company to comply, to the extent procedures are available and those matters are reasonably within the control of the Managers or Member, with all requirements necessary to qualify the Company as a foreign limited liability company in that jurisdiction. At the request of the Managers or Member, the Member shall execute, acknowledge, swear to, and deliver all certificates and other instruments conforming with this Operating Agreement that are necessary or appropriate to qualify, continue, and terminate the Company as a foreign limited liability company in all such jurisdictions in which the Company may conduct business.

2.8 Term.

The Company commenced on the date the Articles were filed with the Secretary of State of South Carolina for the Company and shall continue in existence for the period fixed in the Articles for the duration of the Company, or such earlier time as this Operating Agreement may specify.

2.9 Mergers.

The Company may merge with another business entity subject to the requirements of Sections 33-44-904 through 33-44-907 of the Act.

ARTICLE III
MEMBERS

3.1 Additional Members.

A. Additional Persons may be admitted to the Company as a Member and Memberships may be created and issued to those Persons and to the Member at the direction of the Member, on such terms and conditions as the Member may determine at the time of admission. The terms of admission or issuance must specify the percentage of Net Profit, Net Loss, allocable to such Person and the Capital Contribution applicable thereto and may provide for the creation of different classes or groups of Members and having different rights, powers, and duties. The Member shall reflect the creation of any new class or group in an amendment to this Operating Agreement indicating the different rights, powers, and duties. Any such admission also must comply with the requirements described elsewhere

in this Operating Agreement and is effective only after the new Member has executed and delivered to the Company, as appropriate, a document including the new Member's notice address, its agreement to be bound by the terms of an Operating Agreement which reflects the existence of at least two Members, and its representation and warranty that the representation and warranties required of new Members are true and correct with respect to the new Member.

3.2 Liabilities to third parties.

Except as otherwise expressly agreed in writing, no Member shall be liable for the debts, obligations or liabilities of the Company, including under a judgment decree or order of a court.

3.3 Withdrawal.

No Member may withdraw from the Company as a Member prior to the date specified in the Articles of Organization for dissolution of the Company.

3.4 Place and manner of meeting.

All meetings of the Member shall be held at such time and place, within or without of the State of South Carolina, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

3.5 Special meetings.

Special meetings of the Member may be called at any time by the Member.

3.6 Action without meeting.

Any action required by the Act to be taken at a meeting of the Member, or any action which may be taken at a meeting of the Member, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall have been signed by the Member.

3.7 Assignment of distributional interest.

Unless otherwise provided by this Operating Agreement:

A. a Distributional Interest is assignable in whole or in part;

B. an assignment of a Distributional Interest does not entitle the assignee to become, or to exercise rights or powers of, a Member;

C. an assignment entitles the assignee to receive distributions, to which the assignor was entitled, to the extent those items are assigned but does not allocate to the assignee the assignors profit or loss; and

D. until the assignee becomes a Member, the assignor Member continues to be a Member and to have the power to exercise any rights or powers of a Member.

3.8 Right to distribution.

Subject to the Act, at the time that a Member becomes entitled to receive a distribution, with respect to a distribution, that Member has the status of and is entitled to all remedies available to a creditor of the Company.

3.9 Limitation on distribution.

No distribution may be made if, after giving effect to the distribution:

A. the Company would not be able to pay its debts as they become due in the usual course of business; or

B. the Company's assets would be less than the sum of its liabilities plus, the amount that would be needed, if the Company were to be dissolved, wound up, and terminated at the time of the distribution, to satisfy the preferential rights upon dissolution, winding up and termination of Member whose preferential rights are superior to those receiving the distribution. The Company may base a determination that a distribution is not prohibited upon the provisions of Section 33-44-406(b) and (c) of the Act.

3.10 Buyout of Dissociating Member.

Except as otherwise provided herein, following the death, retirement, resignation, expulsion, bankruptcy or dissolution of a Member or the occurrence of any event which terminates the continued Membership of a Member in the Company, the dissociating Member shall be entitled to receive any distribution which the dissociating Member was entitled to receive prior to the death, retirement, resignation, expulsion, bankruptcy or dissolution of a Member or the occurrence of any event which terminates the continued Membership of a Member in the Company. The Company shall have no obligation to purchase a dissociating Member's Membership until the date of the expiration of the specified term of the Company that existed on the date of the dissociation. The date of payment and fair market value, if any, of the Dissociating Members Membership shall be determined by the Company.

ARTICLE IV
CAPITAL CONTRIBUTIONS

4.1 Initial Contributions.

The Member's initial Capital Contribution is described in Exhibit A. The value of the Capital Contributions is set forth on Exhibit A. No interest shall accrue on any Capital Contribution and the Member shall have the right to withdraw or be repaid any Capital Contribution except as provided in this Operating Agreement.

4.2 Return Of Contributions.

The Member is not entitled to the return of any part of its Capital Contributions or to be paid interest in respect of either its capital account, or its Capital Contributions. An unrepaid Capital Contribution is not a liability of the Company or of any Member. The Member is not required to contribute or to lend any cash or property to the Company.

4.3 Advanced By Members.

If the Company does not have sufficient cash to pay its obligations, the Member may advance all or part of the needed funds to or on behalf of the Company. An advance described in this section constitutes a loan from the Member to the Company from the date of the advance until the day of payment, and is not a Capital Contribution.

ARTICLE V
MANAGER

5.1 Management By Manager.

Except for situations in which the approval of the Member is required by this Operating Agreement or by nonwaivable provisions of applicable law or as otherwise provided in this Operating Agreement, and subject to the provisions of Section 6.2, (i) the powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, the Manager; and (ii) the Manager may make all decisions and take all actions for the Company not otherwise provided for in this Operating Agreement, including, without limitation, the following:

A. entering into, making, and performing contracts, agreements, leases, management contract and other undertakings binding the Company that may be necessary, appropriate, or advisable in furtherance of the purposes of the Company and making all decisions and waivers thereunder;

B. opening and maintaining bank and investment accounts and arrangements, drawing checks and other orders for the payment of money up to Ten Thousand and No/100 Dollars ($10,000.00) and amounts over Ten Thousand and No/100 Dollars ($10,000.00) with the co-signature of Thomas C. Graham;

C. maintaining the assets of the Company in good order;

D. collecting sums due the Company;

E. to the extent that funds of the Company are available therefore, paying debts and obligations of the Company;

F. acquiring, utilizing for Company purposes, and disposing of any asset of the Company;

G. establish a line of credit with Wachovia Bank, N.A., or other such banking institution acceptable to the Members and draw upon such line of credit at any time and from time to time with the written approval of Thomas C. Graham, and with the written approval of Thomas C. Graham, borrowing money or otherwise committing the credit of the Company for Company activities and voluntary prepayments or extensions of debt;

H. selecting, removing, and changing the authority and responsibility of lawyers, accountants, and other advisers and consultants; and

I. obtaining insurance for the Company.

5.2 Actions By Managers; Delegation Of Authority And Duties.

A. In Managing the business and affairs of the Company and exercising its powers, the Managers shall act (i) through meetings and written consents as may be provided or limited in other provisions of this Operating Agreement.

B. Any Person dealing with the Company, other than a Member, may rely on the authority of LeGrand Elebash as Manager in taking any action in the name of the Company without inquiry into the provisions of this Operating Agreement or compliance herewith, regardless of whether that action actually is taken in accordance with the provisions of this Operating Agreement.

5.3 Powers Of Managers.

The Managers are an agent of this Company for the purpose of its business or affairs and the act of the Managers, including, but not limited to, the execution in the name of the Company of any instrument for apparently carrying on in the usual way the Company business or businesses of the kind carried on by the Company, binds the Company, unless the Managers so acting have, in fact, no authority to act for this Company in the particular matter, and the person with whom the Managers are dealing has knowledge of the fact that the Managers have no such authority.

5.4 Number And Term Of Office.

The Manager of the Company shall be LeGrand Elebash. He shall serve as Manager of the Company until removal or upon resignation. Unless otherwise provided in the Articles, the Managers need not be a Member or resident of the State of South Carolina.

5.5 Removal.

Any and all Managers may be removed, with or without cause, at any meeting of Member.

5.6 Resignations.

Any Manager may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time be specified then at the time of its receipt by the other Managers, if any. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

5.7 Vacancies.

Any vacancy occurring in the Managers may be filled the Member. A Manager elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any Manager position to be filled by reason of an increase in the number of Managers shall be filled by the Member.

5.8 Place And Manner Of Meetings.

Meeting of the Managers, regular or special, may be held either within or without the State of South Carolina. Managers may participate in such meetings by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting as provided herein shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

5.9 First Meetings.

The first meeting of the newly elected Managers shall be held without further notice immediately following the annual meeting of Member, and at the same place, unless by unanimous consent of the Managers then elected and serving, such time or place shall be changed.

5.10 Regular Meeting Of Managers.

A regular meeting of the Managers may be held at such time as shall be determined from time to time by resolution of the Managers.

5.11 Special Meeting Of Managers.

The Managers may call a special meeting of the Managers at any time.

5.12 Action Without Meeting.

Any action required by statute to be taken at a meeting of the Managers, or any action which may be taken at a meeting of the Managers, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the Managers. Such consent shall have the same force and effect as a unanimous vote at a meeting.

5.13 Approval Or Ratification Or Acts Or Contracts By Members.

The Managers in their discretion may submit any act or contract for approval or ratification to the Member.

5.14 Interested Managers, Officers And Members.

A. INTERESTED MANAGERS. No contract or transaction between this Company and one or more of its Managers or officers, or between this Company and any other limited liability

company, corporation, partnership, association, or other organization in which one or more of its Managers or officers are managers or officers or have a financial interest, shall be void or voidable solely for this reason, solely, because the Manager is present at or participates in the meeting of Managers or of a committee of Managers which authorizes the contract or transaction, or solely because such Manager's or Managers' votes are counted for such purpose, if:

(1) The material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Managers, and the Managers in good faith authorizes the contract or transaction by the affirmative vote of a majority of the Managers; or

(2) The material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Member; or

(3) The contract or transaction is fair as to this Company as of the time it is authorized, approved, or ratified by the Managers or the Member.

B. This provision shall not be construed to invalidate any contract or transaction which would be valid in the absence of this provision.

5.15 Compensation.

By resolution of the Member, the Managers shall be paid their expenses incurred on behalf of the Company and may be paid a stated fee as Manager. No such payment shall preclude any Manager from serving the Company in any other capacity and receiving compensation therefor.

ARTICLE VI
INDEMNIFICATION

6.1 Indemnification.

The Company shall indemnify the Member, Managers, and agents for all costs, losses, liabilities, and damages paid or accrued by such Member, Managers or agents in connection with the business of the Company, to the fullest extent provided or allowed by the laws of the State.

ARTICLE VII
DISSOLUTION, LIQUIDATION, AND TERMINATION

7.1 Dissolution.

The Company shall dissolve and its affairs shall be wound up only upon the first to occur of the following:

A. upon the consent of the Member;

B. the expiration of the period fixed for the duration of the Company set forth in the Articles; or

C. administrative dissolution as provided in Section 33-44-809 of the Act.

7.2 Winding Up And Termination.

On dissolution of the Company, the Managers shall act as liquidator. If there is no Manager, then the Member will act as Liquidator. The Liquidator shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Act. The costs of liquidation shall be borne as a Company expense. Until final distribution, the Liquidator shall continue to operate the Company properties with all of the power and authority of the Manager. The steps to be accomplished by the liquidator are as follows:

A. as promptly as possible after dissolution and again after final liquidation, the liquidator shall cause a proper accounting to be made of the Company's assets, liabilities, and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed as applicable.

B. the liquidator shall cause the notice described in Section 33-44-807 of the Act to be mailed to each known creditor of and claimant against the Company in the manner described in such Section 33-44-808 of the Act;

C. the liquidator shall pay, satisfy or discharge from Company funds all of the debts, liabilities and obligations of the Company (including, without limitation, all expenses incurred in liquidation and any advances) or otherwise make adequate provision for payment and discharge thereof (including, without limitation, the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine); and

D. all remaining assets of the Company shall be distributed to the Member.

7.3 Articles Of Termination

After the dissolution of the limited liability company pursuant to Section 33-44-801 of the Act, the Managers or the Member shall file Articles of Termination with the Secretary of State of South Carolina and take such other actions as may be necessary to terminate the Company.

ARTICLE VIII
GENERAL PROVISIONS

8.1 Books And Records.

A. The Company shall maintain those books and records as it may deem necessary or desirable.

B. The Company shall keep its books on the accrual method of accounting.

8.2 Amendment Or Modification.

The Operating Agreement may be amended and modified from time to time by the Member.

8.3 Checks, Notes, Drafts, Etc.

All checks, drafts, or other orders for payment of money, notes, or other evidences of indebtedness issued in the name of or payable to the Company shall be signed or endorsed by Vincent G. Graham or by another designated person which may be appointed from time to time by the Member. The designated person may be the Manager, Member, or other person(s) as may from time to time be designed.

8.4 Headings.

The headings used in this Operating Agreement have been inserted for convenience only and do not constitute matter to be construed in interpretation.

8.5 Construction.

Whenever the context so requires, the gender of all words used in this Operating Agreement includes the masculine, feminine, and neuter, and the singular shall include the plural, and conversely. All references to Articles and Sections refer to articles and sections of this Operating Agreement, and all references to Exhibits, if any, are to Exhibits attached hereto, if any, each of which is made a part hereof for all purposes. If any portion of this Operating Agreement shall be invalid or inoperative, then, so far as is reasonable and possible:

A. The remainder of this Operating Agreement shall be considered valid and operative; and

B. Effect shall be given to the intent manifested by the portion held invalid or inoperative.

8.6 Entire Agreement; Supersedure.

This Operating Agreement constitutes the entire agreement of the Member and the Managers relating to the Company and supersedes all prior contracts or agreements with respect to the Company, whether oral or written.

8.7 Effect Of Waiver Or Consent

A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations with respect to the Company is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person with respect to the Company. Failure on the part of a Person to complain of any act of any Person or to declare any Person in default with respect to the Company, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default until the applicable statute-of-limitations period has run.

8.8 Binding Effect.

This Operating Agreement is binding on and inures to the benefit of the Member and its successors, and assigns.

8.9 Governing Law; Severability

THIS OPERATING AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF SOUTH CAROLINA EXCLUDING ANY CONFLICT-OF-LAWS RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR THE CONSTRUCTION OF THIS OPERATING AGREEMENT TO THE LAW OF ANOTHER JURISDICTION. In the event of a direct conflict between the provisions of this Operating Agreement and (a) a mandatory provision of the Articles, or (b) any mandatory provision of the Act, the applicable provision of the Operating Agreement shall control. If any provision of this Operating Agreement or the application thereof to any Person or circumstance is held invalid or unenforceable to any extent, the remainder of this Operating Agreement and the application of that provision to other Persons or circumstances is not affected thereby and that provision shall be enforced to the greatest extent permitted by law.

8.10 Further Assurances.

In connection with this Operating Agreement and the transactions contemplated hereby, the Member shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Operating Agreement and those transactions.

8.11 Counterparts.

This Operating Agreement may be executed in any number of counterparts with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

8.12 Conflicting Provisions

To the extent that one or more provisions of this Operating Agreement appear to be in conflict with one another, then the Manager shall have the right to choose which of the conflicting provisions are to be enforced. Wide latitude is given to the Manager, in interpreting the provision of this Operating Agreement to accomplish the purposes and objectives of the Company, and the Manager, in interpreting the provisions of this Operating Agreement to accomplish the purposes and objectives of the Company, and the Manager may apply this Operating Agreement in such a manner as to be in the best interest of the Company, in their sole discretion, even if such interpretation or choice of conflicting provisions to enforce is detrimental to the Member or Manager.

The undersigned, being the Member and Manager, hereby certify that the foregoing Second Amended and Restated Operating Agreement was unanimously adopted by the Manager, and the Member, effective as of the —— day of June, 2005, TO WITNESS WHICH we have hereunto affixed our signatures.

WITNESSES:

MEMBER

THE I'ON COMPANY, L.L.C.

By: Civitas, LLC
Its: Manager

By: _____ (SEAL)
Its Manager

WITNESSES:

MANAGER

_____ (SEAL)
LeGrand Elebash

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EXHIBIT A
Initial Capital Contributions

MEMBER	CAPITAL CONTRIBUTION	FAIR MARKET VALUE
The I'On Company, L.L.C.		$_____

The State of South Carolina

Office of Secretary of State Mark Hammond

Certificate of Existence

I, Mark Hammond, Secretary of State of South Carolina Hereby certify that:

I'ON CLUB, LLC, A Limited Liability Company duly organized under the laws of the State of South Carolina on September 10th, 1999, with a duration that is until January 1st, 2100, has as of this date filed all reports due this office, paid all fees, taxes and penalties owed to the Secretary of State, that the Secretary of State has not mailed notice to the company that it is subject to being dissolved by administrative action pursuant to section 33-44-809 of the South Carolina Code, and that the company has not filed articles of termination as of the date hereof.

Given under my Hand and the Great Seal of the State of South Carolina this 29th day of July, 2009.

Mark Hammond

Mark Hammond, Secretary of State

DEFENDANT'S EXHIBIT 59 1/07

The State of South Carolina

Office of Secretary of State Mark Hammond

Certificate of Existence

I, Mark Hammond, Secretary of State of South Carolina Hereby certify that:

I'ON COMPANY, L.L.C. THE, A Limited Liability Company duly organized under the laws of the State of South Carolina on July 25th, 1997, with a duration that is until January 1st, 2047, has as of this date filed all reports due this office, paid all fees, taxes and penalties owed to the Secretary of State, that the Secretary of State has not mailed notice to the company that it is subject to being dissolved by administrative action pursuant to section 33-44-809 of the South Carolina Code, and that the company has not filed articles of termination as of the date hereof.

Given under my Hand and the Great Seal of the State of South Carolina this 29th day of July, 2009.

Mark Hammond

Mark Hammond, Secretary of State

DEFENDANT'S EXHIBIT
60 I'on

I'On Lot Purchase Agreement

Purchaser: Mendy and Andy Gowder [redacted]
(Names) Home Phone
[redacted]

Seller: The I'On Company, L.L.C. 971-1662 971-1664
(Name) Office Phone Office Fax
159 Civitas Street Mount Pleasant, SC 29464
(Mailing Address) (City, State, Zip +)

Property: Lot 230, Phase 2B&F, 74 Secession Street and/or 74 Resolution Road, as shown on the plat by **Thomas & Hutton Engineering Company** dated **August 11, 1999,** having a latest revision date of _____, 19_____, and recorded in Plat Book _____, at Page(s) _____ in the RMC Office for Charleston County, South Carolina (the "Plat")

1. **Agreement to Buy and Sell:** In consideration of Five and no/100 Dollars ($5.00), the mutual covenants and agreements contained herein, and other good and valuable consideration, the Purchaser identified above ("Purchaser") agrees to buy and the Seller identified above ("Seller") agrees to sell, the Property described above ("Property), subject to the matters herein provided.

2. **Purchase Price:** In consideration for the Property, the Purchaser agrees to pay to the Seller the sum of **Sixty Nine Thousand Five Hundred Dollars ($69,500.00)** (the "Purchase Price") as follows:

(a) **Three Thousand Four Hundred Seventy Five Dollars ($3,475.00)** is paid by Purchaser upon execution of this Agreement as earnest money (the "Earnest Money"), to be held and disbursed in accordance with Paragraph 3 below.

(b) **Sixty Six Thousand Twenty Five Dollars ($66,025.00)** shall be paid in cash or immediately available funds at Closing. All amounts due hereunder shall be paid in United States dollars by certified or cashier's check, or in such other form as is acceptable to Seller. All deposits and other payments hereunder shall be made payable to Seller or an agent designated by Seller.

3. **Earnest Money:** The Earnest Money shall be deposited into an escrow account maintained by the Listing Broker identified on the signature page of this Agreement. Such account is not interest bearing. The Earnest Money shall be credited to Purchaser at Closing, as defined in Paragraph 4 below, or otherwise disbursed in accordance with the terms of this Agreement upon default of either party prior to Closing.

(a) **Purchaser hereby acknowledges that the Earnest Money deposit shall be forfeited at the end of the sixtieth (60th) day following execution of this agreement** unless Purchaser notifies Seller in writing of their intent to withdraw from this agreement prior to such date.

4. **Closing:** ~~**WEDNESDAY, DECEMBER 29, 1999**~~

(a) **The closing of the purchase and sale transaction contemplated by this Agreement ("Closing") shall not be later than one hundred twenty (120) days from the execution hereof, at the Seller's attorney's office in Charleston, South Carolina,** or such other time, date and place as the parties mutually agree in writing, the time of closing being of the essence. In the event of closing not taking place within aforementioned time, Seller shall have the option of (a) extending this agreement and require a 1% payment of the lot purchase price, which is non refundable and non applicable or (b) Purchaser shall forfeit the earnest money to Seller and Seller have no further obligation to Purchaser under this agreement.

DEFENDANT'S EXHIBIT 62 I'On

a. **Purchaser shall submit to the I'On Design Committee (IDC), conceptual drawings, rendering or photographs, illustrating the Architectural intent planned for the property, within forty five (45) days of the execution hereof.** Failure to do so will make this agreement terminable by the Seller and Purchaser shall receive a full refund of all Earnest monies paid to date.

b. **Purchaser shall submit to the IDC, within ninety (90) days of the execution hereof, Preliminary Design documents for approval and comments.** Failure to submit such drawings will be considered default and at the Seller's option, this contract shall be terminable and Purchaser shall forfeit all earnest monies paid to date. Approval of Preliminary Design must be obtained prior to closing.

c. Purchaser acknowledges receipt of the Design Review Procedures and agrees to submit drawings and specifications in accordance with these Guidelines.

Purchaser's Initial WAG MTG

(b) At or prior to Closing, each party shall, upon the request of the other, deliver to the other party appropriate evidence to establish the authority of such party to enter into and close the transaction and any other documents reasonably necessary or appropriate to complete and evidence the transaction contemplated by this Agreement. Seller shall also deliver to Purchaser a non-foreign (FIRPTA) affidavit and, in consideration thereof, Purchaser covenants not to withhold any tax pursuant to Section 1445 of the Internal Revenue Code, as amended.

5. Conveyance of Title: At Closing, Seller shall deliver to Purchaser a properly executed general warranty deed conveying good and marketable title to the Property, free and clear of all liens and encumbrances except for zoning and other applicable laws, and other matters provided herein. The Property shall also be conveyed subject to:

(a) all covenants, restrictions, conditions, easements, rights, reservations, limitations, limitations on use, architectural and landscape approvals, and affirmative obligations to pay all assessments and charges as set forth on the Plat and in the Declaration of Covenants, Conditions and Restrictions for I'On, recorded or to be recorded prior to Closing in the RMC Office for Charleston County, South Carolina (the "Declaration") and all documents referenced therein;

(b) a reservation of non-exclusive easements along the boundary lines of the Property for the installation and maintenance of utilities;

(c) the restriction that the Property shall not be used for any type of Vacation Time Sharing Plan as defined by Section 27-32-10 et. seq., S.C. Code (1976), as amended, without the express, written consent of Seller, its successors and assigns;

(d) ad valorem property taxes and governmental assessments not due prior to Closing;

(e) a covenant that construction of the dwelling on the Property shall be performed only by a builder approved by The I'On Company, LLC, a South Carolina limited liability company;

(f) other matters approved or waived by Purchaser as provided for in this Agreement.

Purchaser acknowledges and agrees that the Property is also subject to federal and state stormwater management laws and regulations currently administered by the Office of Ocean and Coastal Resource Management ("OCRM") of the South Carolina Department of Health and Environmental Control ("DHEC") and agrees to abide by them.

6. Closing Costs and Prorations: Seller shall pay for the preparation of the deed., recording of any lien releases, and Seller's legal fees. Purchaser shall pay the deed recording fee required pursuant to §12-24-10 *et seq.* of the S.C. Code of Laws, 1976, as amended and all other closing costs. Property taxes shall be pro-rated between the

parties as of the date of Closing. Any annual assessments by I'On Assembly, Inc. (the "Assembly") which have been paid in advance shall be prorated quarterly between Seller and Purchaser as of the date of Closing. The Purchaser shall pay when due all assessments applicable to the Property coming due after the date of Closing as provided in the Declaration and Bylaws referenced in Paragraph 7, as the same may be amended.

7. **Possession:** Seller shall deliver possession of the Property to Purchaser upon Closing.

8. **Disclosures:**

(a) **Assembly Documents:** The real property which is the subject matter of this Agreement is part of the planned community known as I'On, and is subject to the Declaration of Covenants, Conditions and Restrictions of I'On, as it may be amended and supplemented from time to time, as well as the Bylaws, and the Codes of the I'On Assembly, an owners association responsible for administering I'On in accordance with the Declaration. By initialing below in the space provided, Purchaser acknowledges receipt of the foregoing documents and agrees to be bound by the terms and provisions thereof.

Purchaser's Initials _____ Seller's Initials _____

(b) **Membership in Assembly:** Upon conveyance of title to the Purchaser, Purchaser shall automatically become a member of the Assembly and shall remain a member so long as Purchaser holds title to the Property. Purchaser acknowledges that the Assembly is authorized to levy annual assessments against the Property for Purchaser's pro rata share of the common expenses of the Assembly as more fully set forth in the Declaration, and that such assessments are the personal obligation of each member.

(c) **Neighborhood Improvements:** Purchaser acknowledges that in as much as Purchaser may be purchasing the Property prior to the completion of construction on other lots and streets in the Neighborhood, there may be certain inconveniences until all such construction is completed, and Purchaser waives all claims with respect thereto. Purchaser agrees that if Purchaser, his family, guests, employees, agents or invitees enter onto any area of construction, they do so at their own risk, and neither The I'On Company, LLC, Builder, or their respective contractors, agents, or employees, shall be liable for any damage, loss or injury to such person.

(d) **Use and Development Restrictions**: Purchaser acknowledges that the Property is subject to various restrictions on use and development as set forth in the Declaration and I'On Code.

(e) **Plan Approval Pursuant to Declaration:** Purchaser acknowledges that all construction and landscaping on the Property and any modifications thereof affecting the exterior appearance of the Property are subject to prior approval in accordance with the Declaration and the I'On Code.

(f) **Approved Builder:** Purchaser acknowledges that only builders approved by The I'On Company, LLC, the developer of I'On, may construct homes in I'On. Such approval requirement is for the protection of The I'On Company, LLC, only and shall not be construed to create any duty or liability to Purchaser on the part of The I'On Company, LLC. Purchaser agrees that Purchaser shall not permit any person other than a builder approved by The I'On Company, LLC to engage in any construction on the Property.

9. **No Reliance:** Purchaser acknowledges that Purchaser or his or her spouse has made a personal, on-the-lot inspection of the Property prior to signing this Agreement. Purchaser acknowledges that this Agreement is entered into by Purchaser without reliance on any warranties, statements or representations, either written or oral, express or implied, by Seller, or by any agent, employee or representative of Seller, or by any broker or other person purporting to represent Seller, relating to the marketability or investment potential of the Property, the legal or tax consequences of this Agreement and the purchase or ownership of the Property, or other matters, except as set forth in this Agreement between Seller and Purchaser. Purchaser warrants and represents that if such matters are of concern to him, Purchaser has sought and obtained independent advice relative thereto.

10. Subdivision Improvements and Amenities: Purchaser and Seller agree that no representations regarding the provision or completion by the Seller of roads, sewer, gas, or electric services, or recreational amenities have been made by or on behalf of Seller, or relied upon by Purchaser, except as specifically set forth in this Agreement and the Property Report delivered to Purchaser prior to execution of this Agreement. At or prior to Closing, Seller shall complete, or shall post a bond with the Town of Mount Pleasant, South Carolina or Charleston County, South Carolina, as appropriate, to provide financial assurances for completion of paved access from a public street or highway, central water and sewer service, and electricity to serve the Property. Seller agrees to construct the following recreational facilities within or adjacent to the subdivision in which the Property is located, and to complete such construction within 180 days of the estimated date specified below, subject to such contingencies which otherwise excuse any delay in performance under the terms of this Agreement.

Facility	Estimated Date Available for Use
Eastlake lake	11/1998
Eastlake Boathouse	9/1998
Canals	11/1998
Sidewalks, paths and trails – Phase 1	11/1998
Parks and Open Space - Phase 1	11 /1998
Creekside Park	9/1999
Community Dock	9/1999
Sidewalks, paths and trails – Phase 2	10/1999
Parks and Open Space - Phase 2	10/1999

11. Construction of Improvements: Purchaser shall cause construction of a residential dwelling to commence on the Property within 180 days after closing and shall cause such construction to be substantially completed and a certificate of occupancy issued within 12 months thereafter, subject only to delays occasioned by acts of God, material or labor shortages, or other conditions beyond the reasonable control of Seller.

12. Default and Remedies:

(a) **By Purchaser:**

(i) In the event of Purchaser's default in the performance of any obligation or covenant under this Agreement prior to Closing, Seller may elect to terminate this Agreement by written notice to Purchaser and retain the Earnest Money as Seller's full and complete liquidated damages for such default, the parties hereby acknowledging and agreeing that the amount of Seller's actual damages in such circumstance would be difficult, if not impossible, to determine. The parties further agree that such amount is a reasonable estimate of damages and is not a penalty.

(ii) In the event of Purchaser's default in the performance of any obligation or covenant hereunder after Closing, then in addition to the remedies set forth for specific events of default in this Agreement, Seller may elect to pursue any and all remedies available to it at law or in equity.

(iii) If Purchaser loses rights and interest in the Property because of Purchaser's default or breach of contract after 15% of the purchase price, exclusive of interest, has been paid, Seller shall refund to Purchaser any amount which remains from the payments made after subtracting 15% of the purchase price, exclusive of interest, or the amount of Seller's actual damages, whichever is greater.

(b) **By Seller:** Except as otherwise specifically provided below, Purchaser's sole remedies in the event of Seller's default in the performance of its obligations and covenants under this Agreement shall be as follows:

(i) If Seller defaults under this Agreement prior to Closing, Purchaser, at its election, may (i) avail itself of the equitable remedy of specific performance; or (ii) terminate this Agreement by written notice to Seller, whereupon Seller shall immediately refund to Purchaser all monies paid by Purchaser to Seller under this Agreement and the parties shall be relieved of any further obligations hereunder.

(ii) If Seller defaults under this Agreement in performance of any obligation to be performed after Closing and which expressly survives Closing, Purchaser may either seek specific performance of Seller's obligations hereunder or pursue any and all other remedies or actions at law or in equity available against Seller.

(c) **Notice of Default; Costs:** Notwithstanding anything to the contrary in this Paragraph 12, neither Seller nor Purchaser shall be entitled to exercise its remedies hereunder until the non-defaulting party has given the defaulting party at least 20 days written notice of such default, specifying the action necessary to cure such default, and if such default is cured during such 20-days, this Agreement shall continue in full force and effect. In any action at law or in equity between the parties occasioned by a default hereunder, the prevailing party shall be entitled to collect its reasonable attorney's fees and paralegal's fees actually incurred in the action from the non-prevailing party.

13. **Construction and Modification of Agreement:** The parties covenant and agree that this Agreement, together with any exhibit(s) or attachments referenced herein, (i) supersedes any and all other agreements of the parties and constitutes and expresses the entire agreement between the parties; (ii) may be amended only by a written instrument executed by both parties; (iii) shall be governed, construed, and enforced in accordance with the laws of the State of South Carolina. Should any provision of this Agreement be void or become unenforceable at law or in equity, the remaining provisions shall remain in full force and effect and shall not in any manner be thereby affected or impaired. The provisions of this Agreement which contemplate performance after Closing shall survive the Closing. Time is of the essence for this Agreement.

14. **Successors and Assigns; Transfer of Title:** This Agreement shall be binding upon and inure to the benefit of the heirs, personal representatives, successors, and assigns of the parties. Purchaser shall not transfer title to the Property after Closing unless such transfer is accompanied by an assignment to and assumption by the transferee of Purchaser's obligations under this Agreement.

15. **Notice:** Any communication under this Agreement shall be deemed duly given if in writing and either deposited, postage prepaid in the United States mail, certified mail with a return receipt requested, delivered personally, or via overnight air courier, to the address stated herein or such other address as may have previously been designated by either party by written notice to the other in accordance with this section.

16. **Force Majeure:** Either party hereto shall be excused for the period of delay in the performance of any obligations hereunder when such delay is occasioned by cause or causes beyond the control of the party whose performance is so delayed and the time for performance shall be automatically extended for a like period. Such causes shall include, without limitation, all labor disputes; civil commotion; war; war-like operations; sabotage; governmental or judicial regulations, legislation, or controls; inability to obtain any necessary materials or services; or acts of God.

17. **No Waiver:** Failure of either party to insist upon compliance with any provision hereof shall not constitute a waiver of the rights of such party to subsequently insist upon compliance with that provision or any other provision of this Agreement.

18. Brokers: Seller and Purchaser each represent to the other that neither has dealt with a real estate broker or agent in connection with the purchase and sale contemplated by this Agreement, other than the broker(s), if any, whose name(s) and address(es) appear on the signature page of this Agreement. By initialing below, Purchaser and Seller acknowledge that (i) the Listing Broker, if any, identified on the signature page of this Agreement has acted as the agent of Seller in this transaction and Seller shall pay any real estate commission to which such Listing Broker may be entitled; and (ii) the Selling Broker, if any, identified on the signature page of this Agreement has acted as the agent of the Purchaser in this transaction and I'On Realty shall pay any real estate commission to which such Selling Broker may be entitled

19. Commission: Purchaser hereby acknowledges that Builder has agreed to pay Broker a commission of six (6%) of the Gross Sales Price, of the improvements to be constructed by Builder on Purchasers lot. Said commission shall be paid upon closing of the construction loan or commencement of construction, whichever next occurs after Builder enters into the contract for which commission is payable hereunder.

Seller's Initials _____ Purchaser's Initials _____

IN WITNESS WHEREOF, the parties have set their hands and seals, to be effective as of the date of execution by Seller below.

YOU HAVE THE OPTION TO CANCEL YOUR CONTRACT OR AGREEMENT OF SALE BY NOTICE TO THE SELLER UNTIL MIDNIGHT OF THE SEVENTH DAY FOLLOWING THE SIGNING OF THE CONTRACT OR AGREEMENT.

IF YOU DID NOT RECEIVE A PROPERTY REPORT PREPARED PURSUANT TO THE RULES AND REGULATIONS OF THE OFFICE OF INTERSTATE LAND SALES REGISTRATION, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, IN ADVANCE OF YOUR SIGNING THE CONTRACT OR AGREEMENT, THE CONTRACT OR AGREEMENT OF SALE MAY BE CANCELED AT YOUR OPTION FOR TWO YEARS FROM THE DATE OF SIGNING.

Signed, sealed and delivered in the presence of:

Cheryl Steadman (Printed Name)

_____ (Printed Name)

PURCHASER(S):

By: _____
Mendy Gowder (Printed Name)

By: _____
Andy Gowder (Printed Name)

Date: **September 1, 1999**

Signed, sealed and delivered in the presence of:

Linda M. German (Printed Name)

SELLER: The I'On Company, L.L.C., a South Carolina limited liability company

By: _____
Joseph E. Barnes (Printed Name)

Its: General Manager

Date: 10-4-99

LISTING BROKER:	**SELLING BROKER:**
Name: I'On Realty, L.L.C. Address: 159 Civitas Street Mt. Pleasant, SC 29464 Agent William H. Orange Phone: 843-884-3080, Extension 16	Name: I'On Realty, L.L.C. Address: 159 Civitas Street Mt. Pleasant, SC 29464 Agent: William H. Orange Phone: 843-884-3080, Extension 16

ADDENDUM "A"

Special Stipulations

The following special stipulations shall be added to and become a part of the Lot Purchase Agreement by and between The I'On Company, L.L.C. ("Seller") and **Mendy and Andy Gowder** ("Purchaser") dated **September 1, 1999** (the "Agreement"), and shall control over any inconsistent provisions in the body of such Agreement.

1. Purchaser shall grant to Seller the right to re-purchase the Property at Purchaser's original Purchase Price, in the event that Purchaser defaults on the provision in Paragraph 11, fails to commence construction of residential dwelling on the Property within six (6) months following closing and default remains uncured after 30 day written notice of default. Purchaser shall execute a repurchase option as shown on Addendum "B" of this agreement at closing.

Signed, sealed and delivered in the presence of:

Cheryl Steadman
Cheryl Steadman (Printed Name)

_____
_____ (Printed Name)

PURCHASER(S):

By: _____
Mendy Gowder (Printed Name)

By: _____
Andy Gowder (Printed Name)

Date: **September 1, 1999**

Addendum "B"

Option to Purchase

This Agreement is entered into this 1st day of September, 1999, by and between The I'On Company, LLC, (hereinafter referred to as "Grantor") and Mendy and Andy Gowder (hereinafter referred to as "Grantee").

WHEREAS, of even date herewith Grantor has conveyed to Grantee the property more particularly described on Exhibit "A" attached hereto and by this reference incorporated here (the "Property");

WHEREAS, the Lot Purchase Agreement (herein the "Agreement") pursuant to which Grantee acquired the Property from Grantor provided that in the event Grantee, within six (6) months from the date of the acquisition of the Property fails to commence construction of a properly approved residence on the Property, Grantor shall have the right to purchase the Property from the Grantee at the purchase price paid by Grantee upon the acquisition of the Property from Grantor;

NOW THEREFORE, for and in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantee does hereby grant and convey unto Grantor a right and option to repurchase the Property for a period commencing on the date hereof and terminating on the third anniversary of the date hereof, or the earlier date when a certificate of occupancy is issued for a residential dwelling on such Property (the "Term"). This option to repurchase is subordinate to any first mortgage or other security instrument of first priority securing a bona fide construction loan on the property. Grantor's election not to exercise its option to repurchase the Property shall not be deemed a waiver of the right to exercise such option.

If Grantor elects to exercise its option to repurchase, it shall do so by delivering written notice of such election to Grantee during the Term. Grantee shall convey the Property to Grantor by general warranty deed (subject to the same exceptions to title set forth in the deed of conveyance to Grantee within thirty (30) days after the date of receipt of Grantor's notice (the exact date, time, and location of closing of the repurchase to be selected by Grantor), for a purchase price which is equal to the amount paid by Grantee to Grantor for the lot. Such purchase price shall be paid in immediately available funds. If the title proposed to be conveyed is subject to any lien, encumbrance or defect which is not permitted, Grantor, in addition to all other rights and remedies which it may have at law or in equity, may remove any such lien, encumbrance or defect and deduct all costs and expenses incurred by Grantor (including, but not limited to, attorney's fees) from the amount of the purchase price otherwise payable as provided herein. Ad valorem taxes and assessments shall be prorated in the same manner as prorated with respect to the original conveyance of the Property by grantor to Grantee.

The option to purchase set forth in this Instrument shall automatically terminate upon the issuance of a certificate of occupancy by the appropriate governmental authorities for a residential dwelling on the property, and Grantor shall, upon receipt of a written request from Grantee or a successor-in-title to the Property, execute a release of such option to purchase in recordable form.

IN WITNESS WHEREOF, the parties hereto have executed this agreement under seal on the date first above written

The I'On Company, LLC, a South Carolina limited liability company

By: _____

Name: Joseph E. Barnes

Title: General Manager

Signed, sealed, and delivered in the Presence of:

Linda M. Gerrard
WITNESS

_____
NOTARY PUBLIC

My Commission Expires:

[AFFIX NOTARY SEAL]

Grantee: **Mendy Gowder**

Grantee: **Andy Gowder**

Date: **September 1, 1999**

By: _____

By: _____

Name: _____

Title: _____

Signed, sealed, and delivered in the presence of:

Sue Mullinax
WITNESS

Cheryl Stedman
NOTARY PUBLIC

My Commission Expires: 9/18/99

[AFFIX NOTARY SEAL]

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

We must give you a copy of this Property Report and give you an opportunity to read it before you sign any contract or agreement. By signing this receipt, you acknowledge that you have received a copy of our Property Report.

Received by: _____ Date: 9/30/99
Street Address: [redacted]
City Charleston State SC Zip 29401

If any representations are made to you which are contrary to those in the report, please notify:

Office of Interstate Land Sales Registration
HUD Building, 451 Seventh Street, S.W.
Washington, D.C. 20410

AGENT CERTIFICATION

I certify that I have made no representations to the person(s) receiving this Property Report which are contrary to the information contained in this Property Report.

Lot 230 Block _____ Section _____
Name of Salesperson: William H. ORANGE
Signature: _____ Date: SEPT 8 1999

PURCHASER CANCELLATION

If you are entitled to cancel your purchase contract and wish to do so, you may cancel by personal notice or in writing. If you cancel in person or by telephone, it is recommended that you immediately confirm the cancellation by certified mail. You may use the form below:

Name of Subdivision: I'On
Date of Contract: _____

This will confirm that I/we wish to cancel our purchase contract.

Purchaser(s) signature: _____ Date: _____

DEFENDANT'S EXHIBIT 63 I'On

Monthly Meeting Minutes

I'On Assembly

NOTICE OF FOURTH ANNUAL MEMBERS' MEETING

December 11, 2002

Dear Neighbor,

The annual I'On Assembly meeting will be held January 7, 2003 at 7:00 pm at the Creek Club.

Please take a few minutes to review the materials enclosed in this packet. They include instructions on using the new website, minutes from the 2002 Annual Meeting, agenda for the 2003 Annual Meeting, 2003 budget as approved by the Board, your 2003 assessment bill, slate of candidates for 2003, and the proxy/ballot for the candidates and proposed amendment to the Declaration of CCR's. There are two positions available on the Board. In addition to the candidates listed on the proxy/ballot, we will be taking nominations from the floor at the meeting.

The enclosed proxy/ballot is divided into two portions. Please complete both the proxy and ballot portions, choosing two candidates and voting on the proposed amendment, and return it in the enclosed self-addressed stamped envelope ONLY if you do not plan to attend or if you are not sure you will be able to attend. If you are definitely attending the meeting, please do not return the proxy/ballot. You will be given a ballot when you sign in at the Annual Meeting. There is only one ballot for each lot owned in the Assembly.

The reason that we ask you to return the proxy/ballot if you are not planning to attend the meeting is so a quorum can be established. If a quorum is not met, the meeting will have to be rescheduled, resulting in unnecessary expenses to the Assembly. If you cast your vote with the proxy, make sure you fill out both the proxy portion and the ballot portion correctly. If your vote is indicated on the ballot and the proxy portion is not completed, your ballot will be invalid. If you vote for more than two candidates, your ballot will be invalid.

Thank you for your continued interest and involvement in the Assembly. Should you have any questions regarding anything contained in this Notice, please feel free to contact our office at (843) 849-7062 or jerry_driggers@ccmcnet.com for assistance.

Sincerely,

S. Jerry Driggers, CAM
Community Association Manager
For CCMC, Managing Agent

DEFENDANT'S EXHIBIT
70 I'On

Monthly Meeting Minutes

I'ON ASSEMBLY
THIRD ANNUAL MEMBERS' MEETING
OCTOBER 30, 2001

MINUTES

I. Calling Meeting to order

Pursuant to call the 2001 Annual Members' meeting of I'On Assembly, commenced at 7:00 P.M. on October 30, 2000 at the Creek Club at I'On , Mount Pleasant, South Carolina.

II. Proof of Notice was provided

III. Welcome

A. Introduction of Board and Management – President introduced Board members and CCMC representatives in attendance.
B. President's Report-Joe Barnes reported on the progress toward completion made during 2001. Status updates were provided including eighty new families, construction of the amphitheater begun, West Lake filled.
C. Developer's report-Vince Graham narrated a slide presentation showing the evolution of the development from its earliest days to the present.
D. Guest Speakers
   1. Mt. Pleasant Fire Department Chief Mike Allen introduced members of his staff and team and discussed fire prevention and EMS issues as they related to the I'On neighborhood.
   2. Mt. Pleasant Police Officer Morrell discussed issues relating to traffic and speeding concerns within the neighborhood.

IV. Managers Report

A. Speeding – Briefed this as an ongoing issue and discussed the graduated steps the Board of Trustees have implemented to address neighborhood concerns.
B. Street lights – The removal and replacement of selected street lights within the neighborhood was briefed.
C. Landscaping
   1. Maintenance responsibilities – Management briefed and addressed concerns about landscaping, scope of the contract, and landscaping responsibilities of the homeowners.
   2. Tree Trimming – Briefed the plans to begin tree trimming in the winter months as well as an intended maintenance program for selected grand trees within the neighborhood.

3. Vines and Ants – Briefed this as an ongoing problem in the Low Country that will receive attention as needed and encouraged homeowners to eradicate and prune their properties as necessary.

D. Delinquencies – The process for collecting unpaid dues was explained.

E. Directory – Issues relating to the recently published directory were discussed and it was briefed that a new directory would be published in the near future that would eliminate some of the problems and concerns generated by the current directory.

F. Rules and Restrictions – General guidelines regarding the expectations for the maintenance of yards and storage of boats were discussed.

V. Treasurer's Report – Chris Fraser briefed the status of the operating account as having a positive variance.

VI. New Business

A. "Lt." Doug Stalnaker, briefed his responsibilities as the Neighborhood Lieutenant for the Emergency Preparedness program in Mt. Pleasant.

B. Julian Smith briefed plans to host the Cooper River Kids Bridge Run in the I'On neighborhood on the day before the scheduled adult run in the spring.

C. Joe Barnes addressed a complaint regarding the size of the postal pavilion mailboxes.

VII. Meeting Adjournment – Meeting was adjourned at 9:00 PM.

Approved _____

Submitted _____

Monthly Meeting Minutes

I'On Assembly

Fourth Annual Meeting
January 7, 2003, 7:00 pm
Creek Club at I'On
Mt. Pleasant, SC

1. Call Meeting to Order
2. Proof of Notice and Establish Quorum
3. Welcome and Introduction of Board and Management
4. New Business: Amendment
5. Board Nominations from Floor and Election
6. Guest Speakers
    A. Forever Green Inc.
    B. Mt. Pleasant Fire Department
    C. The Very Reverend John Burwell – Church of the Holy Cross
    D. Father John Breck – Holy Ascension Orthodox Church
    E. AtHomeNet
    F. Neighborhood Theater
    G. Mt. Pleasant Police Department
    H. Development Report
7. Committee Reports
    A. Boathouse Committee
    B. Finance Committee
    C. Communication Committee
    D. Landscape Committee
    E. Common Area Use Committee
8. Open Discussion
9. Announcement of New Board Members
10. Adjournment

I' ON ASSEMBLY
2003 BUDGET SUMMARY

	REVENUES				
0301	Regular Assessments			$ 240,953	
0307	Interest Income			350	
03070001	Interest Income Reserves			120	
0318	Fines & Late Charges			600	
0320	Developer Loan			5,000	
0328	Shared Service Reimbursement			-	
	Operating Surplus, 2002			-	
	Total Revenues				**$247,023**
	EXPENSES				
	Repairs & Maintenance				
0430	Maintenance & Repairs		$ 20,000		
0440	Landscape Maint. & Supplies		17,250		
0443	Contract Landscape Maint.		59,904		
0448	Tree Maint. & Supplies		4,000		
0445	Lake Maintenance		14,800		
0447	Irrigation Maintenance		1,200		
0450	Interior Pest Control		-		
0454	Dock Maintenance		4,044		
	Total			**$ 121,198**	
	General & Administrative				
0510	Office Supplies		$ 700		
0511	Printing		600		
0512	Postage		1,200		
0513	Newsletter Expense		1,200		
0515	Internet Home Page		900		
0520	Legal Services		2,500		
0521	Audit Services		1,400		
0522	Management Services		36,960		
0523	Professional Services		-		
0529	Community Manager		9,104		
0530	Insurance Expense		7,200		
0540	Annual Meeting Exp		-		
	Total			**$ 61,664**	
	Utilities				
0600	Electricity		$ 41,250		
0601	Water & Sewer		6,000		
0606	Telephone		360		
	Total			**$ 47,610**	
	Other Expenses				
0910	Replacement Reserves		$ 16,500		
0930	Operating Contingency		-		
0920	Federal Income Tax		6		
0921	State Income Tax		45		
0924	C/A Prop. Tax		-		
	Total			**$ 16,551**	
	Total Operating Expenses				**$247,023**

Monthly Meeting Minutes

I' ON ASSEMBLY
2003 Detailed Budget Worksheet

Acct	Description	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	REVENUES													
0301	Regular Assessments	$ 218,870		$ 11,250			$ 6,207			$ 3,717			$ 909	$ 240,953
0307	Interest Income	30	30	30	30	30	30	30	30	30	30	30	20	350
03070001	Interest Income Reserves	10	10	10	10	10	10	10	10	10	10	10	10	120
0316	Fines & Late Charges	50	50	50	50	50	50	50	50	50	50	50	50	600
0320	Developer Loan	-			-			-					5,000	5,000
0328	Shared Service Reimbursement		-	-		-	-		-	-		-	-	-
	Operating Surplus, 2002	-		-	-	-	-	-		-	-	-	-	-
	Total Revenues	$ 218,960	$ 90	$ 11,340	$ 90	$ 90	$ 6,297	$ 90	$ 90	$ 3,807	$ 90	$ 90	$ 5,988	$ 247,023
	EXPENSES													
	Repairs & Maintenance													
0430	Maintenance & Repairs	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	20,000
0440	Landscape Maint. & Supplies	250	250	250	1,000	13,000	250	250	250	1,000	250	250	250	17,250
0443	Contract Landscape Maint.	4,992	4,992	4,992	4,992	4,992	4,992	4,992	4,992	4,992	4,992	4,992	4,992	59,904
0448	Tree Maint. & Supplies	-	-	-	4,000	-	-	-	-	-	-	-	-	4,000
0445	Lake Maintenance	995	995	2,995	995	995	995	995	995	1,855	995	995	995	14,800
0447	Irrigation Maintenance	100	100	100	100	100	100	100	100	100	100	100	100	1,200
0450	Interior Pest Control	-	-	-	-	-	-	-	-	-	-	-	-	-
0454	Dock Maintenance	337	337	337	337	337	337	337	337	337	337	337	337	4,044
	Total	$ 8,341	$ 8,341	$ 10,341	$ 13,091	$ 21,091	$ 8,341	$ 8,341	$ 8,341	$ 9,951	$ 8,341	$ 8,341	$ 8,341	$ 121,198
	General & Administrative													
0510	Office Supplies	$ 58	$ 58	$ 58	$ 58	$ 58	$ 58	$ 58	$ 58	$ 58	$ 58	$ 58	$ 58	$ 700
0511	Printing	42	42	42	42	42	42	42	42	42	42	42	42	500
0512	Postage	100	100	100	100	100	100	100	100	100	100	100	100	1,200
0513	Newsletter Expense	100	100	100	100	100	100	100	100	100	100	100	100	1,200
0515	Internet Home Page	75	75	75	75	75	75	75	75	75	75	75	75	900
0520	Legal Services			1,250					1,250					2,500
0521	Audit Services			-	1,400									1,400
0522	Management Services	3,080	3,080	3,080	3,080	3,080	3,080	3,080	3,080	3,080	3,080	3,080	3,080	36,960
0523	Professional Services			-	-									-
0529	Community Manager	759	759	759	758	759	759	759	759	759	759	759	759	9,104
0530	Insurance Expense	600	600	600	600	600	600	600	600	600	600	600	600	7,200
0540	Annual Meeting Exp	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	$ 4,814	$ 4,814	$ 6,064	$ 6,214	$ 4,814	$ 4,814	$ 4,814	$ 6,064	$ 4,814	$ 4,814	$ 4,814	$ 4,814	$ 61,664
	Utilities													
0600	Electricity	$ 3,200	$ 3,200	$ 3,200	$ 3,200	$ 3,250	$ 4,000	$ 4,000	$ 4,000	$ 3,600	$ 3,200	$ 3,200	$ 3,200	$ 41,250
0601	Water & Sewer	500	500	500	500	500	500	500	500	500	500	500	500	6,000
0606	Telephone	30	30	30	30	30	30	30	30	30	30	30	30	360
	Total	$ 3,730	$ 3,730	$ 3,730	$ 3,730	$ 3,780	$ 4,530	$ 4,530	$ 4,530	$ 4,130	$ 3,730	$ 3,730	$ 3,730	$ 47,610
	Other Expenses													
0910	Replacement Reserves	$ 1,375	$ 1,375	$ 1,375	$ 1,375	$ 1,375	$ 1,375	$ 1,375	$ 1,375	$ 1,375	$ 1,375	$ 1,375	$ 1,375	$ 16,500
0930	Operating Contingency													-
0920	Federal Income Tax				8									8
0921	State Income Tax				45									45
0924	C/A Prop. Tax													-
	Total	$ 1,375	$ 1,375	$ 1,375	$ 1,426	$ 1,375	$ 1,375	$ 1,375	$ 1,375	$ 1,375	$ 1,375	$ 1,375	$ 1,375	$ 16,551
	Total Expense	$ 18,259	$ 18,259	$ 21,509	$ 24,460	$ 31,059	$ 19,059	$ 19,059	$ 20,309	$ 20,269	$ 18,259	$ 18,259	$ 18,259	$ 247,023
	Net Income	$ 200,701	$ (18,169)	$ (10,169)	$ (24,370)	$ (30,969)	$ (12,762)	$ (18,969)	$ (20,219)	$ (16,462)	$ (18,169)	$ (18,169)	$ (12,270)	$ -

Monthly Meeting Minutes

I' ON ASSEMBLY
2003 Detailed Budget Worksheet

AMCS 000008

910	RESERVE ITEMS:													
	In accordance with the formal													
	Reserve Study completed 2001.													
	Fences													
	Mathis Ferry barrier													
	Wood, Eastlake													
	Wire, Friendship Garden													
	Creek Club													
	Wood, Ramble													
	Mail Boxes, 15													
	Retaining Walls, across site													
	Boathouse, Eastlake													
	Irrigation System													
	Pathways													
	Bollards & chains													
	Eastlake park & canals													
	Playground, Eastlake													
	Post Pavilion													
	Eastlake & Ponsbury													
	Seawall													
	Eastlake & Westlake													
	Bridge, Isle of Hope													
	Dock													
	Creek Club													
	Isle of Hope													
	Annual Assessment													
		2003	2003	2002	2002		2003							
		#	Annual	#	Annual									
		Lots	Fee	Lots	Fee		Variance							
		430	$ 500	385	$ 500		$ -							

I'ON ASSEMBLY
2003 BUDGET COMPARISON TO 2002 AND 2001

Account	Description	2001 Budget	2001 Acutal	2002 Budget	2002 Projection	2003 Budget
		Beg/End Lots		Beg/End Lots		Beg/End Lots
		293/334		334/430		430/494
	REVENUES					
0301	Regular Assessments	$ 144,000	$ 125,207	$ 192,113	$ 191,381	$ 240,953
03010090	Reserve Fund Contrib	$ -	$ (3,998)	$ (16,500)	$ (16,500)	$ -
0307	Interest Income	$ 2,496	$ -	$ 600	$ 410	$ 350
03070001	Interest Income Reserves	$ -	$ 1,308	$ 1,200	$ -	$ 120
0318	Fines & Late Charges	$ -	$ 512		$ 1,100	$ 600
0320	Developer Loan	$ -		$ 16,000	$ 16,000	$ 5,000
0328	Shared Service Reimbursement	$ -	$ (2,022)	$ 780	$ -	$ -
0351	Advertising Income	$ -	$ 30	$ -	$ -	$ -
0	Operating Surplus, 2002	$ -	$ -	$ 6,500	$ -	$ -
	Total Revenues	**$ 146,496**	**$ 121,039**	**$ 200,693**	**$ 192,391**	**$ 247,023**
	EXPENSES					
	Repairs & Maintenance					
0410	Maintenance Staff	$ -	$ -	$ -	$ -	$ -
0430	Maintenance & Repairs	$ 6,504	$ 10,008	$ 20,000	$ 15,960	$ 20,000
0440	Landscape Maint. & Supplies	$ -	$ 11,992	$ 5,000	$ 4,500	$ 17,250
0443	Contract Landscape Maint.	$ 43,188	$ 44,914	$ 67,200	$ 64,907	$ 59,904
0448	Tree Maint. & Supplies	$ -	$ 9,314	$ 1,200	$ 300	$ 4,000
0445	Lake Maintenance	$ -	$ 890	$ 12,000	$ 10,608	$ 14,800
0447	Irrigation Maintenance	$ 12,360	$ 168	$ 1,200	$ 1,500	$ 1,200
0450	Interior Pest Control	$ 1,200	$ -	$ -	$ -	$ -
0454	Dock Maintenance	$ 5,845	$ -	$ 6,000	$ 4,160	$ 4,044
0493	Sign Maintenance	$ -	$ 3	$ -	$ -	$ -
	Total	$ 69,097	$ 77,289	$ 112,600	$ 101,935	$ 121,198
	General & Administrative					
0510	Office Supplies	$ 624	$ 516	$ 700	$ 320	$ 700
0511	Printing	$ -	$ 1,627	$ 500	$ 2,100	$ 500
0512	Postage	$ 600	$ 1,662	$ 1,200	$ 1,500	$ 1,200
0513	Newsletter Expense	$ 8,004	$ 420	$ 2,000	$ -	$ 1,200
0515	Internet Home Page	$ 6,600	$ 5,414	$ 3,000	$ 3,250	$ 900
0520	Legal Services	$ 504	$ -	$ -	$ 4,000	$ 2,500
0521	Audit Services	$ 1,250	$ 1,200	$ 1,325	$ 1,325	$ 1,400
0522	Management Services	$ 22,800	$ 22,800	$ 36,960	$ 36,960	$ 36,960
0523	Professional Services	$ -	$ -	$ -	$ -	$ -
0529	Community Manager	$ -	$ -	$ 9,104	$ 8,500	$ 9,104
0530	Insurance Expense	$ 4,500	$ 3,866	$ 6,000	$ 5,490	$ 7,200
0540	Annual Meeting Exp		$ -	$ -	$ -	$ -
0541	Social Activities	$ 2,500	$ 435	$ -	$ -	$ -
0598	Bad Debt Expense	$ -	$ 4	$ -	$ -	$ -
0599	Administrative Expense	$ -	$ 10	$ -	$ -	$ -
	Total	$ 47,382	$ 37,954	$ 60,789	$ 63,445	$ 61,664
	Utilities					
0600	Electricity	$ 9,000	$ 15,019	$ 15,000	$ 38,000	$ 41,250
06000001	Electricity - Street	$ -	$ 298	$ -	$ -	$ -
0601	Water & Sewer	$ 11,004	$ 5,297	$ 6,000	$ 5,300	$ 6,000
0606	Telephone	$ 300	$ 1,109	$ 1,270	$ 200	$ 360
	Total	$ 20,304	$ 21,723	$ 22,270	$ 43,500	$ 47,610
	Other Expenses					
0910	Replacement Reserves	$ -	$ -	$ -		$ 16,500
0930	Operating Contingency	$ 5,640	$ -	$ 5,000	$ -	$ -
0920	Federal Income Tax	$ -	$ 370	$ 7	$ 6	$ 6
0921	State Income Tax	$ -	$ 27	$ 27	$ 62	$ 45
0924	C/A Prop. Tax	$ 100	$ 81	$ -	$ 2	$ -
	Total	$ 5,740	$ 478	$ 5,034	$ 70	$ 16,551
	Total Expenses	**$ 142,523**	**$ 137,444**	**$ 200,693**	**$ 208,950**	**$ 247,023**
	Net Proceeds	**$ 3,973**	**$ (16,405)**	**$ -**	**$ (16,559)**	**$ -**

I'On Assembly

Amendment to the Declaration of Covenants, Conditions, and Restrictions

The I'On Assembly Board of Trustees, upon the recommendation of the Finance Committee, proposes the following Amendment to the Declaration of Covenants, Conditions, and Restrictions.

A Real Estate Transfer Fee of ¼% of the gross sales price of any Lot, Real Property or of any additional property that may in the future be added to I'On will be paid at time of closing. Each present or future Titleholder of any Lot or Real Property, by acceptance of the deed therefore (whether or not it shall be so expressed in any such deed), shall be deemed to covenant and agree for himself, his heirs, representatives, successors and assigns to pay such Real Estate Transfer Fee upon the sale of such Lot or Real Property.

Specifics:

- Only applies to resale of property and not to first time sales.
- Does not apply to transfer of property between spouses or the relatives of any titleholders by gift deed, or court ordered transfer, assents to devisees and/or executors or administrators deeds pursuant to estate planning.
- Collected by the closing attorney or settlement agent at closing and paid to the I'On Assembly, Inc. within 15 days after closing.
- Fees collected shall be used at the discretion of the Board of Trustees in the best interest of the Assembly, such as:
  - Holding down or reducing annual assessments
  - Funding capital reserves
  - Funding operational budget shortfalls
  - Separate special fund set up for emergencies (i.e. hurricanes)
  - Any unpaid Transfer Fee is subject to late charges, interest, costs of collection, and will be a lien against the property.
  - The Transfer Fee will be assessed to the purchaser.

The following neighboring communities currently have Real Estate Transfer Fees:

- Daniel Island ½%
- Long Point ¼%
- Molasses Creek ¼%
- Wild Dunes ½%

Candidates for the 2003 I'On Assembly Board of Trustees
(two seats available)

Annie Bonk lives at [redacted]. "She is a 2+ year resident of I'On and has a degree in mathematics. In addition to her 25+ years of banking experience, Annie has served as a member on various boards (Alumni Board of Governors of Lake Forest College, Quality Initiative Board at Northern Trust Co., Catholic Charities Budget Counseling, Volunteer Pool of Deerfield, and Distributive Education Clubs of America). After moving to Charleston, she was elected treasurer and then president of Charleston Yacht Club Auxiliary. Most recently, she serves on the I'On Boathouse and Finance committees. She has the time, skills and strong desire to work for the homeowners as a member of the Assembly Board."

Ed Clem lives at [redacted]. "As someone who has lived in a wide variety of towns and neighborhoods over my lifetime, I love the principles upon which I'On has been established, and would love to see it continue to grow both dynamically and responsibly. I also recognize the need for the Assembly to function, through its Board of Committees, to protect the values inherent in this neighborhood, by managing the assets prudently for the collective benefit of the Owners and Residents. I have attended many meetings of the Assembly Board, and have served on the Finance and Management Committees, giving me some knowledge of the workings of these groups. I would love to see more I'On residents become active in the various committees called for in the Covenants, and, as a Board Member, would encourage such involvement. As an industry executive, I managed multimillion-dollar budgets, so I am very familiar with the need for an organization to practice fiscal responsibility. I also have experience with consensus building among people with diverse interests, ideas, and opinions, and have successfully negotiated agreements between these groups, so I know the importance of dialogue and compromise. Should you entrust me with the responsibility inherent in Board Membership, I promise to work tirelessly and diligently to help the Assembly realize the collective vision of every I'Onian – a beautiful, timeless, and vibrant community which we can all be proud to call Home."

Joe Halford lives at [redacted]. "Principal Consultant for Computer-Aided Engineering (retired) for the DuPont Company. Resident of I'On with my wife, Jane. I'On property owner since 1998. Mt. Pleasant resident 1971-80 and 1991-present. We have three children, all grown, and two grandchildren. I am a physicist, a graduate of Univ. of SC, 1966. Jane and I have been supportive of I'On since it was in the planning stages. We love this community and want to see it well maintained and further improved. My interests in the I'On Assembly Board will be to further reduce our costs without degrading the services. I am very strongly motivated toward limiting any increases in annual fees, and avoiding special assessments."

William Hamilton "lives on [redacted] Street with Julia, his wife of 16 years (a violinist in I'Onissimo!) and [redacted], his 10-year-old son. He writes a weekly Moultrie News newspaper column called Porches to Sidewalks focusing on community issues. He practices law from his office on I'On Square; convenes with the Pepper Jar Club (a political discussion group which meets at O'Brion's Pub) and created the I'On Village Walk Guide. Hamilton helps organize the annual kayak race in September, is a trained Boy Scout leader, former Sunday school teacher and a former board member of the SC Battleground Preservation Trust. He has been a faculty member at SC Continuing Legal Education Commission programs for three years. Born in 1959 in Charleston, he graduated from Wando High School and grew up in Hobcaw, camping where I'On is now. He was twice President of his former homeowner's association."

Gaye Joyner lives at [redacted]. "Two years ago my husband Louis and I moved to I'On because we believe in the concept of traditional neighborhoods. Since the Board has the responsibility to address issues that impact quality of life in I'On, I want to serve on the Board to improve communications and to increase resident participation in Assembly decisions. In my 25 years work experience, I helped establish boards, served on numerous boards, and worked with staff responsible for implementing board decisions. I am willing to commit the time and effort that it takes to serve on this Board."

Michael Purcell lives at [redacted]. "I am honored by the nomination to serve on the board of trustees for I'On and excited about the potential opportunity. I am 33 years old, married, have a 22-month-old daughter and another daughter on the way. We have been in the neighborhood since February of 2000, but I am a native to the area since I grew up in another neighborhood on Mathis Ferry Road. I am Currently an owner of a home medical equipment business here and have six other locations throughout the state of South Carolina. I think highly of the neighborhood and its concepts. I do have concerns about children's safety and neighborhood communication. I will work hard to make sure the needs of the neighborhood are met in a fair manner."

Steve Vermillion lives at [redacted]. "He is married with two children, ages six and eight. He has been a Mt. Pleasant resident since 1993 and an I'On resident since 2001. Steve is employed at MUSC as a High Risk Obstetrician (Maternal-Fetal Medicine Specialist). He is especially interested in a number of issues affecting residents in I'On, including traffic safety, children's programs, community outreach, grounds preservation and development of community traditions."

Residents Living in I'On News or Whatever
RLII...Now (really...now)

Volume III, No. 12A December 2002

FOR IMMEDIATE RELEASE

Preview Now Available for *NEW...* IonCommunity.com

Mt. Pleasant, SC December 10, 2002: A preview version of the new **ioncommmunity.com** web site was released by the I'On On-Line Team today, ready for you to drop by for a visit. The new web site is now available for preview at www.ioncommunity.com. Like I'On, we're still "under construction", but please browse now to see how it's shaping up.

New Features:

- Easiest access ever to Monthly Neighborhood Newsletter
- I'On Directory with updated and expanded information – can include children's names, ages and schools, Emergency Contact information.
- PhotoGallery – recent neighborhood events and seasonal scenes from I'On.
- One central I'On Events Calendar – Social, Trust, Assembly, Sports, all in one easy location.
- A Map & Directions feature, including MapQuest for detailed maps within I'On – send your visitors here to print out directions to your house!

WHAT YOU NEED TO DO: We specifically need you to set up your family's profile now, to make the site more useful to everyone. To do this:

- Login to www.ioncommunity.com, and if need be, click on the link provided to the new web site. Visit the features listed here first (Parks and Places, Map & Directions, etc.). These are things anyone can browse. Only our property owners can go further inside.
- Next, click on "Resident Login". You'll be asked for a Login Name and Password.
- You have been assigned a temporary Login Name and Password:
  Temp Login Name: **YourLastNameStreet#**, e.g. "ulrich110"
  Temp password: **ion**
  Please enter these now to reach the residents-only section of the website.
- Next, click on 'My Profile' (top left corner) to fill out information for you and your family including the Login Name and Password you really want to use (jot this down somewhere safe). Click "Save Changes" at the bottom when you're all done. It is up to you to keep this information accurate. Only property owners and I'On renters will have access to this directory, intended only for personal use. So now you're done with that – thank you!
- Finally, click back on "Residents-only Home" to see all the new features. You're on your own from there. We hope you enjoy your visit to our new community website!
- ***If you don't have a computer or access to the internet,*** call 856-8239 and provide your name and I'On address and we'll get you a paper profile form you can fill out and return.

Please direct any questions or suggestions to: Cynthia Rosengren at ioncommunity@comcast.net

Committee Hearing Minutes

I'On Assembly

4th ANNUAL MEMBERS' MEETING

January 7, 2003

PROOF OF MAILING

S. Jerry Driggers, being duly sworn, deposed and is of legal age, supervised on December 11, 2002 the mailing of the attached copy of the Notice of the Annual Members' Meeting, Minutes of the 2002 Annual Meeting, Agenda for 2003 Annual Meeting, 2003 Assessment Bill, copy of 2003 Budget, Slate of Candidates for the Board of Trustees, Proxy (prepaid first-class at such address as appears on the books of the Association – copy of mailing list attached), to all the members of the I'On Assembly. Annual Members' Meeting to be held at the place and time specified on the Meeting Notice.

S. Jerry Driggers, CAM
Community Association Manager
For CCMC, Managing Agent

Sworn to and subscribed before me this 11th day of December, 2002

My commission expires
LINDA F. CUMING
NOTARY PUBLIC FOR SOUTH CAROLINA
MY COMMISSION EXPIRES: APRIL 30, 2003

Attachments as noted above

DEFENDANT'S EXHIBIT 71 I'On

VOTER REGISTRATION
I'ON ASSEMBLY
MEETING DATE: JANUARY 7, 2003

ACCT#VOTE %	UNIT ADDRESS/OWNER	SIGNATURE
[redacted] 0.000000000	[redacted] CINDY MOSTELLER ELISABETH LENES	Elisabeth M.S. Lenes
[redacted] 0.000000000	[redacted] MARGARET THOMAS	
[redacted] 0.000000000	[redacted] L. ROBERT DEMOURA	
[redacted] 0.000000000	[redacted] C. RONALD COWARD, JR. NANCY COWARD, JR.	
[redacted] 0.000000000	[redacted] BRAD WALBECK	
[redacted] 0.000000000	[redacted] JOSEPH MCDONALD JANET MCDONALD	Proxy ①
[redacted] 0.000000000	[redacted] ALLAN SLOAN, III FLORENCE SLOAN, III	
[redacted] 0.000000000	[redacted] CURTIS MCCALL, JR.	
[redacted] 0.000000000	[redacted] ELIZABETH BAKER CHUCK BAKER	
[redacted] 0.000000000	[redacted] GREGORY COOPER LEIGH COOPER	
[redacted] 0.000000000	[redacted] MITCH HUNT TONI HUNT	
[redacted] 0.000000000	[redacted] ERIC MICHELLE	
[redacted] 0.000000000	[redacted] ANITA YANTIS	
[redacted] 0.000000000	[redacted] JENKS WITTE, INC	Proxy ①
[redacted] 0.000000000	[redacted] ANDREW MCLESTER CAROLYN MCLESTER	

(15)

DEFENDANT'S EXHIBIT 72 I'ON

I'ON ASSEMBLY

STATE OF SOUTH CAROLINA	)	PROOF OF MAILING
	) ss:	2003 ANNUAL MEMBERS MEETING
	)	I'ON ASSEMBLY , INC.
COUNTY OF CHARLESTON	)	

Brett Young, being duly sworn, deposes and says that he is of legal age and that on the 5th day of November 2003, he supervised the enclosure of copies of a Notice of the Annual Members' Meeting of the I'On Assembly , Inc. to be held on Wednesday, December 3, 2003, at the Creek Club at I'On Assembly, Mt. Pleasant, South Carolina. A specimen of which is attached hereto, in envelopes addressed to all members of the I'On Assembly Homeowners Association, Inc. at the close of business. He further deposes and says that, in the usual course of business on the above-mentioned date, the above-described envelopes containing said enclosure was, with the proper postage affixed thereto, duly posted with the United States Post Office Department, Myrtle Beach, South Carolina, all under his direct supervision.

Brett Young

Sworn to and subscribed before me this 5th day of November , 2003,

Notary Public for South Carolina
My Commission Expires: 05/01/13

DEFENDANT'S EXHIBIT 73 Ion

Professionally Managed By

CAPITAL CONSULTANTS MANAGEMENT CORPORATION
222 W. Coleman Blvd., Ste. 222 • Mt. Pleasant, SC 29464 • Telephone 843-849-7062 • Fax 843-849-6972

I'On Assembly

NOTICE OF FIFTH ANNUAL MEMBERS' MEETING

November 3, 2003

Dear Neighbor,

The I'On Assembly Annual Members Meeting will be held December 3, 2003 at 7:00 pm at the Creek Club.

Please take a few minutes to review the materials enclosed in this packet. They include minutes from the last Annual Meeting, agenda for this year's Annual Meeting, 2004 Draft Budget, the new Collection Policy for the association, and a proxy for the meeting. The Board roster is complete and there will not be an election for any positions on the Board.

Please complete the proxy and return it to CCMC ONLY if you do not plan to attend or if you are not sure you will be able to attend. If you are definitely attending the meeting, please do not return the proxy. The reason that we ask you to return the proxy if you are not planning to attend the meeting is so a quorum can be established. If a quorum is not met, the meeting will have to be rescheduled, resulting in unnecessary expenses to the Assembly.

The budget enclosed is a DRAFT budget. The Finance Committee will hold an informational meeting about the 2004 Budget and explanation of the Assembly expenses on November 24th at 7:30 p.m. at the Creek Club. This will give homeowners an opportunity to ask questions. The agenda at our Annual Meeting is usually very full and leaves little time for detailed questions and answers on the budget. The final, approved budget will be formally presented at the Annual Meeting. If you plan to attend, please let Libby Eble know so that the committee will know how many handouts to copy. You may contact Libby at [redacted] or [redacted]

Finally, please review the enclosed Collection Policy adopted by the Board in 2003. This policy will go into effect beginning January 1, 2004. The policy is aimed at reducing the delinquencies in the community finances.

As always, thank you for your continued interest and involvement in the Assembly. Should you have any questions regarding anything contained in this Notice, please feel free to contact our office at (843) 849-7062 or byoung@ccmcnet.com for assistance.

Sincerely,

Brett Young, Community Association Manager
For CCMC, Managing Agent

I'ON ASSEMBLY
FOURTH ANNUAL MEETING
January 7, 2003

MINUTES

Pursuant to call, the Fourth Annual Meeting commenced at 7:00 pm on Tuesday, January 7, 2003, in the Creek Club.

I. Attendance

Board members in attendance were Lon Shull, Libby Eble, Vince Graham and Andy Gowder.

Also present were Jerry Driggers, Michael Millwood, Jerry Watson and Erin Riggio of Capital Consultants Management Corporation (CCMC), Managing Agent of the Association.

II. Call to Order

Vince Graham called the meeting to order. Jerry Driggers confirmed that a quorum had been established.

III. Welcome and Introduction of Board and Management

Vince Graham introduced the Board as well as the managing members from Capital Consultants Management Corporation.

IV. Amendment

The I'On Assembly Board of Trustees, upon the recommendation of the Finance Committee, proposed the following amendment to the Declaration of Covenants, Conditions and Restrictions (Exhibit 1).

> A Real Estate Transfer Fee of ¼% of the gross sales price of any Lot, Real Property or of any additional property that may in the future be added to I'On will be paid at the time of closing. Each present or future Titleholder of any Lot or Real Property, by acceptance of the deed therefore (whether or not it shall be so expressed in any such deed), shall be deemed to covenant and agree for himself, his heirs, representatives, and successors and assigns to pay such Real Estate Transfer fee upon the sale of such Lot or Real Property.

Andy Gowder presented the Amendment proposal during the meeting. He explained the specifics of the proposal. The Amendment was placed on the ballot and received a vote of 100, yes and 53, no. How to proceed on the Amendment issue will be discussed at the quarterly Meeting to be held on January 21, 2003.

I'On Assembly
Fourth Annual Meeting
January 7, 2003

V. Board Nominations

Elections for two seats on the Board were held from the following candidates: Annie Bonk, Ed Clem, Joe Halford, William Hamilton, Gaye Joyner, Michael Purcell and Steve Vermillion (Exhibit 2). Michael Millwood and Erin Riggio from Capital Consultants counted the votes. Joe Halford and Michael Purcell were nominated for the seats on the Board. Gaye Joyner was elected by the Trustees to be seated on the Board.

VI. Guest Speakers

A. Forever Green
Forever Green is the new landscape company chosen for the coming year. Michael McAlhaney introduced the company to the meeting. He discussed the procedures that his company would follow in maintenance for I'On.

B. Mt Pleasant Fire Department
Captain Allen addressed the homeowners in reference to the new station on Mathis Ferry Road opening in April of 2003. He went on to discuss the problems with cars parking on the street and how this could cause problems with emergency vehicles trying to get to situations in the neighborhood. He stated that parking guidelines were developed at the onset of the community and the Board can provide them. It was stated that the Board discussed the issue of parking only on one side of the street, painting curbs and issuing tickets for violators.

C. The Very Reverend John Burwell – Church of the Holy Cross
He discussed the proposal of starting a branch of the church on the square. It would be a full service church but on a smaller scale. He gave a website of holycross.net if homeowners would like to get information on the church. Construction is scheduled to begin in August 2003.

D. Father John Breck – Holy Ascension Orthodox Church
He discussed the history of his church and that they were excited to be starting a church in I'On. He stated that the members of his church would build most of the structure themselves.

E. AtHomeNet
Cindy Sanders presented the new website for I'On Assembly. An information sheet was handed out to each homeowner present (Exhibit 3). The communications committee, headed by Cynthia Rosengren, has worked with AtHomeNet to develop the page. It will include community information, the newsletter and upcoming events.

F. Developer's Report
Vince Graham stated that 291 homes were complete, 52 were under construction, 48 were under contract and the average cost was $565,000.00. Phase 5 would be complete by the end of March 2003. He explained about the new roundabout would be started and completed by 2004.

I'On Assembly
Fourth Annual Meeting
January 7, 2003

VII. Committee Reports

A. Boathouse Committee
Hugh Wilder, Chairman, gave a brief history on the concerns of the boathouse. The recommendations were agreed on and approved by the Board. The committee agreed to proceed slowly and with a modest approach. They would seek to improve signage, monitor both lakes, and establish a new committee.
B. Finance Committee
Andy Gowder examined the budget and thanked each member of the committee. He stated that the annual fee would remain the same. The committee will meet earlier and compare the budget to actual expenses in order to stay on line. (Exhibit 4)
C. Communication Committee
Previously given under the AtHomeNet segment.
D. Landscape Committee
Allen Coleman was not present to give a report
E. Common Area Use Committee
Lon Shull gave the report.

VIII. Open Discussion

1. The contract to Professional Lake Management consists of applications to cover the problems of algae in the lake as well as maintaining the canal problems. This is due to the shallow depths and jets have been recommended. The Board is looking at the cost involved. The developer is to cover the cost of the jets. The contract also allows for monthly inspections and applications to be done accordingly.
2. The issue of Sunday construction came up and the Board will revisit the issue. The homeowners want contractors contacted and be respectful of the hours they begin work.
3. The question was raised in reference to timelines on landscaping, painting, driveways, etc. It was noted by Chris Anderson, I'On Company, that a deposit was held in lieu of these items being done within the guidelines stated.
4. It was suggested that companies doing business in I'On do background checks, i.e. Landscape, etc.
5. The issue on extra lots was brought up in reference to whose responsibility it was to clean the lots. It was stated that the Board decides on when to institute fines on violators.

IX. Adjournment

Vince Graham adjourned the meeting at 9:30 pm.

I'On Assembly
Fourth Annual Meeting
January 7, 2003

Submitted by:

_____
Allen Coleman, Secretary

Approved:

_____
Vince Graham, President

_____
Date

I'ON ASSEMBLY
2004 BUDGET DRAFT (Prepared October 21, 2003)

ACCOUNT	REVENUES	Actual 2001	Actual 2002	Actual 2003 YTD Thru 9/30/03	Budget 2003	Budget 2004	% Chg	% of Total	Comments
0301-A	Regular Assessments	$ 125,207	$ 192,998		$ 240,963	$ 260,000	13%	95%	%Change includes
0301-B	Expected New Assessments			YTD		$ 13,125			the new assessments
0307	Interest Income		$ 326	Revenues	$ 350	$ 25	-93%	0.01%	
03070001	Interest Income Reserves	$ 1,308		Not Included	$ 120	$ 75	-38%	0.03%	
0318	Fines & Late Charges	$ 512	$ 1,137	At This	$ 600	$ 1,000	67%	0.36%	
0320	Developer		$ 16,000	Time	$ 5,000				
0328	Shared Service Reimbursement	$ (2,022)							
0351	Advertising Income	30							
	Total Revenues	**$ 125,035**	**$ 210,461**		**$ 247,033**	**$ 274,225**	**11%**	**100%**	
	EXPENSES								
	Repairs & Maintenance								
0430	Maintenance & Repairs	$ 10,008	$ 14,263	$ 2,132	$ 20,000	$ 10,000	-50%	3%	
0440	Landscape Maint. & Supplies	$ 11,992	$ 4,036	$ 21,944	$ 17,250	$ 10,000	-42%	3%	
0443	Contract Landscape Maint.	$ 44,914	$ 64,907	$ 42,800	$ 59,904	$ 80,000	34%	27%	Incr. by $5K, 10/16/03
0448	Tree Maint. & Supplies, Fertilizer	$ 9,314	$ 250	$ 3,675	$ 4,000	$ 4,000	0%	1%	Incl. Arborist consult.
0445	Lake Maintenance	$ 890	$ 11,455	$ 8,136	$ 14,800	$ 6,000	-59%	2%	
0447	Irrigation Maintenance	$ 168	$ 1,492	$ 1,303	$ 1,200	$ 2,000	67%	1%	
04400006	Mulch					$ 16,000		5%	
0454	Dock Maintenance		$ 4,115	$ 3,033	$ 4,044	$ 4,044	0%	1%	
0493	Sign Maintenance	$ 3	$ 926	$ 299	$ -	$ 300	300%	0%	
	Total	**$ 77,289**	**$ 101,444**	**$ 83,322**	**$ 121,198**	**$ 132,344**	**9%**	**44%**	
	General & Administrative								
0510	Office Supplies	$ 516	$ 238	$ 71	$ 700	$ 300	-57%	0%	
0511	Printing	$ 1,627	$ 2,565	$ 1,508	$ 500	$ 2,000	300%	1%	
0512	Postage	$ 1,662	$ 2,271	$ 812	$ 1,200	$ 1,200	0%	0%	
0513	Directory/Newsletter			$ 60	$ 1,200	$ 2,000	67%	1%	
0515	Internet Home Page	$ 5,414	$ 2,750	$ 615	$ 900	$ 900	0%	0%	10% less if pd Jan.1
0520	Legal Services	$ -	$ 8,148	$ (3,280)	$ 2,500	$ 2,500	0%	1%	
0521	Audit Services	$ 1,200	$ 1,325	$ 60	$ 1,400	$ 3,500	150%	1%	
0522	Management Services	$ 22,800	$ 36,960	$ 27,720	$ 39,960	$ 54,144	35%	18%	(Using CCMC amt.)

ACCOUNT	EXPENSES (Cont'd)	Actual 2001	Actual 2002	Actual 2003 YTD Thru 9/30/03	Budget 2003	Budget 2004	% Chg.	% of Total	Comments
0523	Professional Services							0%	
0529	Community Manager		$ 8,000	$ 546	$ 9,104		-100%	0%	
0530	Insurance Expense	$ 3,866	$ 5,502	$ 4,363	$ 6,540	$ 7,250	11%	2%	
0540	Annual Meeting Exp.							0%	
	Boroughs Committee					$ 500		0%	
	Other	$ 869						0%	
	Total	**$ 37,954**	**$ 67,759**	**$ 32,476**	**$ 64,004**	**$ 74,294**	**16%**	**25%**	
	Utilities								
0600	Electricity	$ 15,019	$ 2,073	$ 2,044	$ 2,185	$ 3,200	46%	1%	See Note 2, below
06001	Street Lights	$ 298	$ 38,661	$ 35,353	$ 39,063	$ 55,000	41%	18%	See Note 2, below
0601	Water & Sewer	$ 5,297	$ 5,242	$ 511	$ 6,000	$ 5,000	-17%	2%	
0606	Telephone	$ 1,109	$ 175	$ 116	$ 360	$ 200	-44%	0%	
	Total	**$ 21,723**	**$ 46,151**	**$ 38,024**	**$ 47,608**	**$ 63,400**	**33%**	**21%**	
	Other Expenses								
0910	Replacement Reserves			$ 12,375	$ 16,500	$ 16,500	0%	5%	
0930	Operating Contingency							0%	
	Bad Debt Allowance, Uncollectables					$ 13,656			5% of Reg. & New Assess.
0920	Federal Income Tax	$ 370	$ 6	$ 90	$ 90	$ 90	0%	0%	Used '03 data for '04
0921	State Income Tax	$ 27	$ 62	$ 15	$ 15	$ 15	0%	0%	Used '03 data for '04
0924	C/A Prop. Tax	$ 81	$ 23		$ 59	$ 110	86%	0%	
	Total	**$ 478**	**$ 91**	**$ 12,480**	**$ 16,664**	**$ 30,371**	**82%**	**10%**	
	Expenses Grand Total	**$ 137,442**	**$ 215,445**	**$ 166,301**	**$ 249,474**	**$ 300,409**	**20%**	**100%**	
				12/31/02: 406 Homes	**In 2003: 481 Homes**	**In 2004: 520 Homes**			

Note 1: "New Assessments" amount based on prorated new sales; % change includes the New Assessments estimate.

Note 2: 2003 Power cost split, streetlights vs all other, was estimated using the ratios obtained using the 2002 Actual and 2004 Estimated numbers. (The ratios for 2002 and 2004 agreed within 1%.)

AMCS 000049

I'On Assembly

Fifth Annual Meeting
December 3, 2003, 7:00 pm
Creek Club at I'On
Mt. Pleasant, SC

1. Call Meeting to Order

2. Proof of Notice and Establish Quorum

3. Welcome and Introduction of Board and Management

4. Approval of previous Annual Meeting Minutes – January 7, 2003

5. New Business:
   A. Collection Policy

6. Guest Speakers
   A. Mt. Pleasant Police Department
   B. Development Report

7. Committee Reports

8. Open Discussion

9. Adjournment

PROXY

I'On Assembly Annual Meeting
December 3, 2003

The undersigned titleholder of property in I'On Assembly hereby appoints _____, to cast all votes which the undersigned is entitled to cast at the December 3, 2003 Annual Meeting, to be held at the Creek Club in I'On at Mt. Pleasant, South Carolina at 7:00 p.m. and at any and all adjournments thereof, as follows.

I. ASSOCIATION MATTERS - **To take action for me / us upon any other matters that properly come before the Meeting.**

Each lot is allocated one (1) vote with respect to such matters. Each lot is allocated one (1) vote regardless of the number of owners of such lot. Should the undersigned be present and elect to vote at the Meeting or any adjournment thereof, then the power of said proxy shall be deemed terminated and of no further force and effect.

PROPERTY OWNED DATED: _____, 2003.

Lot(s) or Street Address (es): _____

_____ _____
PRINT NAME OF TITLEHOLDER SIGNATURE OF TITLEHOLDER

_____ _____
PRINT NAME OF TITLEHOLDER SIGNATURE OF TITLEHOLDER

Please return this proxy to the CCMC offices by mail or fax, or present to any active Board Member.

Thank you.

CCMC
222 W. Coleman Blvd., Suite 222
Mt. Pleasant, SC 29464
(843) 849-7062 office
(843) 849-6972 fax

COLLECTION POLICY RESOLUTION
OF
I'On Assembly

WHEREAS, Article III; Section 3-104 of the Bylaws of I'On Assembly provides the Board of Directors with the responsibility for collecting assessments of the members in a fair and uniform manner, and

WHEREAS, Article II, 2-104.; of the Covenants, Conditions, Restrictions and Easements states that the Board shall have the right to adopt procedures for the purpose of collecting assessments, and

WHEREAS, the Association has contracted with a professional management company to provide management service and supervision over certain contract services to the Association;

NOW THEREFORE, be it resolved that the Board of Directors has elected to authorize its managing agent to carry out the following policy with respect to all delinquent accounts, reserving to itself the right to modify or intervene in certain cases, as the Board may see fit.

1. Member assessments which are not received within 60 days of the first day of month, in which the assessment is due, shall be charged a late notice fee of $50.00 and a collection fee of $10.00. The member will receive a notice by mail of the assessment owing.

2. Member assessments, which remain unpaid for 90, 120, and 150 days after the first day of the month they were due, will be sent a monthly delinquency notice of payment and a request for immediate payment. An additional $50.00 late fee and $10.00 collection fee letter charge will be added to the account and will be added each month the assessment remains unpaid through the first 150 days.

3. Member assessments which remain unpaid for 180 days after the first day of the month they were due, will be sent a monthly delinquency notice of payment and a request for immediate payment. An additional $100.00 late fee and $10.00 collection fee letter charge will be added to the account every 30 days.

4. In addition, member assessments, which remain unpaid for 180 days after the first day of the month they were due will also receive a notice that the lien has been filed and be given the time allotted by law to remit payment which in most cases is 15 days. All attorney fees will be assessed to the account. The lien can be foreclosed; upon Board discretion. Every effort will be made to contact the homeowner via telephone or e-mail regarding his/her assessment prior to the preparation of the foreclosure of the lien. It is encouraged that owners contact the association for payment arrangements, if circumstances preclude them from paying their assessments.

5. Member assessments which remain unpaid for 365 days after the first day of the month they were due, will be sent a monthly delinquency notice of payment and a request for immediate payment. An additional $1000.00 late fee and $10.00 collection fee letter charge will be added to the account every 30 days.

6. Further collection efforts to secure Association assessments on those accounts, which have not responded to prior efforts at the conclusion of 365 days, will be contacted by legal counsel, at the direction of the Board of Directors. Specific options may include personal money judgment, foreclosure (judicial or non-judicial) and referral to a collection agency. Based upon the difficulty of collecting personal judgments, the Board of Directors may chose to move to foreclosure on accounts owing in excess of $500.00. The Board of Directors shall direct the attorneys after the review of the Litigation Guarantee.

7. At all stages, the Board may accept reasonable offers to settle the accounts with signed payment agreements executed by both the delinquent owner and the association's agent.

This is to certify that the Board of Directors adopted the foregoing resolution by unanimous consent, effective as of January 1st 2004 until such date as it may be modified, rescinded or revoked.

Vince Graham, President

I'ON Annual Meeting
Copy of Labels for
11/5/03 mailing

HAGER BUILDERS [redacted]

I'ON COMPANY [redacted]

WILSON & ASSOCIATES [redacted]

WILSON & ASSOCIATES [redacted]

WILSON & ASSOCIATES [redacted]

WILSON & ASSOCIATES [redacted]

RONALD ABELA [redacted]

TOM ACKER [redacted]

WILLIAM ALLEN [redacted]

SALLY ALTMAN [redacted]

PHILIP AMBLER [redacted]

PATRICIA ANDERSON [redacted]

JIM ANTHONY [redacted]

MELINDA ARMSTRONG [redacted]

THOMAS ASHE [redacted]

ROY AVERA [redacted]

PHILLIP AYERS [redacted]

JOANNE AYERS, TRUSTEE [redacted]

MARK BAILEY [redacted]

ELIZABETH BAKER [redacted]

JOHN BALDWIN [redacted]

MICHAEL BALISTER [redacted]

EDWARD BALL [redacted]

ALAN BARBIERI [redacted]

MARY BARONE [redacted]

GARY BAUCOM [redacted]

SUSAN BAUGHN [redacted]

JASON BELL [redacted]

BONNIE BELLA [redacted] T. S

DEFENDANT'S EXHIBIT 74 I'On

JANE BISHOP [redacted]

ROBERT BISHOP [redacted]

ROBERT BLACK [redacted]

DICK BOGGS [redacted]

BARRY BONK [redacted]

KATHLEEN BOONE [redacted]

FRANK BRESCIA [redacted]

MYRA BROOKS [redacted]

DONNA BROWN [redacted]

DR. GENE BROWN [redacted]

NANCY BROWN [redacted]

SHANNON BROWN [redacted]

JOSEPH BROWN, III [redacted]

GARY BRUMLEVE [redacted]

GARY BRUMLEVE [redacted]

LAURA BRYAN [redacted]

MICHAEL BRYAN [redacted]

SIMONINI BUILDERS [redacted]

SIMONINI BUILDERS [redacted]

SOUTHCOAST BUILDERS [redacted]

STRUCTURES BUILDING CO [redacted]

STRUCTURES BUILDING COMPANY [redacted]

STRUCTURES BUILDING COMPANY [redacted]

STRUCTURES BUILDING COMPANY [redacted]

STRUCTURES BUILDING COMPANY [redacted]

STRUCTURES BUILDING COMPANY [redacted]

STRUCTURES BUILDING COMPANY [redacted]

STRUCTURES BUILDING COMPANY [redacted]

SAMI BUTLER [redacted]

PAUL CALHOUN [redacted]

JEFFREY CAMPBELL [redacted]

GREGORY CARLSON [redacted]

CLINTON CARNELL [redacted]

D. GRANT CARWILE [redacted]

STUART CASS [redacted]

STEVE CHANDLER [redacted]

MARLOWE CHANDLER CO., INC. [redacted]

JUDY CHISHOLM [redacted]

STEVEN CLARK [redacted]

PHILIP CLARKE [redacted]

EDWARD CLEM [redacted]

KAREN CLEMENTS [redacted]

DON CLEVER [redacted]

WARREN CONKLIN [redacted]

BRIAN CONNOR [redacted]

ALKA CONSTRUCTION [redacted]

C. RONALD COWARD, JR. [redacted]

STEPHEN COWART [redacted]

DENNIS COYLE [redacted]

ROBERT CRAFT [redacted]

BO CROUCH [redacted]

BOBBY CROUCH [redacted]

LYNN CRYMES [redacted]

CHARLES CUMBAA [redacted]

MATTHEW DAEN [redacted]

LOUIS DARDOZZI [redacted]

L. ROBERT DEMOURA [redacted]

M. MERRITT DEMPSEY [redacted]

GRAHAM DEVELOPMENT [redacted]

TANIS DEVELOPMENT [redacted]

DENNIS DEVINE
[redacted]

PATRICK DICKERSON
[redacted]

ANNE DIXON
[redacted]

PAUL DOOLITTLE
[redacted]

JEFF DOROCIAK
[redacted]

FRED DRESSLER
[redacted]

LUCY DU PRE
[redacted]

JOHN DUCKWORTH
[redacted]

MARK DUDLEY
[redacted]

TIMOTHY EBLE
[redacted]

MARGARET EHRHARDT
[redacted]

M. CLINTON EISENHAUER
[redacted]

LE GRAND ELEBASH
[redacted]

B AND P ENTERPRISES, LLC
[redacted]

JESSIE EUBANK
[redacted]

KEITH EVANS
[redacted]

COURTNEY FALLER
[redacted]

TRIPP FELLABOM
[redacted]

EDWARD FERGUSON
[redacted]

JOLI FERMO
[redacted]

R. BENNETT FIRESTONE, JR.
[redacted]

ATHANASIOS FOKAS
[redacted]

RION FOLEY
[redacted]

JEFFREY FOLK
[redacted]

RONALD FOLLMAN
[redacted]

WILLIAM FORD, JR.
[redacted]

JEFFERSON FORT
[redacted]

EMILY FOSTER
[redacted]

ELIOT FREMONT-SMITH
[redacted]

ROBERT FRY
[redacted]

MICHAEL GAFFNEY [redacted]

CYNTHIA GARRETT [redacted]

ALAN GENTRY [redacted]

JEFF GILLETTE [redacted]

MARK GOEDECKE [redacted]

DONALD GORDON [redacted]

ANDREW, ANDY GOWDER, JR. [redacted]

VINCE GRAHAM [redacted]

RALPH GRANT [redacted]

JOEL GRAZIANO [redacted]

DANIEL GREEN [redacted]

VIRGINIA GREEN [redacted]

JOANNE HACKNEY [redacted]

JOSEPH HALFORD [redacted]

JULIA HAMILTON [redacted]

STELLA HARMAN [redacted]

CHRISTINE HARMEL [redacted]

SUSAN HARP [redacted]

KENNETH HARRELL [redacted]

JEANNA HAVIDICH [redacted]

WESLEY HAYNES [redacted]

DR. GARY HEADDEN [redacted]

GARY HEADDEN [redacted]

NEILL HERRING [redacted]

ROBERT HERVEY [redacted]

EARL HEWLETTE [redacted]

EARL HEWLETTE,JR, TRUSTEE [redacted]

JASON HILE [redacted]

CHARLES HILL [redacted]

MAX HILL [redacted]

DEBORAH HOLDEN

GRAHAM HOLDINGS LLC

JACKSON HOLLIS

RUSSELL HOLSENBACK

JOHN HORSMAN

JENNIFER HORTON

MARK HORTON

ANDREW HOWELL

THEODORE HUGE'

CLAY HUGHES

MITCH HUNT

MARGARET HURTES

TRICIA HUTCHINSON

I'ON COMPANY

THOMAS JACKSON

KAREN JANOFF

CINDY JOBE

MICHAEL JOHNSON

HARRY JOHNSON, II

DAVID JORDAN

LOUIS JOYNER

ROBERT JUNG

KEVIN KALMAN

WILLIAM KANICH

ALEX KASMAN

ERIC KRAWCHECK

JASON KREUTNER

JIM LADY

JEFFREY LAMB

GAYLE LANE

ROBERT LAWSON [redacted]

JANE LEDBETTER [redacted]

STEVEN LENES [redacted]

WILLIAM LEWIS [redacted]

PAUL LOCICERO [redacted]

ROBERT LORISH [redacted]

LORCAN LUCEY [redacted]

JANE LUNN [redacted]

MARK MAGUIRE [redacted]

THEODORE MANOS [redacted]

THOMAS MANOUS [redacted]

MARY MARTIN [redacted]

MICHAEL MATTAR [redacted]

ROMAN MAYER [redacted]

LAUREN MCCLARY [redacted]

JOSEPH MCDONALD [redacted]

JAMES MCINTOSH [redacted]

CHAPPY MCKAY [redacted]

JAMES MCKINNEY [redacted]

JODY MCKNIGHT [redacted]

WILLIARD MCLACHLAN, II [redacted]

RICHARD MCNAUGHTON [redacted]

THOMAS MEDDAUGH [redacted]

JOSEPH MELI [redacted]

THOMAS MEREDITH [redacted]

TRACY MEREDITH [redacted]

ROBERT MEREDITH, JR. [redacted]

H. WOODWARD MIDDLETON, JR. [redacted]

ROBERT MINOR [redacted]

MADELINE MORIN [redacted]

ROBERT MORRIS
[redacted]

W R MOSTELLER
[redacted]

WILLIAM MOSTELLER
[redacted]

DANNY MULLIS
[redacted]

JAMES MYATT
[redacted]

DANIEL MYERS
[redacted]

LUCILLE NAIMAN
[redacted]

INA NAU
[redacted]

JAMES NEAR, JR.
[redacted]

ANDROS NEOCLEOUS
[redacted]

CURT NESBITT
[redacted]

BETTY ANN NETHERTON
[redacted]

CHEREE NICHOLE
[redacted]

CHRIS NIELSON
[redacted]

LISA NIMMICH
[redacted]

BROOKE NIZNIK
[redacted]

LIZZY NOLL
[redacted]

SONYA NORVELL
[redacted]

STEPHEN O'CONNOR
[redacted]

GARY O'NEIL
[redacted]

KURT OESTERLING
[redacted]

TERI OLIVA
[redacted]

WILLIAM ORANGE
[redacted]

WILLIAM ORANGE
[redacted]

DAVID PARDUS
[redacted]

DAN PARKER
[redacted]

WAHOO PARTNERS
[redacted]

H. SCOTT PATTERSON
[redacted]

JOHN PAUL
[redacted]

JOHN ZENZ PAUL KAAN, JR.
[redacted]

JEFFREY PELLEGRINO [redacted]

JEFFREY PELLEGRINO [redacted]

JOHN PELLETIER [redacted]

PETER PERERA [redacted]

B LEE PRINGLE [redacted]

NEIL RABIN [redacted]

RICH RAIFORD [redacted]

RICHARD RAIFORD [redacted]

RICHARD RAIFORD, SR. [redacted]

LOUISE RAINIS [redacted]

WILLIAM RAMBO [redacted]

JOHN RAND [redacted]

SAMUEL RAWLIN [redacted]

DWAIN RAY [redacted]

J. MICHAEL RAY [redacted]

ANNE REGISTER [redacted]

CATHA JANICA REMINGTON [redacted]

WARD REYNOLDS [redacted]

CRAIG RICHARD [redacted]

RICKY RICHARDSON [redacted]

GLENN RICHMOND [redacted]

DONNA ROBERTS [redacted]

CLAUDIA ROBINSON [redacted]

VICTOR RODRIQUEZ [redacted]

EDGAR RUNGE, JR [redacted]

LARS RUNQUIST [redacted]

KELSEY RYAN [redacted]

RICHARD RYAN [redacted]

KRIS SAADEH [redacted]

PAUL SANTRIZOS [redacted]

KATHERINE SCARAFILE [redacted]

FRANK SCHILLING [redacted]

JOHN SCHLEIER [redacted]

RICHARD SCHNEIDER [redacted]

LILLIAN SCHULTEN [redacted]

DEBORA SCHUYLER [redacted]

KENNETH SCHWARZ [redacted]

GERALD SEYLE [redacted]

DAFNEY SHELBOURNE [redacted]

LON SHULL [redacted]

MARSHALL SIMON, JR. [redacted]

ROBERT SIMPSON [redacted]

ALLAN SLOAN, III [redacted]

BEA SMITH [redacted]

CHAD SMITH [redacted]

LARRY SMITH [redacted]

FRED SNYDER [redacted]

LOIS SOKOLOW [redacted]

DAVID SOPER [redacted]

CHRISTOPHER SOUTH [redacted]

R. BRIAN STEPHENSON [redacted]

PAUL STIER [redacted]

CATHY STREETMAN [redacted]

JAMES STREETMAN [redacted]

DANIEL STUCHLAK [redacted]

WILLIAM SWICORD [redacted]

SALLY SYKES [redacted]

THOMAS TANIS [redacted]

KELLY TANT [redacted]

CLAYTON TAYLOR [redacted]

LARRY TAYLOR
[redacted]

CATHERINE TEMPLETON
[redacted]

JAMES THOMAS
[redacted]

MARGARET THOMAS
[redacted]

DAVID THOMPSON
[redacted]

JAMES THOMPSON
[redacted]

JOHN THORNHILL
[redacted]

JOHN THORNHILL
[redacted]

GLEN TIPTON
[redacted]

ORVILLE TYLER, III
[redacted]

JANE USINGER
[redacted]

RICK VALE
[redacted]

RICHARD VALELLY
[redacted]

BRADFORD VAN LIEW
[redacted]

THOMAS VAN TIEM, JR.
[redacted]

KEN VANEK
[redacted]

STEPHEN VERMILLION
[redacted]

BRAD WALBECK
[redacted]

MATTHEW WALSH
[redacted]

ELIZABETH WARNER
[redacted]

STEVE WEAVIL
[redacted]

TED WEBB
[redacted]

CHARLES WEINHEIMER
[redacted]

JAMES WESLEY
[redacted]

JOHN WHITE
[redacted]

MILES WHITFIELD
[redacted]

JUSTIN WHITNEY
[redacted]

JUSTIN WHITNEY
[redacted]

EVERETT WILCOX, JR
[redacted]

EVERETT WILCOX, JR.
[redacted]

HUGH WILDER [redacted]

OSCAR WILKERSON [redacted]

DAVID WILLIAMS [redacted]

RYHS WILLIAMS [redacted]

TIMOTHY WILLIAMS [redacted]

JOHN WILSON [redacted]

RODERICK WOOD [redacted]

JUD WOODDY [redacted]

AUBREY WOODDY, JR [redacted]

BRIGHAM WOODWARD [redacted]

TONY WOODY [redacted]

DAVID YARBOROUGH [redacted]

WILLIAM YOUNG [redacted]

TRACY HOLLIS [redacted]

ELIZABETH MARENAKOS [redacted]

HAGER BUILDERS [redacted]

HEADDEN-HULSEY [redacted]

I'ON COMPANY [redacted]

ERIC AICHELE [redacted]

CORY ALCALA [redacted]

CHRIS ANDERSON [redacted]

THOMAS ANDERSON [redacted]

GLORIA ANGLIN [redacted]

LEA ANN ATKINS [redacted]

CHRISTINA BAILEY [redacted]

ARCHIE BAKER [redacted]

JOHN BENDER [redacted]

BINYA BUILDERS [redacted]

BINYA BUILDERS [redacted]

PAUL BOEHM [redacted]

THOMAS BONGIORNO

MICHAEL BRODERICK

SYDNEY BROOKS

BINYA BUILDERS

SIMONINI BUILDERS

SIMONINI BUILDERS

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SIMONINI BUILDERS

SOUTHCOAST BUILDERS

SOUTHCOAST BUILDERS

SOUTHCOAST BUILDERS

STRUCTURES BUILDING COMPANY

STUART CASS

STUART CASS

STEVE CHANDLER

THE MARLOWE CHANDLER CO., INC.

MARLOWE CHANDLER COMPANY

MARLOWE CHANDLER COMPANY

VESPA CHARLESTON, INC.

JDS CHARLESTON, LLC

T. EDWARD CHILDRESS, III

CHARLES CHITTY

CHARLES CHITTY

THE BURTON COMPANY

THOMAS CONNOLLY

ALKA CONSTRUCTION

SHEPPARD CONSTRUCTION

SHEPPARD CONSTRUCTION COMPANY

HAGER CONSTRUCTION, INC.

ILDERTON CONTRACTORS

ILDERTON CONTRACTORS

ILDERTON CONTRACTORS

VIKING CONTRACTORS

HEADDEN HULSEY CONTRACTORS, LLC

DAVID COOPER

GREGORY COOPER

STEVEN CORNS

LISA CRAIG

CHARLES CUMBAA

MATTHEW DAEN

BARBARA DAUBY

HOWARD DEAN

FRED DEFILIPPO

FRED DEFILLIPO

TANIS DEVELOPMENT

TANIS DEVELOPMENT

TANIS DEVELOPMENT

TANIS DEVELOPMENT CO., LLC

PATRICK DICKERSON

SHANE DORAN

RITA DUFFY

EDWARD DYCKMAN

JOSEPH FORDNEY

JOE GADDY
[redacted]

WILLIAM GARNER
[redacted]

KEVIN GARY
[redacted]

TODD GORSUCH
[redacted]

STANLEY HALL
[redacted]

MARTIN HANSEN
[redacted]

THOMAS HERRION
[redacted]

JASON HILE
[redacted]

DARLA HOOD
[redacted]

MARK HORTON
[redacted]

HEADDEN HULSEY, LLC
[redacted]

HELEN HUMINSKY
[redacted]

PHILIP HUNTER
[redacted]

ILDERTON CONTRACTORS
[redacted]

JOSEPH JAFFE
[redacted]

KENDALL JOHNSON
[redacted]

MARK JOYE
[redacted]

TODD JOYE
[redacted]

STEVE KENDRICK
[redacted]

LOWREY KING
[redacted]

ATLANTIC COAST LIFE INSURANCE
[redacted]

JAMES LYON, III
[redacted]

HAROLD MATHISEN, III
[redacted]

MAXINE MAUERHAN
[redacted]

FRED MCINTYRE
[redacted]

ANDREW MCLESTER
[redacted]

DIANA MEDLIN
[redacted]

JOSEPH MELI
[redacted]

ANDREW MEREDITH
[redacted]

THOMAS MERIDITH
[redacted]

H. WOODWARD MIDDLETON [redacted]

PHILLIP MINGES [redacted]

KATHRYN NELSON [redacted]

SONYA NORVELL [redacted]

DOUGLAS NOVAK [redacted]

CHRISTOPHER OLSON [redacted]

SUZANNE PACE [redacted]

LARRY PHILPOTT [redacted]

ROBERT PRIDE [redacted]

MEREDITH PROJECTS [redacted]

MEREDITH PROJECTS [redacted]

MEREDITH PROJECTS [redacted]

MICHAEL PURCELL [redacted]

JOHN QUIGLEY, JR. [redacted]

KENDRICK RICHARDSON [redacted]

MIRIAM RICKS [redacted]

NORMAN ROSEBROCK [redacted]

DAVID ROSENGREN [redacted]

HAROLD RUSSELL [redacted]

HAROLD RUSSELL [redacted]

KATHERINE SCARAFILE [redacted]

JEFFREY SCHULMAN [redacted]

GLENN SHERWOOD [redacted]

GLENN SHERWOOD [redacted]

BENJAMIN SMITH [redacted]

STEPHEN SPEERS [redacted]

TREVA STEPHENS [redacted]

GORDON STRAUSS [redacted]

GORDON STRAUSS [redacted]

SOUTHERN STRUCTURES [redacted]

KIRK TANIS [redacted]

JEFFREY THOMAS [redacted]

JOHN THORNHILL [redacted]

BILLY VOLLENWEIDER [redacted]

CHARLES VONROSENBERG [redacted]

BARBARA WADE [redacted]

BRIC WALL [redacted]

MICHAEL WEBB [redacted]

JENNIFER WEST [redacted]

F. C. WICHMANN, JR. [redacted]

JEFFREY WINGATE [redacted]

LAURA WINGATE [redacted]

LAURA WINGATE [redacted]

JENKS WITTE, INC. [redacted]

MICHAEL WOODDY [redacted]

JAMES WYMAN [redacted]

ANITA YANTIS [redacted]

STRUCTURES BUILDING COMPANY [redacted]

STRUCTURES BUILDING COMPANY [redacted]

STRUCTURES BUILDING COMPANY [redacted]

STRUCTURES BUILDING COMPANY [redacted]

MARLOWE CHANDLER COMPANY [redacted]

MARLOWE CHANDLER COMPANY [redacted]

MARLOWE CHANDLER COMPANY [redacted]

MARLOWE CHANDLER COMPANY [redacted]

VIKING CONTRACTORS [redacted]

JOHN EZZELL [redacted]

ROY GREEN [redacted]

CHRISTINE HARMEL [redacted]

HEADDEN ENTERPRISES [redacted]

HEADDEN ENTERPRISES

CHARLES HILL

LEO QUINN

MARTHA READ

PATRICIA VILLANO

JUSTIN WHITNEY

ACCT/

UNIT	FIRST NAME	LAST NAME	ADDRESS	SIGNATURE	BALLOT	PROXY
224	BRAD	WALBECK	[redacted]			
74	BRIC	WALL	[redacted]			
291	MATTHEW	WALSH	[redacted]			
95	ELIZABETH	WARNER	[redacted]			
35		WDS PROPERTIES	[redacted]			
98		WDS PROPERTIES	[redacted]			
87	STEVE	WEAVIL	[redacted]			
252	TED	WEBB	[redacted]			
142	MICHAEL	WEBB	[redacted]			
215	CHARLES	WEINHEIMER	[redacted]			
111	JAMES	WESLEY	[redacted]			
05-112	JENNIFER	WEST	[redacted]			
170	JOHN	WHITE	[redacted]			

DEFENDANT'S EXHIBIT 75 1/01

I'On Assembly
Asset Management & Consulting Services, Inc.
P.O. Box 62109
North Charleston, SC 29419
Phone: (843) 303-3586
Fax: (843) 764-2363
www.amcs-inc.com

President's Report

November 1, 2004

Dear Neighbor:

This letter formally announces the annual meeting of the I'On Assembly which is scheduled for **at 7 p.m. on December 2, 2004, at the Creek Club.** In preparation for the meeting, please take a few minutes to review the enclosures: committee reports, the 2005 draft I'On Assembly budget, nomination information and form, and proxy information and form.

Our neighborhood continues to experience strong growth. Points of note:

- As of October 29, 2004 there were 490 homes complete or under construction in the neighborhood. Of this 490 total, 388 are occupied homes, which means we are at the half way point in terms of number of families who will eventually live in I'On. Of the 102 homes under construction, 68 broke ground in 2004.
- Site work for 56 home sites in Phase 7 of Montrose Borough is approaching completion. This phase includes a community dock and extension of the Marsh Walk. It also incorporates the historic cemetery where Jacob Bond I'On is buried.

Current Assembly Board members include Allen Coleman, Joe Halford, Gaye Joyner, Michael Purcell, Vince Graham, Carol Ann McLester, and Jody McKnight. Carol Ann and Jody were elected to the Board in July, 2004. We will be electing four new board members at the December 2 meeting as the term of Allen, Joe, Gaye, and Michael expires at year end. The Board will accept nominations from the floor on December 2, but to be placed on the ballot, nominations must be received by November 19.

Please review the nomination guidelines and consider placing your name or that of someone you think would be interested in serving on the Assembly Board. Please feel free to contact Cheryl Wilson the Assembly Manager, with any questions you have about the budget, nomination procedure, or proxy designation procedure. She can be reached at 303-3586 or CWilson@AMCS-Inc.com.

If you can't attend the annual meeting, please review the proxy information carefully and submit your proxy authorization by November 30. Please note that you can designate another titleholder, a board member, or the community manager as your proxy. Information about nominees will be available on the community website by November 22, so you will have that information in time to determine who you want to assign your proxy votes.

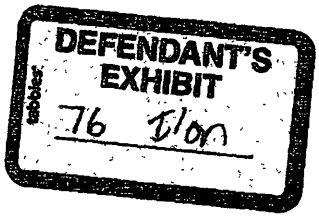
In addition to the election and budget announcement, the meeting will include updates on landscape, infrastructure, communications, and governance. Also special committee reports on lakes, boathouse, and traffic will be presented. There will be time for questions and comments from the audience.

Please join me in thanking Allen, Joe, Gaye and Michael for their commitment of service on behalf of their neighbors. Each has put in significant time, and their hard work and leadership have made I'On a better place for us all.

I hope to see you on December 2.

Sincerely,

Vincent G. Graham



Community Updates

Finance Committee Update

In cooperation with AMCS (our management company) and with input from the various Board committees, the finance committee has proposed a 2005 budget for consideration by the full Board. The Board met on October 21, 2004 to review the budget. Libby Eble, Finance Chairman and committee members are holding an informational session on November 9, 2004 at 7 p.m. in the main lobby of the I'On Realty Office. Please plan to attend this session if you have questions about the budget. The Board will meet on November 11, 2004 to approve the 2005 budget as part of a regularly scheduled quarterly meeting. The final 2005 budget will be announced at the annual meeting on December 2.

Landscaping Committee Update

Joe Halford, Landscape Chairman, provided the following summary about the 2005 Landscape Budget:

If you compare the 2005 landscape budget draft with the 2004 budget, you will see a dramatic increase in funding for landscape care and maintenance. This is driven by a combination of experience and resident feedback in recent years. In 2003, an effort was mounted by the Assembly to reduce our costs. The developer subsidies were ending and the Assembly was running at a serious deficit. The largest single expense was landscape care, as it is today. The 2003 budget was reduced by about a third, through a competitive bidding process.

The quality of our landscape care in 2003 was not acceptable and the landscape contractor's performance seemed to deteriorate late in the year. For the 2004 contract, we held another competitive bidding. The low bidder was our current landscaper, Lawn-O-Green. The Board gave some consideration to rejecting this bid as being unrealistic. However, our new neighborhood management company, AMCS, formally recommended Lawn-O-Green and agreed to assure acceptable performance. So, we accepted the Lawn-O-Green contract.

Our experience in 2004 has been mixed. During the first half of the year, performance was marginal and led to many homeowner complaints. There were positive aspects to the experience, however:

1. When we pointed out shortcomings, Lawn-O-Green responded in good faith, resulting in a continuing improvement in performance.
2. The day-to-day working relationship between AMCS and Lawn-O-Green has proven to be excellent. In midsummer, this relationship enabled the Assembly to end direct contact with the landscaper and work entirely through AMCS.
3. Lawn-O-Green demonstrated an excellence at repairing and maintaining our irrigation systems, which none of their predecessors had been able to do.

By late summer, Lawn-O-Green's performance was at least as good as any of their predecessors. Based on their greatly improving performance and on the good relationship with AMCS, the Landscape Committee suggested to the Board that we consider renewing the Lawn-O-Green relationship for 2005, without a competitive bidding. The Board agreed that we should explore this, so we asked AMCS to approach Lawn-O-Green and ask for proposals, to include a dramatically higher service level.

Lawn-O-Green proposed three alternative levels of service. The first was essentially a continuation of the 2004 contract. This we rejected, accepting the idea that we had over-economized in 2004. The second proposed a greatly increased service level during the "green seasons" of 2005, but leaving the winter service level about the same as before. The third proposal was for a greatly increased service level all year. The Landscape Committee recommended the intermediate service level, which is the basis for the $110,000 budget item for "Grounds Contractor."

We also budgeted for more seasonal flowers, mulching, pet stations, and tree maintenance, which added some costs to the Maintenance section of the budget.

I'On Assembly Board of Trustee 2004 Goals

(1) Enhance the level of credibility between residents and Assembly management by proactively communicating and delivering the level of service expected of residents.
(2) Refine the Assembly committee system to facilitate more bottom up involvement from residents who are interested in taking a more active role in the neighborhood's management.
(3) Elect three new members to the Board of Trustees to replace three members who will be stepping down;
(4) Manage finances to achieve a net budget surplus that can be applied to reserve accounts.
(5) Position the Assembly so that it requires less involvement from The I'On Company.
(6) Develop a comprehensive strategy for designated on-street parking areas.
(7) Implement steps to assure more active enforcement of traffic laws with regard to speeding and golf cart use.
(8) Explore development of a civic site for Assembly ownership and use.

I'On Assembly
Asset Management & Consulting Services, Inc.
P.O. Box 62109
North Charleston, SC 29419
Phone: (843) 303-3586
Fax: (843) 764-2363
www.amcs-inc.com

TO: I'On Assembly Homeowners

FROM: The Board of Trustees

RE: Annual Meeting

The I'On Assembly (Homeowner's Association) will hold its Annual Meeting Thursday, December 2, 2004 at 7 PM at the Creek Club. All members are encouraged to attend this important meeting to elect four new Board of Trustee members and discuss Assembly issues.

Everyone is encouraged to take advantage of this beautiful time of year and walk to the meeting, weather permitting. If you must drive and if the main lot is full, please park at the overflow parking lot on N. Shelmore. Please do not park along Saturday Road or on vacant lots. Saturday Road is a narrow street and it is important to not block access for emergency vehicles.

If you are unable to attend, please complete the proxy statement and return it to the following address:

I'On Assembly Proxy
AMCS
P.O. Box 62109
North Charleston, SC 29419

Proxies must be received by
5 PM, Tuesday, November 30, 2004

I'On Assembly

Appointment of Proxy for Annual Meeting

As the record Owner(s) of property in the I'On Assembly, I/we hereby appoint _____ (name of individual), or if left blank then the President of the I'On Assembly ("Association"), as Proxy, with full power of the substitution in the event that he/she is unable or declines to serve as Proxy, to exercise the entire vote of the undersigned as directed below at the annual meeting of the Associations' members to be held on December 2, 2004, and any lawful adjournments thereof. In the event that the designated Proxy is not present at the meeting and has not designated a substitute, then I designate the President of the Association to serve as the substitute Proxy.

Name:_____

I'On Address: _____

Signature:_____

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Call for Nominations

I'On Assembly, Inc. Board of Trustees - Four positions open

Deadline for nominations: Must be received no later than 5 p.m., November 19, 2004
Submit nomination form by mail to:

Cheryl Wilson
Management Director
AMCS, Inc.
P.O. Box 62109
North Charleston, SC 29419

Recommended Process: Each person who nominates someone should make every effort to confirm that the person wants to be nominated and understands the terms and roles of the Board of Trustees (see below for Role Summary). The person making the nomination needs to complete the following information and submit by the deadline. The nominee should complete the Nominee Application and submit by the same deadline.

Composition and Selection of Board of Trustees:

The Board shall consist of three to seven Trustees. Except for Trustees appointed by the Founder Member, Trustees shall be Titleholders or residents of I'On who are at least 18 years of age. Only one titleholder or resident representing a particular Lot may serve on the Board of Trustees at any time. I'On Bylaws.

In an effort to provide each candidate with a reasonable opportunity to communicate his or her qualifications to the Members prior to the election, a statement of purpose should be filed with nomination. This information will be scanned to www.ioncommunity.com and be available for review until December 2. In addition, the Board encourages nominees to personally inform other residents about their qualifications for Board positions prior to the election.

Role of Board of Trustees:

In order to help potential nominees determine if they want to consider serving on the Board and to help voters review qualifications, here is background information about the role of Board of Trustee members.

Each elected Board of Trustee member agrees to serve a two-year term. Trustees may be elected to serve any number of consecutive terms. The Bylaws provide for removal of Trustees and for filling of vacancies.

The affairs of the Assembly are managed under the direction of the Board of Trustees and, except as otherwise specifically provided in the Governing Documents, all powers of the Assembly shall be exercised by or under the authority of the Board of Trustees. The Board of Trustees shall be aided by the officers of the Assembly, the Covenants Committee and Board of Appeals, and such other committees as may be established pursuant to the Bylaws. **I'On Bylaws.**

Currently, the Board meets at least four times per year for quarterly board meetings. These usually last 3-4 hours and start at 8:30 a.m. This year the meetings are on Thursday mornings at the I'On Realty office. In addition Board members are expected to attend two homeowner meetings - one mid-year and one in early December. These are night meetings usually lasting for 2-3 hours. This year Board members also attended a half-day planning retreat in January.

Board members typically serve as a chairman of at least one committee and most serve on one or more other committees. Currently the Board committees include landscape, finance, communications (includes the web subcommittee), governance, infrastructure, and ad hoc committees as warranted. Examples this year of ad hoc committees include: committee to renegotiate agreement with I'On Club for shared dock costs, traffic study committee, and committee to develop facilities use agreements. Some committees meet monthly (such as finance and web committees). Others meet until reports are completed. Others such as the landscape committee meet to review RFP from landscape companies, but handle routine landscape issues by email.

Board activities are also handled between meetings by email and conference calls. Board members routinely communicate by email with each other, with the community manager, and with their committee members. All Board members are encouraged to review the community website weekly and monitor the message board for Assembly-related issues. Board members are expected to provide, at a minimum, quarterly progress reports for committee activities and updates as needed for communication to residents through web or hard-copy materials.

Anyone who has specific questions about Board of Trustee duties can call or email Cheryl Wilson at cwilson@amcs-inc.com.

Guidelines for Voting:

Titleholders must be in good standings with the Assembly to vote on matters arising before the Assembly. To be in good standing, a Titleholder must be current to within 30 days of the date of all financial obligations to the Assembly. I'On Bylaws.

Should you have any questions regarding your standing with the Assembly please contact Cheryl Wilson at 303-3586 or cwilson@amcs-inc.com.

*For each position to be filled on the Board of Trustees, **each Titleholder may cast one vote for each Lot which it owns in I'On.** That number of candidates equal to the number of positions to be filled who receives the greatest number of votes shall be elected.* I'On Bylaws.

***Proxies.** At any meeting of the Assembly, a Member who is entitled to vote may cast its vote personally or through a designated proxy. A designation of proxy shall be in writing and shall identify the Lot or Lots for which it is given and the person designated to cast the votes for such Lot(s). It shall be signed by the Member or his duly authorized attorney-in-fact, dated, and filed with the Assembly prior to the meeting for which it is to be effective.* I'On Bylaws.

The election for the four positions will be conducted at the December 2, Annual Meeting. The Board has decided to also permit nominations from the floor on December 2.

I'On Assembly
Nomination Form
(Please Print)

Deadline for nominations: Must be received **no later than 5 p.m., November 19, 2004**
Submit nomination form **by mail** to:

Cheryl Wilson
Management Director
AMCS, Inc.
P.O. Box 62109
North Charleston, SC 29419

Name of Nominee (must be a Titleholder or I'On resident over 18 years of age):

_____

Address: _____

Phone Number: _____

Email address (if available): _____

Name of person making the nomination:

_____

Address: _____

Phone Number: _____

Email address (if available): _____

Date of Nomination: _____

Please include, **on a separate piece of paper**, a brief description of qualifications/attributes that the nominee brings to consideration for election to I'On Assembly Board of Trustees.

Nominee has read and understands that by agreeing to place their name in nomination that they are making a two-year commitment (within reasonable expectations) to actively participate in Board of Trustee meetings, committee activities, etc.

Signature of nominee: _____

Date: _____

I'On Assembly		UNITS:	644			
2005 BUDGET			Actual		Variance btw.	
Revised 10/10/04	2005 Budget	$/Unit/Yr	1/04thru8/04	2004 Budget	2004 & 2005	% of
			(8 months)		Budgets	Total
REVENUE						
Gross Regime Fees	418600	650	260000	260000	158600	97%
Expected new assessments(40)	15000	0	35886	15000	0	3%
Misc. Income	0	0	0	1100	-1100	0%
TOTAL REVENUE	433600	650	295886	276100	157500	100%
ADMINISTRATION						
6311 Office Supplies	3000	5	1825	3500	-500	1%
6320 Mgmt Fee	42000	65	24500	42000	0	10%
6341 Legal Fees	3000	5	not billed yet	2500	500	1%
6350 Accounting	350	1	not billed yet	300	50	0%
Audit	1500	2	5900	3500	-2000	0%
6360 Telephone	0	0	0	2000	-2000	0%
6370 Bad Debt 1%	3040	5	0	6828	-3788	1%
6390 Homeowners Meeting	2400	4	400	50	2350	1%
Directory/Newsletter	2500	4	0	2000	500	1%
Website	1050	2	0	900	150	0%
Loan repayment	0	0	16000	16000	-16000	0%
Boroughs committee	300	0	0	500	-200	0%
Creek Club Dock usage Fee	4044	6	2696	4044	0	1%
TOTAL ADMIN	63184	98	51321	84122	-20938	15%
OPERATING EXP						
6456 Electricity	7000	11	3602	3200	3800	2%
Street Lights	56000	87	36792	55000	1000	13%
Water & Sewer	16000	25	8036	5000	11000	4%
TOTAL OPERATING	79000	123	48430	63200	15800	18%
MAINTENANCE						
Power washing	1000	2	150	0	1000	0%
Signs	500	1	306	0	500	0%
6521 Grounds Supplies	8687	13	7702	10000	-1313	2%
Fountain Maintenance	1750	3	0	0	1750	0%
Seasonal Flowers	5000	8	2260	incl. in Gmd. Supplies		1%
Plant/Tree Replacement	20000	31	4375	incl. in Gmd. Supplies		5%
Pet Stations	2407	4	320	0	2407	1%
Mulch	11000	17	15160	16000	-5000	3%
6522 Grounds Contractor	110000	171	39600	59400	50600	25%
Tree Maintenance	13520	21	1475	4000	9520	3%
6542 Repairs	10000	16	1320	9563	437	2%
6686 Lake Maintenance	13680	21	3487	6000	7680	3%
Irrigation Maintenance	3500	5	2432	2000	1500	1%
Parking/Traffic Improvements	10000	16	0		10000	2%
TOTAL MAINT	211044	328	78587	106963	104081	49%
TAXES & INS						
TAX/ IRS	200	0	67	215	-15	0%
Hazard Insurance	10000	16	6705	7250	2750	2%
TOTAL TAX & INS	10200	16	6772	7465	2735	2%
TOTAL EXPENSES	363428	564		261750	101678	84%
CAPITAL EXPENSES						
Replacement Reserves	32320	50	11000	16500	15820	7%
extra from expected assessments	15000	23	0	0	15000	3%
Repayment of unfunded reserves	22852	35	0	0	22852	5%
TOTAL CAPITAL EXP	70172	109	11000	16500	53672	16%
NET CASH FLOW	0	0		-2150	0	0%

Notes:							
	The landscape committee recommends $11,000 for mulch, $16,000 for landscape supplies(seasonal flowers, pre emergent, ants,						
	fountain maintenance, etc.),and $110,000 for the landscape contract. The landscape contract will include service						
	2X per week in Jan., Feb., March, Nov., and Dec.; 3X per week in April, May,and Oct.; 5X per week in June, July, Aug., and Sept.						
	The lakes committee recommends using Estate management and their monthly price is $1090.						
	The finance committee has reviewed the insurance policy on the common areas and the premium will be $10,000.						
	A reserve study was done and the recommended and accepted figure is $31,320. The finance committee also asks to budget an						
	additional $1000 for the reserve study to be updated in 5 years.						
	The reserve study shows the reserves are currently underfunded. $22852 is budgeted to start repaying this amount in 2005.						
	The traffic committee has asked for $10,000 to help with parking/ road issues.						
	There is a tentative usage agreement for the Club. The Assembly would pay $200 per month/$2400 per year.						
	Pet Stations: There are currently 6. It has been suggested to add an additional 8 in 2005.						
	They are $279 each. Bags included in the budgeted amount.						

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cwilson@amcs-inc.com

TO: I'On Assembly Homeowners

FROM: The Board of Trustees

RE: Annual Meeting

The I'On Assembly (Homeowner's Association) will hold its Annual Meeting Wednesday, December 7, 2005 at 7 PM at the Creek Club. All members are encouraged to attend this important meeting to elect four new Board of Trustee members and discuss Assembly issues.

All members are requested to arrive at the Creek Club at 6 PM and bring a covered dish. This will be a casual time to meet neighbors, board members as well as a time to find out more about clubs and organizations within I'On. The business meeting will begin at 7 PM.

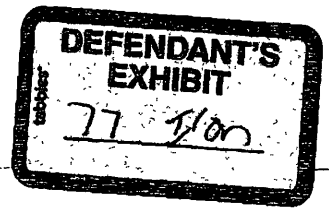
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If you are unable to attend, please complete the enclosed proxy statement and return it to the following address:

I'On Assembly Proxy
AMCS
P.O. Box 62109
North Charleston, SC 29419

Proxies must be received by
5 PM, Monday, December 5, 2004

This is per the Bylaws of the I'On Assembly Inc.
Article II Membership; Section 2-102 Voting; Paragraph B



I'On Assembly

Appointment of Proxy for Annual Meeting

As the record Owner(s) of property in the I'On Assembly, I/we hereby appoint _____ (name of individual), or if left blank then the President of the I'On Assembly ("Association"), as Proxy, with full power of the substitution in the event that he/she is unable or declines to serve as Proxy, to exercise the entire vote of the undersigned as directed below at the annual meeting of the Associations' members to be held on December 7, 2005, and any lawful adjournments thereof. In the event that the designated Proxy is not present at the meeting and has not designated a substitute, then I designate the President of the Association to serve as the substitute Proxy.

Name:_____

I'On Address: _____

Signature:_____

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Phone: (843) 303-3586
Fax: (843) 764-2363
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Call for Nominations

I'On Assembly, Inc. Board of Trustees - Four positions open

Deadline for nominations: Must be received no later than 5 p.m., November 24, 2005
Submit nomination form by mail to:

Cheryl Wilson
Management Director
AMCS, Inc.
P.O. Box 62109
North Charleston, SC 29419

Recommended Process: Each person who nominates someone should make every effort to confirm that the person wants to be nominated and understands the terms and roles of the Board of Trustees (see below for Role Summary). The person making the nomination needs to complete the following information and submit by the deadline. The nominee should complete the Nominee Application and submit by the same deadline.

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Each elected Board of Trustee member agrees to serve a two-year term. Trustees may be elected to serve any number of consecutive terms. The Bylaws provide for removal of Trustees and for filling of vacancies.

The affairs of the Assembly are managed under the direction of the Board of Trustees and, except as otherwise specifically provided in the Governing Documents, all powers of the Assembly shall be exercised by or under the authority of the Board of Trustees. The Board of Trustees shall be aided by the officers of the Assembly, the Covenants Committee and Board of Appeals, and such other committees as may be established pursuant to the Bylaws. I'On Bylaws.

Currently, the Board meets on the fourth Wednesday of every month for board meetings. These usually last 3-4 hours and start at 5 p.m. This year the meetings were on Wednesday evenings at the I'On Realty office. In addition Board members are expected to attend two homeowner meetings - one mid-year and one in early December. These are night meetings usually lasting for 2-3 hours. This year Board members also attended a half-day planning retreat in January.

Board members typically serve as a chairman of at least one committee and most serve on one or more other committees. Currently the Board committees include landscape, finance, communications (includes the web subcommittee), governance, infrastructure, and ad hoc committees as warranted. Examples this year of ad hoc committees include: committee to renegotiate agreement with I'On Club for shared dock costs, traffic study committee, and committee to develop facilities use agreements. Some committees meet monthly (such as finance and web committees). Others meet until reports are completed. Others such as the landscape committee meet to review RFP from landscape companies, but handle routine landscape issues by email.

Board activities are also handled between meetings by email and conference calls. On a frequent basis Board members communicate by email with each other, with the community manager, and with their committee members. All Board members are encouraged to review the community website weekly and monitor the message board for Assembly-related issues. Board members are expected to provide, at a minimum, quarterly progress reports for committee activities and updates as needed for communication to residents through web or hard-copy materials.

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Should you have any questions regarding your standing with the Assembly please contact Cheryl Wilson at 303-3586 or cwilson@amcs-inc.com.

*For each position to be filled on the Board of Trustees, **each Titleholder may cast one vote for each Lot which it owns in I'On**. That number of candidates equal to the number of positions to be filled who receives the greatest number of votes shall be elected.* I'On Bylaws.

Proxies. *At any meeting of the Assembly, a Member who is entitled to vote may cast its vote personally or through a designated proxy. A designation of proxy shall be in writing and shall identify the Lot or Lots for which it is given and the person designated to cast the votes for such Lot(s). It shall be signed by the Member or his duly authorized attorney-in-fact, dated, and filed with the Assembly prior to the meeting for which it is to be effective.* I'On Bylaws.

The election for the four positions will be conducted at the December 7, Annual Meeting. The Board has decided to also permit nominations from the floor on December 7.

I'On Assembly
Nomination Form
(Please Print)

Deadline for nominations: Must be received no later than 5 p.m., November 24, 2005
Submit nomination form by mail to:

Cheryl Wilson
Management Director
AMCS, Inc.
P.O. Box 62109
North Charleston, SC 29419

Name of Nominee (must be a Titleholder or I'On resident over 18 years of age):

_____

Address: _____

Phone Number: _____

Email address (if available): _____

Name of person making the nomination:

_____

Address: _____

Phone Number: _____

Email address (if available): _____

Date of Nomination: _____

Please include, on a separate piece of paper, a brief description of qualifications/attributes that the nominee brings to consideration for election to I'On Assembly Board of Trustees.

Nominee has read and understands that by agreeing to place their name in nomination that they are making a two-year commitment (within reasonable expectations) to actively participate in Board of Trustee meetings, committee activities, etc.

Signature of nominee: _____

Date: _____

I'On Assembly

Seventh Annual Meeting
December 7, 2005, 7:00 pm
Creek Club at I'On
Mt. Pleasant, SC

I) Call Meeting to Order

II) Proof of Notice and Establish Quorum

III) Welcome and Introduction of Board and Management

IV) Approval of Previous Annual Meeting Minutes – December 2, 2004.

V) Board Nominations from Floor and Election

VI) Development Report – LeGrand Elebash

VII) Committee Reports - Review of Assembly Goals for 2005 – LeGrand Elebash
- a) Finance Committee – Ed Clem
- b) Landscape Committee – Alan Comen
- c) Communication Committee – Carol Ann McLester
- d) Common Area Use Committee – Michael Purcell (DELETE?)
- e) Governance Committee – Everett Wilcox
- f) Infrastructure Committee – Dave Rosengren
- g) Traffic Committee – LeGrand Elebash

VIII) Announcement of New Board Members

IX) Special Assessment/Transfer Fee

X) Presentation of Civitas Award(I e-mailed Cynthia to see if this will be on this year's agenda of if she has any other items to add)

XI) Next Annual Meeting: December 6, 2005.

XII) Adjournment

I'On Assembly			UNITS:	682			
2006 BUDGET				Actual		Variance b/w	
		2006 Budget	$/Unit/Yr	1/05thru8/05 (8 months)	2005 Budget	2005 & 2006 Budgets	% of Total
REVENUE							
4120	Gross Regime Fees	443300	650	430600	418600	24700	98%
	Expected new assess.(20)	8125	0	incl. in gross fee	15000	-6875	2%
	Misc. Income	0	0	0	0	0	0%
TOTAL REVENUE		451425	650	430600	433600	17825	100%
ADMINISTRATION							
6311	Office Supplies	5000	7	3232	3000	2000	1%
6320	Mgmt Fee	44100	65	2800	42000	2100	10%
6341	Legal Fees	7000	10	3616	3000	4000	2%
6350	Accounting	400	1	350	350	50	0%
6375	Audit	1500	2	0	1500	0	0%
6360	Telephone	0	0	0	0	0	0%
6370	Bad Debt 1%	4622	7	0	3040	1582	1%
6390	Creek Club Rental Fee	4300	6	1050	1800	2500	1%
6209	Directory/Newsletter	5000	7	541	2500	2500	1%
6212	Website	650	1	644	1050	-400	0%
6213	Boroughs committee	1000	1	0	300	700	0%
6688	Creek Club Dock usage Fee	4044	6	2696	4044	0	1%
6373	Neighborhood Watch	10000	15	2840	0	10000	2%
6323	Comm. Events	2000	3	500	0	2000	
TOTAL ADMIN		89616	114	18269	62584	27032	20%
OPERATING EXP							
6456	Electricity	5000	7	2484	7000	-2000	1%
6445	Street Lights	60000	88	35181	56000	4000	13%
6451	Water & Sewer	16000	23	8319	16000	0	4%
	Street light installation	6500	10	0	0	6500	
TOTAL OPERATING		87500	128	45984	79000	8500	19%
MAINTENANCE							
6519	Power washing & Painting	5000	7	150	1000	4000	1%
6440	Signs	3000	4	1100	500	2500	1%
6521	Grounds Supplies	9190	13	10118	8687	503	2%
6534	Fountain Maintenance	1995	3	546	1750	245	0%
6535	Seasonal Flowers	5300	8	2475	5000	300	1%
6533	Plant/Tree Replacement	5000	7	10165	20000	-15000	1%
6529	Pet Stations	2000	3	332	2407	-407	0%
6532	Mulch	13110	19	9210	11000	2110	3%
6522	Grounds Contractor	125820	184	76248	114372	11448	28%
6531	Tree Maintenance/trimming	2000	3	8437	13520	-11520	0%
6542	Repairs	10000	15	11984	10000	0	2%
6686	Lake Maintenance	14035	21	10023	13680	355	3%
6455	Irrigation Maintenance	6000	9	3403	3500	2500	1%
6689	Parking/Traffic Improvemer	0	0	0	10000	-10000	0%
6526	Walking Path Refurbishment	3500	5	0	0	3500	1%
6527	Landscape Lighting	2500	4	0	0	2500	1%
6525	East bank of East Lake	3680	5		0	3680	
TOTAL MAINT		212130	311	144191	215416	-3286	47%

TAXES & INS							
6715	TAX/ IRS	750	1	722	200	550	0%
6719	Hazard Insurance	12000	18	9841	10000	2000	3%
TOTAL TAX & INS		12750	19	10563	10200	2550	3%
TOTAL EXPENSES		401996	589	219007	367200	34796	89%
Reserve set a side							
	Replacement Reserves	31000	45	50180	32320	-1320	7%
	extra from expected assessme	8125	12	0	15000	-6875	2%
	Repayment of unfunded rese	0	0	0	23452	-23452	0%
6870	Contingency	10304	15	0	0	10304	
TOTAL Reserve sets side**		49429	72	50180	70772	-21343	11%
NET CASH FLOW		0	0	161413	-4372	0	0%

Notes:

The contingency account in the reserve set a side could be used for security, roads and traffic, additional repairs, unscheduled storm clean up, and road corner rut repairs, and any other uriforeseen expenses.

The capitol expenses are based the reserve study prepared by Falcon Engineering in 2004.

I'On Assembly
ANNUAL MEETING REPORT AS OF 11/29/05

ALPHA KEY	PROPERTY ADDRESS	ACCOUNT NO	LOT/UNIT	RATIO	SETTLED	SIGNATURE
WADE	[redacted]					X [signature]
WALBECK						[signature]
WALL					03/01/05	
WALL					03/01/05	
WALSH						
WATERS						
WDS						
WDS					01/27/05	
WDS					04/19/05	
WDS					04/19/05	
WDS					04/19/05	
WEBB						X [signature]
WEBB						

*=Delinquent Owner (H)=Current Owner (P)=Prev Owner (R)=Resident/Tenant (V)=Developer

DEFENDANT'S EXHIBIT 78 I'On

I'On Assembly
Asset Management & Consulting Services, Inc.
P.O. Box 62109
North Charleston, SC 29419
Phone: (843) 303-3586
Fax: (843) 764-2363
www.amcs-inc.com
cwilson@amcs-inc.com

TO: **I'On Assembly Homeowners**

FROM: **The Board of Trustees**

RE: **2006 I'On Assembly Homeowners Association Annual Meeting**

The I'On Assembly Homeowner's Association will hold its Annual Meeting Wednesday, December 6, 2006 at 7 PM at the Creek Club. All members are encouraged to attend this important meeting to elect two new Board of Trustee members and discuss I'On Assembly issues.

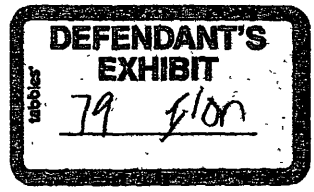
All members are requested to arrive at the Creek Club around 6 PM. This will be a casual time to meet neighbors, Board members, as well as a time to find out more about clubs and organizations within the I'On Community. The business meeting will begin at 7 PM.

Everyone is encouraged to take advantage of this beautiful time of year and walk to the meeting, weather permitting. If you must drive and if the main lot is full, please park at the overflow parking lot on N. Shelmore Blvd. Please do not park along Saturday Road or on vacant lots. Saturday Road is a narrow street and it is important to not block access for emergency vehicles.

If you are unable to attend, please complete the enclosed proxy statement and return it to the following address:

I'On Assembly Proxy
AMCS
P.O. Box 62109
North Charleston, SC 29419

Proxies must be received by
5 PM, Tuesday, December 5, 2006
Proxies will not be collected at the Door
This is per the Bylaws of the I'On Assembly Inc.
Article II Membership; Section 2-102 Voting; Paragraph B



I'On Assembly

Appointment of Proxy for Annual Meeting

As the record Owner(s) of property in the I'On Assembly, I/we hereby appoint _____ (name of individual), or if left blank then the President of the I'On Assembly ("Association"), as Proxy, with full power of the substitution in the event that he/she is unable or declines to serve as Proxy, to exercise the entire vote of the undersigned as directed below at the annual meeting of the Associations' members to be held on December 6, 2006, and any lawful adjournments thereof. In the event that the designated Proxy is not present at the meeting and has not designated a substitute, then I designate the President of the Association to serve as the substitute Proxy.

Name:_____
(Please Print)

I'On Address: _____
(Please Print)

Signature:_____

If you are unable to attend the Annual Meeting, please complete the proxy statement and return it to the following address:

I'On Assembly Proxy
Cheryl L. Wilson
Management Director
AMCS, Inc.
P.O. Box 62109
North Charleston, SC 29419

Proxies must be received by
5 PM, Tuesday, December 5, 2006
Proxies will not be collected at the Door
This is per the Bylaws of the I'On Assembly Inc.
Article II Membership; Section 2-102 Voting; Paragraph B

I'On Assembly
Homeowners Association

Eighth Annual Meeting
December 6, 2006, 7:00 pm
Creek Club at I'On
Mt. Pleasant, SC

I) Call Meeting to Order

II) Proof of Notice and Establish Quorum

III) Welcome and Introduction of Board of Directors and Management

IV) Approval of Previous Annual Meeting Minutes – December 7, 2005.

V) Election of Board of Trustees

VI) Development Report

VII) Committee Reports
- a) Finance Committee – Ed Clem
- b) Landscape Committee – Alan Barbieri and Dave Rosengren
- c) Communication Committee – Theresa Green
- d) Common Area Use Committee – Alan Barbieri
- e) Infrastructure Committee – Dave Rosengren
- f) Traffic Committee – George Flynn

VIII) I'On Trust Update

IX) Announcement of New Board Members

X) Transfer Fee

XI) New Business

XII) Presentation of the Civitas Award – Alan Barbieri, Cynthia Rosengren, Steve Kwiakowski

XIII) Next Annual Meeting
- a) Tentatively December 5, 2007 at 7 PM at the Creek Club

XIV) Question and Answer Period

XV) Adjournment

I'On Assembly		UNITS: 702	(2006 Based on 682 Units)	
2007 BUDGET			2006	
		2007 Budget	Projected	2006 Budget
REVENUE				
4120	Gross Regime Fees	526500	450798	451425
	Operating Interest Income	10000	6000	0
TOTAL REVENUE		536500	456798	451425
ADMINISTRATION				
6312	Office Supplies-Off Site	7200	7196	5000
6320	Mgmt Fee	45864	43838	44100
6340	Legal Fees***	3500	4188	0
6341	Legal Fees-Liens	3500	3321	7000
6375	Accounting	0	0	400
6350	CPA - Tax Return/ Audit	1900	1840	1500
6370	Bad Debt 1%	0	0	4622
6364	Bank Charges ***	90	88	0
6326	Creek Club Rental Fee	4719	2531	3250
6392	Directory	3000	2500	5000
6328	Newsletter	4000	1178	0
6212	Website	702	750	650
6327	Boroughs Committee	200	96	1000
6329	Creek Club Dock usage Fee	4044	4044	4044
6361	Neighborhood Watch	10000	10170	10000
6325	Social/Comm. Events	750	227	2000
6220	Community Support***	5000	0	0
6319	Sound Equipment***	1500	0	0
6391	Reserve Study Expense	0	4325	0
TOTAL ADMIN		95969	86291	88566
OPERATING EXP				
6450	Electricity	0	0	5000
6495	Street Lights	40000	39423	60000
6451	Water & Sewer	0	0	16000
6453	Chas Cnty Strm Swg Fees	75	54	0
6454	Water-Eastlake-00491296	37	35	0
6455	Water-Frogmore-00491821	36	35	0
6456	Water-Ionsborough-119-004923	305	291	0
6457	Water-Ionsborough-167-00492345	403	384	0
6458	Water-Isle of Hope -00491391	142	135	0
6459	Water-Jogg/Sanib-00492486	179	170	0
6460	Water-MF516 00490000-00087584	1621	1544	0
6461	Water-MF516 00490001-0008758	27	25	0
6463	Water-MF518 00490020-0009678	3972	3783	0
6464	Water-McDaniel 00492248	4927	4693	0
6465	Water-Moultrieville-00491381	63	60	0
6466	Water-N. Shelmore-00492249	62	59	0
6467	Water-N. Shelmore-00491371	34	33	0
6480	Elec-Boathouse Close-0273-2265	677	645	0
6481	Elec-Civitas St 5502-826	210	200	0
6482	Elec-Eastlake-0273-3036	338	322	0
6483	Elec-Faye/Latt-5618-1074	308	294	0
6484	Elec-Frogmore-5625-8898	208	198	0
6485	Elec-Hospita Irr 5611-5015	291	277	0
6486	Elec-Ionsborough-6071-3304	519	494	0
6487	Elec-Isle of Hope-5607-858	207	197	0
6488	Elec-Joggling-6438-0159	188	179	0
6489	Elec-Low Country-5617-2161	207	198	0

6490	Elec-Math Fer Irr-5607-8852	337	321	0
6491	Elec-McDaniel/Star-5822-867	219	208	0
6492	Elec-Sanibel/W Shi-6131-6993	811	772	0
6493	Elec-Saturday Irr-5611-504	222	212	0
6494	Elec-Saturday Lts-5611-496	207	197	0
6496	Elec-W Shipy Irr-5618-1021	1080	1029	0
6441	Street Light Installation	0	0	6500
TOTAL OPERATING		57914	56467	87500
MAINTENANCE				
6533	Power Washing & Painting	7150	3618	5000
6440	Signs	4700	3386	3000
6521	Grounds Supplies	9190	9190	9190
6515	Fountain Maintenance	0	375	1995
6516	Seasonal Flowers	10000	7113	5300
6524	Plant/Tree Replacement	4000	9375	5000
6520	Landscaping Enhancement/Maint.	37722	18720	0
6519	East bank of East Lake	0	0	3680
6564	Pet Stations	200	385	2000
6526	Pine straw/Mulch	15695	15170	13110
6522	Grounds Contractor	129600	125700	125820
6525	Tree Maintenance/Trimming	3681	5522	2000
6542	Repairs	10000	9410	10000
6686	Lake Maintenance	14736	13660	14035
6687	Lake Equip. Maint.***	2500	0	0
6684	Fish and Wildlife***	3089	0	0
6530	Irrigation Maintenance	7000	8459	6000
6517	Walking Path Refurbishment	3500	1965	3500
6518	Landscape Lighting	1500	2605	2500
6689	Playground Maint/Rpr ***	1500	2550	0
TOTAL MAINT		265764	237202	212130
TAXES & INS				
6711	TAX/ IRS	8085	973	750
6719	Hazard Insurance	10200	9584	12000
6715	Property Taxes	125	113	0
6722	Workers Comp Ins.***	959	799	0
TOTAL TAX & INS		19369	11469	12750
TOTAL EXPENSES		439016	391429	400946
NET BEFORE RESERVES		97484	65369	50479
Reserve Set Aside				
	Capital Reserves *	85000	42354	31000
	extra from expected assessments	0	0	8125
	Contingency/Oper. Reserve **	12484	23015	11354
TOTAL		97484	65369	50479
NET CASH FLOW		0	0	0

Notes:

* The contribution to the Capital Replacement Reserve account is based on the recommendations in the preliminary Capital Reserve report prepared by Miller-Dodson & Associates dated October 31, 2006. A final report will be reviewed at the annual meeting, and the contribution amount may have to be adjusted to reflect the final recommendations.

** The Contingency/Operating Reserve account can be used for expenses associated with use of off-duty police for security patrols, unforeseen repair expenses and/or storm cleanup, and any other unbudgeted expenses. Any balance remaining at year end will be applied to the Capital Reserve account.

*** New Account for 2007 Budget

I'On Assembly
Asset Management & Consulting Services, Inc.
P.O. Box 62109
North Charleston, SC 29419
Phone: (843) 303-3586
Fax: (843) 764-2363
www.amcs-inc.com

Call for Nominations

I'On Assembly, Inc. Board of Trustees - Two positions open for the Seats of Everett Wilcox and Alan Comen

Deadline for nominations: Must be received no later than 5 PM, December 4, 2006
Submit nomination form by mail to:

Cheryl L. Wilson
Management Director
AMCS, Inc.
P.O. Box 62109
North Charleston, SC 29419

Recommended Process: Each person who nominates someone should make every effort to confirm that the person wants to be nominated and understands the terms and roles of the Board of Trustees (see below for Role Summary). The person making the nomination needs to complete the following information **and submit by the deadline of 5 PM on December 4, 2006**. The nominee should complete the Nominee Application and submit by the same deadline.

Composition and Selection of Board of Trustees:
The Board shall consist of three to seven Trustees. Except for Trustees appointed by the Founder Member, Trustees shall be Titleholders or residents of I'On who are at least 18 years of age. Only one titleholder or resident representing a particular Lot may serve on the Board of Trustees at any time. (I'On Bylaws).

In an effort to provide each candidate with a reasonable opportunity to communicate his or her qualifications to the Members prior to the election, a statement of purpose should be filed with their nomination. This information will be scanned to the community website at www.ioncommunity.com and be available for review until the December 6 Annual Meeting. In addition, the Board of Trustees encourages nominees to personally inform other residents about their qualifications for Board positions prior to the election.

Role of Board of Trustees:
In order to help potential nominees determine if they want to consider serving on the Board and to help voters review qualifications, here is background information about the role of Board of Trustee members.

Each elected Board of Trustee member agrees to serve a two-year term. Trustees may be elected to serve any number of consecutive terms. The Bylaws provide for removal of Trustees and for filling of vacancies.

The affairs of the Assembly are managed under the direction of the Board of Trustees and, except as otherwise specifically provided in the Governing Documents, all powers of the Assembly shall be exercised by or under the authority of the Board of Trustees. The Board of Trustees shall be aided by the officers of the Assembly, the Covenants Committee and Board of Appeals, and such other committees as may be established pursuant to the Bylaws. (I'On Bylaws).

Currently, the Board meets on the fourth Wednesday of every month for Board meetings. These usually last 3-4 hours and start at 5 p.m. This year the meetings were on Wednesday evenings at the I'On Realty office. In addition Board members are expected to attend two homeowner meetings - one mid-year and one in early December. These are night meetings usually lasting for 2-3 hours. This year Board members also attended a full-day planning retreat in January.

Board members typically serve as a chairman of at least one committee and most serve on one or more other committees. Currently the Board committees include landscape, finance, communications (includes the web subcommittee), infrastructure, and ad hoc committees as warranted. Examples this year of ad hoc committees was a committee to develop a facilities use agreement of the common areas. Some committees meet monthly (such as finance and web committees). Others meet until reports are completed. Others such as the landscape committee meet to review RFP from landscape companies, but handle routine landscape issues by email.

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Should you have any questions regarding your standing with the Assembly please contact Cheryl L. Wilson at 303-3586 or cwilson@amcs-inc.com.

*For each position to be filled on the Board of Trustees, **each Titleholder may cast one vote for each Lot which it owns in I'On.** That number of candidates equal to the number of positions to be filled who receives the greatest number of votes shall be elected.* (I'On Bylaws).

***Proxies.** At any meeting of the Assembly, a Member who is entitled to vote may cast its vote personally or through a designated proxy. A designation of proxy shall be in writing and shall identify the Lot or Lots for which it is given and the person designated to cast the votes for such Lot(s). It shall be signed by the Member or his duly authorized attorney-in-fact, dated, and filed with the Assembly prior to the meeting for which it is to be effective.* (I'On Bylaws).

The election for the two positions will be conducted at the December 6, 2006 Annual Meeting.

RESOLUTION REGARDING USE OF EXCESS TRANSFER FEES

Background: The I'On Assembly Board of Trustees has proposed an amendment to the I'On Declaration of Covenants, Conditions and Restrictions that would provide for the collection of a fee from buyers of homes in I'On of .25% of the purchase price upon transfer of title. The primary purpose of this transfer fee is to help fund the Assembly's capital/replacement reserves to the level recommended by the recent reserve study performed by Miller*Dodson. The Board will re-evaluate the amount and funding requirements of the capital reserve periodically based on additional reserve studies performed every 3 to 5 years.

In order to clarify the uses that may be made of any transfer fees collected in excess of the amounts required to properly fund the Assembly's capital reserves, it is:

Resolved: All transfer fees collected will be added to the Assembly's capital reserves until the reserves total __*__ percent of the total value of the Assembly's assets, as reflected in the most recent reserve study. Thereafter, in the event that:

(i) the amount of transfer fees collected in any year exceeds the recommended annual contribution to the Assembly's capital reserves plus replenishment of any expended reserve amounts; or

(ii) the Assembly's capital reserves become fully funded (as adjusted from time to time to take into account future reserve studies and expenditures to repair or replace common assets);

then any transfer fees collected in excess of the proper reserve amount will be segregated, and the use of such funds will be determined by a majority vote of a quorum of homeowners attending the Assembly's Annual Meeting. Not in limitation but by way of illustration, such funds could be used to help meet annual association operating costs or to enhance I'On by, for example, building a community center.

Resolution adopted at the regular Annual Meeting of the I'On Assembly on December 6, 2006.

_____

Theresa Green, Secretary

[* Percentage will be filled in based on the final reserve study report from Miller*Dodson]

I'On Assembly
P.O. Box 62109
Charleston, SC 29419
Tel: (843) 303-3586 Fax: (843) 764-2363
www.AMCS-Inc.com
CWilson@AMCS-Inc.com

Dear Neighbors,

As we have already communicated, the Town of Mount Pleasant will begin implementing their Parking Plan in the near future. The implementation will be done on a neighborhood by neighborhood basis.

We are writing for 2 reasons: The first is to make sure that you are aware of the Plan as parking will be permitted only in the designated areas. If you have not seen the plan, a copy can be found in the I'On directory and we request that you review it.

The second is to advise you that the Town of Mt. Pleasant has told us that they will do a "walk-through" of each borough with us before the actual lines are painted on the road. At that time we will have an opportunity to request "tweaking" if the plan creates problems. Please understand that the plan can not be changed in a major way, i.e., allowing parking on a road that, as per the existing plan, will not be permitted. We will review any homeowner comments with the Town prior to the walk-through and implementation, and hopefully an accommodation can be made.

We request that if you have any comments or suggestions please let us know as soon as possible because our ability to make changes after implementation will be at best difficult, and most likely not possible. All comments should be directed to Cheryl Wilson at AMCS, Inc., cwilson@amcs-inc.com.

Thanks and regards.

The Board of Trustees
For the I'On Assembly.

HOMEOWNERS ASSEMBLY
Board of Trustees

President: Everett Wilcox

Treasurer: Ed Clem

Secretary: Theresa W. Green

Member: Dr. Alan E. Barbieri

Member: Dr. Alan Comen

Member: George Flynn

Member: Ted Webb

Property Manager:

Cheryl Wilson, AMCS

I'On Assembly Update

Third Quarter 2006

Don't Miss ...

Annual I'On Garage Sale

Saturday, November 18th

8:00 am until Noon

Sponsored by: The I'On Lunch Bunch

(More details on pg. 2)

Committee Updates

Finance Committee: Ed Clem, Chairperson

Through the nine months ending Sept. 30, we have realized income from Assembly dues of $444,798 (not all of which have yet to be collected) against a budget of $443,300 along with other income of $4638 from interest earned, fines and late fees. Our expenditures have totaled $321,876. At this point, it appears we will end the year with a balanced budget. We are beginning the process of putting together a proposed budget for 2007, which will be presented to the Assembly Board of Trustees this month for approval and included in the notice of the Annual Meeting, which will be sent out in November. If you know of some item that, in your opinion needs to be considered for the upcoming budget, please provide that information to the appropriate committee head, or a member of the board so that it can be considered.

We are currently doing an estimate of our cash needs to finish the year to see if some projects being considered for next year's budget can be completed and paid for out of this year's revenues.

Our Capital Reserve Fund now stands at slightly under $230,000, well below the recommended level suggested by the consulting firm hired in 2003 to make recommendations on prudent funding levels. We are well underway with our plans to invest these funds in US Treasury bills to gain a reasonable return (current investments are now returning about 5% versus about 2% previously) and to establish maturity dates so that we can have funds maturing each month in the event a need arises. The Board has voted to have this Capital Reserve Study updated before year-end by a new firm with impressive credentials in this area of expertise. This will give us a new projection of funding level requirements that will reflect cost increases plus new assets that have been turned over to the Assembly by the developer since the last study, and which must be accounted for in setting a realistic goal.

If you have any questions or comments, please direct them to any member of the Finance Committee. Currently Ed Clem chairs this committee, with other members consisting of Annie Bonk, Libby Eble, George Flynn and Ted Webb.

Traffic Committee: George Flynn, Chairperson

Traffic Calming

Our efforts to install traffic calming stop signs at the intersection of Sowell and North Shelmore have been unsuccessful. There are very specific traffic volumes that must be met before the Town can agree to any installation, and unfortunately we did not meet these requirements. The other option is to install speed bumps and they too have very specific Town requirements, including the approval of 70% of affected residents. The two areas of traffic calming concern have been North Shelmore and East Lake. We will be canvassing residents as to their interest in speed bump installations as our next step.

Parking Plan

The Town is getting ready to implement their plan. They do not have a definite schedule at this time but implementation should begin within the next few months. Their implementation roll out will be on a section-by-section basis. They will advise us of their rollout schedule to both forewarn affected residents and also to give residents an opportunity to point out problems that the implementation may present. Please understand that "problems" are of a tweaking nature and not major or wholesale changes.

A-I

DATE: 11/27/06 TIME: 2:55 PM

I'On Assembly Homeowners Association

ANNUAL MEETING REPORT AS OF 11/27/06

*=Delinquent Owner (H)=Current Owner (P)=Prev Owner (R)=Resident/Tenant (V)=Developer

ALPHA KEY	PROPERTY ADDRESS	ACCOUNT NO	LOT/UNIT	RATIO SETTLED	SIGNATURE
ABBOTT	[redacted]	[redacted]	CIV164	08/25/05	
ABELA	[redacted]	[redacted]	JAK105		
ACKER			EAST34		Tom & Dwora Acker
ADKINS			HOPE34		
AGUILERA			NSH182		
AICHELE			NSH133		
ALCALA			WSP129		
ALKA			JOGG22		
ALKA			SANI50	02/10/05	
ALKA			SANI59	02/10/05	
ALKA			SANI63	02/10/05	
ALKA			SANI67	02/10/05	
ALLEN			ESP186		
ALTMAN			CIV176		

DEFENDANT'S EXHIBIT
80 I'on

[redacted]E: 11/27/06 TIME: 2:55 PM

I'On Assembly Homeowners Association

ANNUAL MEETING REPORT AS OF 11/27/06

*=Delinquent Owner (H)=Current Owner (P)=Prev Owner (R)=Resident/Tenant (V)=Developer

ALPHA KEY	PROPERTY ADDRESS	ACCOUNT NO	LOT/UNIT	RATIO	SETTLED	SIGNATURE
WADE	[redacted]		KRIE43			
WALBECK			NSH114			X
WALL			NSH209		03/01/05	
WALL			PERS40		03/01/05	
WALSH			SAT057			
WATERS			JAK149			
WDS			HOPE18			
WDS			MONT52		01/27/05	
WDS					04/19/05	
WDS					04/19/05	
WDS					04/19/05	
WEBB			ISLE26			

I'On Assembly
Asset Management & Consulting Services, Inc.
P.O. Box 62109
North Charleston, SC 29419
Phone: (843) 303-3586
Fax: (843) 863-6136
www.amcs-inc.com
cwilson@amcs-inc.com

TO: **I'On Assembly Homeowners**

FROM: **The Board of Trustees**

RE: **2007 I'On Assembly Homeowners Association Annual Meeting**

The I'On Assembly Homeowner's Association will hold its Annual Meeting Wednesday, December 12, 2007 at 7 PM at the East Cooper Montessori Charter School. All members are encouraged to attend this important meeting to elect five Board of Trustee members and discuss I'On Assembly issues.

All members are requested to arrive at the Cooper Montessori Charter School around 6 PM. This will be a casual time to meet neighbors, Board members, as well as a time to find out more about clubs and organizations within the I'On Community. The business meeting will begin at 7 PM.

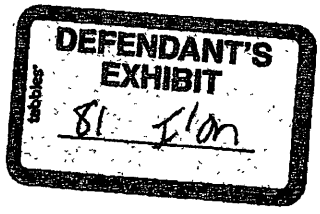
Everyone is encouraged to take advantage of this beautiful time of year and walk to the meeting, weather permitting. If you must drive, please abide by the marked parking spots and only park where it is permitted so as to keep the street open in the event an emergency vehicle might need to get through.

If you are unable to attend, please complete the enclosed proxy statement and return it to AMCS either by mail, by hand or via fax.

I'On Assembly Proxy
AMCS
P.O. Box 62109
North Charleston, SC 29419

Fax: (843) 863-6136

We encourage submission of proxies before the meeting date.



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Appointment of Proxy for Annual Meeting

As the record Owner(s) of property in the I'On Assembly, I/we hereby appoint _____ (name of individual), or if left blank then the President of the I'On Assembly ("Association"), as Proxy, with full power of the substitution in the event that he/she is unable or declines to serve as Proxy, to exercise the entire vote of the undersigned as directed below at the annual meeting of the Associations' members to be held on December 12, 2007, and any lawful adjournments thereof. In the event that the designated Proxy is not present at the meeting and has not designated a substitute, then I designate the President of the Association to serve as the substitute Proxy.

Name:_____
(Please Print)

I'On Address: _____
(Please Print)

I'On Lot Number: _____
(Please Print)

Signature:_____

Date: _____
(Please Print)

If you are unable to attend, please complete the enclosed proxy statement and return it to AMCS either by mail, by hand or via fax.

I'On Assembly Proxy
AMCS
P.O. Box 62109
North Charleston, SC 29419
Fax: (843) 863-6136

We encourage submission of proxies before the meeting date.

Notice to I'On lot owners and residents from the I'On Assembly Nominating Committee

As stated in the President's communication to you on October 18, 2007, the I'On Assembly Board of Trustees has directed that a Nominating Committee be formed pursuant to Section 3-102(c) of the I'On Bylaws. The purpose of the Nominating Committee is to identify, recruit and nominate candidates for election to the Board of Trustees and to help ensure that enough diverse candidates run and that the residents are informed of their backgrounds and qualifications. The Committee will not be recommending or endorsing any particular candidates.

The Bylaws require that the Committee be composed of a chairperson (who also must be a Trustee) plus five lot owners or their representatives. As approved by the Board at its regular meeting on October 24th, the members of this Committee are Everett Wilcox (Chair), Andy Gowder, Becky Van Wie, Carol Ann McLester, George Flynn and Phil Ayers. David Rosengren also will be participating. Committee members serve for a period of one year.

The Committee held its organizational meeting on Monday, November 5, 2007, which all members attended. At that time the Committee determined that:

1. The period during which a resident may file as a candidate for the Board of Trustees shall extend until the close of business on November 26, 2007. This will allow time for the Nominating Committee to prepare the necessary documents and ballots for distribution prior to and/or at the Annual Meeting. In response to the President's October 18 notice, the Committee already has received a number of self-nominations for the six Board positions that will become vacant.

2. The normal term of office for a Trustee is 2 years. However, in order to return the Board to staggered terms as provided by the Bylaws (Section 3-102(b) (v)), 3 trustees will be elected for 2 year terms and 3 for 1 year terms. Each candidate will be asked to state their preference, but the final term decisions will be determined among the Trustees themselves, after the election in December.

3. Each candidate will be asked to fill out a questionnaire covering pertinent topics, including:
   - A description of their background and relevant volunteer experience;
   - A summary of why they are interested in serving on the Board and their goals and intentions;
   - Brief statements of their positions on various issues recently before the I'On community (such as the proposed PD amendment, acquiring or building a community meeting facility, use of the boat ramp and docks, adoption of transfer fees, etc.), as well as with regard to any other issues deemed important by the candidate.

Copies of the completed questionnaires will be provided to all homeowners prior to the Annual Meeting.

4. At the Annual Meeting, we propose that each candidate be given 2 minutes to introduce themselves and to share whatever information they feel is relevant to their candidacy. Additional copies of their written submissions to the Committee also will be made available.

Although this is the preferred process, as provided in the Bylaws nominations may be permitted from the floor at the Annual Meeting.

Anyone desiring to nominate a candidate for the Board, including themselves, should notify Everett Wilcox at everettw@us.ibm.com. He also will be distributing questionnaires to candidates. Other inquiries may be directed to any member of the Committee.

Thank you and we look forward to seeing everyone at the Annual Meeting. If you cannot attend, please do not forget to fill out and return your proxies. They will be mailed to you shortly, together with the official notice of the Annual Meeting.

November 7, 2007

I'On Assembly
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www.AMCS-Inc.com
cwilson@AMCS-Inc.com

December 6, 2007

Dear neighbors and fellow property owners,

Based on several threads on the message board, it appears that there may be some confusion about the enforcement of the I'On Governing Documents, which this letter is meant to clarify. This is a matter that the Trustees discussed at length at the regular I'On Board meeting on October 24th. At that time we decided to implement fully the requirements of the I'On Declaration of Covenants, Conditions and Restrictions ("DCCR") regarding a separate Appeals Board. Our review also indicated that alleged violators were not sufficiently aware of their appeal rights.

In recognition of this situation, the Board directed the Covenants Committee to reexamine all existing violation cases, and advise the Board which ones they felt warranted continued pursuit. Additionally, until this matter could be fully explored, AMCS was directed to put all existing covenant enforcement cases on hold. At our November executive session, this issue was further reviewed. As noted below, it was decided that all future violation notice letters would explicitly state the appeals rights of the alleged violators. Finally, the Board decided to "restart the clock" on all cases deemed to still be relevant, i.e., all existing fines for such cases are to be removed, and the process restarted as if the alleged violation had just been discovered.

Because the relevant sections of the Governing Documents are located in several different places, I asked Everett Wilcox, who was President of the I'On Assembly Board of Trustees in 2006, when the then homeowner controlled Board began to enforce these rules, to summarize the relevant sections of the Governing Documents for the Board's understanding. His description of the salient points follows:

"1. The DCCR provides that all I'On lot owners and residents must comply with all the I'On Governing Documents, which are defined collectively as the DCCR, Articles of Incorporation, Bylaws, Code and Rules. The DCCR takes precedence over all the other documents, the Articles over the Bylaws, etc. The Rules are lowest in order of priority and are the only provisions that can be modified by the Board of Trustees. (See DCCR Sections 1-103, 3-101, 3-102(a), 3-102(d), 4-101, 11-104 and Exhibit A.)

(As a reminder, the I'On Code lays out the written architectural standards administered by the I'On Design Committee, which must approve all improvements to any I'On lots. The Code, for example, is where the requirement is contained that all fences be painted or stained. Only the I'On Company has the authority to amend the Code until such time as all I'On lots have been sold. (See Article IV of the DCCR.))

2. DCCR Section 2-105 provides that "The Assembly may impose sanctions for violation of the Governing Documents upon recommendation of the Covenants Committee after notice and a hearing and exhaustion of appeal rights in accordance with the procedures set forth in the Bylaws." (The Covenants Committee is established pursuant to Section 2-102(b) and the Board of Appeals under Section 2-102(b) (2).)

3. The notice and hearing procedures for the Covenants Committee and the Board of Appeals are covered in detail in Sections 7-101, 7-102 and 7-103 of the Bylaws. In general, these provisions provide that an alleged violator has 10 days from the date of written notice to request a hearing before the Covenants Committee in order to review an alleged violation. If no hearing is requested, however, then the sanctions automatically will be imposed. If a homeowner requests a hearing before the Covenants Committee and subsequently disagrees with its determination, the homeowner has the option to appeal any adverse decision to the Board of Appeals by written notice within 10 days of the Committee's decision.

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2008 Budget Discussion

The budget, unanimously approved by the Board at last Wednesday's regular meeting is attached, and reflects the unpleasant, but necessary, increase in regime fees of 20%, from $750 to $900. This is in spite of the fact that some items thought to be needed and included in the preliminary budget, were removed. For example, the Board saw a need to consider a full time manager for our growing community and/or the services of an Executive Director, but these costs could not be justified, particularly recognizing the expense of providing rented office space for such services, since the Assembly, as we all recognize, has no community building for such offices.

While each of the major budget categories, Administration, Operating Expenses, Maintenance and Insurance/Taxes saw the same percentage increase, Maintenance which comprises almost half our total budget expense has the largest dollar increase. Simply speaking, the overwhelmingly large common spaces we enjoy with our lakes, rookery, walking paths, parks and landscaped commons require significant funds to maintain. Reflecting those needs, in particular the landscaping needs of our commons areas, the landscape committee started a program this year to improve the condition of the grasses and landscape plants with a comprehensive treatment program recommended by experts in these fields. Account 6521 Ground Supplies, reflects that program, which also includes treatment for fire and sugar ants, preemergence treatment to control weeds, as well as soil aeration (coring) and fertilizers. The landscaping contract was significantly rewritten and put out to competitive bid, so even though Account 6522. Grounds Contract/Landscaping shows about a 7% increase, it reflects services that were not formerly covered in the base contract, so the actual increase in cost is negligible, and enabled us to reduce Account 6520. Landscaping Enhancement/Maintenance from $37,000 this year to an estimated $20,000 in 2008. Account 6542. Repairs, while showing an increase in 2008 to $17,000 from $10,000 this year, is actually some $5000 less than we have spent already this year (some $23,000). Some big ticket items that occurred this year, unexpectedly, namely the failure of two of our lake irrigation pumps, and extensive repairs that had to be made to the reflecting pool at Perseverance Park should not be recurring items this year so the budget was reduced accordingly over the year to date actuals.

Administration Expenses at $117,000 represent some 18% of our total expenses. The approximately $21,000 increase over 2007 is due to three factors. Reflecting the uncertainty in the Real Estate market, our Management Company suggested we budget a 1% Bad Debt Account this year anticipating potential difficulties with regime fee collections. Account 6350 CPA/ Tax Return/Audit shows an increase of $3450 to cover the cost of a full audit. For the last three years, the Assembly has done only a compilation of books, not a full audit and the Board feels it is time for a more complete

I'On Assembly	Units:	708	(2007 Based on 702 Units)				
2008 BUDGET			Actuals		Variance btw.		
		2008 Budget	1/01/07-10/31/07	2007 Budget	2007 & 2008 Budgets	$/Unit/Yr	% of Total
REVENUE							
4120	Gross Regime Fees	637200	527,303.39	526500	110700	900	98.45%
	Operating Interest Income	10000		10000	0	14	1.55%
TOTAL REVENUE		647200	527,303.39	536500	110700	914	100%
ADMINISTRATION							
6212	Website	702	0.00	702	0	1	0.11%
6220	I'On Trust Expense	7700	5,000.00	5000	2700	11	1.19%
6312	Office Supplies-Off Site	4500	3,577.31	7200	-2700	6	0.70%
6319	Sound Equipment	0	1,368.14	1500	-1500	0	0.00%
6320	Mgmt Fee	45864	38,073.00	45864	0	65	7.09%
6325	Social/Comm. Events	850	466.20	750	100	1	0.13%
6326	Creek Club Rental Fee	4719	3,432.00	4719	0	7	0.73%
6327	Boroughs Committee	200	0.00	200	0	0	0.03%
6328	Newsletter	4000	840.22	4000	0	6	0.62%
6329	Creek Club Dock usage Fee	6665	3,370.00	4044	2621	9	1.03%
6340	Legal Fees	13500	1,389.50	3500	10000	19	2.09%
6341	Legal Fees-Liens	3500	-1,675.36	3500	0	5	0.54%
6350	CPA - Tax Return/ Audit	5350	400.00	1900	3450	8	0.83%
6351	Membership/ Association Expense	1200	872.85	0	1200	2	0.19%
6361	Neighborhood Watch	7500	6,485.00	10000	-2500	11	1.16%
6364	Bank Charges	25	3.00	90	-65	0	0.00%
6370	Bad Debt 1%	6372	0.00	0	6372	9	0.98%
6375	Professional Fees	0	31.61	0	0	9	0.98%
6392	Directory Expense	4400	0.00	3000	1400	6	0.68%
6393	Reserve Study Expense	0	810.00	0	0	0	0.00%
TOTAL ADMIN		117047	64,443.47	95969	21078	165	18.09%
OPERATING EXP							
6440	Signs	4700	1,964.58	4700	0	7	0.73%
6453	Chas Cnty Strm Swg Fees	75	36.00	75	0	0	0.01%
6454	Water-Eastlake-00491296	32	25.70	37	-5	0	0.00%
6455	Water-Frogmore-00491821	229	188.54	36	193	0	0.04%
6456	Water-Ionsborough-119-004923	548	461.68	305	243	1	0.08%
6457	Water-Ionsborough-167-00492345	165	139.76	403	-238	0	0.03%
6458	Water-Isle of Hope -00491391	68	53.14	142	-74	0	0.01%
6459	Water-Jogg/Sanib-00492486	668	560.87	179	489	1	0.10%
6460	Water-MF516 00490000-00087584	555	440.36	1621	-1066	1	0.09%
6461	Water-MF516 00490001-0008758	4050	2,926.15	27	4023	6	0.63%
6463	Water-MF518 00490020-0009678	6397	4,762.69	3972	2425	9	0.99%
6464	Water-McDaniel 00492248	5618	4,575.19	4927	691	8	0.87%
6465	Water-Moultrieville-00491381	55	44.40	63	-8	0	0.01%
6466	Water-N. Shelmore-00492249	54	43.50	62	-8	0	0.01%
6467	Water-N. Shelmore-00491371	32	-437.26	34	-2	0	0.00%
6468	Water-Saturday RD-00491401	54	43.50	0	54	0	0.01%
6469	Water-Georgetown 00092314	1790	178.27	0	1790	3	0.28%
6480	Elec-Boathouse Close-0273-2265	2008	1,593.32	677	1331	3	0.31%
6481	Elec-Civitas St Shed 5502-826	218	171.37	210	8	0	0.03%
6482	Elec-Eastlake-0273-3036	237	184.85	338	-101	0	0.04%
6483	Elec-Faye/Lati-5618-1074	330	260.00	308	22	0	0.05%
6484	Elec-Frogmore-5625-8898	210	165.14	208	2	0	0.03%
6485	Elec-Hospita Irr 5611-5015	430	338.11	291	139	1	0.07%
6486	Elec-Ionsborough-6071-3304	606	473.01	519	87	1	0.09%
6487	Elec-Isle of Hope-5607-858	210	165.14	207	3	0	0.03%

I'On Assembly Units:	708	(2007 Based on 702 Units)				
2008 BUDGET		Actuals		Variance btw.		
	2008 Budget	1/01/07-10/31/07	2007 Budget	2007 & 2008	$/Unit/Yr	% of
NET BEFORE RESERVES	116695	153721	102487	14208	165	0
Reserve Set Aside						
Capital Reserves *	0	94027	104027	-104027	0	0.00%
Less Interest on Funds	0	296	-10000	10000	0	0.00%
Contribution From Budget	94027	0	94027	0	133	14.53%
extra from expected assessments	3750	0	0	3750	5	0.58%
Contingency/Oper. Reserve **	18918	0	8457	10461	27	2.92%
TOTAL	116695	94323	196511	-79816	165	18.03%
NET CASH FLOW	0	59398	-94024	94024	0	0.00%

Notes:

* The contribution to the Capital Replacement Reserve account is based on the recommendations in the revised Capital Reserve report prepared by Miller-Dodson & Associates dated November 29, 2006.

** Contingency/Operating Reserves account can be used for expenses associated with use of off-duty police for security patrols, $5000 in tax reserves to pay taxes in 2008 on incurred 2007 earnings, unforeseen repair expenses and/or storm cleanup, and other unbudgeted expenses. Any balance remaining at year end will be applied to the Capital Reserve account.

*** New Account for 2008 Budget

Notice to I'On lot owners and residents from the I'On Assembly Nominating Committee

This notice is a follow-up to the one sent November 7, 2007. At that time, we informed the I'On community of the formation of the I'On Assembly Nominating Committee pursuant the Bylaws. Among other things, the notice requested nominations for candidates for election to the Board of Trustees. This process now has closed. Eight of our neighbors have been nominated and completed the requested questionnaires. In alphabetical order (by first name), they are:

Alan Barbier

Barbara Fry

Bruce Kinney

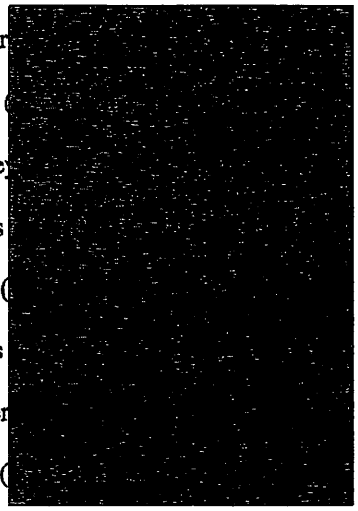
John Powers

Matt Walsh

Mike Morris

Sheri Cooper

Skip Runge



As a reminder, the Annual Meeting will be held on Wednesday, December 12th, at the new Montessori School, beginning at 7PM. Each candidate will be given an opportunity to make a short (2 minute) presentation, and additional copies of their completed questionnaires will be available.

Please plan to arrive to the meeting early, as completing the process of signing in all lot owners, collecting proxies and distributing ballots will take some time.

Since not everyone knows each of the candidates, they all have been invited to attend the First Friday holiday celebration being held December 7th at Cynthia and Ted Webb's home (Please introduce yourselves to them.

With regard to voting and collection of proxies, we will be arranging for an AMCS representative to be available at some convenient I'On location the afternoon of December 12th. At that time, those who cannot attend the Annual Meeting will be given the opportunity to vote for six Trustee candidates via proxy. Further details will be forwarded shortly.

Finally, please join me in expressing appreciation to the other members of the Nominating Committee: Andy Gowder, Becky Van Wie, Carol Ann McLester, David Rosengren, George Flynn and Phil Ayers. It is due to their good work that we have such a great slate of Trustee candidates.

Thank you and we look forward to seeing everyone at the Annual Meeting. If you cannot attend, please do not forget to fill out and return your proxies.

Everett Wilcox, Chair, Nominating Committee
November 30, 2007

Alan Barbieri

2. acquiring or building a community meeting facility, use of the boat ramp and docks, adoption of a transfer fee, etc.).---It appears that we should continue to investigate the possibility of our own facility or the cooperative use of community facilities. The trust has surveyed the available spaces and I await their report.

3. What do you think are the top 3 issues facing the Assembly in 2008 and how would you address them as a Trustee?

Transfer fee
Community Enhancement
Management of the common areas

4. Why do you want to be on the Board of Trustees? What are your goals and objectives as a Trustee? Want to continue my work with the landscape committee and assist with the growth issues facing our neighborhood.

5. What else would you like the community to know about you? I have already shown myself to be dedicated, involved, and a person with steady leadership skills.

Please respond to Everett Wilcox (Chair of the Nominating Committee) no later than the close of business on November 26, 2007. All responses may be delivered either via email (everettw@us.ibm.com) or U.S. mail [redacted]).

C. I'On Involvement

We purchased our house in March of 2003. We belong to the I'On Club as well as the I'On Trust. I've participated in the Lunch Bunch, Women's Coffees, Yarn Buddies, community wreath decorating, Halloween in the Hood Pumpkin Carving Contest, a book club and a dinner club. In this year's Tour of Homes I'm helping with the house tours.

My I'On volunteer activities began with the communications group in starting the I'On is Growing gardening newsletter in March of 2004. We produced 14 issues, but suspended publication when the source of contributing writers dried up and my editing time was pulled away due to a family illness. There has been some discussion of creating an I'On is Growing module on the website. I'd like to see that happen.

For the past few years I have acted with the I'On Online Team as the Directory Editor giving new neighbors access to the Community Website. I've recently worked with the Landscape Committee in helping to do the tree survey in I'On as well as help put together the current landscape contract for outside bidders.

D. Issues, positions, goals, etc.

It's tough to summarize my position on some of the issues before the I'On Community in this format, because they are so complex. Following are some of my thoughts:

PD Amendment. I think the amendment as proposed would create some logistic problems with traffic and parking. I believe the I'On Company has agreed to have studies done to try to address those issues. I'm also concerned that the proposed increase in density might not allow for community green spaces which to me are crucial in maintaining the feel and beauty of what I call I'On. However, I find it hard to believe that the developer, who has done such a wonderful job thus far in creating our community, would take a chance at screwing it up on the last phase. I

however is probably the one proposed a while back to build up the HOA reserve. I find it hard to comment on that because I don't know specifically what the reserve is used for, how much money is now available to fund it (if any), how much is needed, and what its' ultimate purpose is. If a specific amount of additional funds are needed, I think a transfer fee is a logical way to help collect them. The question then becomes, "Who pays?" If we all benefit, I think we all should have some interest in contributing.

Top 3 Issues facing the Assembly in 2008. I think the previous question really touched on some of the critical issues that will face the assembly in 2008. Rather than come up with three more, I'll just address the one most important to me.

I would like to see a greater level of participation in the community by a broader base of I'On residents. We all bought into the concept of I'On when we purchased our homes here, yet relatively few people are involved in the day-to-day workings. I understand that for some participation is a lot easier than others (I was a single parent for 10 years and the last thing I wanted to do after a days' work was run off to some other commitment), but in order to really benefit from the variety of people we have here, we need everyone's input. I would focus my energy on getting folks involved.

I think that is best done through better communication. We need regular, consistent and varied forms of communication to keep people informed and let them know when and how to get involved.

A lot of progress has been made and continues to be made on this front. For example:

- The I'On directory is an excellent source of information that is continually being updated with not only resident data but community details as well.

- The monthly community newsletter keeps us up-to-date on current activities as well as opportunities to get involved. Carol Williams has added a nice

- Better use of email. I think email is a great mechanism to communicate quickly and effectively, as long as standards are developed to protect against misuse.

I think better communication is the key to getting better involvement. I would like to be on the Board to help improve levels of communication. And I enjoy projects, and I see I'On as one of the most significant "projects" in my future. My husband and I are thrilled that we stumbled across I'On a few years back, and every day thank out lucky stars that we have a home here. I'm willing to use my energy and time to navigate through what could be some difficult times to come as I'On continues to move from a developer owned community to one totally owned by its' residents. I'd help the Board to be as inclusive as possible so that all residents will feel they have a voice that is heard by their Trustees.

Bruce Kinney

D. I would come to the Assembly with an open mind because I believe that the current Assembly has done much hard work that the typical property owner is not aware of. Having said that, I do have some preliminary feeling about issues that you raised.

1. PD amendment: I am not sure that the Assembly should take a position on any proposed amendment. Any amendment would affect specific areas and individuals within I'On very differently depending, for example, on whether you lived near the Creek Club or if you had a child in the Montessori School. The Assembly's roll may be to facilitate communication between the I'On Company and property owners who are affected so that their voices could be heard by the I'On Company and, more importantly, by the Town of Mt Pleasant which is the only entity entitled to approve a PD amendment.
2. Community Building: I would be very careful before acquiring or building any community meeting structures. The cost and ongoing responsibilities would have to be weighed against the real need for such a building as long as there are alternatives that can be accessed as needed.
3. Transfer Fee: I favor a property transfer fee to build a reserve fund. As the developer of Montclair I amended the Regime Documents to provide for a transfer fee before turning over the Board because I thought it might be difficult to get an amendment passed once I was not in control, and have been thanked many times by the regime.

The three top issues facing the Assembly in 2008 are (1) productive results oriented communication and negotiation with the I'On Company, (2) clear communication with property owners to promote the marketability and desirability of I'On, and (3) continued sound financial management.

I believe I can make a unique contribution to the I'On Assembly by virtue of my many years of experience in the real estate development business, having seen issues both as a developer and as a home owner. What would I like the community to know about me?... that as much as my wife and I came to know and like Charleston when I developed the Montclair, we never would have bought a home and moved here if we had not discovered I'On. Active community involvement defines our quality of life.

Respectively,
Bruce E. Kinney

John Powers

D. Issues, positions, goals, etc.:

1. Summarize your positions on various issues before the I'On community in 2007 (for example, the PD amendment as previously proposed, acquiring or building a community meeting facility, use of the boat ramp and docks, adoption of a transfer fee, etc.).
   I was generally in favor of the PD amendment as previously proposed and hoped for some additional negotiation; I am in favor of acquiring or building a community meeting facility. I think we need to have a better process for the boat ramp and docks. I am in favor of a transfer fee.
2. What do you think are the top 3 issues facing the Assembly in 2008 and how would you address them as a Trustee?
   1) Relationship Building – With the Developer, with each other, with the homeowners. Working together as a team within the Board itself for the good of the homeowners – I plan to get involved in making sure we work together professionally and with open communication.
   2) Improved Communication to homeowners – I plan to try to make sure that homeowners know what is going on and how they can be involved in the decision process (more focus groups; town halls; and surveys).
   3) Homeowner Value – I plan to do everything I can to continue to make I'On a really cool place to live. I define homeowner value not in terms of dollars (that is already understood). I define homeowner value by the little things that make I'On a place people want to move into and live such as the amenities, the architectural structures, the green spaces, the water areas, activity areas, walking/jogging paths, sidewalks, landscape design, etc. etc.
3. Why do you want to be on the Board of Trustees? What are your goals and objectives as a Trustee? – I want to be on the Board to make a difference in our community. My objectives are simple. As stated previously; Improved Communication, Improved Teamwork, Improved Processes, Improve the reasons to live in I'On, and Improved Involvement from the homeowners.
4. What else would you like the community to know about you? –
   I love living in I'On and I hope to represent you well if elected to the Board of Trustees.

Please respond to Everett Wilcox (Chair of the Nominating Committee) no later than the close of business on November 26, 2007. All responses may be delivered either via email (everettw@us.ibm.com) or U.S. mail ([redacted]

Matthew Walsh

us purchased in I'On, and if you take some time and look around, they are all starting to show signs of neglect.

C. I'On Involvement:

I, along with my wife and three children (4, 2, and 3 months) and our loyal dog Delilah, have lived on Saturday Road in I'On for almost 5 years. We moved here form downtown Charleston and feel fortunate to live in such a great neighborhood. We are active participants in the I'On Club, and have participated in Tour of Homes and other "borough" events over the years.

D. Issues, positions, goals, etc.

The PD amendment as previously proposed by the developer was certainly a challenge for our current HOA board. The biggest issue was the control of information flow, and allowing the developer open access to the community with a plan the board should not have given them permission to present. As a group of homeowners we all realize that congestion and density are sensitive issues, and the developers proposal did not go far enough to define how those would have been handled. I believe that if given the opportunity to explore and explain the outcome of the new density plan, it may possibly have been met with approval. However, too much too soon turned into a withdrawal from the developer, and I think our next board has a responsibility to try again, should the developer have interest.

The docks in our neighborhood are meant to be used. At certain times of the year they become overcrowded, and a system needs to be put into place to enforce a set of "to be determined" rules. I approached the board on numerous occasions volunteering to work with them on a solution, not just for docking, but for the condition of the docks and the waterfront in general. At current time no committee has been formed.

I think that we need to live in a neighborhood that fosters a notion of caring and of give and take. We have a new church and a new school in our community that we should embrace. They should in return embrace the community. I am all for working with the school, the church(es) and the developer to use the vacant space to help with the needs of the community. Just as they expect us to provide for them, we need them to provide for us. I know that Utopia does not exist, but I think we can work together and find ways to make what we have in clubs, churche(es) and schools meet the needs of the entire community.

I think the transfer fee has merit. I think how it is designed and presented to the homeowners will determine its success or failure. Bottom line is that a transfer fee is a low impact solution to a capital issue that the HOA is faced with.

Our HOA faces many of the same issues in 2008 as we have seen in the past. We are still faced with a looming PD discussion, the dealings with the developer over the different interpretations of easements he has with the HOA, and the ailing waterfront and its lack of control and maintenance. We need to stop the busy work of creating little problems and fixing them, and take a step back and look at our community in 5, 10, and 15 years. Currently we have no direction, and no developer independent vision. In the Covenants it states that "vision and leadership are necessary elements to sustain a community's health." My approach to fixing problems would be to think about how the decisions we make today will shape the healthy I'On that my children will come back and buy a house in one day.

Mike Morris

TO: Candidates for Election to the I'On Assembly Board of Trustees
FROM: The I'On Assembly Nominating Committee
SUBJECT: Background Information
DATE: November 13 2007

In order to help enable I'On residents to evaluate the qualifications of candidates for election to the Board of Trustees, all nominees are being asked to provide the following information about their background, skills, interests and opinions.

The members of the Nominating Committee, all of whom are experienced I'On volunteers (including three past Trustees), believe that the following background information will be both helpful and relevant to your neighbors in determining their support for particular candidates.

Please briefly address each of the following topics:

A. Professional and educational background (please summarize):

1. Your educational background-Bachelor of Science
2. Your professional/work history-13y Medical Sales and Sales Management
3. Any notable accomplishments/awards/recognition-Multiple Sales Awards and Promotions
4. Your volunteer activities outside I'On and/or before moving to I'On-Financial Supporter of HALOS, Habitat for Humanity, Leukemia & Lymphoma Society
5. Your relevant skills (for example, financial, legal, communications, computers/internet/website administration, etc.)?-Managed Business with annual sales of $15 million. Business plan development, managing projects, upward/downward marketing experience, technically savvy.

B. HOA Involvement:

1. Prior experience on an HOA board? Yes – at condo complex in So. California
2. Can you attend regular board meetings (held at 5PM on the fourth Wednesday of each month)? Yes
3. Can you devote 5 to 10 hours a week to fulfilling your Trustee responsibilities? Yes
4. What Assembly committees are you interested in chairing (covenants/IDC liaison/communications/boating/landscaping/finance/infrastructure)?
5. Would you prefer to serve a 1 or 2 year term as Trustee? 1y

C. I'On Involvement:

1. How long have you lived in I'On?-3y 5m
2. Please list the I'On activities you participate in (examples might include the I'On Club, the Lunch Bunch, Yarn Buddies, Women's Coffees, book clubs, dinner clubs, BizNet, etc.)
3. Please describe your I'On volunteer activities (examples might include the I'On Trust, I'Onissimo, the newsletter, the community website, the Directory, welcome baskets, the Tour of Homes, Board committees, Conservation Corps, etc.) also involved with Community In Act I'On

D. Issues, positions, goals, etc.:

1. Summarize your positions on various issues before the I'On community in 2007 (for example, the PD amendment as previously proposed-With current knowledge of PD my position would be to leave it as is, acquiring or building a community meeting facility-Not sure this is necessary, use of the boat ramp and docks-Current guidelines not working-needs to be revamped and communicated properly to those that use the docks, adoption of a transfer fee-seems reasonable with my current knowledge of the issue, etc.).-It is difficult to respond with more specific answers until I have the opportunity to study and understand the issues.
2. What do you think are the top 3 issues facing the Assembly in 2008 and how would you address them as a Trustee?-Proposed Amended PD, Infrastructure Upkeep, Maintaining and Increasing Community Involvement

SHERI COOPER

[redacted]

A. PROFESSIONAL AND EDUCATIONAL BACKGROUND

1. EDUCATION:

University of Florida, Gainesville, Florida
Bachelor of Science in Accounting

2. PROFESSIONAL EXPERIENCE:

National Rural Electric Cooperative Association, Arlington, VA
Telecommuting Senior Financial and Budget Analyst – August 2005 – Present
Vice President, Finance - March 2002 – August 2005
Executive Director, Finance – February 2000 – February 2002
Accounting Manager – January 1999 – January 2000

KPMG Peat Marwick LLP, Washington, DC
February 1998 to November 1998
Manager, Financial Services Consulting

Federal Home Loan Bank of San Francisco, San Francisco, California
September 1996 to December 1997
Assistant Vice President, Accounting and Operations

Accounting Solutions, San Francisco, California
February 1996 to September 1996
Consultant for Federal Home Loan Bank of San Francisco

Columbia Largo Medical Center, Largo, Florida
October 1994 to February 1996
Controller

CliniCorp, Inc., Saint Petersburg, Florida
May 1993 to May 1994
Acquisition Manager

Deloitte & Touche, Miami, Florida
Audit Manager - 1991-1993
Audit Staff 1986 – 1991

3. ACCOMPLISHMENTS

Certified Public Accountant
Treasurer of the Homestead Funds
Wife and mother

4. VOLUNTEER ACTIVITIES

Former board member of Big Brothers/Big Sisters
PTA for daughter's schools

c. Bringing unity and continuity to the board and subsequently the community. While all boards have dissenting views and opinions, it is critical that they develop and enforce policy in unison and with a shared goal and vision.

3. WHY DO YOU WANT TO BE ON THE BOARD?

From my initial review, the board appears to be somewhat fractured and there seems to be a perception that it is operating independently of the community at large. I feel that being new to the neighborhood, and without any history with the current acrimony, I can help reinvigorate the board and bring a fresh perspective. It would also be beneficial to have a licensed CPA on the board to advise periodically on the financial issues that arise. In addition, there are many families in I'ON and I believe they could benefit from more representation on the board. I'ON is a wonderful community and we plan on being here a long time, it means a great deal to us to preserve its uniqueness well into the future.

B. HOA Involvement:

1. Prior experience on an HOA board
   - None
2. Can you attend regular board meetings (held at 5PM on the fourth Wednesday of each month)?
   - Yes
3. Can you devote 5 to 10 hours a week to fulfilling your Trustee responsibilities?
   - Yes
4. Assembly committees interested in
   - Interests would be in either covenants, boating, or communications
5. Prefer to serve a 1 or 2 year term as Trustee?
   One year

C. I'On Involvement:

1. How long have you lived in I'On?
   - Four years
2. I'On activities and volunteer opportunities I participate in include
   - I'On Biznet
   - I'Onissimo Singers
   - Community of I'On Artists (one of the founding members)
   - Former member of the I'On Web Team
   - Boathouse Committee
   - Coordinated paddle sports for the I'On Yacht Club; helped coordinate Pond Polo and various other similar activities
   - One of the Editors of I'On at Ten, Life in the New Village
   - Other activities within the community as they arise

D. Issues, positions, goals, etc.:

1. A summary of positions on various issues before the I'On community in 2007
   - The PD amendment: *My position on this issue is that the question of community density ought to be evaluated completely separate from any kind of added "incentives" in the way of funds to be paid to groups or organizations in I'On. The question needs to be resolved without that sort of bias. My position is that the HOA Board members need to approve or disapprove the amendment based solely on the will of the property owners.*
   - Acquiring or building a community meeting facility: *This is an issue that was nearly resolved at one time in the past through the efforts of Biznet. It's an essential need for a community the size of I'On to have a facility in which to conduct business meetings, social functions, provide storage, etc. The HOA Board has to confront the issue and begine to identify some creative solutions, including how to finance such an effort. The longer we wait, the more expensive it gets.*
   - Use of the boat ramp and docks: Again, some creative thinking needs to be applied to issue of use of the boat ramp and docks. Like many other I'On residents, use of the lakes and the creekfront were sold to me as important amenities, yet their "user friendliness" at present leaves much to be desired. I don't know the answers to these issues, but I'm willing to confront them and attempt to find creative solutions to some long-standing problems.
   - Etc. *I believe in the importance of covenants. At the same time, I put great trust in the ability of humans with normal or better intelligence to communicate and to productively and effectively problem solve. The whole concept of a covenant (and there is a Biblical model for this) implies something promised that is to be given by both parties in the covenant.*

/11/07 TIME: 10:12 AM

I'On Assembly Homeowners Association

ANNUAL MEETING REPORT AS OF 12/11/07

)=Current Owner (P)=Prev Owner (R)=Resident/Tenant (V)=Developer

ALPHA KEY	PROPERTY ADDRESS	ACCOUNT NO	LOT/UNIT	RATIO SETTLED	SIGNATURE
ABBOTT	[redacted]	CIV164	CIV164	08/25/05	
ACKER			EAST34		
ADKINS			HOPE34		
AGUILERA			NSH182		
AICHELE			NSH133		
ALCALA			WSP129		proxy / Dave Rosenfeld
ALKA			SANI59	02/10/05	
ALKA			9-006	06/26/07	
ALKA CONSTRU			9-005	06/26/07	
ALLEN			ESP186		
ALTMAN			CIV176		
AMBLER			PON061		
AMERICAN DRE			SOWE75	06/28/07	

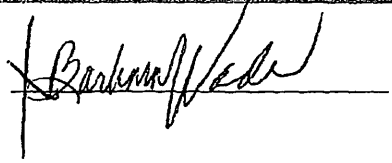
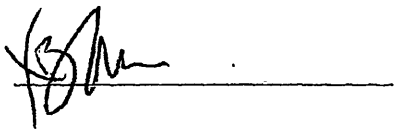
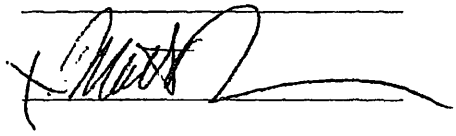
DEFENDANT'S EXHIBIT 82 I'On

/07 TIME: 10:12 AM

I'On Assembly Homeowners Association

ANNUAL MEETING REPORT AS OF 12/11/07

(O)=Current Owner,(P)=Prev Owner (R)=Resident/Tenant (V)=Developer

ALPHA KEY	PROPERTY ADDRESS	ACCOUNT NO	LOT/UNIT	RATIO SETTLED	SIGNATURE
WADE	[redacted]		KRIE43		
WAHOO PARTNE			SAT010		
WALBECK			NSH114		
WALL			NSH209	03/01/05	
WALL			PERS40	03/01/05	
WALLACE			PON070	08/13/07	
WALSH			SAT057		
WATERS			JAK149		P- Janice Johnson (also under Meyers)
WAYMAN			HOPE18	02/16/07	proxy/ P. Jennings
WAYMAN			HOPE18	02/16/07	

YOU ARE INVITED TO:
THE 2008 I'ON ASSEMBLY ANNUAL MEETING

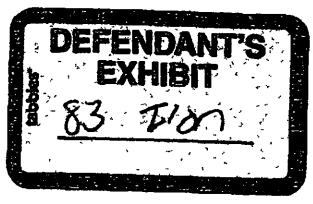
WHERE: Creek Club

WHEN: Thursday, December 11, 2008

Please come and join us to:

1) Go over the year
2) Select 3 new board members
3) Help set the course for 2009





I'On Assembly
Asset Management & Consulting Services, Inc.
2409-A Mall Drive
North Charleston, SC 29406
Tel: (843) 303-3586 Fax: (843) 735-7382
www.amcs-inc.com
cwilson@amcs-inc.com

TO: **I'On Assembly Homeowners**

FROM: **The Board of Trustees**

RE: **2008 I'On Assembly Homeowners Association Annual Meeting**

The I'On Assembly Homeowner's Association will hold its Annual Meeting Thursday, December 11, 2008 at 7 PM at the Creek Club. All members are encouraged to attend this important meeting to elect three new Trustees to the HOA Board as well as discuss I'On Assembly issues.

All members are requested to arrive at the Creek Club around 6 PM. This will be a casual time to meet neighbors, Board members, as well as a time to find out more about clubs and organizations within the I'On Community. The business meeting will begin at 7 PM.

Everyone is encouraged to take advantage of this beautiful time of year and walk to the meeting, weather permitting. If you must drive, please abide by the marked parking places and only park where permitted. Parking where indicated is necessary in the event an emergency vehicle might need to get through.

Included in this packet are a Proxy, Meeting Agenda, 2009 Budget, and Board of Trustee candidate information. If you cannot attend the meeting, please complete the enclosed Proxy. The Proxy allows you to indicate the person you chose to cast your vote by writing their name on the form. We encourage submission of proxies before the meeting date. Proxies received after December 11th will not be counted.

For lot owners who cannot attend the meeting and are interested in voting for individual candidates for the board, an alternative Proxy-Ballot can be used. This ballot will direct the Proxy to vote for the three candidates the lot owner chooses. However, this Proxy-Ballot must be completed in person, at the Creek Club on December 11th between 3 to 6 PM. Identification must be provided to submit a Proxy-Ballot.

We look forward to seeing you on December 11th.

Thank you!

I'On Assembly Proxy
C/O AMCS, Inc.
2409-A Mall Drive
North Charleston, SC 29406

Fax: (843) 735-7382

We encourage submission of proxies before the meeting date.

I'On Assembly
Asset Management & Consulting Services, Inc.
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North Charleston, SC 29406
Tel: (843) 303-3586 Fax: (843) 735-7382
www.amcs-inc.com
cwilson@amcs-inc.com

Appointment of Proxy for Annual Meeting

As the record Owner(s) of property in the I'On Assembly, I/we hereby appoint _____ (name of individual), or if left blank then the President of the I'On Assembly ("Association"), as Proxy, with full power of the substitution in the event that he/she is unable or declines to serve as Proxy, to exercise the entire vote of the undersigned as directed below at the annual meeting of the Associations' members to be held on December 11, 2008, and any lawful adjournments thereof. In the event that the designated Proxy is not present at the meeting and has not designated a substitute, then I designate the President of the Association to serve as the substitute Proxy.

Name:_____
(Please Print)

I'On Address: _____
(Please Print)

I'On Lot Number: _____
(Please Print)

Signature:_____

Date: _____
(Please Print)

If you are unable to attend, please complete the enclosed proxy statement and return it to AMCS either by mail, by hand or via fax.

I'On Assembly Proxy
C/O AMCS, Inc.
2409-A Mall Drive
North Charleston, SC 29406

Fax: (843) 735-7382

We encourage submission of proxies before the meeting date.

I'On Assembly
Homeowners Association

Tenth Annual Meeting
December 11, 2008, 7:00 pm
Creek Club at I'On
Mt. Pleasant, SC

I) Call Meeting to Order

II) Proof of Notice and Establish Quorum

III) Welcome and Introduction of Board of Trustees and Management

IV) Approval of Previous Annual Meeting Minutes – December 11, 2007.

V) Election of Board of Trustees

VI) Development Report

VII) I'On Trust Update

VIII) Committee Reports
- a) Presidents Report – Bruce Kinney
- b) Finance Committee – Sheri Cooper
- c) Communication Committee – Barbara Fry
- d) Landscape Committee – Dave Rosengren
- e) Infrastructure Committee – John Powers
- f) Compliance Committee-Sheri Cooper
- g) Amenities Committee – Matt Walsh

IX) Presentation of the Civitas Award

X) New Business

XI) Next Annual Meeting
- a) Tentatively December 10, 2009 at 7 PM at the Creek Club

XII) Question and Answer Period

XIII) Announcement of New Board Members

XIV) Adjournment

I'ON
2009 BUDGET

	2009 Budget	2008 Budget	2008 Estmated	09 Budget to 08 Budget		09 Budget to 08 Estimated	
Prepaid Fees	$ -	$ -	$ (45)	$ -	0%	$ 45	-100%
Gross Regime Fees	663,172	637,200	631,669	25,972	4%	31,503	5%
Reserve Contribution	(100,000)	(116,695)	(120,000)	16,695	-14%	20,000	-17%
Operating Interest Income	4,800	10,000	5,900	(5,200)	-52%	(1,100)	-19%
Income - Late Fees	-	-	1,500	-	0%	(1,500)	-100%
Income - NSF Fees	-	-	50	-	0%	(50)	-100%
Other	-	-	19	-	0%	(19)	-100%
	567,972	530,505	519,093	37,467	7%	48,879	9%
Website	1,200	702	130	498	71%	1,070	823%
I'On Trust Expense	6,000	7,700	7,700	(1,700)	-22%	(1,700)	-22%
Office Supplies-Off Site	6,000	4,500	6,500	1,500	33%	(500)	-8%
Sound Equipment	-	-	-	-	0%	-	0%
Mgmt Fee	45,864	45,864	45,864	-	0%	-	0%
Social/Comm. Events	3,000	850	2,000	2,150	253%	1,000	50%
Creek Club Rental Fee	6,200	4,719	6,000	1,481	31%	200	3%
Boroughs Committee	-	200	-	(200)	-100%	-	0%
Newsletter	-	4,000	-	(4,000)	-100%	-	0%
Creek Club Dock usage Fee	6,720	6,665	6,660	55	1%	60	1%
Legal Fees	9,996	13,500	8,000	(3,504)	-26%	1,996	25%
Legal Fees-Liens	3,000	3,500	2,500	(500)	-14%	500	20%
CPA - Tax Return/Audit	100	5,350	-	(5,250)	-98%	100	0%
Membership/Association Expense	700	1,200	632	(500)	-42%	68	11%
Neighborhood Watch	9,000	7,500	7,500	1,500	20%	1,500	20%
Bank Charges	-	25	-	(25)	-100%	-	0%
Bad Debt	20,004	6,372	6,372	13,632	214%	13,632	214%
Professional Fees	-	-	-	-	0%	-	0%
Directory Expense	4,000	4,400	6,700	(400)	-9%	(2,700)	-40%
Reserve Study Expense	-	-	-	-	0%	-	0%
	121,784	117,047	106,558	4,737	4%	15,226	14%
Signs	2,400	4,700	1,000	(2,300)	-49%	1,400	140%
Water	-	-	-	-	0%	-	0%
Chas Cnty Strm Swg Fees	85	75	80	10	13%	5	6%
Water-Eastlake-00491296	-	32	(1)	(32)	-100%	1	-100%
Water-Frogmore-00491821	252	229	230	23	10%	22	10%

I'ON
2009 BUDGET

	2009 Budget	2008 Budget	2008 Estmated	09 Budget to 08 Budget		09 Budget to 08 Estimated	
Grounds Supplies	38,004	35,850	40,000	2,154	6%	(1,996)	-5%
Grounds Contract/Landscaping	151,200	139,200	132,200	12,000	9%	19,000	14%
Plant/Tree Replacement	4,000	4,000	3,000	-	0%	1,000	33%
Tree Maintenance/Trimming	16,464	15,800	17,125	664	4%	(661)	-4%
Pine straw/Mulch	20,000	18,450	18,450	1,550	8%	1,550	8%
Irrigation Repairs	7,500	5,000	7,000	2,500	50%	500	7%
Power Washing & Painting	9,500	9,175	9,175	325	4%	325	4%
Repairs	25,200	17,000	17,000	8,200	48%	8,200	48%
Mailbox Repairs	2,400	3,500	1,500	(1,100)	-31%	900	60%
Pet Stations	2,600	3,710	3,000	(1,110)	-30%	(400)	-13%
Fish and Wildlife	3,000	4,685	1,000	(1,685)	-36%	2,000	200%
Lake Maintenance	14,520	14,736	14,736	(216)	-1%	(216)	-1%
Lake Equip. Maint.	3,000	2,500	2,000	500	20%	1,000	50%
Playground Maint/Rpr	10,000	10,000	16,000	-	0%	(6,000)	-38%
	351,992	318,606	325,186	33,386	10%	26,806	8%
Income Taxes	6,000	3,000	7,270	3,000	100%	(1,270)	-17%
Property Taxes	750	500	500	250	50%	250	50%
Hazard Insurance	11,000	15,000	9,667	(4,000)	-27%	1,333	14%
Umbrella							
Workers Comp Ins.	1,400	625	1,200	775	124%	200	17%
	19,150	19,125	18,637	25	0%	513	3%
Total Expenses	567,972	530,505	519,093	37,467	7%	48,878	9%
Net Income	$ 0	$ -	$ (0)	$ 0		$ 1	
HOA Fee	$ 910	$ 900		$ 10	1%		
Number of Homes	729	708					

AMCS 000130

11/14/2008

Run Date: 10/15/08
Run Time: 08:50 AM

I'On Assembly Homeowners Association

Balance Sheet

As of 09/30/08

Account	Description	Operating	Reserves	Other	Totals
	ASSETS				
	Cash In Bank				
1010	Cash In Bank - Operating	14,418.50			14,418.50
1030	Harbor National - Reserves		30,732.00		30,732.00
	Total Cash In Bank	14,418.50	30,732.00	.00	45,150.50
	Other Cash & Investments				
1050	Fidelity Cap Res.-Z44-439789		393,100.79		393,100.79
1060	Fidelity Oper Excess (FSLXX MM	178,591.73			178,591.73
1070	CD*Harbor*2000343*01/24/09		31,819.39		31,819.39
1071	CD*Harbor*2000354*02/11/09		31,775.93		31,775.93
	Total Other Cash & Investments	178,591.73	456,696.11	.00	635,287.84
	Other Assets				
	Total Other Assets	.00	.00	.00	.00
	TOTAL ASSETS	193,010.23	487,428.11	.00	680,438.34
	LIABILITIES & EQUITY				
	CURRENT LIABILITIES:				
2110	Accounts Payable	2,575.87			2,575.87
	Subtotal Current Liab.	2,575.87	.00	.00	2,575.87
	RESERVES:				
2810	Reserve-Interest		5,462.09		5,462.09
2811	Reserve-Bank Charges		(69.00)		(69.00)
2812	Reserve-Dividends		12,175.41		12,175.41
2813	Reserve-Change in Invest Value		1,292.33		1,292.33
2814	U.S Gov't Interest		21,479.81		21,479.81
2870	Reserve-Contingency		199,353.48		199,353.48
2871	Reserve-Initial Capital Contrl		17,065.12		17,065.12
2872	Reserve-Replacement Reserve		222,803.96		222,803.96
2873	Reserve- Sce&g Utility refund		7,864.91		7,864.91

Run Date: 10/15/08
Run Time: 08:52 AM

I'On Assembly Homeowners Association

Income/Expense Statement

Period: 09/01/08 to 09/30/08

Account	Description	Current Period Actual	Current Period Budget	Current Period Variance	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Variance	Yearly Budget
INCOME:								
04110	Prepaid Regime Fees	1,078.25	.00	1,078.25	(34.20)	.00	(34.20)	.00
04120	Regime Fee Income	709.84	.00	709.84	632,378.59	637,200.00	(4,821.41)	637,200.00
04121	Reserve Contribution	.00	(9,724.58)	9,724.58	(116,695.00)	(87,521.22)	(29,173.78)	(116,695.00)
04410	Interest Income	419.57	833.33	(413.76)	4,435.17	7,499.97	(3,064.80)	10,000.00
04911	Bank deposit over/under	.00	.00	.00	9.08	.00	9.08	.00
04913	Income - Late Fees	.00	.00	.00	1,492.76	.00	1,492.76	.00
04914	Income - NSF Fees	.00	.00	.00	50.00	.00	50.00	.00
04921	Phone Directory Income	.00	.00	.00	10.00	.00	10.00	.00
	Subtotal Income	2,207.66	(8,891.25)	11,098.91	521,646.40	557,178.75	(35,532.35)	530,505.00
				EXPENSES				
Administrative								
06212	Web Site Expense	.00	.00	.00	95.40	526.50	431.10	702.00
06220	I' On Trust Expense	.00	641.66	641.66	5,900.00	5,774.94	(125.06)	7,700.00
06312	Office Expense - Off Site	157.30	375.00	217.70	5,095.42	3,375.00	(1,720.42)	4,500.00
06320	Management Fees	3,822.00	3,822.00	.00	34,398.00	34,398.00	.00	45,864.00
06325	Social/Community Activities	.00	70.83	70.83	1,036.36	637.47	(398.89)	850.00
06326	Creek Club Rental Fee	600.00	393.25	(206.75)	4,200.00	3,539.25	(660.75)	4,719.00
06327	Boroughs Committee	.00	16.66	16.66	.00	149.94	149.94	200.00
06328	Newsletter Exense	.00	333.33	333.33	.00	2,999.97	2,999.97	4,000.00
06329	Creek Club Dock Usage Fee	555.41	555.41	.00	4,998.69	4,998.69	.00	6,665.00
06340	Legal Fees	94.50	1,125.00	1,030.50	1,855.50	10,125.00	8,269.50	13,500.00
06341	Legal Fees - Liens	159.00	291.66	132.66	1,265.00	2,624.94	1,359.94	3,500.00
06350	CPA - Tax Return/Audit	.00	445.83	445.83	.00	4,012.47	4,012.47	5,350.00
06351	Membership/Association Expens	.00	100.00	100.00	474.00	900.00	426.00	1,200.00
06361	Neighborhood Watch	1,400.00	625.00	(775.00)	5,625.00	5,625.00	.00	7,500.00
06364	Bank Charges	.00	2.08	2.08	.00	18.72	18.72	25.00
06370	Bad Debt Write Off	.00	531.00	531.00	.00	4,779.00	4,779.00	6,372.00
06392	Directory Expense	.00	366.66	366.66	3,219.76	3,299.94	80.18	4,400.00
	Administrative	6,788.21	9,695.37	2,907.16	68,163.13	87,784.83	19,621.70	117,047.00
Operating								
06440	Signs	246.05	391.66	145.61	686.45	3,524.94	2,838.49	4,700.00
06453	Chas County Storm Sewage fees	.00	6.25	6.25	60.00	56.25	(3.75)	75.00
06454	Water-Eastlake-00491296	.00	2.66	2.66	(1.10)	23.94	25.04	32.00
06455	Water-Frogmore-00491821	16.76	19.08	2.32	172.13	171.72	(.41)	229.00
06456	Water-Ionsbourough 119-004923	79.30	45.66	(33.64)	607.60	410.94	(196.66)	548.00
06457	Water-Ionsbour 167-00492345	15.34	13.75	(1.59)	137.60	123.75	(13.85)	165.00

Run Date: 10/15/08
Run Time: 08:52 AM

I'On Assembly Homeowners Association

Income/Expense Statement

Period: 09/01/08 to 09/30/08

Account	Description	Current Period Actual	Current Period Budget	Current Period Variance	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Variance	Yearly Budget
06542	Repair Contracts	185.00	1,416.66	1,231.66	9,286.11	12,749.94	3,463.83	17,000.00
06553	Mailbox repair	.00	291.66	291.66	603.59	2,624.94	2,021.35	3,500.00
06564	Pet Stations	115.00	309.16	194.16	2,473.00	2,782.44	309.44	3,710.00
06684	Fish and Wildlife	.00	390.41	390.41	942.00	3,513.69	2,571.69	4,685.00
06686	Lake/pond/lagoon/ Maintenance	2,323.74	1,228.00	(1,095.74)	10,456.83	11,052.00	595.17	14,736.00
06687	Lake/Pond/lagoon Equip maint	.00	208.33	208.33	974.48	1,874.97	900.49	2,500.00
06689	Playground Maint/Repairs	.00	833.33	833.33	11,060.67	7,499.97	(3,560.70)	10,000.00
	Maintenance	18,728.86	26,550.43	7,821.57	228,927.80	238,953.87	10,026.07	318,606.00
Taxes & Insurance								
06711	Income Taxes	.00	250.00	250.00	7,270.00	2,250.00	(5,020.00)	3,000.00
06715	Property Taxes	.00	.00	.00	.00	.00	.00	500.00
06718	Umbrella Insurance	.00	.00	.00	1,778.00	.00	(1,778.00)	.00
06719	Hazard Insurance	.00	1,250.00	1,250.00	7,889.00	11,250.00	3,361.00	15,000.00
06722	Workers Compensation Insuranc	(15.12)	52.08	67.20	1,102.88	468.72	(634.16)	625.00
	Taxes & Insurance	(15.12)	1,552.08	1,567.20	18,039.88	13,968.72	(4,071.16)	19,125.00
Reserves								
	Reserves	.00	.00	.00	.00	.00	.00	.00
	TOTAL EXPENSES	31,273.59	44,108.36	12,834.77	366,657.13	397,501.74	30,844.61	530,505.00
	Current Year Net Income/(loss	(29,065.93)	(52,999.61)	23,933.68	154,989.27	159,677.01	(4,687.74)	.00

Run Date: 10/15/08
Run Time: 08:52 AM

I'On Assembly Homeowners Association

Reserve Statement
As of 09/30/08

		BEGINNING OF YEAR	YTD ALLOCATION	YTD DISBURSEMENT	AVAILABLE BALANCE
	RESERVES:				
2810	Reserve-Interest	5,418.61	775.48	732.00	5,462.09
2811	Reserve-Bank Charges	(69.00)	0.00	0.00	(69.00)
2812	Reserve-Dividends	6,202.46	6,514.12	541.17	12,175.41
2813	Reserve-Change in Invest Value	3,061.46	1,288.10	3,057.23	1,292.33
2814	U.S Gov't Interest	12,358.55	9,121.26	0.00	21,479.81
2870	Reserve-Contingency	180,435.48	40,604.13	21,686.13	199,353.48
2871	Reserve-Initial Capital Contri	17,065.12	0.00	0.00	17,065.12
2872	Reserve-Replacement Reserve	125,026.96	195,554.00	97,777.00	222,803.96
2873	Reserve- Sce&g Utility refund	7,864.91	0.00	0.00	7,864.91
	Subtotal Reserves	357,364.55	253,857.09	123,793.53	487,428.11
	TOTAL RESERVES	357,364.55	253,857.09	123,793.53	487,428.11

$116,695 in YTD Disbursements is a correcting entry not an actual disbursement.Available balance reflects actual cash on hand.

Run Date: 10/15/08
Run Time: 08:53 AM

I'On Assembly Homeowners Association

Income/Expense Statement

Actual spreadsheet Start date: 01/01/08 Cutoff date: 09/30/08

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
INCOME:													
Prepaid Regime Fees	2211-	0	158	0	0	1841	900-	0	1078	0	0	0	34-
Regime Fee Income	308858	218094	39556	24164	29798	4150	6150	900	710	0	0	0	632379
Reserve Contribution	116695-	0	0	0	0	0	0	0	0	0	0	0	116695-
Interest Income	149	172	668	665	708	618	718	316	420	0	0	0	4435
Bank deposit over/under	0	9	0	0	0	0	0	0	0	0	0	0	9
Income - Late Fees	0	49	396	385	216	144	304	0	0	0	0	0	1493
Income - NSF Fees	0	25	0	25	0	0	0	0	0	0	0	0	50
Income - Fines & Violatio	0	0	0	0	0	0	0	0	0	0	0	0	0
Phone Directory Income	0	0	0	10	0	0	0	0	0	0	0	0	10
Subtotal Income	190101	218349	40778	25248	30722	6752	6272	1216	2208	0	0	0	521646
						EXPENSES							
Administrative													
Web Site Expense	0	0	95	0	0	0	0	0	0	0	0	0	95
I' On Trust Expense	0	0	0	0	0	2500	3400	0	0	0	0	0	5900
Office Expense - On Site	0	0	0	0	0	0	0	0	0	0	0	0	0
Office Expense - Off Site	2189	10	140	594	105	468	68	1364	157	0	0	0	5095
Management Fees	3822	3822	3822	3822	3822	3822	3822	3822	3822	0	0	0	34398
Social/Community Activiti	468	400	0	0	122	46	0	0	0	0	0	0	1036
Creek Club Rental Fee	0	0	0	600	0	1800	600	600	600	0	0	0	4200
Creek Club Dock Usage Fee	337	774	555	555	555	555	555	555	555	0	0	0	4999
Legal Fees	0	0	0	0	0	1355	0	406	95	0	0	0	1856
Legal Fees - Liens	0	220-	220-	0	0	0	234-	1780	159	0	0	0	1265
Membership/Assocation Ex	474	0	0	0	0	0	0	0	0	0	0	0	474
Neighborhood Watch	2000	625	0	0	1000	0	600	0	1400	0	0	0	5625
Bank Charges	0	0	0	0	0	0	0	0	0	0	0	0	0
Directory Expense	2838	0	382	0	0	0	0	0	0	0	0	0	3220
Administrative	12128	5410	4775	5571	5605	10547	8811	8528	6788	0	0	0	68163
Operating													
Signs	0	301	52	44	0	0	0	44	246	0	0	0	686
Water	0	0	0	0	0	0	0	0	0	0	0	0	0
Chas County Storm Sewage	0	0	0	0	0	0	60	0	0	0	0	0	60
Water-Eastlake-00491296	3	3	3	3	9-	3-	0	0	0	0	0	0	1-
Water-Frogmore-00491821	21	10	17	19	19	22	22	25	17	0	0	0	172
Water-Ionsbourough 119-00	30	35	23	7	38	34	135	227	79	0	0	0	608
Water-Ionsbour 167-004923	13	9	8	4	12	12	29	36	15	0	0	0	138

Run Date: 10/15/08
Run Time: 08:53 AM

I'On Assembly Homeowners Association

Income/Expense Statement

Actual spreadsheet Start date: 01/01/08 Cutoff date: 09/30/08

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
Repair Contracts	1625	0	650	960	60	1225	1001	3581	185	0	0	0	9286
Unusual Repairs - Nonrecu	0	0	0	0	0	0	0	0	0	0	0	0	0
Mailbox repair	125	89	0	79	261	51	0	0	0	0	0	0	604
Pet Stations	0	1700	0	0	0	0	0	658	115	0	0	0	2473
Fish and Wildlife	0	0	0	0	0	942	0	0	0	0	0	0	942
Lake/pond/lagoon/ Mainten	1162	1162	1162	1162	1162	1162	1162	0	2324	0	0	0	10457
Lake/Pond/lagoon Equip ma	0	158	0	0	0	0	587	229	0	0	0	0	974
Playground Maint/Repairs	0	0	3327	5530	2203	0	0	0	0	0	0	0	11061
Maintenance	20057	32413	17516	22858	22688	51532	19579	23555	18729	0	0	0	228928
Taxes & Insurance													
Income Taxes	0	0	7270	0	0	0	0	0	0	0	0	0	7270
Umbrella Insurance	0	1778	0	0	0	0	0	0	0	0	0	0	1778
Hazard Insurance	0	7889	0	0	0	0	0	0	0	0	0	0	7889
Workers Compensation Insu	0	0	868	0	7-	257	0	0	15-	0	0	0	1103
Taxes & Insurance	0	9667	8138	0	7-	257	0	0	15-	0	0	0	18040
Reserves													
Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	38303	54017	34745	33549	33379	67624	35137	38629	31274	0	0	0	366657
CURRENT YEAR NET INCOME/	151798	164332	6032	8302-	2656-	60872-	28865-	37413-	29066-	0	0	0	154989

I'On Assembly
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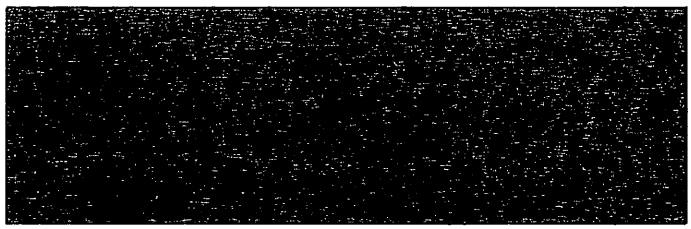
We have three openings on the HOA Board of Trustees for the 2009 year. These seats will be voted on at the I'On Annual Home Owners Association Meeting on December 11.

Positions on the board are designed to devote attention to specific needs of the community to assure I'On continues to grow in a positive direction. Chair positions include Landscaping, Infrastructure, Communications, Finance, Compliance and Amenities. The board has four officer positions: President, Vice President, Treasurer and Secretary. Assignment of chair as well as officer positions takes place at the first meeting in January of the new year. There are also various secondary positions filled by board members as well as appointees by the board. Board members serve two-year terms.

In an effort to even out the expiration of the two-year terms so that approximately only one-half of the Board will be up for election each year, **Sheri Cooper** has volunteered to run again this year. If re-elected, she and the other members will start a new two-year term in January. We then will have four seats expiring at the end of 2009.

We have 4 new candidates for the 2009 HOA Board. In order to give residents an opportunity to learn more about them, they have answered specific questions concerning some relevant I'On concerns. Their background as well as specific information follows. Candidates (in alphabetical order) are:

- **J. Brady Anderson**
- **Julie Chapman**
- **Sheri Cooper**
- **Jody McAuley**
- **Jeff Tozzi**



Please take some time to review their information and be prepared to vote at our annual meeting on December 11. If you cannot attend the meeting, please send in the proxy included in this packet.

Special thanks to **George Flynn** who helped the board in coordinating candidate questionnaires and information.

J. Brady Anderson [redacted]

From: J. Brady Anderson-
To: HOA Board
Date: October 7, 20008
Re: Qualifications to run for HOA Board Position

A. Professional/Educational

1. Educational
    a. JD University of Arkansas
    b. BA in political science Rhodes College
2. Professional/work history
    a. US Department of State/US Agency for International Development
    b. Sociolinguistics Research in African minority languages
    c. Assistant Attorney General State of Arkansas
    d. Private practice of law
    e. Law clerk for US District Judge
3. Notable Achievements
    a. Overseas Private Investment Corporation-Board Chair
    b. Vietnam Service Medal; Navy Commendation Medal
4. Volunteer activities outside I'On
    a. Currently Board Chair, Wycliffe Bible Translators (world's largest linguistics and literacy organization; conducting language development in 1,400 languages)
    b. Currently Board Vice Chair, World Vision (Emergency Relief and Long-Term Development in 100 countries)
5. Relevant Skills
    a. Legal; Board Governance

B. HOA Involvement
1. no prior experience on an HOA board
2. yes
3. yes
4. I am willing to serve as requested by the HOA President.

C. I'On involvement
1. three years
2. I'On Club, I'On Trust, First Friday
3. I've helped park cars

D. Issues
1. Top 3 issues:
    i. Relations with the I'On Developers (Creek Club and I'On Club future; further development in I'On) channel growth so that its impact on existing residents is minimal while maintaining property values
    ii. Quality of life for residents: ensure compliance with current HOA rules governing livability in I'On
    iii. Maintain the infrastructure of I'On; obtaining passage of the Transfer Fee

Julie Chapman [redacted]

A. Professional and educational background (please summarize):

1. Your educational background: BS in Nursing, BA in International Studies
2. Your professional/work history: I worked for many years as a home health nurse before having children.
3. Any notable accomplishments/awards/recognition:
4. Your volunteer activities outside I'On and/or before moving to I'On: Christ Episcopal Church in Charlotte: Sunday School teacher, Feed the Homeless, Habitat for Humanity. Composed a neighborhood directory in Dilworth.
5. Your relevant skills (for example, financial, legal, communications, computers/internet/website administration, etc.): communications- I can see from both sides and this allows others to compromise.

B. HOA Involvement:

1. Prior experience on an HOA board? no
2. Can you attend regular board meetings (held at 5PM on the fourth Wednesday of each month)? yes
3. Can you devote 5 to 10 hours a week to fulfilling your Trustee responsibilities? yes
4. What Board slot interests you: Landscaping Committee Chair, IDC Liaison, Compliance Officer? IDC Liaison

C. I'On Involvement:

1. How long have you lived in I'On? 2 ½ years
2. Please list the I'On activities you participate in (examples might include the I'On Club, the Lunch Bunch, Yarn Buddies, Women's Coffees, book clubs, dinner clubs, BizNet, etc.): Conservation Corps, Mom's group & Ambassador for Ionsborough.
3. Please describe your I'On volunteer activities (examples might include the I'On Trust, I'Onissimo, the newsletter, the community website, the Directory, welcome baskets, the Tour of Homes, Board committees, Conservation Corps, etc.): I was one of the founding members of the Conservation Corps. I have been in charge of recycling. We have increased per home recycling through awareness. I am liaison with the county recycling center. I was the ambassador for Ionsborough for a year until I moved to Saturday Road.

D. Issues, positions, goals, etc.:

1. What do you think are the top 3 issues facing the Assembly in 2009 and how would you address them as a Trustee? I believe that the future of the Creek Club is the most important issue right now. I would like to see the board review all options and take a proactive stance. We are setting standards that will impact our neighborhood for years to come. Secondly, I think we need a full time property manager. Our neighborhood is large enough. Thirdly, I would like our board to be filled with a diversity of people so that the neighbors will feel good about being fairly represented. When there is diversity, there is great opportunity to find the best solutions.
2. Why do you want to be on the Board of Trustees? What are your goals and objectives as a Trustee? I have the time, energy and desire to help shape the next ten years of I'ON. I want to help our board compromise and find the best solutions.
3. What else would you like the community to know about you? I am a compassionate person who can see both sides and would like to help our neighborhood be the best it can be for years to come.

Sheri Cooper- [redacted]

A. Professional and educational background (please summarize):

1. Your educational background: BS in Accounting
2. Your professional/work history: Public accounting and private industry, ranging from controller to VP of Finance for several types of companies
3. Any notable accomplishments/awards/recognition: CPA
4. Your volunteer activities outside I'On and/or before moving to I'On: Daughter's schools, Big Brother/Big Sister board member
5. Your relevant skills (for example, financial, legal, communications, computers/internet/website administration, etc.): Finance & Accounting background

B. HOA Involvement:

1. Prior experience on an HOA board? Yes, current I'ON board member
2. Can you attend regular board meetings (held at 5PM on the fourth Wednesday of each month)? yes
3. Can you devote 5 to 10 hours a week to fulfilling your Trustee responsibilities? yes
4. What Board slot interests you: Finance

C. I'On Involvement:

1. How long have you lived in I'On? 1 ½ years
2. Please list the I'On activities you participate in (examples might include the I'On Club, the Lunch Bunch, Yarn Buddies, Women's Coffees, book clubs, dinner clubs, BizNet, etc.): Conservation Corps, Women's Coffee, I'ON Home Tour, Halloween in the Hood, trying to organize family events at the Creek Club, First Friday, Stew Cook, Holiday decorating
3. Please describe your I'On volunteer activities (examples might include the I'On Trust, I'Onissimo, the newsletter, the community website, the Directory, welcome baskets, the Tour of Homes, Board committees, Conservation Corps, etc.): Current Board Member in charge of Finance & Compliance, I'ON Home Tour volunteer, Halloween in the Hood, Memorial day and 4th of July Trust event volunteer

D. Issues, positions, goals, etc.:

1. What do you think are the top 3 issues facing the Assembly in 2009 and how would you address them as a Trustee? 1) Ensuring that the Creek Club remains available to the homeowners of I'ON 2) Ensuring I'ON has enough money to keep it beautiful and well maintained and 3) Creating viable plans for the remaining properties in I'ON not currently owned by the homeowners.
2. Why do you want to be on the Board of Trustees? What are your goals and objectives as a Trustee? In order to have 3 boards slots open for this election I volunteered to run again after one year of serving on the I'ON board. I would like to finish what I have helped to start, including getting the transfer fee passed and developing the right agreement with whomever buys the Creek Club
3. What else would you like the community to know about you? I have the best husband and daughter in the world and we plan to live in I'ON forever..

Jody McAuley [redacted]

A. Professional and educational background (please summarize):

1. Your educational background:

The Asheville School 1983-1987
The University of South Carolina 1987-1991 BA Political Science and History

1. Your professional/work history:

Senior Vice President Investments Wachovia Securities (1994- Present)- Co-Founder McKenzie/McAuley Wealth Management Group. We work closely with individuals, institutions, funds and endowments in constructing asset management portfolios.

1. Any notable accomplishments/awards/recognition:

Recognized in each of the past 10 years for outstanding investment management services.

1. Your volunteer activities outside I'On and/or before moving to I'On:

The Asheville School - Annual Fund Committee 1987-2004
Chamber of Commerce Board of Directors - Rocky Mount, NC 1996-1998
Habitat for Humanity Charleston, SC Board of Directors - (2007 - 2009)

1. Your relevant skills (for example, financial, legal, communications, computers/internet/website administration, etc.):

Working closely with individuals and institutions on a daily basis to identify objectives and provide solutions is my relevant skill. The success of this process includes financial analysis, excellent client communication, the use of technology and proper administration.

B. HOA Involvement:

1. Prior experience on an HOA board?

None

1. Can you attend regular board meetings (held at 5PM on the fourth Wednesday of each month)?

Yes

1. Can you devote 5 to 10 hours a week to fulfilling your Trustee responsibilities?

Yes

1. What Board slot interests you: Landscaping Committee Chair, IDC Liaison, Compliance Officer?

I am quick study and would be able to jump in right away with any of these committees.

C. I'On Involvement:

1. How long have you lived in I'On?

4 years (Rented 1 year and since have lived at [redacted]

1. Please list the I'On activities you participate in (examples might include the I'On Club, the Lunch Bunch, Yarn Buddies, Women's Coffees, book clubs, dinner clubs, BizNet, etc.):

I'On club (Masters Swim, Youth Swim team, Tennis, Workout Room), All family events (Bridge Run/Blue Dogs, July 4th, etc), Dinner Club

1. Please describe your I'On volunteer activities (examples might include the I'On Trust, I'Onissimo, the newsletter, the community website, the Directory, welcome baskets, the Tour of Homes, Board committees, Conservation Corps, etc.):

Jeff Tozzi- [redacted]

TO: Candidates for Election to the I'On Assembly Board of Trustees
FROM: HOA Board
SUBJECT: Background Information
DATE: Oct 1, 2008

In order to help enable I'On residents to evaluate the qualifications of candidates for election to the Board of Trustees, all nominees are being asked to provide the following information about their background, skills, interests and opinions.

We believe that the following background information will be both helpful and relevant to your neighbors in determining their support for particular candidates.

Please briefly address each of the following topics:

A. Professional and educational background (please summarize):

1. Your educational background:
   - Master of Science Degree – Johns Hopkins University
   - Bachelor of Arts Degree – Seton Hall University
   - Participant in academic and professional development programs at The Center for Executive Education at Babson College as well as Massachusetts Institute of Technology (MIT) Executive Education Program
2. Your professional/work history:
   - I currently am a General Manager at Microsoft Corporation, managing a nationwide organization that is responsible for driving just under 1 Billion dollars in revenue for the State & Local Government vertical within the company. Prior to this role, I have held various other positions at Microsoft over the last 10+ years. These roles have spanned our Federal, Education/Academic, Local Government, as well as commercial enterprise and small business segments.
     Prior to my time at Microsoft, I have held various positions at Lockheed Martin, Lucent Technologies and AT&T. These positions ranged from various leadership roles such as the Financial Controller for an overseas venture, as well as other leadership, project management, program management and consultant roles.
     In addition to my time with these major corporations, I have also been an owner of a small business in the IT consultancy space.
3. Any notable accomplishments/awards/recognition:
   - Proud husband to my beautiful wife, and father for 2 great little boys (plus one more child on the way)
   - Participant in highly selective Leadership Development Programs at Microsoft, Lucent Technologies and AT&T
4. Your volunteer activities outside I'On and/or before moving to I'On:
   - Prior to moving to I'On, I have volunteered as a youth soccer coach as well as driven personal fundraising efforts for an organization to benefit fallen soldiers' families. In addition, I have volunteered for various other causes. Examples of these include painting classrooms for an impoverished school in Central America, as well as various holiday programs to support lower income families and children.
5. Your relevant skills (for example, financial, legal, communications, computers/internet/website administration, etc.):
   - In general, I have a sound business foundation with strong relevant experiences in finance, communications, sales/customer services, as well as technology.

B. HOA Involvement:

1. Prior experience on an HOA board?

Jeff Tozzi- [redacted]

that we all care to be involved and to stay involved in making this community what it is. Without the contributions of many... our achievements as a community will have limited appeal. Everyone will have different motivating factors to their involvement (whether it be related to community building, maintaining value, safety, etc), but the simple involvement of many will ensure we broadly can address each of our concerns. I was captivated with the thought of my family living and growing in I'On from my first visit, and I certainly still am today. I know many of my neighbors feel the same.

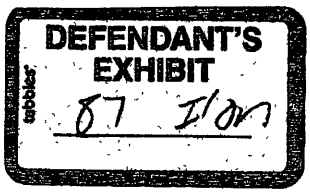
I'On Assembly Homeowners Association

ANNUAL MEETING REPORT AS OF 12/09/08

Current Owner (P)=Prev Owner (R)=Resident/Tenant (V)=Developer

ALPHA KEY	PROPERTY ADDRESS	ACCOUNT NO	LOT/UNIT	RATIO	SETTLED	SIGNATURE
WADE	[redacted]		KRIE43			
WAHOO PARTN			SAT010			
WALBECK			NSH114			✓
WALL			PERS40		03/01/05	
WALLACE			PON070		08/13/07	
WALSH			SAT057			
WALSH			SAT057			
RS			JAK149			
WAYMAN			HOPE18		02/16/07	
WAYMAN			HOPE18		02/16/07	
WDS						

DEFENDANT'S EXHIBIT 84 I'On



From Alan Barbieri

RE: THE PUD AMMENDMENT ISSUES

I AM TROUBLED THAT WE SEEM TO HAVE ABANDONED OUR EARLIER POSITIONS REGARDING THIS PUD AMENDMENT PROPOSAL.

FIRST---WE HAVE NEVER, AS A BOARD DISCUSSED AND/OR AUTHORIZED PURSUING THE CREEK CLUB FOR A COMMUNITY BUILDING. IN FACT WE HAVE OFTEN DISCUSSED THAT THE BUILDING IS INAPPROPRIATE FOR OUR USES. A COMMUNITY CENTER IS NOT THE HIGHEST AND BEST USE FOR THIS BUILDING AND/OR PROPERTY. PARKING IS VERY LIMITED. WE ALSO DON'T WANT TO BE IN THE "EVENT BUSINESS" TO SUPPORT SUCH A LARGE PROJECT. WE DON'T HAVE REGULAR CASH FLOW TO SUPPORT THIS PROJECT. THE DOCKS ARE A HUGE LIABILITY AND INSURANCE PROBLEM AND WE ALSO HAVE THE ACCESS BY OLDE PARK RESIDENTS THAT VINCE SOLD RIGHTS TO. THE NEIGHBORS IN THE AREA ARE NEGATIVELY IMPACTED BY EVENTS. WE ARE ALSO NOT SURE THAT THE CREEK CLUB, A PROFIT MAKING ENTERPRISE, IS NOT HOUSED ON A LOT ZONED AS A CIVIC LOT. WITHOUT KNOWING **ALL THE FACTS** WE SHOULDN'T BE CONSIDERING THIS APPROACH. WE HAVE NEVER DONE THE FINANCIAL DUE DILIGENCE, THAT WOULD BE EXPECTED OF THIS BODY, TO ACCESS THE FINANCIAL FEASIBILITY OF THE PROJECT.

SECOND---WE DISCUSSED NOT LINKING THE TRAFFIC ISSUES, PUD AMENDMENT AND OTHER ISSUES TO AVOID EXACTLY WHERE WE ARE NOW.

THIRD---I AM NOT INTERESTED IN THE ION GROUPS ABILITY TO HANDLE DENSITY. THAT IS THEIR SOCIAL EXPERIMENT, NOT WHAT ION OFFERED ITS BUYERS OR WHAT ION RESIDENTS BOUGHT IN TO. WE WILL HAVE 2 NEW CHURCHES WITH NO PARKING, A RETAIL STORE WITH NO PARKING HOW COULD ONE CONSIDER WORSENING THE CONDITIONS WITH DISPROPORTIONATE DENSITY ADDITON TO THE COMMUNITY.

FOURTH---WHEN ONE OVERLAYS THE SIZE OF THE PHASE 11 PROPERTY TO AN AVERAGE ION NEIGHBORHOOD WE SEE ABOUT 22 OR SO HOME SITES. WHY WOULD WE SUPPORT A PLAN WHICH ALMOST DOUBLES THAT AND THEN REMOVES THE CREEK CLUB OVERFLOW PARKING. THE OVERLAYS PROVIDED BY ION GROUP ARE THE MOST CONGESTED AND CROWDED AREAS IN OUR COMMUNITY.

FIVE---VINCE SHOW PHOTOS OF VERY SMALL HOMES NOW FIT IN AROUND ION TO JUSTIFY HIS DENSITY. COULDN'T ONE REASONABLY TAKE THE LARGEST HOMES IN ION AND PLAN PHASE 11 WITH THAT SIZE HOME?

SIX---OUR JOB IS TO MAKE SOUND, THOUGHTFUL JUDGMENTS AND NOT BE INFLUENCED BY THE DOLLARS THROWN AT THE COMMUNITY TO WIN SUPPORT. YES

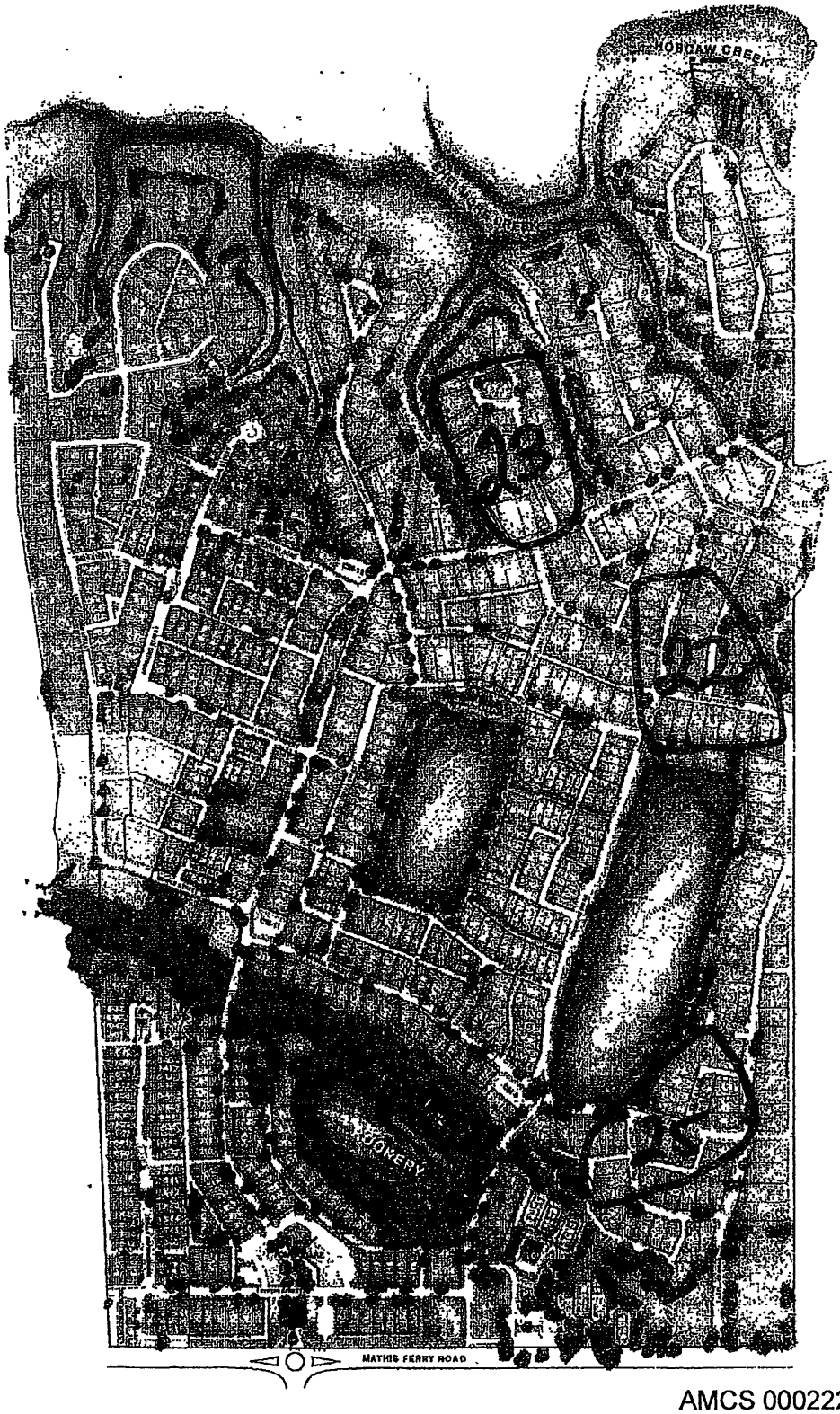
VINCE HAS EVERY RIGHT TO DO WHAT HE WISHES, BUT AS REPRESENTATIVES OF THE HOMEOWNERS WE WOULD BE SELLING THEM OUT.

SEVEN---PERHAPS THE COMMUNITY CENTER SHOULD BE DEVELOPED ON A PORTION OF THE PHASE 11 SITE, CAREFULLY PLACED WITH PARKING AND ACCESS. LET VINCE KEEP THE CREEK CLUB AND LET'S SEE HOW QUICKLY HE WOULD WANT TO CONVERT THE OVERFLOW PARKING TO HOME SITES. PERHAPS THE COMMUNITY BUILDING SHOULD BE ON A LOT THAT ADJOINS THE SCHOOL, COULD SHARE PARKING AND COMPLIMENT SPACE USAGES.

WE ARE BEING TREATED TO MASTERFUL HORSE TRADING AND THE SHELL GAME ALL WRAPPED UP IN ONE. VINCE SEES INTEREST IN OUR OBTAINING THE CREEK CLUB AND GOES TO 45 LOTS IN PH 11 AND THEN WANTS THE OVERFLOW PARKING AREA DEVELOPED FOR HOME SITES. WOW, WHAT A DEAL.

WE MUST ABANDON ANY PLANS TO OBTAIN THE CREEK CLUB AND DOCKS. WE MUST SUPPORT A DENSITY FOR PHASE 11 CONSISTENT WITH THE DENSITIES PEOPLE BOUGHT IN TO. WE THEN CAN PURSUE A SITE FOR A COMMUNITY BUILDING INDEPENDENT OF PHASE 11.

WE MUST FIND COMMON GROUND. SUPPORT 22 HOME SITES IN PHASE 11, HAVE VINCE DONATE THE LOT AT THE END OF THE OVERFLOW PARKING LOT FOR US TO BULID A COMMUNITY BUILDING AND ALLOW US USE OF THE PARKING LOT, DEMAND THE SOLUTION TO THE PARKING PROBLEMS AND MOVE ON.


HORSE PEN CREEK
MATHIS FERRY ROAD

Inspiration for a Neighborhood

"It is well to remember that the entire population of the universe, with one trifling exception, is composed of others."
John Andrew Holmes

The Marshes of Hobcaw Creek are one of Mount Pleasant's most wonderful assets Wanting to share this beauty with all of the residents and friends in the neighborhood, I'On has miles of linear parks along the waterfront and community docks rather than many individual private ones.

Community docks not only provide the opportunity for neighbors to gather and enjoy the water; they also minimize the impact of individual docks and landings and protect our environment. As a living ecosystem and beautiful resource along the eastern coast, the marsh needs our stewardship. By offering a few community docks rather than individual docks for each waterfront homeowner, development can balance human and environmental needs.



I'On Realty
884-3080

Located in the I'On Square, just off of the roundabout on Mathis Ferry Road in Mount Pleasant
Call for more information or come by for a visit.
Monday - Friday 9 a.m. - 5:30 p.m. ~ Saturdays 10 a.m. - 5 p.m. ~ Sundays 12.30 p.m. - 5 p m.

MARSHFRONT LOTS ARE NOW AVAILABLE

DEFENDANT'S EXHIBIT
98 I'On

Inspiration For A Neighborhood

"Let's build bridges here and there
or sometimes, just a spiral stair."
Georgia Douglas Johnson

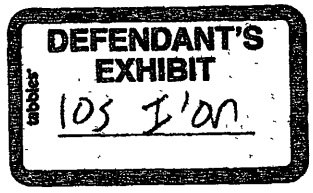


A Rendering of l'On From the Marshes of Hobcaw Creek. Like the old post road along the banks of the Intracoastal Waterway in Rockville, l'On will have a linear park at the edge of its marsh front. With this park and the paths surrounding three freshwater lakes, neighbors in l'On have access to more than three miles of waterfront, sidewalks, and trails.

Linear parks are often thought of as paths or parkways. They range from narrow trails to wide corridors and broad greenbelts. Linking neighborhoods to a larger park system as well as providing access to beautiful corridors, these parks are great for strolling, jogging, riding, or relaxing. Well known linear parks in our area include the path beside Mathis Ferry Road in Mount Pleasant, the Battery along the edge of the Charleston Peninsula, and the Palmetto Trail which will ultimately cross the entire State of South Carolina.

l'On Realty
884-3080

516 Mathis Ferry Road, Mt. Pleasant, SC 29464
Call for more information or come by for a visit
Monday - Friday 9 a.m. - 6 p.m. - Saturdays 11 a.m.- 5p.m. - Sundays 12:30 p.m.- 5 p.m.



Gmail

Creek Club: Where We Are

Ward Mundy <wardmundy@gmail.com> Tue, Feb 24, 2009 at 9:23 AM
To: "Templeton, Catherine B." <Catherine.Templeton@ogletreedeakins.com>
Cc: "Mary H. Mundy" <maryhmundy@gmail.com>, Laurie Thomhill <lt@scplaces.com>, Steve Brock <SteveBrock7@aol.com>, "LEAADK@aol.com" <LEAADK@aol.com>
Bcc: Ward Mundy <wardmundy@gmail.com>

Well, last night was disappointing, but not unexpected. My check is in the mail. :-) I've tried to put on my appellate lawyer hat (briefly) to sketch out where we are. This, of course, is not legal advice, merely neighborly musings.

As I read the charter of the Board of Zoning Appeals, their mandate in this case was to decide whether to affirm the ruling of the Zoning Administrator or modify it in some way. By and large, I understood the 4-1 vote as a vote to affirm. Joel Ford's decision was that "current use of the I'On Creek Club as a venue for weddings, receptions, meetings, and other similar events is a permitted use pursuant to the provisions of Mount Pleasant Ordinance No. 97010" because "the Creek Club building is a neighborhood clubhouse, which the ordinance specifically identifies as a type of civic building." He specifically refused to wade into regulating "neighborhood clubhouse use, believing these matters are best handled privately between those involved."

The refusal to address proper use of a civic use property is dead wrong as a matter of law because the zoning complaint here involved inappropriate use. It doesn't really matter what the building looks like. If the primary use of a church building is to run a commercial pool hall, it's not civic use. If a scout hut is being used as a bordello, it's not civic use. And if what looks on the outside to be a neighborhood clubhouse is being used on the inside to run a commercial destination wedding business, it's not civic use. That's the legal theory anyway.

In my opinion, what's missing from all of this process is any factual basis for upholding or overturning the current zoning decision on the Creek Club. Stated another way, the Zoning Administrator refused to address how the building was actually being used. And BOZA did much the same thing although there was some discussion by "witnesses" of how the club was being used. The only factual evidence of appropriate use came from the attorney for the Grahams. That, of course, wouldn't constitute evidence in any court I've been in.

The bad news, however, is this. If I were a circuit judge, I would overturn the BOZA decision as clearly erroneous for failing to address the actual use of the facility in arriving at their zoning determination. The remedy, however, would be to send the matter back to the Planning Department for a factual determination on how the Creek Club actually is being used. I don't think the circuit court would make an actual civic use factual determination with no factual record from the Town. If I were the Graphams, I might appeal any circuit court ruling just to run up the litigation expense. Ultimately, they'd lose. But the victory would be on extremely narrow grounds, i.e. remand to Town to get a factual zoning determination.

There is plenty of information to document the actual use of the facility including the business and tax records of the LLC. My guess is when the matter finally got back to the Planning Department, the Good Ol' Boys would ignore the records and come up with some general language that says the club is being used for some civic purposes and is helping to defray costs by also using the facility for weddings and meetings. Then you're back to BOZA which would affirm. Then you're back in circuit court a year from now issuing subpoenas for business records. Even after a lengthy presentation on bait-and-switch and current usage and $100,000 in legal expenses, I think it would be a close case at the trial level especially after all the evidence comes out that other clubs are situated on residential lots and are doing much the same thing. Another major stumbling block is the Supreme Court decision allowing private, for-profit operation of businesses on civic lots, i.e. the original Montessori School. If we won, they'd appeal. Bottom line: This is a real legal and financial can of worms that would go on, and on, and on with lots of lying and ambiguity. Given the legal cost of handling the first BOZA appeal last night and measuring the amount of effort that appeared to have been devoted to preparation, I think successful resolution would be cost prohibitive.

So... where do we go from here? One approach would be to lay low and wait on a sale to a real hospitality

business with no connection to the neighborhood. This eliminates many of the arguments about current civic use, and it also gets us a much stronger case on a commercial, for-profit business with virtually no civic component. Their whole business model is to run a destination wedding business with hotel rooms, restaurant, and wedding party facility. I don't think it would hurt to put them on notice that failure to agree to the HOA-proposed easement is going the land them in court. The proper approach the next time around would be to actually claim a violation of the PUD for exceeding the commercial square footage limit in I'On. That's much easier to prove once you can show it's actual being used in that manner. Why else would the B&B buy it?

Another option is for someone or some group that purchased lots directly from the I'On Company to go to the feds and raise hell about the HUD property report in which the I'On Company promised to convey the Creekside Park and Community Dock to the I'On Assembly "upon completion of construction... by quitclaim deed free and clear of all monetary leins and encumbrances at no cost to the I'On Assembly or its members." Instead, these facilities were conveyed to the I'On Club, And, as I understand it, both of these properties now are included in the proposed property sale to the B&B. I've also been told that the marsh in which the community dock resides is not owned by any entity controlled by the Grahams, and the Grahams reportedly have given Olde Park residents some rights to the dock and boat ramp. Suffice it to say, it is not unencumbered.

The HUD remedy is not the most desirable. The Feds could take civil and criminal action against the Grahams assuming they believed there were fraudulent practices, but as I read the Interstate Land Sales Full Disclosure Act, failure to comply with a HUD Property Report would not bar a sale to a third party. I'On residents that purchased a lot directly from the I'On Company also might have a civil claim for damages, but there is a two-year statute of limitations.

Just my $.02. Take it for what it's worth!! Thanks for all you've done.
–wm

AUG-29-95 TUE 15:36 NEWSCHANNEL 4 WCIV TV FAX NO. [redacted] P.01

NEWS CHANNEL 4!

DEFENDANT'S EXHIBIT 106 I'On

August 28, 1995 VIA FAX

Mr. Ken Willingham
Chairman, Board of Planning and Zoning
Mt. Pleasant, SC

Members of the Planning & Zoning Board:

Last Wednesday I sat in a room while some people used terms like "urban sprawl" and "cookie cutter" to describe the town I live in. Then they got almost misty-eyed conjuring up visions of the Old Village, Rockville and McClellanville. Finally they got around to presenting a land use corollary to the Exxon Valdez.

I didn't know whether to laugh or cry. If there was humor to be found it was in the liberal use of the word "neighborhood". I've seen neighborhoods and this is no neighborhood. In fact I walked one them last night - Hobcaw and I did not see what these developers would have us believe. People spoke to me, waved to me and I even saw some folks talking to each other.

Whoever planned their presentation worked harder at manipulation that information. They hit all the right themes such as the one about people from all walks of life living together. There is no way to oppose that without appearing elitist, or worse, and they knew it. The fact was, though, that the premise was noting but red herring. It was a smokescreen for the issue of the massive density proposed.

I found their whole approach insulting and cynical. Insulting because it attempted to hide greed behind a warm, human face. The town I live in was painted as something to be disdained and its people as reactionary and behind-the-times.

Cynical because it used themes and images that are contrary to the reality of the project. It assumed that we are just naive enough to believe things like putting an elementary school on five acres of land and that taking only 5% of the wetlands is a good thing. Or that a "roundabout" will take care of any pesky problems with a few thousand more cars on Mathis Ferry Road every day.

In all of it I never heard a single substantial, convincing argument for changing the zoning. If one of them had said, We want the zoning changed so that we can make a lot of money", I would have at least respected the honesty.

Their proposal is infested with holes and loopholes. It leaves enough questions unanswered to fill a book. Their idea of "flexibility" is more like saying to your kids, "Clean up your room if you want to".

I believe that we live in one of the nicest and most attractive communities anywhere. Years ago some people got together and created a plan to keep it that way, even to improve it along the way. We seemed to have muddled on fairly well.

I believe people in Mt. Pleasant are reasonably pleased with progress and would rise up in horror at the prospect of this development. Certainly, discounting for the moment real estate agents and developers and fishermen whose interest is in limiting docks, the opposition that you heard last Wednesday night mirrors that I believe you will find in the community. I would ask as well that you minimize the influence of outside groups. They may have multiple agendas whose motivation and connection with other interests could contaminate their advice. The decision to be made is local and we are perfectly capable of making it in that context.

Please add my voice to the many others I am sure you have heard and reject this plan. Keep the zoning of the Jordan tract R-1.

Thank you for your consideration.

Stephen G. Brock

cc: The Honorable Cheryl Woods-Flowers
Mount Pleasant Town Council

cc: Council
Mail

October 4, 1995

The Honorable Cheryll Woods-Flowers
Mayor of Mt. Pleasant
[redacted]

Dear Cheryll:

I am sorry that I could not get back to you this morning, but we felt that everyone involved in our effort should have the opportunity to speak to our decision and it took a while to get in touch with everyone.

First, on behalf of the whole committee, thank you for arranging the meeting with you and Tom yesterday. Though we clearly do not agree on key points, I hope that we conveyed to you that our objections to the development are sincere and substantive We accept as well your more positive feelings on the development.

It is therefore with regret that we have decided that we simply have no option other than to vigorously oppose the deferral. To do less is to break faith with those who have trusted us and supported us and we cannot do that any more than we can relax our efforts should the deferral be approved.

We do not feel that deferral serves any purpose. The reason is simple. The deferral is characterized as a period for the developers to meet with affected neighborhoods to find out what they want. We have already done that. The majority of residents in every subdivision wants R-1. They have signed petitions to that effect. You have letters that say the same thing. The Grahams have repeatedly said that they will not build R-1. It seems the issue is decided. If the Grahams will tell Council that they will return with an R-1 plan, obviously we withdraw any objection to deferral.

We believe that the majority of Town Council, by granting a deferral, is motivated by a sense of fairness. On the other hand, as the point was made before, we think the Grahams have received a heaping portion of that and that we have been disadvantaged. Though Council is inspired by a high purpose, we have every reason to expect the deferral period to be used to sell a version of the existing plan.

The letter requesting the deferral has a clear statement of purpose:

"The complexity of our planned development necessitates additional time in which to meet with residents of surrounding neighborhoods to ***explain our concept*** *and address specific concerns".*

While that effort continues, we endure efforts to sell this project from individuals and groups whose quality of life and property values are not imperiled by this project. You should know that these efforts simply throw gasoline on the fire of opposition.

As poorly thought through as it seems, it is rumored that supporters may use the deferral period to attempt to place the issue on December ballot as a non-binding referendum. We would win such a referendum, but an effort to force this project on residents of Mathis Ferry Road, which it affects directly, with the help of outsiders and residents from unaffected areas would drive a wedge between communities that would be disastrous.

Cheryll, we are not troublemakers. This trouble was made for us. We are defending ourselves and our cause is gaining ground. On the other hand, as we said in our letter and told you yesterday, this situation we all find ourselves in is miserable. Extended into the coming holiday season it will be awful.

I could not be more sincere when I say for every one of us how deeply we regret the circumstances. We love Mt. Pleasant. We hate what is happening here, but we did not begin it. We must continue because it is the quality of our lives and those of our neighbors which is at risk.

Sincerely yours,

Stephen Brock on behalf of The Mathis Ferry Road Committee

cc: The Honorable Tom Tanis
Mt. Pleasant Town Council

cc: Council
Mail

October 4, 1995

The Honorable Cheryl Woods-Flowers
Mayor of Mt. Pleasant
[redacted]

Dear Cheryl:

Since the beginning of the debate on the development of the Jordan Tract our stand has been clear - no multi-family, no commercial, no retail and no rezoning. It remains that. Every name gathered has been signed in support of that position.

To update you, at this point the majority of homes in Hobcaw, Molasses Creek, Sommerset, On the Harbor, and Heron Point are on record as opposed. Before next week's meeting we will have majorities in Parish Place, Wakendaw and Point Pleasant and letters from association presidents opposing the project.

Throughout the past few weeks the Grahams have been afforded every consideration, while we have been treated like outsiders. While we have played by the rules, we have watched town representatives actively support not just the project, but the Grahams personally. We have been told that we "don't understand the project". In fact, we have spent a considerable amount of time reading their codes, impact statement, traffic studies and the Master Plan. Our objections, though characterized otherwise by some, are reasonable, informed and irreversible.

A few people say that there are aspects of this project that are appealing. We believe that the image is appealing, not the reality. The time for that debate, though, has passed. A high-density, multi-use development on Mathis Ferry Road adjacent to established, single-family subdivisions is out of place and unacceptable. This project is being driven by land costs. Land costs should not be allowed to set our zoning codes.

We have no belief that deferral of this project will result in meaningful changes. First we have had experience on this project with "concessions". Further, there has been enough time before this to offer them. We have known the deadline and so have they.

It is time to end the divisiveness that is resulting from this project. People once friends no longer speak to one another. Words have passed between neighbors that should not have and the bad feelings are only going to escalate with delay. Further, while a delay will be an inconvenience to us, it will not deter us.

We are asking you to support us and a growing list of more than a thousand citizens of Mt. Pleasant. Please commit to bringing the Jordan Tract proposal to a vote next Tuesday.

Sincerely yours,

Henry Thomas *Steve Brock*
Carlton Poulnot *Gordon McCay*

URGENT

RESIDENTS OF HOBCAW POINT

A furious public relations battle is underway to convince you and Mt. Pleasant Town Council to allow a high-density development - 1240 homes, townhouses and apartments in addition to commercial property on the 243 acres adjacent to Hobcaw and Molasses Creek, known as the Jordan Tract. This will double the number of homes on Mathis Ferry Road. .

The only thing standing in the way of this enormous project - 50% more residences than present R-1 zoning - is you. If the vote were taken today the Planning and Zoning Committee would approve it with some small revisions. .

The developers are selling the project as a "traditional neighborhood" like the Old Village, Rockville and their Beaufort development, New Point. None of these areas are as densely developed or have 430+ apartments. New Point is an attractive single-family development with no apartments or commercial.

There is a great deal of pressure to get this development to a vote. Strong, well-placed forces, some of whom do not live in the vicinity of this project and others with vested interests are pushing this plan. The "Post-Courier" , which credits itself for having started the process that led to this development, has gotten into the act with an editorial, articles and a somewhat lop-sided spread in this weeks East Cooper section.

They join many others who are so in love with the concept that, like anyone in love, they refuse to see the flaws in the object of their affection. Instead they suggest we just don't understand the concept.

This development is an experiment. If it is built in its present form all along Mathis Ferry will suffer - especially Hobcaw Point and Molasses Creek residents. There will be increased traffic on Mathis Ferry. There will be at least two roads to Muirhead. The newspaper confirmed it.

Further, it was acknowledged by the Town Planner that the traffic from the Jordan Tract to Muirhead has not been considered. This will be a "back door" to the subdivision for anyone going to Houston Northcutt, Coleman or downtown and for the return trips. .

What can you do, you ask?

- MARK OCTOBER 10 ON YOUR CALENDAR. This is the meeting of Town Council that will consider the project. Our council representatives need to hear us.

- SIGN, RETURN THE ATTACHED POST CARD. If you have signed the petition, send the card anyway in case a petition has been misplaced. We will eliminate duplicates. Anyone 18 or older can sign. .

- WRITE TO TOWN COUNCIL. Tell them. "Please, no apartments, no stores , no commerical- keep the Jordan Tract zoned as it is for single-family residences."

~~- IF YOU CAN, ATTEND THE PLANNING AND ZONING MEETING ON SEPTEMBER~~ **20.** It is a foregone conclusion that this committee will pass the project with minor changes. Remember, if they cut the apartments in half, the property will still have as may residences as the seven subdivisions on Mathis Ferry Road. (see last page).

Remember...

The infamous Mathis Ferry Mall had big money behind it and we defeated it. We said no! This is our fight and each one of us is critical to defeating this project. The quality of our lives, the values of our homes and the safety of our families is at stake.

These are member of the Planning and Zoning Committee and Mt. Pleasant Town Council. It is especially important to send letters to the Council Members. Send then to **Town Hall, 100 Ann Edwards Lane, Mt. Pleasant, SC 29464.**

Mt. Pleasant Town Council	Planning & Zoning
Ms. Cheryl Woods-Flowers, Mayor	Mr. Ken Willingham, Chairman
Mr. Tom Tanis	Mr. Tom McLaughlin
Ms. Margaret Kerr	Mr. C.D. Hopkins
Mr. Krueger Smith	Mr. Ken Dandridge
Ms. Jewel Browder	Mr. Ed Lee
Col. Bob Barton	Mr. Harvey McCormick
Mr. Terry McManus	Mr. Jim Posda
Mr. Dolph Rodenberg	Ms. Linda Rackley

The following are some of the things you may have heard.

- The Master Plan for Mt. Pleasant calls for this type of development.
A "traditional" development is an **option** of the Master Plan. If it were in the Plan, the property would not be zoned single-family as it is. Nowhere in the plan or the "traditional" neighborhood option is the word "apartment" used. .

- Mathis Ferry Road utilities will be underground. There was the distinct impression left at the first hearing that Mathis Ferry Road utilities would be placed underground. They will not.

- Five acres will be set aside for a school. At the public meeting we heard that five acres were set aside for an elementary school. It was mentioned in the newspaper article. It was never going to happen, at least as it was described that the first hearing. Five acres is not enough land. A private school is possible as is a daycare center, mentioned in the project proposal. .

- The "roundabout" at the entrance to the project will handle all the new traffic even making the road easier to travel. The roundabout is only somewhat different from traffic circles. Their data on traffic is only an estimate, based on "best case" and does not consider many variables. (It even assumes that car ownership in the project

will decline.) One of the arguments used to explain away traffic is that residents of Hobcaw and Molasses Creek will travel the two connecting roads to Muirhead through the project to the "roundabout" and then to Highway 17. They don't mention the reverse - the cars that will shortcut to downtown by using Muirhead.
15,000 additional vehicle trips are projected per day from the development. There will be more.

- **This project will be like New Point.** New Point is a very attractive 50 acre project that has **no commercial and no apartments** as in this project. Average homes there compare with new R-1 developments here. .

-**This project will be like the Old Village, Rockville and downtown Charleston.** This is being played over and over to conjure up the images of these special places. While it is possible to copy the appearance of those places, it is impossible to duplicate them. The comparison is useful to distract attention from the extreme density of this project which is necessary in part to justify the high cost of the land.

- **Parks and public docks will be built.** Good idea and possible in a single-family development too. With the 400+ more residences than under existing zoning boat . traffic on Hobcaw Creek will rise proportionately as will use of Remley's Point boat landing.

- **Do you want 1240 units and a road to Hwy. 17, or 750 units and no road?**
This is to frighten people into accepting the development. A road will eventually be needed to develop the property along the frontage road.

- **People who oppose apartments are "elitist".**
This is to put you on the defensive. Most of us have lived in apartments. That's why we understand the incompatibility of apartments in the middle of single-family neighborhoods. The apartment plans call for one parking space per resident.

- **If this development falls through, we will get cheap tract homes.**
The indisputable fact, and one of the driving forces behind the extreme density, is that the Jordan Tract is an enormously expensive piece of ground. It is zoned R-1 which **requires 10000 square foot lots.** The probability is that if the current proposal fails, a beautiful subdivision like Molasses Creek will develop.

- **The developers will subsidize the stores.** For how long? Stores will fail for the simple business reasons of traffic and competition. As businesses fail, the "live-above" store concept will make for easy conversion to another apartment. This is not speculation but a known option. The Planning and Zoning Committee says the feasibility of the retail aspect of the development is not their concern. It should be. Further, the proposal for one or two stores on Mathis Ferry Road should be refused.

- **Mass transit** - A member of the Planning & Zoning Committee actually suggested that the development presented the possibility. Bus lines on major thoroughfares are

subsidized by SCE&G and operate at a loss. How do you think this one will do?

SUBDIVISIONS WITH PRIMARY INGRESS/EGRESS TO MATHIS FERRY

	UNITS	
Hobcaw Point	351	THE JORDAN TRACT
Molasses Creek	150	
Heron Point	67	
Somerset	40	
Wakendaw	300	
Point Pleasant	132	
Greenpond	40	
TOTAL	**1080**	**1240**

Please take the time to return the post card and defeat this threat to our neighborhoods.

Henry & Debbie Thomas
Steve Brock
Buzz & Margo Hammond
Gordon & Karen McCay

RESIDENTS OF WAKENDAW LAKES

The Old Village - Quiet streets, stately oaks - in the dictionary under "ambiance" it should say "see Old Village". Who wouldn't like to live there?

No wonder so many folks have been swayed as that image has been conjured up and applied over and over to the Jordan Tract. Unfortunately, the image is far from reality and it is reality that all of us along Mathis Ferry Road will face every day if this project is approved as proposed

The Jordan Tract will be a high-density subdivision with more than 400 apartments. The plan calls for 1240 total residences - more than the total of Wakendaw, Point Pleasant, Somerset, Heron Point, Molasses Creek, Hobcaw Point and Greenpond combined. The density of the development is nearly twice that of the Old Village.

In addition, there are plans for stores and commercial space to add more traffic. 15,000 vehicle trips per day are estimated by the developer's own traffic consultants. A reading of the impact statement would indicate that there will be more.

Many of you have heard of New Point, a subdivision in Beaufort built by the developers of the Jordan Tract. It is frequently mentioned in relation to the Jordan Tract development. A lot of people seem to think that is what we are getting here. Nothing could be farther from the truth

New Point is a very attractive, high-priced, single-family subdivision with no apartments and no commercial. The proposal before us was to build New Point here, there would be few objections

You may also have heard that the Mt. Pleasant Master Plan calls for this type of development.

The Master Plan was drawn up some years ago to guide development. A few years ago, a citizen's committee revised it and a "traditional" neighborhood, very broadly defined, was offered as an option that might be considered in the future and not just on the Jordan Tract. It is just that - an option. The property remains zoned R-1, single-family That would allow 750 homes as opposed to the 1240 residences proposed. Nowhere in the Master Plan or in the option is the word "apartment" used How may apartments are in the Old Village?

No one argues that traffic won't increase but the developers propose a "roundabout, a sophisticated traffic circle to connect the Jordan Tract and Mathis Ferry Road to Highway 17. It is supposed to be the answer to handling the enormous increase in traffic. It is not

It, like other elements of the proposal, is based on assumptions and estimates. Where there is a variable, it is interpreted in favor of the project. There are elements

of traffic that were not even considered in the plan. (It doesn't appear that the traffic consultants tried to get to work or school from Wakendaw).

One thing is certain. If the Jordan Tract proposal is approved, the rural character of Mathis Ferry Road, a designated scenic road, will be lost forever. Stores are even proposed to sit on Mathis Ferry Road.

A lot of people have fallen in love with this concept, so much so, that like anyone in love, they overlook flaws or explain them away. Who can blame them? Very pretty pictures have been painted and that public relations and marketing effort will intensity as the Town Council vote approaches. .

You have only to read what is available to see the problems, to know why this project will be a disaster in its present form.

The Planning and Zoning Committee is poised to approve the project some changes. If, as expected, half the apartments are cut, it still will remain as large as the seven subdivisions mentioned earlier.

There is still time to affect the decision. ***Here is what you can do.***

Following Planning and Zoning approval, the proposal moves to Town Council. Write Town Council. Tell them "no apartments, no commercial and to leave the property R-1."

Members of Mt. Pleasant Town Council 100 Ann Edwards Lane,

Ms. Cheryl Woods-Flowers	*Col. Bob Barton*	*Mr. Tom Tanis*
Mr. Jewel Browder	*Mr. Terry McManus*	*Ms. Margaret Kerr*
Mr. Dolph Rosenberg	*Mr. Krueger Smith*	

Plan to attend the Town Council Meeting on October 10 at 7PM.

Return the ballot from your monthly newsletter. If you have misplaced it, write "No" on this flyer and give it to a Board member. The Board will take a position based on the results of the poll.

When you leave the subdivision Monday morning, ask yourself if you want even more traffic on Mathis Ferry Road. The decision on this project will affect the value of all our homes, the quality of our lives and the safety of our families and friends. It is up to you.

The Mathis Ferry Road Committee

Henry & Debbie Thomas Steve Brock

TO Town Council
FM Steve Brock

Summary: Retail component of Jordan Tract

The Planning and Zoning Board refused to examine the retail component of Jordan Tract proposal at all. Their position was that its viability was not the concern of the Board even though it is one of the most distinguishing characteristics of the Graham's definition of "planned".

Failure will impact residents who might choose to live there for the reason of promised nearby shopping. Failure will also increase traffic on Mathis Ferry Road and Highway 17 by eliminating the "capture rate" the home-based shopping trips estimated to be satisfied within the development. There is also the question of what happens to the buildings.

Information from a number of sources leads to one conclusion.

There is no reason whatsoever to expect any of the businesses proposed for the Jordan Tract to succeed.

The retail component of the Jordan Tract plan was not the product of an examination of commonly accepted business principles such as considerations

- Number of competitors
- Nearness of competitors
- Pricing by competitors and the ability to undercut operations
- Multiple competitors
- Easily accessible to outside traffic
- Absence of "dominant" competitors on major streets and local competitors

RETAIL/COMMERCIAL ON THE JORDAN TRACT

The retail/commercial mix of the Jordan Tract proposal received very little attention during the Planning and Zoning hearings. In fact, it was specifically exempted as not a matter for their deliberations even though it is one of the most distinguishing characteristics of the Graham's "traditional" concept. Without it as a successful component of the project, only a high-density development is left.

The older "traditional" neighborhoods so often referenced had commercial/retail mixes. These functional, self-contained neighborhoods were formed from natural social and economic forces. They survived only as long as those influences remained intact.

In the past three decades we have seen the advent of shopping centers, ever larger supermarkets, professional and commercial centers. The average family owns two cars. In our community that number is probably even higher. Higher income averages allow greater car ownership among teenagers.

The most important change in our economy and way of life in this country is that more than half of all women work outside the home and still do most of the shopping for the average home. The mobility of this part of the population and their lifestyle, combined with the great variety of stores nearby the Jordan Tract are critical elements in any business plan for retail operation within the Graham's development.

Other changes have affected every facet of economic life in this country. Just look at the local picture. Remember Edwards, Doschers, Kennsons, Condons? Hundreds of smaller retailers have fallen victim to high-volume, high-discount competition. Only the mixed blessing of tourism combined with resulting downtown restoration that began with Charleston Place, saved King Street from falling victim to the malls.

The way that we live, the choices available and the pattern of our daily lives, including shopping habits, makes the ultimate success of the retail element of the Graham's plan impractical. As to the traffic study, census and economic data is missing leading to the conclusion that the retail mix is more wishful thinking than planning. It is a fact that the corner store has become a Circle K. The style of living that created the small grocery, drug and hardware stores in town and village centers of the past is gone and cannot be brought back into being by building a store.

As noted, the Planning and Zoning Board maintains that the survival of the retail element of the Graham's project was not a matter for its consideration. In the context of normal business zoning approvals, that is true. With regard to this development, it is not. For one thing, the whole concept disappears if the retail/commercial elements are subtracted. Further there is a great negative effect on the people who would live there when this element of the plan fails.

The Graham's have proposed that senior citizens will be served by their development's conveniences. Recently we heard from a disabled young man making a similar argument for greater self-sufficiency. Failure of the retail would mean the loss of the most important reason for their living there in the first place.

Second, the developers have estimated that 14% of home based shopping trips will be satisfied inside the development (the "capture rate). The figure itself is only a guess, and a high one at that. Trip Conversion , the textbook for traffic engineers quoted in the traffic study, estimates the number of trips that any store may generate given the known number of potential households. We have no such information with this proposal. If an essential mix is not established and maintained, whatever capture rate is established declines and traffic to Mathis Ferry and Highway 17 increases as a result.

There was an apparent, at least instinctive, understanding of commercial reality as some of the Jordan Tract retail was proposed to be located on Mathis Ferry Road. It was simple acknowledgement of what convenience store executives cite as the most important requirement for success - traffic. Look at the fate of former 7-11 at East Cooper Shopping Center as the access to Highway 17 was shifted. It had a large surrounding population to draw from, but failed when traffic stream was eliminated by the closing of Cottingham Drive.

Though there may be others five types of retail stores have been mentioned consistently as possibilities for the Jordan Tract - a grocery, dry-cleaner, video store, drug store and some type of restaurant. With the possible exception of the last, each has a common trait - the absolute necessity of high traffic volumes.

Convenience Store

The "Mom & Pop" type operation so often mentioned creates a certain warm, friendly image. Regrettably it is only that. The prototype for the Jordan Tract has to be the typical convenience store model though with different architecture.

It is unrealistic to expect any significant patronage from residents outside the development. (The volume required would escalate traffic numbers anyway) There are too many other choices including a convenience store at the corner of Bowman Road and Mathis Ferry. The expectation of intense consumer loyalty internally with such a mobile population is not reasonable. The average shopper makes several trips to the grocery store weekly and does not run out of bread and milk as often as some seem to think .

The stock of such stores varies little. Staples items - candy, cigarettes and gasoline, along with a variety of snack foods, are standard. These stores are aptly named because convenience is their drawing card. Price certainly is not. With the exception gas, which actually makes little profit but results in many secondary purchases, most items are priced higher than the typical grocery. (The expression "convenience stores" was established to counter the convenience store major advantage).

Convenience stores are located in high traffic areas. High volume combined with higher prices is needed to keep these low inventory operations going - both the opposite of conditions that will exist in the Jordan Tract development.

Dry Cleaners/Laundry
Dry cleaners are similar to convenience stores in that they too require high volume. If there were to be a laundry/drycleaner in the project first it would not be likely to capture traffic. More likely is that clothes would often be dropped off and retrieved as part of a routine trip to another location. That can been observed at any dry cleaner in the morning or evening. There is, in fact, not a good argument for this type of business inside the development in the first place.

Video Store
Video stores, as with all the others, need traffic. It also needs variety. Some people may rent almost any movie on occasion, but most will not. A major chain is five minutes away. This store would be more limited in its selection of titles. Note the Harris-Teeter in Mt. Pleasant which has incorporated both video rental and dry cleaning in its operations.

Drug Stores
Drug stores have become small department stores selling a wide range of merchandise. A drug store in the Graham's development on the same model would be impractical and would duplicate many lines in the convenience store anyway. The model of Pitt Street Pharmacy is the often used. In terms of comparison, this landmark is an exception for so many reasons that they don't require elaboration.

A more typical family pharmacy model might be on the order of East Cooper Pharmacy on Bowman Road. It benefits from the proximity of several doctors, a hospital and a major road connecting it to several subdivisions. Nevertheless, it feels the pressure of the economics of health insurance coverage. As a non-provider for at least one HMO, it illustrates the continuing trend of mail business. Of course, going back to supermarkets, at least two locally have pharmacies adding to their allure for shoppers.

Restaurant
The restaurant is an undefined entity. There is no way to evaluate the concept except to note the high failure rate among restaurants generally and the necessity for high traffic with fast-food outlets.

In conclusion, there is little likelihood that retail stores will survive within this development. The developers underlying assumptions for these enterprises are naive and do not take into account practical business realities such as the mobility of the population, lifestyles, competition, price margins, just to name a few. The developers themselves acknowledged the difficulty by suggesting "subsidizing" the businesses. The extent and term were not specified. Unless that subsidization is permanent,the fate of the stores is not in doubt.

The same arguments made against the success of these ventures at this location, can be reversed in less commercialized areas like Highway 41 where retail competition is not present. Stores internal to such a development would not only have initial success based on the competitive situation but time as well to build some customer loyalty before competing businesses locate to the area. In fact, frontage placement along a major traffic corridor like Highway 41 is reasonable, as opposed to a small, restricted scenic road.

Commercial
The commercial office space use is a complete unknown on the Jordan Tract and cannot be evaluated. It is unlikely to have much of an effect on life in the project. Any reduction in traffic volumes from its existence would be insignificant.

***JORDAN TRACT PUBLIC HEARING* - MONDAY, DECEMBER 11, 7PM**

***JORDAN TRACT VOTE* - TUESDAY, DECEMBER 12, 7PM**

On Monday night, Town Council will hold a special public hearing on the Jordan Tract. This will be our last chance to speak. On Tuesday night Town Council will vote without further debate.

In the past few weeks you've seen newspaper ads and received letters from the Grahams. Their well-funded marketing strategy has included an intense letter writing campaign to Council and the newspapers. A great deal of the support is from people with a vested interest in this project and from people who do not live near the development and will not be affected by the outcome.

You may have read of compromises. Unfortunately, they are not all that they seem. The Graham's new number of planned dwellings 850. That looks small compared to the original number, but it is still roughly double what a single-family development will be. The retail/commercial has been cut as well, but it is still out-of-place on Mathis Ferry Road.

There is an important underlying issue in all this: Who controls the development of our town? This property is owned by an individual, ***but we, the people, own the zoning.*** *We entrusted its protection to others, but it was given away. Now we have to rely on Town Council to right the wrong done to us.*

Attempts have been made to discredit and discount our voice in this. A great deal of money is behind this project which makes support look much larger than it is. The ultimate power, though, is our right as citizens to speak out and be heard. We were told at the beginning that the residents affected would be the first consideration.

Mathis Ferry Road is more than asphalt. It connects us all with a wonderful quality of life that we sometimes take for granted. We can let it be taken from us or we can show up Monday together with the determination and strength of numbers to keep it.

Monday's meeting is the most important, so if you can attend only one, please come Monday night.

THE MATHIS FERRY ROAD COMMITTEE

December 8, 1995

Dear Members of Town Council:

When the Planning and Zoning Board approved the Graham's plan they did so based on what they called "findings of fact".

We are submitting for your consideration what we believe are "findings of fact" with regard to the development.

Sincerely yours,

Steve Brooks
for the Mather Ferry Road Committee

Vince
Call me
Paul

conjecture of irrelevancy unsupported allegation of error

We respectfully request that Mt. Pleasant Town Council reject the proposal for the Jordan Tract based on the following finding of facts .

- The proposed development does not meet the existing R-1 zoning of the Jordan Tract. Further, residences, including single-family, do not meet the applicable codes and the requirements from the town's ordinances. Further, the property is not zoned for retail/commercial elements or multi-family.

- "Urban sprawl" is an ill-defined term and has not been proven to exist to a significant extent in Mt. Pleasant, though it is an issue for future development.The proposed development is not supported by an argument that it will address the issue.

- The town has not acted to create codes for 'traditional" development and is therefore not obligated to accept codes and definitions created by others. Further, the Master Plan does not suggest that "traditional" developments will be accepted.

- The developers plan differs significantly from the suggestions contained in the Master Plan.

- The town is not obligated in any way to accept any proposal on land not zoned for that purpose.

- The estimated number of 850 possible homes under R-1 development of the Jordan Tract is arbitrary and irrelevant. The topography of the site, numerous examples of other developments refute the estimate. Furthermore, the Master Plan recommends that a maximum allowable density of 2.8 (pps. 67&68) be adopted though it is also too high for this site if existing town codes are enforced.

- Mathis Ferry Road is a single-family, low density environment and the current zoning of the Jordan Tract is consistent with that environment on which current residents of that area have made decisions to locate there on the belief that compatible zoning would be maintained.

-The town has no compelling interest that would require a change in the existing zoning against the wishes of nearby residents. .

- Variances to Mt. Pleasant zoning and codes are not promised nor indicated to be promised to developers in the town's codes and that this site is suggested as only one of several sites for this type of development.

- Mathis Ferry Road is a heavily travelled road and the only ingress/egress for the subdivisions of Wakendaw, Point Pleasant, Green Hill, Sommerset, Heron Point, Hobcaw Point, Molasses Creek and Remley's Point. The lowest traffic increase will result from single-family development.

- The proposed remedy for the traffic, a "roundabout" on which the developers based their traffic estimates for the Mathis Ferry Road has not been submitted to the SC Department of Transportation for approval. That approval is not guaranteed and therefore the developer's traffic estimates may not be accurate.

- Mathis Ferry Road is a scenic road and, if approved, the roundabout will destroy the "country" setting of that road, one of Mt. Pleasant's link to its past.

- The developers estimate that 45% of the traffic generated by the development will cross Mathis Ferry Road to Highway 17. This high estimate is unsubstantiated by US Census data which is customarily the basis for such estimates.

- The "capture rate", the home-based shopping trips estimated to be satisfied by the stores of the Jordan Tract, was deemed high by the town's traffic engineers. Such numbers are determined individually by type of business. With no specific stores planned, that rate should be reduced.

- There is no evidence to support the viability of the retail and commercial aspects of the development expressly deemed necessary in the Master Plan. Further, given the retail choices available, the retail component appears unlikely to succeed. The developer has provided no specific marketing data. Further, a recent decision from the Planning and Zoning Board not to limit the size of "big box" stores, while not in the best interests small businesses, supports the fact that consumers will by-pass small stores for larger stores for better price and the variety of merchandise.

- The proposed development does not meet the Intent of Master Plan with regard to minimizing traffic on "town routes" such as Mathis Ferry Road. (p.72, Master Plan).

- A showing has been made that the majority of homes on Mathis Ferry Road who will be affected by the development oppose locating this development on Mathis Ferry Road.

- The developers plans fall short of customary and accepted detail. The impact statements and codes do not match or have apparent equivalents in the town's codes. The number of individual types of housing, such as single-family versus townhouses are not defined. Lot sizes for single-family are not defined. The R-1 "sized" lots of teh Grahams are not the same as R-1 the town codes.

- The parking for both multi-family and commercial/retail elements does not meet the requirements of the town's codes.

- Several elements of the plan such as underground utilities, an elementary school, and library have been abandoned. The Master Plan specifically mentions schools as an important element. The developer's have suggested a private school but have offered no evidence that one will locate there. Further, five churches are unlikely to locate on the site and no provisions exist to restrict that property from being converted to residential.

- The Planning and Zoning Board made provisions for the developers to reinstate both retail/commercial and multi-family originally reduced by application to the Board which is still part of the motion for approval.

- This development does not meet the Master Plan recommendation which states that "these types of developments are best suited for planning areas designated for medium and high density..."

- The developers do not have the necessary experience with a development of this complexity in such a sensitive area which proposes significant risks to the several existing neighborhoods around it.

L-J, Inc.
GENERAL CONTRACTORS
[redacted]
COLUMBIA, S.C.
29210

April 2, 1996

Mr. Steve Brock
WCIV/NBC Affiliate
[redacted]

Re: Mt. Pleasant property

Dear Mr. Brock:

After meeting with my people this week, we are unclear on the following items:

1. I would appreciate you sending me something in writing as to whom is interested in purchasing our property (state, federal, county???).

2. Are they interested in acquiring the entire tract or just a portion of the tract?

3. Let me know who the contact person is with the government and I will try to set up a meeting with them for myself or one of my people in that area. I spoke with someone concerning this about a month ago but have misplaced his name and phone number.

Sincerely,
L-J, Inc.

David N. Jordan
President

DNJ.clw

NATURE SAVER™ FAX MEMO 01616	Date 4-2	Total pages ▶ 1
To Vince Graham	From David	
Co./Dept.	Co. L-J	

NEWS 4 CHANNEL

NATURE SAVER™ FAX MEMO 01616	Date 4-8	# of pages ▶ 1
To Vince Graham	From Christie	
Co./Dept	Co L-J Inc.	
Phone #	Phone #	
Fax #	Fax #	

April 4, 1996

Mr. David Jordan
L-J, Inc.
[redacted]

Dear David:

Thank you for your letter of April 2.

Although coordinated by the state, the funds for purchase of the property would be mostly Federal from money budgeted to acquire private lands for public use. The interest is in purchasing the entire tract.

The gentleman you spoke with is Charles Farmer of the SC Department of Natural Resources. He is here in Charleston and can be reached at [redacted]. *He can answer all your questions. He has a group which can detail for you the procedures for maximizing the tax advantages of property sales such as yours with conservation considerations.*

I hope this proves worthwhile for you. If I can be of any service, please call me at your convenience.

Kindest regards,

Stephen Brock

Vince -
Pleas get in touch w/ Charles Farmer.

Thank you -
Christie

January 23, 1997

Mr. David Jordan
L-J, Inc.
[redacted]

Dear Mr. Jordan:

As I am sure you know, this week the Planning and Zoning Board of Mt. Pleasant passed the Graham's plan for the Jordan Tract. In some ways it is worse than the original. It is an exercise in determining how many homes can be placed on a piece of land. If it is built, it will have a devastating effect on both the lives of the people of Mathis Ferry Road and the beauty of that area.

I know that you don't see any of this as I do. This land is just an asset on a balance sheet. You don't have to get up and fight the traffic in the morning like we do. You don't appreciate how beautiful the road can be at certain times of day or how you can almost feel like you are out in the country driving the road at night. When the Grahams attach their four entrances to the road, strip away all but twenty-five feet of the buffer along the length of the property and add about double the number of cars that would have been there if it had been developed appropriately, it all disappears.

I can only paraphrase something I read a long time ago which said that all that is required for evil to triumph is for men of good will to do nothing. Now, I don't think anyone involved is evil, but to the point remains. I do not intend to nothing. In fact, I intend to do everything in my power to defeat this project. With the offer of help from another subdivision which just finished a petition drive for a referendum to halt a shopping center in their area, I am quite sure I can do it, though others may believe diffrently. I have often been underestimated.

As I said in a letter to you last year, I support your right to develop your property, but not at the expense of the people around it. Those people do not have money or power and are about to be run over by both.

The property is zoned in a way that guarantees you an enormous return and my efforts will not not harm you in any way. The purpose of this letter is simply to make that point so that you will see my efforts as not directed at you

Sincerely yours,

Stephen G. Brock

[redacted]

[redacted]

L-J, INC. PAGE 01

ON Server
I On Opposition Hrs

FILE

January 31, 1997

Mr. David Jordan
President, L-J, Inc.
[redacted]

Dear Mr. Jordan:

Over the past several days I have heard from a number of friends that my letter to you has been widely circulated in Mt. Pleasant. The intent would seem to be to somehow undermine our efforts to protect our homes from this damaging development. Most recently, a copy was provided to the members of Town Council by someone in Town Hall. That behavior, at least, is precisely on a level that I would expect.

The issues in the letter, specifically the referendum, have been made public so there is no harm done in that regard. I have also been public and candid with my feelings as expressed in the letter, so there is no problem there. In fact, I have no problem with your having confided the contents of the letter or even providing a copy to, say, an interested party.

I wish I could say that I am surprised that the letter itself was then distributed en masse, but based on my experiences of the past year or so, nothing surprises me. This act, though, speaks volumes about the various characters involved in this travesty.

Having said that, let me quickly add that I do not count you in that company. Your reputation, as well as my own judgment of your character, makes it impossible for me to believe you would conscience wholesale distribution of a private letter. I choose to believe that you would not have expected this behavior from others because you would not have considered doing such a thing yourself.

In any regard, I thought you should be aware of lengths to which some have gone to promote this project.

Sincerely yours,

Stephen Brock

I'ON ASSEMBLY FIFTH ANNUAL MEETING
CREEK CLUB AT I'ON
DECEMBER 3, 2003

I. Call Meeting to Order

Chairman Vince Graham called the meeting to order at 7:05 P.M. Board members in attendance were Andy Gowder, Joe Halford, Gaye Joyner, Libby Eble, Allen Coleman, Michael Purcell and Vince Graham. Also present were Brett Young and Jerry Watson of Capital Consultants Management Corporation.

II. Proof of Notice and Establish Quorum

Mr. Young confirmed that a quorum had been established.

III. Welcome and Introduction of Board and Management

Chairman Graham introduced Andy Gowder, Joe Halford, Libby Eble, Allen Coleman, Gaye Joyner and Michael Purcell as the 2003 Board of Trustees.

IV. Approval of Previous Annual Meeting Minutes – January 7, 2003.

Motion **by Joe Halford to approve annual meeting minutes of January 7, 2003.**

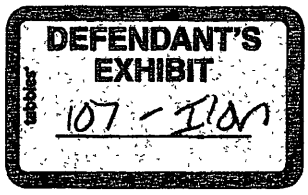
Second **by Gaye Joyner**

All in favor

V. Speakers

A. Development Report – Vince Graham
   1. Concept review and progress report
      Mr. Graham noted currently there are 548 lots that are sold or under contract. There are 343 homes that are complete and 60 homes under construction.
   2. Development update
      a. Phase 6 is now under construction and will be complete in February 2004. Mr. Graham noted that there are many amenities for the I'On neighborhood. The quality of the public realm has been maintained.
      b. In order to have slower moving traffic throughout I'On, most streets are no longer than 600'.
      c. Two (2) churches are still undergoing plans to build in I'On.

B. Mt. Pleasant Fire Department – Steve Dross
   He addressed the problems that fire and rescue vehicles have in the neighborhood. The major problem is with vehicles parking on the streets. This prevents emergency vehicles getting to the proper destination in a timely manner. He stated that the emergency vehicles need 20 – 25 feet to make turns. The major problem street is Sowell. Mr. Dross asked that neighbor police neighbor to help solve this problem. Suggestions such as painting curbs and placing signs to denote parking on one side only to help alleviate these problems. Several homeowners stated these situations should be addressed before a serious accident or death occurs. The Board will take up these suggestions.



VI. Committee Reports

A. Finance Committee – Libby Eble

1. Budget
   a. Ms. Eble, Chairperson, recognized the members of the Finance Committee. They are Annie Bonk, Ed Clem, Andy Gowder and Joe Halford. It was stated that the Finance Committee had reviewed all of the 2002 invoices in preparation of the 2003 budget.
   b. The ¼% transfer fee will be reviewed during 2004 as a means to fund reserves. The Budget Committee strongly recommends the incorporation of this fee in 2004.
   c. Reserves will be at $16,500 by year-end and the same amount is budgeted for 2004.
   d. The landscape and management fees for 2004 have been decreased in order to maintain assessments at $500 per year.
   e. 2004 budget has been approved (Exhibit A).
2. Collection Policy
   The collection policy has changed. Fees will be increased substantially for past due accounts. The goal is to reduce bad debt.

B. Landscape Committee – Joe Halford
Mr. Halford stated the committee had presented detailed RFP's to several landscape companies. He noted the landscape contract will be reduced in 2004 by the selection of a different provider.

C. Communications – Gaye Joyner
Ms. Joyner noted that the committee had completed the Directory project. There are eleven homeowners on the committee and Cynthia Rosengren is the chairperson. I'On is now divided into boroughs to help improve communications throughout the community.

D. Common Area Use Committee – Michael Purcell
Mr. Purcell stated that committee was considering charging outside groups to use the soccer field and amphitheatre.

E. Governance Committee – Andy Gowder
Mr. Gowder introduced the members of the Committee. They are Ed Clem Michael Purcell and Vince Graham. He thanked Mr. Young for the hard work during the year. The main function of the Committee was to create RFP's for management. Of the responses sent out, the Committee received four (4) responses. The decision was made to select AMCS as the management company for 2004. The Committee will be reviewing the governing documents for I'On.

F. Boathouse Committee – Hugh Wilder
Mr. Wilder introduced the members of the Committee. They are Annie Bonk, Joanne Grant, Libby Eble, J Anthony, Dwayne Ray, Dave Rosengren and Sara Dorociak. He noted that the lakes and boathouse were well used this past year. The problems have been addressed and in an effective manner. The goal for 2004 is to improve the signage.

VII. Presentation of Civitas Award

The Civitas Award is to recognize community spirit. This year's recipient was Jack William Hamilton, III. This award was given by neighbors and BizNet.

VIII. Open Discussion

The following items were discussed during open session.

1) It was noted that the square is maintained by the developer.
2) The lakes and soccer field are owned by the Assembly.
3) Mr. Gowder stated that there was an agreement with the school for payment, which allows them usage of the playground.
4) Mr. Graham will review the problem stated in reference to the blind corner on Shelmore.
5) Mr. Graham stated that the repair of sidewalks will be determined.
6) Mr. Graham stated that a meetinghouse would be built in I'On by the I'On Club for club function use and rental for weddings and meetings.
7) The path on Eastlake was discussed regarding the use of grass vs. gravel.
8) Officer Jaster with the Mt. Pleasant Police Department noted that in order to drive a golf cart the followings rules apply: a) must have a valid driver's license; b) be within 2 miles of the house; c) cannot be driven at night; and d) not allowed on any secondary roads. He stated that the parents are responsible and can incur a fine of $217.00.
9) If owners have problems with cars within the Assembly they are to contact Alan Coleman or Vince Graham.
10) Contact Allen Coleman in reference to construction site problems.
11) It was noted that construction crews should not begin work on Sunday until after 1 PM. Mr. Coleman is to be notified if there are problems.
12) Suggestions and complaints should be directed to the Board.

IX. Adjournment

The fifth annual meeting was adjourned at 8:55 P.M.

Submitted by:

_____
Allen Coleman, Secretary

Approved by:

_____
Vince Graham, President

Date: _____

I'On Quarterly
Board of Trustees Meeting
February 12, 2004

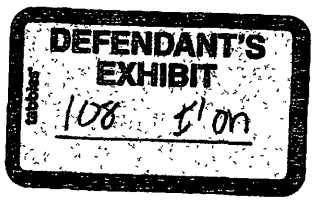
Members Present:	Vince Graham, Andy Gowder, Allen Coleman, Libby Eble, Joe Halford and Gaye Joyner
Members Absent:	Michael Purcell
Guests:	Jack Hamilton, Ed Clem and Annie Bonk
AMCS:	Cheryl L. Wilson and Helen L. Postell Hutson

Annual Meeting Minutes:
Andy Gowder motioned to approve the December 3, 2003 annual meeting minutes with noted corrections. Seconded by Gaye Joyner.

Board of Trustee Meeting Minutes:
Andy Gowder made a motion to table the January 28, 2004 Board of Trustee meeting minutes and January 28, 2004 Board of Trustee Retreat minutes until the next scheduled Board of Trustee meeting. Seconded by Gaye Joyner.

Open Session:
- Jack Hamilton advised the Board of Trustee of the forthcoming events in the Band program.
- (Exhibit A): Sunday, February 29, 2004 at 4:00 p.m. "The I'Onisismo! String Quartet Plays Beethoven and Pop"
- (Exhibit B): Sunday, May 2, 2004 from 2:00 p.m. to 5:00 p.m. "May Melodies Music Festival"
- (Exhibit C): Jack Hamilton also discussed the first "Communportion" tentatively scheduled for October 2004. The Kentlands Community Foundation and the I'On BizNet, Inc are sponsoring this event.
- Ed Clems informed the Board of Trustees of the ongoing situation at Mr. and Mrs. Lenes residence located at 109 Ponsbury Road. He noted that this residence sets a poor example for the rest of I'On. Such violations include hanging laundry over balconies, Christmas decorations still up, structure is still incomplete. The Board of Trustees advised Mr. Clem that they were working on this situation and that it would be discussed during the Board of Trustees executive session.

Manager's Report:
- Met with the I'On Design Committee. It was agreed that any modification request submitted after occupancy of the unit would be sent to AMCS.
- Met with the Finance Committee.
- Met with Allen Coleman to do a site inspection. Violation letters would go out next week.
- As of February 11, 2004, the operating balance was $161,887.57
- Delinquent accounts totaled $86,420.00



Finance Committee- Libby Eble:

- Ending balance for 2003 was $9,450 (operating)
- $20,662 was the ending balance for the 2003 reserve account.
- Clarified that the operating and savings account had been combined.
- Went over check processing procedure and noted how AMCS shows the community what they are paying.
- Interest on I'On loan to be paid back to the I'On Company was not to be paid. Only the original loan amount of $16,000. Joe Halford mentioned that this was discussed before and agreed upon as long as the $16,000 was paid in full. Vince Graham said that this should not be a problem. AMCS will issue a check to the I'On Company by the end of February 2004.
- Libby Eble recommended that the previous late fees assessed to the homeowner's accounts should be waived because the previous property management wasn't consistent with their collection procedure. It was decided to leave the late fees and collection fees on the homeowners accounts and if the owners dispute the charges, let them submit proof of payment.
- Libby Eble recommended that more research be done on the Assembly's ability to collect an initiation fee. Research, along with a new reserve study should be completed by the July meeting.
- A proposal from Falcon Engineering was presented. The recommendation is to have Falcon Engineering prepare another Capital Reserve analysis since they did the first one. The proposal was for $3,995.00
  Motion made by Libby Eble and 2nd by Joe Halford.
- The Finance Committee suggested that they have AMCS hold only two months of bills in the checking account and transfer the rest over to the reserve account.
  Motion made by Libby Eble and 2nd by Joe Halford.
- Pied Piper Service in the Rookery will be discontinued. If the problem persists then maybe the Assembly should look into traps instead of poison. Cheryl Wilson will advise Pied Piper.
- Ed Clem advised the Board of Trustees that at their Finance Committee they asked AMCS to send the Collection Policy Resolution with the reminder notices going out.

Landscape Committee:

- Joe Halford advised the sod at the entrance had been installed and it was warranted through the summer instead of the original warrant of 90 days.
- Experience with Lawn-O-Green has been positive, quality of work good.
- Crepe myrtles were supposed to be deadheaded, instead they cut back three feet. Maybe extra fertilizer will be needed to help the crepe myrtles. The Landscape Committee will discuss this further.
- Aquagenix's contract was approved by the Finance Committee and should have been followed up by the previous property management company. Vince Graham will sign the contract after a few changes are made.
- Joe Halford asked if the transfer of the common grounds from the I'On Company to the I'On Assembly had been done formally. Vince Graham will send the paperwork to Joe.
- Lawn-O-Green is to move the garbage can from the mail center to the boathouse. AMCS is to make a temporary sign to advise the homeowners of the move.
- Mr. Clem suggested that Lawn-O-Green should empty the garbage cans more frequently.

Communication Committee:

- Gaye Joyner suggested that an annual report go to the homeowners as per the By Laws, page 10, Section 6-103(b).
- Boroughs can hand deliver the reports.
- AMCS will come up with year-end numbers and the Finance Committee will review.
- Gaye Joyner will work with AMCS on this issue.

Governance Committee:

- Sign standards for the community to be put on the website.
- Boat parking needs to be consistent throughout the community.

Ad-Hoc Committees

- On Street Parking Committee to be co-chaired by Everett Wilcox. They will be looking for another co-chair.
- Vince Graham suggested that a parking engineer should be involved.

Old Business:

- Andy Gowder suggested that the Infrastructure Committee handle the sidewalk damage by the contractors. Vince Graham suggested looking into having the Town of Mt. Pleasant take care of the grass between the curbs and the sidewalks because the sidewalks are the town's responsibility because it is in their right of way. Andy Gowder suggested that once the Infrastructure Committee is formed, they should sit down with the Board of Public Works.
- Allen Coleman advised the Board of Trustees on the current status of the path on Eastlake. Vince Graham asked Allen to get the cost for runners that go down the path allowing for wheelchairs on the path.
- Skip Runge will chair the Ad-Hoc Golf Cart Committee. The committee will start meeting in mid-March.
- Dave Rosengren will chair the Infrastructure Committee. Joe Halford and Vince Graham will meet with him also.
- Gaye Joyner reported on the status of the Community Center building. It was noted that the Assembly wants to work with the Trust on this issue.
- Vince Graham advised the Board of Trustees that at the next East Cooper Cultural Trust they would discuss changing the name to reflect I'On and also the board members being I'On residents.

New Business:

- Gaye Joyner will discuss pet sanitation stations throughout the community with Michael Purcell.
- Vince Graham clarified that the I'On Club owns the dock at the Club because of the easement agreement with the Assembly.

Executive Session:

Motion was made by Vince Graham and 2nd by Andy Gowder.

- AMCS is to write letters to the homeowners regarding ongoing violations giving them a limit on a response time.

- Gaye Joyner, Joe Halford and AMCS to meet and discuss future modification request procedure.

The meeting adjourned.

I'On Quarterly
Board of Directors Meeting
August 5, 2004

Members Present:	Vince Graham, Allen Coleman, Joe Halford, Gaye Joyner, Michael Purcell, Carol Ann McLester, Jody McKnight via phone
Guests:	Ed Clem, Annie Bank, Libby Eble and LeGrand Elebash
AMCS:	Cheryl L. Wilson and Helen L. Postell Hutson

Board of Director Meeting Minutes:

- Vince Graham made a motion to approve the May 13, 2004 meeting minutes and the July 1, 2004 meeting minutes with amended corrections. The corrections were to the I'On Community flag price of $15.00 to $50.00 in the May 13, 2004 meeting and to amend the July 1, 2004 to read from "Previous landscaping cost were expensive so the committee and the Board of Directors decided to cut back" to "previous landscaping cost were expensive so the committee and the Board of Directors decided to go out to bid." Michael Purcell seconded the motion. All in favor. Motion passed.

Presidents Report:

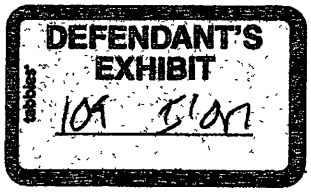
- Vince Graham gave a presentation regarding the size of I'On, which is 243 acres, in reference to other towns and communities.

Neighbor Comment:

- Ed Clem mentioned that the landscape was off to a bumpy start this year but he is impressed with the current condition of the landscape.

Manager's Report:

- Installation of mulch is continuing.
- The Ramble and Scramble will be mulched by next week.
- There haven't been any recent complaints from homeowners regarding common area landscape.
- All irrigation issues have been resolved by Lawn-O-Green except for one zone at the north end of Eastlake, which they are continuing to work on.
- The two trees on N. Shelmore Blvd. that were knocked down have since been reinstalled by Lawn-O-Green. The HOA's still waiting on payment from the driver of the vehicle.
- The two vacant lots on Jake's Lane will be cleaned up by Lawn-O-Green. The bill will be forwarded to AMCS per the Board of Directors.
- Vacant lot maintenance is becoming an issue along with landscape maintenance of occupied homes.
- It has been reported that there is an issue with the contractors that are working on the homes on Hopetown Road. Contractors are parking and driving on the landscape of the completed homes along this street. The homeowners are seeking help and were forwarded to AMCS by the I'On Company.
- The boathouse work was scheduled to be completed during the first week in July. Unfortunately, the contractor was unavailable for about three weeks. AMCS was in contact with this contractor last Thursday and was expecting a call by the following day advising of a new completion date. As of August 5, 2004 AMCS has not been advised of such a date.
- The "Caution Shallow Water, No Jumping, No Diving" sign at the boathouse has been vandalized again. This sign is going to be replaced with the same sign except this time the letters will be painted on so the letters can't be peeled off.



- An electrician is scheduled to return to the boathouse to reinspect the sensor lights. A few additional lighting repairs will be made in other common areas as well.
- A white shelf was installed at the Eastlake post house for the mail carrier. The torn screens were also removed and will not be replaced per the Board of Directors.
- AMCS has contacted Nationwide, the Assembly's insurance carrier and has been advised of the items that are currently covered under the policy.
- When the Montessori School was relocated an irrigation line was damaged and wires had to be repaired. Lawn-O-Green forwarded the invoices to AMCS and a call has been made to the school to seek payment for the damages.
- Mac Martin delivered the paperwork to AMCS regarding common area transfer from developer to Assembly control; AMCS will forward this to the Board of Directors.

There was a discussion regarding the removal of construction debris on vacant lots and whether or not the Assembly should incur this cost or if the titleholder of the lot should pay for the clean up. Michael Purcell suggested that the Assembly needs to see how much the clean up will cost. LeGrand Elebash recommended that the Assembly not maintain homeowners' property due to the liability. The HOA is to pay for the removal of the construction debris on the two vacant lots on Jake's Lane.

Finance Committee:

- Libby Eble will continue to chair the Finance Committee.
- Libby Eble reported that the Assembly is currently under budget but payment has not been issued for mulch or the boathouse repairs. The Assembly is currently over budget for electricity and irrigation.
- She also reported that the Finance Committee is still reviewing the Reserve Study.
- Libby Eble asked the Board of Directors to set a date for budget preparation. The Annual Meeting is scheduled for December 2, 2004 the 2005 budget is needed 30 days prior to this meeting.
- The Goal is to have all bids by October 1, 2004 and the Finance Committee's preliminary draft sent to homeowners by November 15, 2004.
- The Finance Committee will meet to discuss the maintenance cost of the common areas for the 2005 budget.
- Each committee is to compile a budget for their expected expenses for 2005.
- Libby Eble advised the Board of Directors that she feels uncomfortable signing checks for the Assembly since she is no longer a member of the Board of Directors and not covered under the D & O policy. Gaye Joyner suggested having Libby Eble go over the check signing process for at least a month with the new designated signer from the Board of Directors. It was agreed that Carol Ann McLester would be the new designated signer along with LeGrand Elebash. Vince Graham made a motioned for LeGrand Elebash to be on the signature card for the Assembly. Joe Halford seconded the motion. All in favor, motion passed.
-

Covenants Committee Update

- Libby Eble is currently the chairperson of the Covenants Nominations Committee and has three people thinking of joining the committee.
- Libby Eble asked for a few names of architects she could call to be on the committee.

Landscape Committee:

- Joe Halford advised the Board of Directors of the committee meeting with AMCS regarding landscape concerns.
- It was mentioned that the problem seemed to be with the current contract between the Assembly and Lawn-O-Green. The problem was regarding leadership problems and to solve this difficulty it

was decided that AMCS would be the point of contact for all landscaping issues. Joe Halford noted hoe this has been a great improvement.

- The marsh walk paths have been re-marked for stump / root removal by Lawn-O-Green. This is currently on their schedule to be done soon.
- Michael Murphy, the arborist hired by the Assembly, reiterated the current mulch problem around common area trees. A report from him is forthcoming.
- Joe Halford advised how it was not in the best interest of the Assembly to have the landscape company trim trees. He recommended that the Assembly should hire an arborist to do the work. Ed Clem suggested passing this information regarding the pruning of trees along to the homeowners in the gardening newsletter.
- Lawn-O-Green is working very well on resolving the irrigation problems within the community. There is still one zone at Eastlake that Lawn-O-Green is currently working on.
- Joe Halford advised that he would be stepping down as the Landscape Committee chair at the end of this year. Currently there is no one lined up to take his place as chair.
- Pet waste stations are working well and Libby Eble advised that there is money available to purchase 3 more dog waste stations. Joe Halford made a motion to purchase 3 more dog waste stations. Michael Purcell seconded the motion. All in favor, motion passed. AMCS will speak with Dave Rosengren on locations of the new stations.
- Vince Graham asked what the contract price would be for landscaping next year. Joe Halford advised that they have not asked Lawn-O-Green for the 2005 contract price as of yet. Joe Halford advised that they would either stay with Lawn-O-Green or go back to the Greenery.

Communication Committee:

- Gaye Joyner advised that the goal of the Communications Committee is to get homeowner directories out by November 1st. The cost will be approximately $3,000.00 to publish. Any feedback / questions should be e-mailed to Gaye Joyner.
- Vince Graham reminded the Board of Directors of Newport's directory, the option of a loose-leaf binder. Gaye Joyner will take that option back to the committee.
- The committee would also like to include a map of I'On in the directory. The cost may be an issue but they are looking into it.
- Gaye Joyner reported on Kentland's newsletter. She suggested that the Board of Directors need an accurate way to report to homeowners monthly.
- Gaye Joyner raised the questions as to why did AMCS not recommend posting minutes on the website. AMCS advised that CAI has discussed this issue and that minutes should be paraphrased but not the exact minutes as recorded.
- Gaye Joyner recommended that minutes be given to the Board of Directors two weeks after the meeting and the summary would then come from minutes.

Governance Committee:

- Jody McKnight will chair the Governance Committee.
- At the December 2nd meeting four seats will be up for election. Allen Coleman, Joe Halford, Gaye Joyner and Michael Purcell will be coming off the Board. LeGrand Elebash will be appointed by Vince Graham. Other directors will have to be elected.
- Gaye Joyner advised that the bylaws allow for absentee ballots. Homeowners have asked why absentee ballots were not allowed at the July 1, 2004 meeting. Homeowners want to vote the way they want, not give up their vote.
- Jody McKnight will review the bylaws within the next 30 days to review the voting procedure and bring recommendations regarding proxy vs. absentee ballots to the Board of Directors at the next meeting

- Procedures for fire pit will be posted on the community website. Homeowners will need to contact AMCS to get the code for the locks. The homeowners will then need to call the Mt. Pleasant Fire Marshall to be advised of the event to take place.
- The lock is to stay off of boat ramp on Westlake.

Lake Committee:

- The Board of Directors made a firm decision to keep the lakes as a recreational facility within the community.
- Vince Graham made a motion to allow Aquagenix to clean the construction debris out of lakes at a cost not to exceed $1,500.00. Jody McKnight made a motion to accept the motion. Allen Coleman seconded the motion. All in favor, motion passed.
- Vince Graham discussed the plans for the south canal. The new Water Square requires some lot reconfiguration. The south canal will be dredged deeper than it currently is. The I'On Company will look into possibly dredging the north canal as well. This project will start in the next 30-40 days.
- The I'On Company is willing to put a blower in the canals to circulate the water and they will look into this matter.
- It was noted that there currently is a pump located in the Amphitheater that feeds water into the lakes when the water level drops. The source of this water is from the water table.
- The Board of Directors advised AMCS to hold off on gathering prices on the recommendations made by the Lakes Committee until Aquagenix is able to meet with the committee and they are all in agreement on what steps should be taken to improve the current condition of the lakes. Allen Coleman and AMCS will attend this meeting as well.
- The Board of Directors agreed that the Lakes Committee needs to discuss the installation of boat cleats with the Boat House Committee. The Board of Directors strongly recommends that the boat cleats be installed inside the boathouse to prevent a possible trip hazard.

Infrastructure Committee:

- Allen Coleman gave a recap on the street light removal and relocation project. Allen Coleman is still waiting on the cost from SCE&G.
- Gaye Joyner advised the Board of Directors of the AMCS signs that could be posted at the entrances of the community to advise residents of the contact person for the community. It was decided not to go with the AMCS sign but to purchase a sign for one of the slots at I'On Center sign.
- Gaye Joyner advised of the amount of time it takes to order a replacement street sign blade from the current vendor. It was suggested to either try another vendor or order "back-up" signs.

Ad-Hoc Committee:

- Michael Purcell suggested looking into having professionals perform the July 4th fireworks show. He advised that the cost is roughly $10,000 - $15,000. It was suggested that this should be discussed with the I'On Trust to possibly share to cost of such an event. Michael Purcell is to look into this option further,

Transition Committee:

- Leslie Fellabom and Andy Gowder are on the committee but Vince Graham wasn't sure if the committee had met. Vince Graham will follow up with Andy Gowder.
- Vince Graham asked AMCS if they would be able to assist in the transition process. AMCS advised that they were able to. LeGrand Elebash will be as well.

Traffic Engineering:

- Traffic Engineering Committee met with traffic engineer, Rick Hall, last Monday. Next Tuesday the full report giving recommendation on how to remedy the traffic/parking issues in I'On will be available for review.
- Some suggestions given by the engineer were: paint on street, signage, new parking rule and enforcement.
- The I'On Company agreed to split the total cost of about $10,000 with the I'On Assembly.
- Gaye Joyner made a motion to accept Rick Hall's transportation / parking visit. Michael Purcell seconded the motion. All in favor, motion passed.
- Rick Hall would be able to present his recommendations at the December 2nd meeting. The presentation would be about 30 to 40 minutes. It was suggested to possible hold a separate meeting to discuss this issue.

Other Business:

- The next quarterly meeting will be November 11th at 8:30 a.m.
- Jody McKnight gave a recap of the SPA Terminal meeting. It was suggested that I'On needs to be aware of southward expansions of the SPA toward I'On. Gaye Joyner advised of Jack Hamilton's recommendation regarding setting up a committee for this issue. LeGrand Elebash is to report back to the Board of Directors with the cost for an environmental attorney. Vince Graham advised of the impact fees of about $2 million dollars that are currently not being used to the benefit of I'On.
- Vince Graham is working with a graduate student on a tax revenue project.
- Gaye Joyner pointed out that on the message board the question arose regarding a permit for trailers (the school) in I'On. How long is permit in effect and can trailers be put on lots during construction? Vince Graham advised the Board of Directors that a meeting is going to be held for the entire community to update them on the issues concerning the school and to answer any questions residents might have. Notices will be sent out.
- Gaye Joyner suggested that the Board of Directors should meet more frequently. Michael Purcell and Joe Halford both agreed. This item will discussed at the Board Retreat. Gaye Joyner will propose a new schedule for the Board of Directors approval.

Old Business:

- Ed Clem updated the Board of Directors regarding the status of the new agreement between the I'On Assembly and the I'On Club. Rick Brownyard is working on drafting a new agreement. Once the agreement has been prepared they will sit with the I'On Club to review. It was reiterated by Vince Graham that the I'On Club would pay half the attorney fees for this new agreement.
- Vince Graham recapped for the Board of Directors the issue pertaining to the area at the entrance of the Creek Club. He advised how a couple of the homeowners along Saturday Road are not happy with the appearance of this area and the traffic pertaining the usage of the creek club. Vince Graham, Lisa Thomas, Allen Coleman, AMCS, Dave Rosengren met with a few homeowners on Saturday Road. The I'On Company will try to solve the problem in this area by extending the fencing in the center island to the right of the Creek Club so patrons of the facility have to make a right to exit and follow Saturday Road around to exit.
- The center lot on Saturday Road, which has become a storage area for trailers, boats and cars will be closed off by bollards. This installation is to be done by the I'On Company
- Gaye Joyner thinks interchanging between Kentlands and I'On is a good idea. Gaye Joyner to contact Kentlands and discuss this event and report pros and cons in an email to the Board of Directors.

I'On Assembly
Budget Meeting
October 21, 2004

Members Present:	Vince Graham, Allen Coleman, Michael Purcell, Joe Halford, Jody McKnight, Gaye Joyner, Carol Ann McLester
Finance Committee:	Libby Eble, Ed Clem, Annie Bonk, Susan Harp
Guest:	Dave Rosengren
AMCS:	Cheryl L. Wilson and Helen L. Postell Hutson

Vince Graham called the meeting to order.
Libby Eble thanked AMCS for all of their hard work because this has been the easiest budget the Finance Committee has recommended.
AMCS presented the proposed 2005 budget.

The Creek Club dock usage fee has been changed from the maintenance category to the administrative category.

Legal fees include $300.00 in case the Assembly needs legal advice pertaining to the SPA. AMCS recommends leaving the funds in the budget and if the money is not used then the money can go to the reserves.

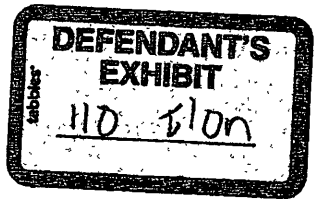
The homeowners meeting cost is for the proposed agreement with the I'On Club regarding weekly use of the Creek Club. Michael Purcell advised that the monthly cost would be around $125.00 a month. It was agreed that the description of this cost be changed to better reflect what the funds are for.

There was a discussion regarding having AMCS as a full time onsite manager. The Assembly would also be responsible for supplying and setting up of an appropriate office.

The Board of Directors also discussed providing AMCS the use of a golf cart to allow for a more time effective way to inspect the community. The Board of Directors discussed where the golf cart would be stored. Issue tabled.

The grounds contract rose from $59,400.00 in 2004 to $110,000.00 for 2005. The landscape contract with Lawn-O-Green will include service two times a week in January, February, March, November and December. There will be three days of service in April, May, and October. Five days of service a week will be provided in June, July, August and September.

There is $11,000.00 allocated for mulch in the 2005 budget. There is $5,000.00 for seasonal flowers and $1,750.00 for the maintenance of the fountain at Perseverance Park. There will be $8,687.00 in the budget to allow for pre-emergent and fire ant treatment. To improve the overall appearance of the community, $20,000.00 has been set aside for plant and tree replacement. In 2005 there will be an additional 8 dog waste stations added to the 6 bought in 2004. The cost for these will be $2,407.00. This figure includes maintenance.



Lake maintenance will increase in 2005 from $6,000.00 to $13,200.00 due to a change of contractors.

$10,000 has been allocated for parking and traffic improvements for 2005. Vince Graham advised that half of the funds would be for campaigning. There will also be at least one more visit from Rick Hall to educate the homeowners. The other cost would be for signs and painting.

Lawn-O-Green will be doing a test area of tree staking, pruning and repairing of the tree rings starting at the end of October 2004. The test area will be along Sowell Street from N. Shelmore Blvd. to Ponsbury Street. The cost for the entire community will most likely come from the reserve account.

Liability insurance has been increased from $2 million coverage to $5 million for 2005. A question arose regarding the coverage on the street bridges over the canals. Michael Purcell is to find out if the town is responsible for the structures or if the Assembly is the responsible property for covering the bridges under their insurance policy.

Vince Graham reminded Joe Halford of a conversation they had regarding going to the Town of Mt. Pleasant about items that the town should be maintaining. Vince Graham recommended setting up a committee to address these issues next year.

Libby Eble advised the Board of Directors that the Assembly's insurance company strongly recommends that the school should be responsible for having a liability policy listing the Assembly as an additional insured.

Replacement reserves will be increased from $16,500.00 to $32,320.00 for 2005. This includes $31,320.00 for funding the reserves and $1,000.00 for the next reserve study in five years.

The 2005 budget that was presented at the meeting was based on 608 units currently being billed by AMCS. Vince Graham recommended that AMCS meet with Mac Martin to verify the total number of lots that should be billed.

Vince Graham suggested setting up an Investment Committee to look at investing some of the funds in the reserve account.

Vince Graham advised that the community would be built out in about 2 to 3 years.

The Board of Directors agreed to approve the 2005 budget based on 644 units.

Jody McKnight made a motion to improve the 2005 budget. Joe Halford seconded the motion. All in favor. Motion carried.

The next Board of Directors meeting is scheduled for Thursday, November 11, 2004 at 8:30 a.m.

The Finance Committee's meeting to present the approved 2005 budget to the Assembly homeowners is scheduled for Tuesday, November 9, 2004 at 7:00 p.m. in the I'On Realty Office.

The Annual Meeting is scheduled for Thursday, December 2, 2004 at 7:00 p.m. at the Creek Club. The Annual Meeting Notice will be mailed Monday, November 1, 2004. The deadline for the Board of Directors to submit information to go with the mailing is Friday, October 29, 2004.

Meeting Adjourned.

I'On Quarterly
Board of Directors of Directors Meeting
November 11, 2004

Members Present	LeGrand Elebash, Jody McKnight, Gaye Joyner, Joe Halford, Carol Ann McLester, Michael Purcell, Vince Graham - absent
AMCS	Cheryl L. Wilson and Helen L. Postell Hutson

LeGrand Elebash called the meeting to order.

Board of Directors of Director Meeting Minutes
Jody McKnight made a motion to approve the September 9, 2004 minutes with Gaye Joyner's changes, which was to change the vote on the motion pertaining to proxies under "Communication Committee:
The correct motion was 5 in favor of the proxy system and 2 against. Seconded by Carol Ann McLester. All in favor. Motion carried.

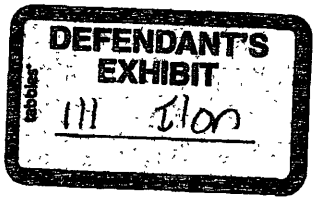
Joe Halford presented a letter from the U.S. Post Office concerning the mail service provided to I'On.

LeGrand Elebash introduced Jeff Fort as Allen Coleman's replacement for the I'On Company. Gaye Joyner recommended that Jeff Fort, Dave Rosengren and AMCS could make the needed changes asked by the U.S. Post Office.

Neighbor Comment
Susan Simpson and Victor Rodriguez spoke regarding the traffic entering and exiting the I'On Creek Club on Saturday Road. To date the I'On Company extended the wood rails to try and direct traffic. Their other concerns pertain to the lack of lighting in the area. Gaye Joyner recommended changing the design of Saturday Road to look more like Isle of Hope Road by adding curbing. Residents are also concerned with the events involving alcohol at the Creek Club. LeGrand Elebash advised of an internal discussion within the I'On Company about turning the Creek Club into a private residence. The Assembly would still have access to the boat ramp at the Creek Club and the parking lot could be used for boat trailer parking. Gaye Joyner asked that Jeff Fort, Dave Rosengren and the Creek Club meet to resolve the issues.

Jack Hamilton reported on his email regarding budgeting for Civic Life in I'On.
Jack Hamilton is also asking to have money allocated in the budget for Christmas decorations. LeGrand Elebash advised that there are other entities in the community that could fund civic life, however, he does feel that the Assembly is responsible for infrastructure. Michael Purcell made a motion to purchase two flags in 2005 and allow $1,000 for Christmas decorations. Jody McKnight seconded the motion. Anne Bonk advised that if this is to be paid in 2004 then the funds would have to come out of the reserve account.

Alan Coman presented the Board of Directors with a resolution. He is asking the Board of Directors to sign the resolution saying that they approve the closings of the streets in the community for the ABC weekend event.



The event is tentatively scheduled for May 1, 2005. The Board of Directors advised that the Assembly will need to be listed as an additional insured. Gaye Joyner made the motion to accept the resolution. Joe Halford seconded the motion. All in favor. Motion carried.

Mark Maguire reported his concerns to the Board of Directors about the west side of Westlake. He reported that the area does not drain properly. He is asking that this area be addressed. Joe Halford advised that it is his opinion this is a developer issue since this area has been of constant concern. LeGrand Elebash and Jeff Fort will get engineers to the area to make the needed repairs.

Jack Hamilton advised that he spoke to CARTA about having a shuttle bus service for residents of I'On who would be interested in using their services.

Manager's Report
Annual flowers have been installed at North Shelmore Blvd., Eastlake Road entrance, and Perseverance Park.
Downed debris from storms is being removed from the marsh walk and the Rookery.
The Aborist tree project is scheduled to begin next week.
Estate Management to come on board as the Lake Maintenance contractor November 18, 2004.
Keith Johnson is continuing to make the needed repairs to the infrastructure items in the community.
It has been reported that the irrigation at the entrance has been tampered with but has been repaired by Lawn-O-Green.

Finance Committee
Annie Bonk reported on the infrastructure items to be insured.
The Assembly will hold a $5 million liability policy.
LeGrand Elebash reported that the amphitheatre will be conveyed to the Assembly in January 2005. Jody McKnight made a motion to approve the Finance Committee recommendation per the Finance Committee report.
Insurance recommendations: Insure the boathouse, Ponsbury Bridge Lafayette, Ponsbury Bridge Jefferson and Rialto Lafayette Bridge. Also add three million dollars for the umbrella liability policy.
Seconded by Michael Purcell. All in favor. Motion carried.
$1,000 for holiday decorations will come from repayment of unfunded reserves. Holiday decorations will be a new line item in the 2005 budget.
Lou Dandozzi asked that the Board of Directors send a letter and pole with the new assessment bills for 2005 asking for a transfer meeting. Gaye Joyner advised that the Board of Directors was looking into an initiation fee rather than the transfer fee. Annie Bonk advised that to change the Assembly's documents you need 75% of the vote. Lou Dandozzi will work on the wording for the letter. The letter to be drafted will reflect a transfer fee of ¼% of the sales price.
Joe Halford made a motion to formally accept the 2005 budget. Seconded by Michael Purcell. All in favor. Motion carried.

Covenants Committee Update - Jeff Fort
Gaye Joyner asked Jeff Fort if the committee would be reactive or proactive. Jeff Fort advised that the committee would be reactive. Jody McKnight made a motion to allow AMCS to use their discretion unilaterally to site violations along with homeowner complaints. Seconded by Gaye Joyner. 5 in favor / 1 against. Motion carried.

Rule Enforcement Procedure: Four step procedure, 3rd fine has 30 days to respond. Jeff Fort asked for a deadline on the 1st, 2nd and 3rd violation. AMCS recommended 14 days. LeGrand Elebash made a motion to accept. Seconded by Michael Purcell. All in favor. Motion passed.

Landscape Committee - Joe Halford
The Arborist will begin working with Lawn-O-Green to begin the tree renovation project next week. They will be starting the work with the trees on Sowell Street down to Ponsbury Road.

Communication Committee - Gaye Joyner
Directories are to be hand delivered by the boroughs representatives. AMCS will mail the directories to the non resident owners.
Gaye Joyner asked that AMCS present the new web site at the Board of Directors's Retreat in January 2005.

Governance Committee – Jody McKnight
Jody McKnight asked the Board of Directors to make a motion to not get involved with any legal letters going out to any political offices. Jody McKnight will step down as the liaison. Homeowners will not represent the Homeowners Association but can report back to the HOA. Seconded by Joe Halford. All in favor. Motion carried.

Lake Committee – Dave Rosengren
The Board of Directors made a decision to keep the lakes as a recreational facility within the community.

Infrastructure Committee - Dave Rosengren
Dave Rosengren advised that he is working with AMCS to maintain and repair infrastructure items in the common areas. Landscape lighting is currently being replaced.
AMCS presented a bid for $2,000 for painting of the white walking bridges over the canals. Michael Purcell made a motion to approve this. Seconded by Gaye Joyner. All in favor. Motion carried.
Dave Rosengren recommended having the Assembly hire an onsite worker who can repair infrastructure items. Issue tabled.

Ad-Hoc Committees
Limited-Access Community use of the I'On Creek Club Proposal
Michael Purcell made a motion to approve the agreement between the Trust, Club and Biznet. Seconded by Gaye Joyner. All in favor. Motion carried.

Traffic Engineering
Gaye Joyner advised that the committee met and will be making recommendations to the Board of Directors at the January meeting.

Schools Update
LeGrand Elebash advised that the Charter School has a two year land lease with the I'On Company. He has also advised them of their landscaping requirements and how they are to be held at the same level as the homeowners.
The school that was to be built near the I'On Club has pulled out. That lot will remain vacant. Gaye Joyner asked that the landscaping be installed to screen the Creek Club parking lot from Ponsbury Road.

Signage
Gaye Joyner asked that signs be installed in the common areas advising that the areas are for homeowners use only. Gaye Joyner will draft the verbage and email to the Board of Directors for approval.

SCE&G Updates
Gaye Joyner asked when the street light changes were going to be made. LeGrande Elebash will discuss this issue with Jeff Fort.

The meeting was adjourned and the Board of Directors of Directors entered into an executive session.

The meeting adjourned.

The Annual Meeting is scheduled for Thursday, December 2, 2004 at 7:00 p.m. The Board of Directors of Directors will meet briefly at 6:00 p.m. at the Creek Club prior to the Annual Meeting.

I'On
Board of Directors Meeting
January 27, 2005

Members Present	LeGrand Elebash, Carol Ann McLester, Alan Comen, Susan Larsen, Everett Wilcox
Absent	Jody McKnight, John White
Guests	Vince Graham
AMCS	Cheryl L. Wilson and Helen L. Postell Hutson

LeGrand Elebash called the meeting to order.

LeGrand Elebash advised that Jody McKnight will be unable to serve on the Board of Directors. AMCS advised the Board of Directors that they can appoint someone to the open position per their governing documents. It was agreed that the Board of Directors would forward all resumes of people they would like appointed to the Board of Directors to AMCS by Friday, February 4, 2005.

Everett Wilcox made a motion to appoint Dave Rosengren to the appointed seat. If he is unwilling to accept then resumes would be accepted. Seconded by Carol Ann McLester. All in favor. Motion passed.

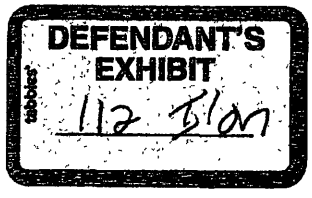
Election of Officers & Committee Members
LeGrand Elebash was unanimously voted as President of the Board of Directors. Everett Wilcox advised that he is in agreement that the developer representative should serve as President for one more year. Carol Ann McLester made a motion to elect LeGrand Elebash as President. Everett Wilcox seconded the motion. All in favor. Motion passed.

Susan Larsen made a motion to elect Everett Wilcox as Vice President. LeGrand Elebash seconded the motion. All in favor. Motion passed.

LeGrand Elebash made a motion to elect Carol Ann McLester as Secretary / Treasurer. Susan Larsen seconded the motion. All in favor. Motion passed.

The Board of Directors liaisons for 2005 will be as follows:
Communications Committee Chair – Susan Larsen
Landscaping Committee Chair – Alan Comen
Finance Committee Liaison – Carol Ann McLester
Carol Ann McLester will speak to Ed Clem regarding becoming chairperson of the Finance Committee.
Governance Committee Chair - Everett Wilcox
Ad/Hoc Committee Chair – John White

Everett Wilcox made a motion to make the Traffic Committee a standing committee rather than Ad/Hoc Committee. LeGrand Elebash seconded the motion. All in favor. Motion passed.



Carol Ann McLester made a motion to nominate LeGrand Elebash as chair to the Traffic Committee. Susan Larsen seconded the motion. All in favor. Motion passed.

Minutes
Carol Ann McLester made a motion to accept the minutes from the November 11, 2004 Board of Directors meeting. Alan Comen seconded the motion. All in favor. Motion passed.

Manager's Report
AMCS presented the two bids for the landscaping upgrades. One was for the east side of Eastlake for $13,690.00 and the other was for the boathouse area at $2,575.00. LeGrand Elebash made a motion to approve both proposals. Carol Ann McLester seconded the motion. All in favor. Motion passed.

AMCS advised the Board of Directors that Lawn-O-Green was continuing the work on repairing the street trees as per Joe Halford's report of September 17, 2004. This work is to include pruning and regrading of the mulch tree rings around each street tree.

AMCS advised that Lawn-O-Green had already applied "Top Choice" ant control and the pre-emergent to all the common areas throughout the community.

AMCS advised the Board of Directors that the removal and relocation of 19 street lights by SCE&G had started earlier this week and that neither the I'On Company or AMCS were notified that this work would be started. The Board of Directors decided to have the Infrastructure Committee review the street light removal project regarding dark areas that may be in the community due to this removal and relocation project.

AMCS advised the Board of Directors that the Finance Committee and previous Board of Directors requested that AMCS send a $1,000 invoice to the Commercial Square in I'On for reimbursement on yearly maintenance of the entrance on North Shelmore Blvd. AMCS advised that CCMC, the property manager emailed AMCS and asked what the invoice was for and that it was the understanding of Chris Anderson, with the Commercial Square, that this amount was paid previously but only as a one time gift. LeGrand Elebash volunteered to speak to Chris Anderson regarding the matter of the $1,000 invoice.

AMCS advised that they were working with the Infrastructure Committee regarding repairs to the stucco on all three canals. AMCS advised that the original bid of $2,680.00 will not cover all repairs recently discovered by the Committee. AMCS is currently waiting on a bid that is all inclusive of the repairs that need to be completed. AMCS will forward the invoice to the Board of Directors upon receipt.

AMCS advised the Board of Directors that a letter has come from the attorney representing 109 Ponsbury Road. The Board of Directors briefly discussed the landscaping concerns of this address. Everett Wilcox suggested that the Landscape Committee review the landscaping and look into removing the current landscape that is in place at the curb and have the Assembly reinstall and maintain landscape. Alan Comen will review the property and report back to the Board of Directors. LeGrand Elebash agreed to call the attorney representing the homeowners of

109 Ponsbury Road. The Board of Directors are in complete agreement that if the landscaping is kept up to par then the fines should be lowered but not dismissed totally. LeGrand Elebash is to report the Board of Directors decision to the attorney.

AMCS reviewed the current outstanding Covenants and Restriction violations with the Board of Directors. Everett Wilcox would like to look into banning basketball goals from the community.

Meeting Adjourned.

I'On
Board of Directors Meeting
February 9, 2005

Members Present	LeGround Elebash, Ed Clem, Alan Comen, Susan Larsen, Everett Wilcox
Absent	Carol Ann McLester, John White
Guests	Libby Eble, Dave Rosengren, Jack Hamilton
AMCS	Cheryl L. Wilson and Helen L. Postell Hutson

LeGrand Elebash called the meeting to order and then welcomed Ed Clem to the appointed seat on the Board of Directors.

Neighbor Comment
Jack Hamilton asked the Board of Directors if he could dispose of the 2000 sail of lights because the I'On Yacht Club had made a new one. Alan Comen advised that he would inspect it but agreed that it should be disposed of. Ed Clem made a motion to discard the 2000 sail of lights. LeGrand Elebash seconded the motion. All in favor. Motion passed.

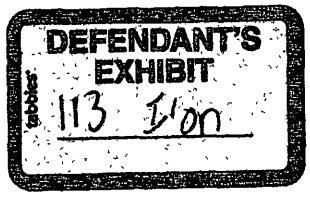
LeGrand Elebash advised that there has been some internal discussion among the I'On Company and the Graham family regarding the birthday of I'On. June or July of 1997 was the ground breaking of I'On. April 30, 1995 was the ground blessing ceremony of I'On but the project of I'On had not yet been approved by the Town of Mt. Pleasant. LeGrand Elebash advised that the Graham family suggested using the ground breaking date as the official anniversary date of the I'On community.
LeGrand Elebash will forward the exact date of the ground breaking to the Board of Directors. The Board of Directors did agree that the event should be held annually, starting with 2005.

Manager's Report
AMCS advised that the street light on North Shelmore Boulevard near lot 323 would be replaced. LeGrand Elebash advised that this was a pressing issue in the community. The chairperson of the Infrastructure Committee, Dave Rosengren, was asked by the Board of Directors to review the street lights in the community. The Board of Directors asked that a list be compiled of all street lights that are not working properly and areas where street lights may be needed. Dave Rosengren advised that he would have this report at the next Board of Directors meeting. The Board of Directors agreed that once all street lights are repaired then the Infrastructure Committee should look for other ways to increase the lighting in I'On such as solar lighting or other low voltage lighting.

AMCS advised that the Eastlake landscaping upgrade project has begun and that the project should be completed next week.

AMCS advised that the tree repair project is scheduled to be completed by next week.

AMCS stated that nets for the soccer goals had been purchased and that they would be installed by the end of the week.



AMCS stated that there has been a need for replacement address stickers for mailboxes. The cost is $2.50 per sticker with a minimum order of $35.00. AMCS reported that there is never a need for $35.00 of stickers at one time. Jack Hamilton suggested using engraved addressed markers. Jack Hamilton stated that he would get a sample of the marker to the Board of Directors.

AMCS presented bids to power wash and paint the mail station on Rialto Road and at the Scramble. The cost would be $1,100.00 for each structure which would include a 5 year warranty as long as the Assembly would allow the contractor to power wash the structure once a year. Ed Clem made a motion to accept the proposals. Everett Wilcox seconded the motion. All in favor. Motion passed.

Finance Committee
Ed Clem stated that the Finance Committee would be scheduling a meeting with AMCS to review financial statements. AMCS extended the invitation to the board members who were interested. Ed Clem suggested moving the regular Board of Directors meetings to the fourth Wednesday of every month because financial statements are not available until after the 20th of each month. Everett Wilcox made a motion to move the regular Board of Directors meetings to the fourth Wednesday of the month. Ed Clem seconded the motion. All in favor. Motion passed.

Ed Clem stated that the Assembly finished 2004 in the black, which included the payoff of the $16,000 loan to the I'On Company.

Landscape Committee
Alan Comen stated that he had met with Dave Rosengren, Infrastructure Committee chairperson, to discuss future landscaping projects.

Covenants Committee
The Board of Directors agreed that any covenants concerns should go directly to Everett Wilcox and he would in turn report to the Board of Directors. The Covenants Committee report will be removed from the agenda until there is something to report.

Communications Committee
Susan Larsen presented a draft of the newsletter for the Assembly. The Board of Directors agreed to send the newsletter to homeowners quarterly. The newsletter will be mailed and posted on the website. The total cost for the year would be approximately $1,200.00. The funds will come from the $10,000.00 that was budgeted for parking and traffic improvements since a newsletter was not budgeted for 2005. Ed Clem cautioned the Board of Directors that funds not be taken from allocated monies on a regular basis as this may put the Assembly in a financial bind. The Board of Directors agreed to label the newsletter the I'On Assembly and refer to themselves as the Homeowners Association. Everett Wilcox made a motion to accept pending review of the Assembly's governing documents. Ed Clem seconded the motion. All in favor. Motion passed.

Susan Larsen stated that the borough representatives deliver directories, welcome baskets, but are seeking suggestions on other things committee members can do to help improve the community.

Infrastructure Committee
Dave Rosengren stated that Jeff Fort with the I'On Company was making great improvements on the marsh walk where current wash outs occur.

Governance Committee
Everett Wilcox stated that after 75% of the homes are occupied in I'On, the Board of Directors becomes a 6 member board.

LeGrand Elebash suggested having the current Board of Directors elect the next president after elections are held in June. This topic was tabled until the next Board of Directors meeting.

Other Business
LeGrand Elebash advised the Board of Directors that he would like the Board of Directors to eventually discuss the Assembly purchasing the Creek Club.

Old Business
Ed Clem presented the Board of Directors documents regarding the legal agreement between the I'On Assembly and the I'On Club pertaining to the usage of the dock at the Creek Club. This topic has been tabled until the next Board of Directors meeting.

The Board of Directors adjourned the meeting and entered into an executive session.

The next Board of Directors meeting is scheduled for February 23, 2005 at 9:00 a.m.

Meeting Adjourned.

I'On
Board of Directors Meeting Minutes
February 23, 2005

Members Present	Carol Ann McLester, John White, Alan Comen, Everett Wilcox, Ed Clem, Susan Larsen
Members Absent	LeGrand Elebash
Guest	Dave Rosengren
AMCS	Cheryl L. Wilson

Carol Ann McLester called the meeting to order.

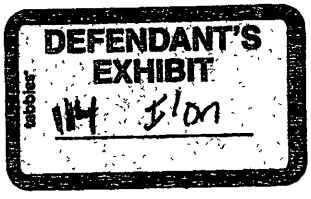
Minutes
The Board of Directors agreed to table the approval of the January 27, 2005 minutes until the next Board of Directors meeting.

Manager's Report
AMCS stated that the soccer goal nets were installed at the soccer field.
AMCS stated that the landscaping project will be completed by next week. The delay was caused by 20 to 30 plants that are on back order.

Infrastructure Committee
Dave Rosengren presented the Board of Directors with a map of the locations of all the street lights in the community. The map also reflects the lights that were removed per the Board of Directors decision in 2004.
Dave Rosengren stated that street light pole #J01062, #13 per Dave Rosengren map, on North Shelmore Boulevard will be replaced. The other lights he suggested should be left as is until further construction is completed. Dave Rosengren stated that AMCS has reported all the street lights that are in need of repair to SCE&G. The Infrastructure Committee will be working on landscape lighting next. Ed Clem suggested that Dave Rosengren and Jeff Fort, I'On Company, negotiate with SCE&G regarding changing of the lights throughout the community to a lower wattage light. Dave Rosengren will speak to Jeff Fort regarding the status of the street lights that were removed being installed in the new sections of I'On as originally agreed.
Dave Rosengren stated that the I'On Company held a meeting with the homeowners on Saturday Road and that the work being done to the center island should begin in the next 45-60 days.

Finance Committee
Ed Clem stated that he and Annie Bonk met with AMCS to review financial statements in order to have a better understanding.
Everett Wilcox suggested that ACMS provide a report that shows the total 2005 budget amount per G/L account. Ed Clem stated that he would speak with AMCS about providing this report. Ed Clem is to report back at the next Board of Directors meeting.

Ed Clem advised the Board of Directors of the check signing procedure. Ed Clem asked the Board of Directors to consider him as the check signer rather than Carol Ann McLester since he



is the Finance Committee chair. Carol Ann McLester made a motion to accept Ed Clem as the signer. Everett Wilcox seconded the motion. All in favor. Motion passed.

Ed Clem gave background information on the Transfer Fee subject. Ed Clem stated that the transfer fee was a recommendation of the Finance Committee. Ed Clem stated that the past transfer fee was poorly presented. The previous Board of Directors started discussing this issue again last year. Carol Ann McLester volunteered to speak with Daniel Island on how their transfer fee is handled. Carol Ann McLester will report at the next Board of Directors meeting.

Landscaping Committee
Alan Comen stated that the Eastlake project is coming along nicely. Alan Comen stated that the Landscape Committee is going out to bid on the work for the Sowell Street / Ponsbury Road triangle.

Communications Committee
Susan Larsen presented the draft of the homeowner's newsletter to the Board of Directors. AMCS stated that the username and password that the homeowners currently use will be the same one they use to view their account. Susan Larsen will email a draft of the newsletter to the Board of Directors. The first edition of the newsletter is to be mailed by March 1, 2005.

Ad-Hoc Committee
Everett Wilcox asked John White to speak to LeGrand Elebash on moving the Traffic Study recommendations along. John White will contact the Town of Mt. Pleasant about installing a fourth stop sign at the intersection of Ponsbury Road and Sowell Street. John White will also contact the Town of Mt. Pleasant about installing a stop sign at the intersection of North Shelmore Boulevard and Sowell Street.

Old Business
Ed Clem brought the Board of Directors up to date on the status of the agreement between the I'On Club and the I'On Assembly. Ed Clem stated that he met with Rick Brownyard and had him draft a new agreement. Everett Wilcox suggested picking up the easement as Homeowners Association common area property including the overflow parking lot. Everett Wilcox and Ed Clem will work on this subject together.

Ed Clem reminded the Board of Directors of the official anniversary date and mid-year meeting election issues previously discussed at the last Board of Directors meeting. The Board of Directors agreed to table these issues until the next Board of Directors meeting due to LeGrand Elebash's absence.

Susan Larsen asked if the Board of Directors would be interested in having the Assembly put on an Easter event because the I'On Club was no longer sponsoring such an event. Everett Wilcox asked Susan Larsen to speak to the I'On Trust about sponsoring these types of events.

The meeting adjourned and the Board of Directors entered into executive session.

The next meeting is scheduled for March 23, 2005 at 9:00 a.m.

I'On
Board of Directors Meeting Minutes
March 23, 2005

Members Present	LeGrand Elebash, Everett Wilcox, Carol Ann McLester, Ed Clem, Alan Comen, Susan Larsen
Members Absent	John White
Guest	Dave Rosengren, Susan Simpson, Annie Bonk, Ted Webb
AMCS	Cheryl L. Wilson and Helen L. Postell Hutson

LeGrand Elebash called the meeting to order and welcomed everyone.

Minutes
Everett Wilcox asked that the last sentence in the Ad-Hoc Committee report in the February 23, 2005 minutes be deleted. The sentence read, "John White will also contact the Town of Mt. Pleasant about installing a stop sign at the intersection of North Shelmore Blvd. and Sowell Street.

Ed Clem motioned to approve the February 23, 2005 minutes as amended and the January 27, 2005 and February 9, 2005 meeting minutes. Seconded by Carol Ann McLester. All in favor. Motion passed.

Neighbor Comment
Susan Simpson presented her petition regarding the lack of lighting on Saturday Road. Susan Simpson is asking that the street lights that have been blacked out be repaired to provide adequate lighting and a safer environment to the residents along Saturday Road.

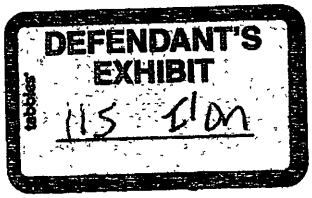
LeGrand Elebash stated that the lights were blacked out by individual homeowners. The Board of Directors did not approve this action.

Dave Rosengren stated that 25% of the street lights in the community have been blacked out to reduce the lighting. Dave Rosengren suggested that the Assembly negotiate with SCE&G in reducing the wattage of the street lights throughout the community.

Ed Clem reminded Dave Rosengren that the infrastructure committee was to meet with SCE&G regarding possibly reducing the number of street lights in the new phases. Susan Simpson stated that she can foresee the blacked out lenses on the street lights being removed exposing the bulb completely.

The Board of Directors agreed to turn on the light recently installed at the Creek Club parking area. Four out of thirty homes signed the petition Ms. Simpson presented. Susan Simpson asked that the I'On Club install tactful signs advising that cars will be towed that are parked on the grass.

Dave Rosengren stated that when someone signs a contract with the I'On Club to rent the Creek Club that the rental fee is suppose to include a security officer.



LeGrand Elebash and Jeff Fort will be meeting to discuss improvements to the Saturday Road Island.

A discussion arose regarding the four single homes on the northwest side of Maybank Green. The issue is the misunderstanding in the property line for these homes as to who maintains the landscaping that has been installed by the builder.
LeGrand Elebash suggested maintaining the property by the Assembly. Alan Comen stated that the homes have brick walkways that are on Assembly property. LeGrand Elebash stated that the homeowners should be responsible for the walkways.

Everett Wilcox stated that the Creek Club is not living up to their end of the contract between the Assembly and Creek Club in regard to preparing and presenting a budget to the Assembly in regard to the dock maintenance on the Creek Club. Ed Clem brought LeGrand Elebash up to date on the drafting of a new agreement between the I'On Club and the I'On Assembly. LeGrand Elebash stated that Olde Park bought rights to the boat ramp and docks at the Creek Club in the very beginning.

Everett Wilcox stated that the Board of Directors will be adjourning to executive session at 10:30 a.m.

Manager's Report
AMCS advised that Lawn-O-Green has taken down the trees on Isle of Hope.

AMCS advised that annual flowers have been ordered for the Spring/Summer season.

AMCS advised that the tree project had been completed.

AMCS advised that all tree pruning has been completed, including all palm trees.

AMCS advised that Isle of Hope marsh walk will be repaired by The Greenery and Daly and Sawyer will be absorbing the cost.

AMCS advised that Mt. Pleasant Waterworks credited the Assembly $4,000.00 on a $6,000.00 water bill which was due to a irrigation line leak.

AMCS showed the Board of Directors a sample of a mailbox name plate. They are sold in lots of 50 at $5.00 or lots of less than 50 at $6.00 each.

Landscape Committee
Alan Comen stated that Lawn-O-Green has applied a pre-emergent but there are many areas in which weeds are an issue and he would like to know where the treatment was applied.

Dave Rosengren suggested that the committees meet with the Finance Committee to have a better understanding of what funds the committees have available to complete projects.

Infrastructure Committee
The Rialto and Scramble post houses have been painted and power washed.

Dave Rosengren advised that the amphitheatre is scheduled to be power washed and painted prior to being turned over to the Assembly. AMCS stated that the work will be done by the Assembly's contractor. Dave Rosengren stated that the I'On Company will be absorbing this cost.

Finance Committee
Ed Clem stated that the $7,800 billed was for 12 new homes that have recently sold but this doesn't mean it was collected.

AMCS gave a brief rundown on the financial statements.

AMCS suggested that Alan Comen and Ed Clem come to the AMCS office to review invoices so that they may be aware of how invoices are coded and where they are budgeted to.

Everett Wilcox reviewed the new late fee policy that was implemented recently by the Board of Directors.

Ed Clem stated that the transfer from operating to reserves, for keeping the operating balance down, is not being done as it was last year. Ed Clem asked AMCS to keep only the funds needed for two months operating expenses be kept in the operating account.

Everett Wilcox asked that the Finance Committee review the reserve study. Annie Bonk stated that the Finance Committee did review the reserve study last year but suggests it be reviewed every year.

Everett Wilcox suggested that the Finance Committee review the need for a transfer fee.

The meeting adjourned and the Board of Directors entered into executive session.

The next meeting is scheduled for Wednesday, April 27, 2005 at 9AM at the Creek Club.

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Carol Ann McLester, Secretary

I'On
Board of Directors Meeting Minutes
April 27, 2005

Members Present	LeGrand Elebash, Everett Wilcox, Alan Comen, John White, Susan Larson, and Ed Clem
Members Absent	Carol Ann McLester
Guest	Dave Rosengren, Bill Young, Annie Bonk, and Alan Gentry
AMCS	Cheryl L. Wilson and Helen L. Postell Hutson

Everett Wilcox called the meeting to order.

Ed Clem made the motion to accept minutes as presented from the March 23, 2005 Board of Directors meeting. John White seconded the motion. All in favor. Motion passed.

Neighborhood Committee
Annie Bonk asked that buoys in Eastlake be removed. Alan Comen advised that he would handle this matter.

Alan Comen gave a brief report regarding the ABC event that was held last weekend in the community.

AMCS Report
AMCS advised that the irrigation repairs needed to get the system in operation for the season had been completed.

AMCS advised that Mahoney Signs is working on getting bids to replace the lake signs.

AMCS advised that SCE&G is working on looking into the history of the street lights situation and will be in contact to set up a meeting.

Infrastructure Committee
Dave Rosengren reported on the meeting he and AMCS met with Estate Management regarding the lakes. The treatment will take up to 60 to 90 days to remedy the weed growth problem.

Everett Wilcox recommended posting signs at lakes advising of the status.

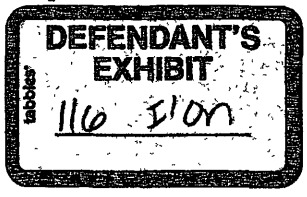
Dave Rosengren reported that the I'On Company has completed the regrading project along the west side of Westlake.

Dave Rosengren reported that all landscaping lights are working.

Dave Rosengren presented his proposed handover agreement between the I'On Company and the I'On Assembly. This agreement calls for a meeting to be held between all entities involved before turn over can take place on new phases. Everett Wilcox asked if the common areas are deeded over to the Association. Ed Clem advised yes, but it is a slow process.

The Board of Directors agreed that there is a percentage of lots that needs to be sold (i.e.: 2/3) before the property is turned over to the Association.

LeGrand Elebash said he would review the turnover process with the I'On Company and find out information on having the percentage set up for the transfer.



Everett Wilcox made a motion to accept the proposed turnover process. Ed Clem seconded the motion. Motion withdrawn.

LeGrand Elebash and Dave Rosengren will work together on the turnover process.

Finance Committee
Ed Clem advised that 15% of the owners have not paid the 2005 dues. The Finance Committee will keep an eye on collections.

Account # 6440 (signs) was budgeted for $500.00 for 2005. To date $543.38 has been spent.

Account #6522 (grounds contract/ landscaping) is over budgeted. Ed Clem and Alan Comen have set up a meeting next week with AMCS to review.

Account #6542 (repair contract) has spent $7,469.00 year to date and $10,000.00 was budgeted for the year.

Ed Clem advised that the electricity cost has increased for 2005 but the budget is in good shape for being on track for this year.

Everett Wilcox asked if utility invoices can be set up for automatic payment. AMCS advised that they are looking into this.

Ed Clem advised that the Finance Committee is reviewing the property taxes and bills for the Association. Ed Clem will report on the progress at a later date.

Ed Clem asked that any large expense be approved by the Board of Directors to make sure funds are available. LeGrand Elebash advised that the I'On Company anticipates 80 closing for the year. LeGrand Elebash advised that the community will have approximately 762 homes total at build out. Phase 9-A is to have 12 lots.

Ed Clem advised that the Finance Committee will meet in the next thirty days regarding the reserve funding.

The Board of Directors discussed a transfer fee.

Traffic Committee
Captain Droze and Lieutenant Scott discussed the ongoing parking issue in I'On. They advised that there are several streets in the community that need to have no parking and some with only one side of the street parking. The rescue truck is thirty feet long and ten feet wide making it difficult to maneuver down some streets in the community. Section 72.05 "Roadway left free for traffic" is a town ordinance. If the police receive a complaint regarding parking then they will investigate. The police will start enforcing streets with stealth radar by next week, streets to be enforced are: Eastlake Road, North Shelmore Bouelvard, Sowell Street, and Ponsbury Road.

It was reported that Brad Morrison at the Town of Mt. Pleasant is who needs to be contacted regarding the installation of additional stop signs.

LeGrand Elebash advised that the traffic project will start with the most problematic streets first. Everett Wilcox suggested that since the streets are the town's property then the town including the fire department should implement the changes needed. LeGrand Elebash suggested that the Association present their thoughts and input to the town for review.

Seman and Whiteside will have the traffic report finished shortly and LeGrand Elebash will follow up and forward it to the Board of Directors for their review.

Landscaping Committee
Alan Comen advised that the homeowner's at 217 North Shelmore requested to install trees in the curb strip and add palm trees in common walking spaces. The landscape committee approves. The Board of Directors agrees.

The homeowners who purchased the Simoni homes on MayBank Green will maintain the plantings installed by the builders because the homeowners found out that the sprinkler system on the owners properties belongs to the owners and also because the Assembly's landscaping was removed.

Alan Comen is to speak to the homeowner on Eastlake regarding the removal of the Kayaks off the grass area.

Communication Committee
Susan Larson asked that all committees put their updates together for the June 1st newsletter.

Governance Committee
Everett Wilcox advised that neighbors have confronted him regarding the need for additional committee volunteers. Everett Wilcox suggested that committees recruit additional members.

Ad Hoc Committee
LeGrand Elebash suggested that nominations for the President-Elect be forwarded to AMCS.

LeGrand Elebash advised that his appointed term ends in December 2005. Ed Clem, LeGrand Elebash, and Carol Ann McLester terms are up in December 2005.

Cars For Sale
LeGrand Elebash advised that cars with for sale signs should be handled on a case by case basis.

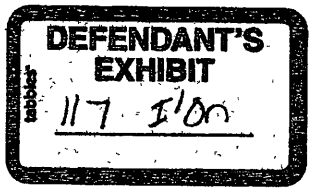
The agreement between the I'On Club and the I'On Assembly
Everett Wilcox reminded LeGrand Elebash that he was to forward the accounting records for the Creek Club boat ramp to the I'On Assembly Board to review. Everett Wilcox reminded the Board of Directors that if the Creek Club is sold the boat ramp agreement still holds.

LeGrand Elebash reported that I'On's official anniversary date is the summer of 1997.

The meeting adjourned and the Board of Directors entered into executive session.

The next meeting is scheduled for May 25th at 9AM at the Creek Club.

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Carol Ann McLester, Secretary



I'On
Board of Directors Meeting Minutes
July 27, 2005

Members Present LeGrand Elebash, Everett Wilcox, Ed Clem, John White, Carol Ann McLester, and Ted Webb.
Members Absent Alan Comen

AMCS Cheryl L. Wilson

LeGrand Elebash called the meeting to order.

Minutes
The Board of Directors asked that the minutes be amended to reflect the change that Ted Webb is the Board of Directors liaison and not the chairperson of the I'On Design Committee.

Carol Ann McLester made a motion to accept the minutes as amended. Ed Clem seconded the motion. All in favor. Motion passed.

Mid Year Meeting
LeGrand Elebash asked that the committees brief the Board of Directors on what they will be discussing at the mid year meeting.

Dave Rosengren briefed the Board of Directors on the Landscaping Committee's report. Since the committee's turnover last year there has been an increase in the investment in landscaping in the common areas. The committee will report on the refurbishment of the east side of Eastlake, trimming of all the street trees and palms, and the landscaping of the mailbox station on Frogmore Road. The projects that are in process are the refurbishment of the triangle at the intersection of Ponsbury Road and Sowell Street and the documentation and repair of the irrigation system.

Dave Rosengren also advised the Board of Directors to take into consideration the amount of money the Homeowners Association spends on the maintenance of the curb strips by landscapers.

Dave Rosengren briefed the Board of Directors on the Infrastructure Committee's report. The committee will advise of the new lake management contract, the street light inventory and repair, I'On Company projects such as refurbish of the west bank of Westlake, the Isle of Hope marsh walk access, washout repairs, and the service alley storm drain repair between North Shelmore and Port Royal, cleaning/painting of the amphitheatre and the changes made to the Saturday Road island. The Infrastructure Committee developed and implemented a handover process with the I'On Company. The Infrastructure Committee projects that are in progress include landscape lighting projects, lake path refurbishments, and obtaining documentation of early phases of the neighborhood.

Everett Wilcox made a motion to accept the bid from Lawn-O-Green for the installation of 6X6 posts at the entrances at the Rookery at $500.00 for the total project. This is to prevent access of golf carts along the paths. Ed Clem seconded the motion. All in favor. Motion passed.

Dave Rosengren advised that one of the picnic table from Hopetown Road will be moved to the Scramble to replace the damaged picnic table.

Hugh Wilder briefed the Board of Directors on the Boathouse Committee's report. The committee's report includes dangerous and unneighborly behavior, vandalism, Yacht Club usage and enforcement of rules and policies. Everett Wilcox suggested not going into complete detail on the problem with the Boathouse at the mid

year meeting. Simply report there is a major issue and it will be given high priority. Everett Wilcox asked the Board of Directors to agree to put a security officer at the Boathouse immediately. AMCS is to get prices on an hourly rate for a security guard to patrol the Boathouse.

LeGrand Elebash briefed the Board of Directors on the Traffic Committee's report. Being that this is a sensitive issue LeGrand Elebash and Everett Wilcox both suggested holding this report until the end of the mid-year meeting. LeGrand Elebash will report that the I'On Assembly, I'On Company, Mt. Pleasant Fire Department, and Mt. Pleasant Police Department worked together to come to a reasonable compromise on parking in I'On. LeGrand Elebash will emphasize that the Mt. Pleasant Fire Department advised the Board of Directors at a regular Board of Directors meeting that the Association needs to make changes to the on street parking otherwise, the Town of Mt. Pleasant will come in and start painting curbs and erecting signs.

Ed Clem briefed the Board of Directors on the Finance Committee's report. Ed Clem will advise that there are thirteen homeowner accounts that have not paid the 2005 assessment. Currently, the Homeowners Association is under budget. Expenditures are about $198,000 versus a budgeted amount of $217,000. The report will also touch on the capital reserve fund and a transfer fee.

Carol Ann McLester briefed the Board of Directors on the Communication Committee's report which will include the directory survey that will be mailed out shortly, Board of Directors newsletter, and the Borough Ambassador program.

Everett Wilcox briefed the Board of Directors on the Governance Report which will inform Homeowners that the Homeowners Association is taking over control of the Association from the developer and that there will be no developer representation on the Board of Directors in 2006 and elections will take place at the year end meeting in December. Everett Wilcox will also report on covenants and restrictions.

The Board of Directors discussed boat/trailer parking on vacant lots. The Board of Directors agreed to fine the title owners of the vacant lot and leave it up to the lot owner to tow the boats off the lots.

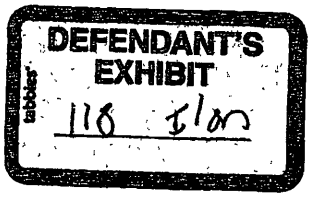
Everett Wilcox agreed to mention that the Homeowners Association has started attending I'On Design Committee meetings. Ted Webb is the Board of Directors liaison.

LeGrand Elebash briefed the Board of Directors on the Developer Report which will include an I'On Realty and I'On Company update, phase 9 and 10, and the PDF Amendment.

LeGrand Elebash reviewed the Board of Directors 2005 goals with the Board of Directors.

Meeting Adjourned
The next meeting is scheduled for August 24, 2005 at 5PM at the I'On Realty Office Conference Room.

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Carol Ann McLester, Secretary



I'On
MidYear Meeting
July 27, 2005

Members Present	LeGrand Elebash, Everett Wilcox, Ed Clem, Carol Ann McLester, Ted Webb and John White
Members Absent	Alan Comen
AMCS	Cheryl L. Wilson and Jamie Kerr

LeGrand Elebash called the meeting to order and thanked everyone for coming.

LeGrand Elebash asked each Board Member to stand and introduce themselves and he then introduced AMCS.

LeGrand Elebash reviewed the 2005 Board of Directors goals which included choosing a president elect which will be Everett Wilcox. The Board of Directors agreed to have representatives at the Fly-Over Meetings.

Committee Reports
Finance Committee
Ed Clem thanked his committee: Annie Bonk, Libby Eble, Carol Ann McLester, Ted Webb, and Bill Young they advised that $433,600 was the yearly budget and 644 lots were sold as of the end of 2004.

He advised that liens are being filed on delinquent accounts and there are currently thirteen. I'On is on budget for expenses, however; the repair account is being watched very carefully. Most repairs are due to vandalism. Other cost incurred by the Homeowners Association are street signs that are knocked down most off which occur during construction. He advised that common areas continued to grow, making it hard for the Homeowners Association to be on budget.

Infrastructure items such as irrigation pumps and playground equipment will need to be set aside in the Reserve Account for upkeep. The Finance Committee is reviewing the current reserve funding that is set aside at $71,000 per year. Ed Clem touched on the topic of the transfer fee which collects money from re-sales for the reserve account. Ed Clem advised that the Board of Directors is researching this possible avenue for additional funding.

Landscape Committee
Dave Rosengren gave the Landscape Committee's report in Alan Comen is absent. Dave Rosengren advised that the current landscape company is now on site five days a week in the summer months. New additions to landscape services include pre-emergent and fire ant control. The east side of Eastlake has been upgraded with new landscaping and sod has been installed in some areas that had erosion problems, street trees and palms have been pruned throughout the community. Dave Rosengren advised that the Frogmore mail station has been landscaped. When construction eases, the committee will evaluate those phases. The irrigation system is being documented and repairs are being made.

Infrastructure Committee
Dave Rosengren gave the Infrastructure Committee's report. There is a new lake management contractor in 2005. The I'On Company has refurbished the west bank of Westlake, the access to the marsh walk from Isle of Hope Road has been repaired, the service alley storm drain between North Shelmore Boulevard and Port Royal Road has been repaired, cleaned and painted the Amphitheater and the changes to the Saturday Road island. The Infrastructure Committee has implemented a turn over process of common areas from the developers control to the Homeowners Association control. The Infrastructure Committee is working with the I'On Company to obtain information and documentation on all phases of the community.

The Infrastructure Committee will install 6x6 posts at the entrances of the Rookery to prevent golf cart access, the are also looking into landscape light and path refurbishment throughout the community.

Communications Committee
Carol Ann McLester gave the Communications Committee's report advising that this year the committee has started doing a quarterly newsletter from the Board of Directors to improve communication. The committee is always looking for borough ambassadors, anyone interested please contact the Communications Committee. The directory is on schedule for end of the year delivery. A owner information survey will be mailed in September.

Governance Committee
Everett Wilcox gave the Governance Committee's report. Everett Wilcox reminded owners that at the December meeting, the Board of Directors will go to a staggered term and a six member Board. Three seats are up for election in December. Ted Webb is the liaison for the Board of Directors to begin communication with the I'On Design Committee for future turnover from the developer. Everett Wilcox reviewed the Covenants and Regulations and advised that they are being enforced. Boats are not to be seen from main thoroughfares and cannot be stored on vacant lots. The Board of Directors will hold lot owners responsible for boat/trailers stored on their vacant lots. Animal complaints are to go to animal control. Antennas are not be seen from main thoroughfares or adjacent lots. Golf carts are not allowed on pathways. You must be a licensed driver to operate a golf cart according to South Carolina law. Homeowners are to contact AMCS to resolve complaints between neighbors if a resolution cannot come from discussion between neighbors. For repairs of common areas contact AMCS.

Boathouse Committee
Hugh Wilder gave the Boathouse Committee Report. The I'On Yacht Club uses the Boathouse regularly. Vandalism continues and is at its worst. All children under fourteen years of age are to be accompanied by an adult. Homeowners are encouraged to call the Mt. Pleasant Police Department for such events of vandalism, theft, and underage drinking. The Board of Directors are fully supportive and plan to make Boathouse Security a priority.

I'On Design Committee
Ted Webb gave the I'On Design Committee's report. Ted Webb is the Board of Directors liaison. Any exterior modifications to any lot needs to be approved by the I'On Design Committee. The I'On documents synopsis is on page 94-97 in the I'On Directory.

Developer Report
LeGrand Elebash gave a brief synopsis of the neighborhood. There are 560 Occupied homes, 112 homes are under construction. There have been sixty closed lots this year, nine are pending. The community is over 2/3 completed. The Graham family owns I'On Reality Company and the I'On Club. New renovations have taken place at the I'On Club. The I'On Reality's new broker is Carey Burnette. Phase nine is the North West peninsula. 30,000 square feet was initial approved for commercial space, the Town of Mount Pleasant has recently increased it to 45,000. The Town has granted approval to exceed the building height of 38 feet height to 40 feet in the new phase as long as the entire building has a sprinkler system. The I'On Company is working to make the I'On Design Committee process work better. Homeowners are asked not to dump anything in the builders dumpsters.

I'On Trust
The I'On Trust chairperson used to be LeGrand Elebash . Cynthia Rosengren has been elected. Annie Register and Becky Van Wie reported on the I'On Trust. Starfish is a not for profit organization. The Board of Directors for the I'On Trust consists of twelve members. They thanked Jerrie Heator and all who participated in the July 4th event. $1,400 has gone to the Mt. Pleasant Police Department for the sale of American flags. They asked that owners complete the time and talent survey and return to the I'On Trust.

Creek Club
Cathy Davis gave the Creek Club usage report. In 2005 the Creek Club became available for rentals on Wednesdays, and forty reservations have been made to date. Remember to pickup rental rules from the I'On Club.

LeGrand Elebash advised that the next Board of Directors meeting is August 24, 2005 at 5:00 PM in the I'On Conference Room. The Annual Meeting will be December 7, 2005 at 7:00 PM at the Creek Club.

Traffic Committee
LeGrand Elebash gave a little background information on the parking plan for the neighborhood. The community was approved before initial building. Since the community evolved people began parking everywhere and speeding which now calls for additional organization. The Mt. Pleasant Fire Department started reviewing the parking in I'On. They made it clear that they were going to change the current parking problem plan in I'On. Fortunately the Town was willing to allow the Committee to have input. There are three categories of streets; two sided street parking, one sided street parking, and no parking on either side. The Committee had criteria as to which side of the street to park on based on habits, which side yields the highest number of spaces and common sense. The fire department will implement the parking plan which will include curb markings and signs. LeGrand Elebash advised that there will be a four way at Sowell Street and Ponsbury Road, Sowell Street and North Shelmore will be a three way stop, West Shipyard and Ponsbury Road south bound will have stop signs. LeGrand Elebash advised that should any owner have issues with new parking plan, call the Town of Mt. Pleasant.

Questions and Answer
A question arose from the floor asking will the police patrol the neighborhood on a regular basis? LeGrand Elebash advised that at a meeting with a officer from the Mount Pleasant Police Department at a Board Meeting it was stated six officers are on duty at any time for the entire town.

A owner asked what was the status on bridge repairs on the canals. The Board of Directors advised that the I'On Company is working with the Infrastructure on repairing the stucco on the canal bridges.

A owner asked what was the status on the vacant lots on canals? LeGrand Elebash advised that four spec homes will be built on the north canal, on the south canal there is a plan to reshape the canal and develop high density homes.

A owner asked if the street lights on Eastlake that are missing, will be reinstalled? The Board of Directors advised the Infrastructure Committee is reviewing the street light inventory.

A owner asked the Board of Directors how they plan to communicate to those owners who do not attend meetings. The Board of Directors advised by via newsletter and the website.

A owner asked what is the time owners are allowed to sit on lots and not build. LeGrand Elebash advised that he believed it to be 270 days from contract to apply for a permit and one year from contract to build.

A owner asked if the I'On Company is responsible for the maintenance of vacant lots owned by the company? LeGrand Elebash advised yes.

A owner asked what is being done for soccer field parking? LeGrand Elebash advised that parking changes will be made per the new parking plan.

The Board of Directors advised that the Creek Club is the property of the I'On Club and the I'On Assembly is not obligated to purchase the Creek Club once the developer is done in the neighborhood.

Meeting Adjourned

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Carol Ann McLester, Secretary

I'On
Board of Directors Meeting Minutes
August 24, 2005

Members Present	LeGrand Elebash, Everett Wilcox, Carol Ann McLester, John White, Ed Clem, Alan Comen, and Ted Webb
AMCS	Cheryl L. Wilson and Jamie Kerr
Guest	Chad Bensenfelder, Annie Bonk, Jack Hamilton, Anne Register, and Ed Green

LeGrand Elebash called the meeting to order.

Minutes
Ed Clem suggested that spell check be done on the minutes as there are numerous grammatical errors. LeGrand Elebash asked that the July 27, 2005 minutes reflect that the Town Planning Commission recommend approval of the increase of building height.

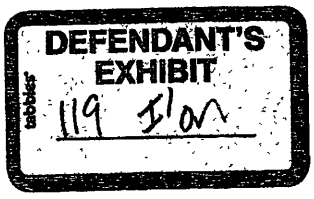
Ted Webb made a motion to accept the Board of Director meeting minutes from July 27, 2005 and the mid-year meeting minutes of July 27, 2005 with the corrections. Ed Clem seconded the motion. All in favor. Motion passed.

Neighborhood Comment
Jack Hamilton advised that the enforcement of the covenants and restrictions and the liens that are being filed is excessive and is affecting the civic and volunteer work being done in the neighborhood. He has asked the Board of Directors not to send letters to owners who have not lived in the property less than sixty days and not to file liens on properties for small amounts of money. He advised that the Board of Directors should set a maximum number of letters sent by AMCS per month. LeGrand Elebash advised that violation letters are sent out because fellow neighbors make complaints. He advised that liens are filed after much discussion and consideration. Annie Bonk advised that the Board of Directors is reactive not proactive and the Board of Directors sends letters based on complaints received by the Board of Directors and AMCS.

Annie Bonk asked for a key to Creek Club Boat Ramp. Chad Bosenfelder advised that he can get her one. Chad Bosenfelder advised that every January the boat ramp must be re-keyed. The I'On Club installed a security camera to prevent further vandalism.

Jack Hamilton advised that he had six boats stored in his backyard. They will be distributed to homes throughout the neighborhood to be checked out for the I'On Yacht Club.

LeGrand Elebash introduced Chad Bosenfelder. The I'On Company has written a new job description for him. He is the I'On Club manager but he will also be the liaison to the Association from the developer and the property manager for the vacant lots for the I'On Company. LeGrand Elebash suggested having a meeting between the Landscape Committee, I'On Company and AMCS. Everett Wilcox asked if Chad Bosenfelder will be working on the history of I'On. LeGrand Elebash stated yes. Jamie Kerr asked that the I'On Company not use the word property manager so not to confuse the homeowners as to where they need to direct complaints and questions regarding the Association. LeGrand Elebash asked AMCS to reword the newsletter article before the blurb goes in the Homeowners Association newsletter.



AMCS Report
Operating Account $26,715.47
Reserve Account $203,478.63

Ed Clem advised that expenses are roughly $35,000-$36,000 a month. Ed Clem advised that the budget should be on track. AMCS reviewed the operating statement, twelve month trend, balance sheet, open and closed work orders with the Board of Directors. AMCS advised that year to date $221,539.76 has been spent and the budget is $212,271.21 which is a variance of -$9,268.55. Everett Wilcox asked what is NOI, AMCS advised that NOI is net operating income before the reserve set aside. Everett Wilcox asked if the I'On Company has slowed down in lot sales. Annie Bonk advised that the Finance Committee did not want to budget anticipated lot sales and neither did AMCS; however, the Board of Directors agreed to. Ed Clem advised that $15,000 was budgeted as anticipated lot sales by the I'On Company. Ed Clem advised that the repair budget needs to be watched as it is over budget.

Off Duty Police Officers
AMCS advised that the Board of Directors needs to decide where to code off duty police officer invoices. The Board of Directors asked that AMCS set up a security account code. Ed Clem advised that the off duty police officer schedule is 4pm to 9pm Monday, Wednesday, and Friday through Labor Day. Everett Wilcox suggested having security on Saturday. Ed Clem advised that the Boathouse Committee advised vandalism is not an issue on the weekend; however, the Board of Directors can always re-evaluate the schedule if need be. Annie Bonk advised that the police officers listen to dispatch while working for the Association. AMCS advised that some of the officers have been paid $500.00 or more and the Internal Revenue Service is required to be notified. AMCS advised that these officers do not have workers compensation and general liability insurance. LeGrand Elebash asked AMCS to ask the Town of Mt. Pleasant what they do in other communities. The Board of Directors decided to re-evaluate the schedule after Labor Day.

Eastlake Road/ Cistern Alley Easement Plantings
AMCS advised the Board of Directors that if they want to send a letter to the homeowner, AMCS will do it; however, AMCS can not find documentation to prove ownership of the easement by the Association. Everett Wilcox asked LeGrand Elebash to research this matter.

Combination of Lots
AMCS advised of account, 325 North Shelmore Blvd. that was had a lien filed because one lot was divided and split between the lots on either side. AMCS asked the Board of Directors how they want to handle this. LeGrand Elebash advised that in the past when lots were combined, the owner was only billed for one lot because the developer would add a lot in later phases, so the Association would not loose income. LeGrand Elebash will look into what happened with this lot.

Traffic Committee
LeGrand Elebash advised that the Committee is waiting on a meeting with Brad Morrison with the Town of Mt. Pleasant.

LeGrand Elebash had to leave the meeting.

Carol Ann McLester made a motion to accept the Southern Stonecasting bid for eight 6"x6"x60" concrete posts for $637.72 and Lawn-O-Green's bid for the removal of the old post at $15.00 each and to install the new posts at $40.00 each, including concrete. John White seconded the motion. All in favor. Motion passed.

Amphitheater
Ann Register advised that she was approached by Alex Kyier, that was interested in holding a concert at the Amphitheater. She advised that this would set a prescident as this is an outsider wanting to perform in the Association's common area. Annie Bonk advised that due to the Association insurance policy, the Association can not rent out any common areas because the policy will not cover the event. Furthermore, she advised that he would need to supply an insurance certificate to the Association listing the Association as an additional insured.

Everett Wilcox made a suggestion that the Board of Directors set a policy that only events sponsored by the I'On Trust; I'On Biznet, or the I'On Association should be allowed to use the common areas. Ted Webb made a motion to accept the new policy. Ed Clem seconded the motion. All in favor. Motion passed.

Everett Wilcox asked Carol Ann McLester to put the new policy in the next Board of Directors newsletter.

Soccer Field Usage
AMCS advised the Board of Directors that a homeowner was asking to reserve the soccer field for football practice. Ed Clem said that he has spoken to the Association's insurance company and has been advised that the policy does not include organized events. AMCS suggested obtaining a rider. AMCS will get a price on a rider. Annie Bonk asked the Board of Directors if the Montessori School is covered under the policy? Everett Wilcox will ask LeGrand Elebash to speak with the Montessori School regarding insurance. Everett Wilcox asked John White if he would ask the I'On owners who play soccer if there is an Association league.

Carol Ann McLester made a motion to purchase a sign to be installed at the soccer field that reads "Soccer field for use of I'On Residents Only, to reserve the field please visit www.ioncommunity.com". John White seconded the motion. All in favor. Motion passed.

Finance Committee
Ed Clem asked AMCS to prepare a preliminary budget within the next thirty days for the Finance Committee to review. Ed Clem will send an e-mail to all the committee chairpersons asking them to forward budget items to the Finance Committee. Everett Wilcox advised that he is concerned about what to contribute to the reserve fund. Everett Wilcox advised that either the annual dues will need to be increased or a transfer fee will need to be passed. Everett Wilcox asked that the Finance Committee budget for security officers. Ed Clem advised that the current AMCS manager is not a full-time manager. The Board of Directors asked AMCS to submit a bid for a full time on site manager.

Infrastructure and Landscaping Committee
The Infrastructure and Landscaping Committee and Lawn-O-Green are currently working on documenting the irrigation systems and making needed changes. Alan Comen advised that Lawn-O-Green is to submit prices for repairs that are needed on the corner of the roadways where rutting has occurred. Alan Comen asked AMCS to notify Estate Management that weeds are growing in the North Canal.

In Dave Rosengren's absence AMCS read the Infrastructure Committee Report. The I'On Company will be beginning the Phase 6 handover, the Infrastructure Committee requests that the Board of Directors follow the process, at least this first time. Dave Rosengren requests being a part of the handover review. The Board of Directors agreed. The landscape lights are now working on the West Lake foot bridges, therefore the Infrastructure Committee is satisfied with the work of the new contractor. If the cost seems reasonable for these repairs there are other areas of the neighborhood needing attention. The walking path washouts continue to be an issue; the Infrastructure Committee is working with the I'On Company to get more attention placed against silt fencing.

There are several chronic path washouts that will require a more permanent solution. One is the mail boxes at East Shipyard Road and another is the marsh path at the walking bridge from Isle of Hope to Frogmore on the Frogmore side. Lawn-O-Green is working on costs to improve the drainage of these areas.

Communications Committee
Carol Ann McLester presented the Board of Directors with the draft of the newsletter. She requested that any additions to the newsletter be forwarded to her no later than next Wednesday.

Governance Committee
Mr. Green advised of the lien placed on his account because the Association had the wrong address. The Board of Directors apologized for his misunderstanding. The Board of Directors discussed the garbage can rule. The Board of Directors agreed to table the issue to the next meeting.

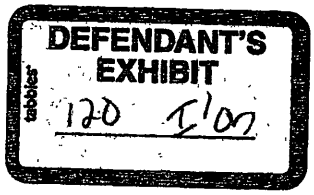
I'On Design Committee
Ted Webb advised that the I'On Design Committee meets every other Tuesday for two or more hours. The Association might want to discuss funding this committee further down the road. All plans and deliberations of the committee are digitized for easy referencing. Alan Comen advised that the I'On Design Committee does not have any enforcement.

Ed Clem discussed with the Board of Directors and AMCS that the minutes have not been coming to the Board of Directors in a timely manner as AMCS had been asked to do in the past. AMCS will have Board of Directors meeting minute to the Board of Directors within two weeks after the meeting.

The Board of Directors entered into executive session.

Meeting Adjourned
The next meeting is scheduled for September 28, 2005 at 5PM at the I'On Realty Office Conference Room.

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Carol Ann McLester, Secretary



I'On
Board of Directors Meeting Minutes
September 28, 2005

Members Present	LeGrand Elebash, Everett Wilcox, Ed Clem, Alan Comen, and Ted Webb
Members Absent	Carol Ann McLester and John White
AMCS	Cheryl L. Wilson and Jamie Kerr
Guest	Dave Rosengreen, Barbara Sigman, Annie Bonk, Libby Eble

Minutes

Ed Clem made a motion to accept the Board of Director meeting minutes from August 24, 2005 as presented. Alan Comen seconded the motion. All in favor. Motion passed.

Neighbor Comment

Barbara Sigman advised the Board of Directors of two dead trees that are located in the Rookery that over hang her property. Alan Comen advised that he would be meeting Lawn-O-Green to discuss the scope of work. Barbara Sigman requests that the trees be removed because the trees are infested with termites.

Financial Report

AMCS reported the following account balance as of September 28, 2005.
Operating Account $20,226.48
Reserve Account $185,702.43
$96,047.84 of operating money is in the Reserve Account
The actual Reserve funds in the Reserve Account is $89,654.59

Ed Clem advised that the Association spends $34,000 to $35,000 per month on expenses. Ed Clem advised that the Association is on budget for 2005. However, he is working with AMCS on some accounting issues.
Everett Wilcox asked what it costs to run a street light. Ed Clem advised that the cost is approximately $40 to $50 per month per light.
AMCS reviewed the operating statement, twelve month trend, balance sheet, and open and closed work orders with the Board of Directors.
Ed Clem reported that there was an error on the August 2005 balance sheet. The balance at the bottom indicating the operating funds in reserves reflected the July 2005 balance not the August 2005 balance.
The Board of Directors discussed posting the financials on the website on a monthly basis. The Board of Directors were in total agreement to post the financial report each month. AMCS will forward the information to the website administrator.
AMCS advised that the Eastlake concrete post will be delivered Friday, September 30, 2005. Lawn-O-Green will begin the installation Friday and complete the project by Monday, October 3, 2005.

2006 Budget

Ed Clem advised that AMCS has provided the Finance Committee with a preliminary budget. Currently, the budget is set based on 711 homes. Ed Clem advised that it is his intention to review the budget with his committee before presenting their recommendations to the Board of Directors. Ed Clem advised that one addition to the budget is based on the recommendation of the Boathouse Committee which is $24,000 for security. The Boathouse Committee clarified that the security is not just for the Boathouse area but the entire community. AMCS advised that by using the word security it opens up the Homeowner's Association to a liability issue. LeGrand Elebash suggests speaking to Olde Park and Braemore regarding sharing the cost for

the security if the officer patrols the three communities. Ed Clem advised that he will contact AMCS within the next two week to set up a meeting to review the 2006 budget.

Turn Over Process
LeGrand Elebash advised that the I'On Company paid an attorney to review the turn over process document. LeGrand Elebash advised that the changes were to make the document survive over time. Everett Wilcox pointed out that the document was changed to protect the interest of the I'On Company. LeGrand Elebash advised that if the Board of Directors doesn't see any benefit to the revised documents then the Homeowner's Association does not have to sign it. He did suggest that the Board of Directors review the revised document. Dave Rosengren agreed that his committee will set a meeting with the I'On Company to discuss the revised document.

The Board of Directors reopened the discussion regarding the turnover process and advised Dave Rosengren that if he meets with the I'On Company he can have an attorney present if he feels its necessary.

Traffic Committee
LeGrand Elebash reported that he has not heard back from Brad Morrison with the Town of Mount Pleasant. LeGrand Elebash advised that he will send a letter to Brad Morrison asking that the Town of Mount Pleasant start implementing the parking plan as soon as possible. Annie Bonk suggested using the website to get owners to start calling and writing to the town.

LeGrand Elebash had to leave the meeting.

Street Lights
Dave Rosengren discussed the recent homeowner request to re-install the street light on the south end of Eastlake. Dave Rosengren reported that there is currently a street light on the corner of Sowell Street and Prescient Street. LeGrand Elebash suggested re-installing the light pole number G14671 at the south end of Eastlake and light pole number J01062 near 289 North Shelmore Blvd. The Board of Directors were in agreement. Everett Wilcox suggested that there needs to a street light at the corner of North Shelmore Blvd. and Mobile Street, Dave Rosengren suggested that there needs to be a street light at the Rookery entrance on North Shelmore and a street light is needed at the corner of North Shelmore Blvd. and Hopetown Road.
Dave Rosengren suggested that the Board of Directors discuss the blackened street light issue. The Board of Directors agreed to put this topic on the October 26 ,2005 Board of Directors Meeting agenda.

Insurance
AMCS reported that Patrick Smith with Nationwide had advised that events that do not collect fees are covered under the current Homeowner's Association insurance policy. However, the I'On Biathlon would need a separate policy. Everett Wilcox asked to see the policy. AMCS will forward him the requested material.

Combined Lot
AMCS asked the Board of Directors if they collect regime fees on each lot when a lot is combined or if a regime fee is waived. The Board of Directors agreed to research this issue further. The Board of Directors asked AMCS to ask Andy Beck to attend the October 26, 2005 meeting. Dave Rosengren suggested making a list of all the combined and subdivided lots. The Board of Directors agreed to leave the Campbell account on the record until this matter is discussed further.

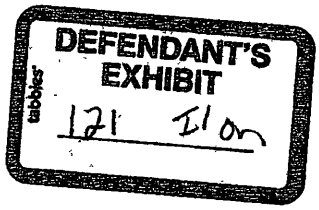
Eastlake Plantings
Everett Wilcox asked AMCS to send LeGrand Elebash an e-mail and carbon copy the e-mail to the entire Board of Directors regarding the status on him researching the property line where the plantings were installed on Eastlake Road.

Satellite Dish
The Board of Directors agreed to send a letter to the owner of 53 Sowell Street asking that the owner paint the wires/conduit to match the stucco on the house.

The Board of Directors adjourned the meeting and entered into executive session.

Meeting Adjourned
The next meeting is scheduled for October 26, 2005 at 5PM at the I'On Realty Office Conference Room.

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Carol Ann McLester, Secretary



I'On Assembly
Annual Meeting Minutes
December 7, 2005

Members Present LeGrand Elebash, Ed Clem, Alan Comen, Ted Webb, Carol Ann McLester, and Everett Wilcox

Members Absent John White

AMCS Cheryl L. Wilson and Helen L. Postell Hutson

LeGrand Elebash called the meeting to order.

LeGrand Elebash advised that a quorum has been established.

61 homes were represented in person or by proxy.

LeGrand Elebash explained he is the last developer appointed Board of Directors member. Everett Wilcox will be the president elect for 2006.

Minutes

Ed Clem made a motion to accept the 2004 I'On Assembly Annual Meeting minutes as presented. Ted Webb seconded the motion. All in favor. Motion passed.

Board Nominations

LeGrand Elebash explained that Ed Clem and Ted Webb are incumbents as they were appointed to fill Board of Directors vacancies. LeGrand Elebash asked the six candidates to stand and introduce themselves. They are: Ted Webb, Ed Clem, Alan E. Barbieri, George Flynn, Theresa Green, and Dan Parker. LeGrand Elebash called for nominations from the floor. No one came forward. Ballots were collected from the floor.

Development Report

LeGrand Elebash introduced Vince Graham. LeGrand Elebash reported that there are 628 residential lots and five commercial lots presently in the neighborhood. LeGrand Elebash advised that more than five hundred homes are occupied. LeGrand Elebash stated that I'On is more populated on a full time basis than Sullivan's Island.

LeGrand Elebash advised that build out is nearing the finish line but still a full time job for the I'On Company. Two phases are coming on line in early 2006: phase nine, the last peninsula with ten lots total and phase ten has seventeen lots total. The I'On Company is planning on a March auction for twenty of the twenty-seven lots. The date is to be announced. The Board of Directors will comprise of seven homeowners with Everett Wilcox as President of the Board of Directors. LeGrand Elebash thanked Dave Rosengren for his hard work on the I'On Assembly Infrastructure Committee with implementing an official handover process from developer control to homeowner control. This new process will include the turnover of an official library of plans, contractors information, plats, etc to the Homeowners Association.

LeGrand Elebash introduced and thanked Chad Besenfelder who oversees the property owned by the I'On Company.

The I'On Company is refurbishing Joggling Park, implementing a construction entrance, improving access lanes, improving the Saturday Road island, investigating canal aeration, completing cleaning and improvements of storm drains. In 2006, the I'On Company is planning on cleaning and improving the mail delivery system, aerate the canals and lakes, improve the Hopetown Road playground, and complete the turnover for phases 1-7.

LeGrand Elebash advised that the I'On Assembly goals for 2005 will be posted on the website with updates. LeGrand Elebash turned the meeting over to Everett Wilcox as the new President of the I'On Assembly Board of Directors. Everett Wilcox thanked LeGrand Elebash for all his hard work as the President for the I'On Board of Directors.

Finance Committee
Everett Wilcox thanked the committee members: Ed Clem, Bill Young, Carol Ann McLester, Libby Eble, Annie Bonk, and Ted Webb. Ed Clem advised that the 2005 year will end in the black. The I'On Association received three thousand dollars from the I'On Company due to building encroachment near Maybank Green. The I'On Association made two thousand dollars in interest from operating funds.

Ed Clem advised that regime fees were due by March 1, 2005. 125 homes were delinquent at the end of March 2005. To date only two are delinquent. Most budget accounts are on budget except for repairs due to the aging infrastructure in the community. The reserve fund is being funded based on recommendations from the Falcon Engineering Reserve Study completed in 2004. The 2006 budget is based on 682 homes. There is budgeting for the continuation of the neighborhood watch by off duty Mt. Pleasant police officers. Ed Clem advised that there will not be an increase in dues in 2006; however, the reserves will not be funded aggressively. Reserves will only be funded at half the amount as 2005. Ed Clem advised that a special assessment may be needed in 2006. Ed Clem introduced Ted Webb to speak about a transfer fee. Ted Webb explained that a transfer fee would be paid to the Homeowners Association by buyers on re-sales. These funds could be used to build a community center and/or build the reserve funds. The Board of Directors will be discussing this information over the next six months. Everett Wilcox advised that the Board of Directors has the right to implement a special assessment but to pass a transfer fee the Board of Directors needs a vote of the owners of the I'On Assembly.

Landscaping Committee
Alan Comen advised the landscaping has drastically improved over 2005 and improvements will continue in 2006. The erosion problems on the southeast bank of Eastlake was repaired and Lawn-O-Green is now working on the northeast bank of Eastlake. The Ponsbury Road and Sowell Road triangle and south canal landscaping was upgraded also upgraded in 2005.

Communication Committee
Carol Ann McLester advised that the directories will be delivered by Friday or Monday by the Borough Ambassadors. She thanked the Borough Ambassadors for delivering the welcome baskets. The quarterly Board of Directors newsletter was a new way this year for the Board of Directors to communicate to the homeowners and the newsletter will continue in 2006. Cynthia Rosengren advised that the I'On Club will continue to allow the I'On Trust, Biznet, and the I'On Assembly to rent the Creek Club on Wednesday throughout 2006. Dr. Alan Barberi advised that to reserve the Creek Club, owners need to fill out the form on the website. Jack Hamilton advised that there is a "advertise event" from on the website. Everett Wilcox thanked Carol Ann McLester for her hard work on the Board of Directors.

Governance Committee
Everett Wilcox advised that the Association does not police the community; however, they rely on homeowners to call in violations to AMCS.

Infrastructure Committee
Dave Rosengren reported that the following projects were completed in 2005. The west side of Westlake drainage was repaired by the I'On Company along with recent Westlake walking paths. Irrigation repairs on Frogmore and the soccer field were completed. The Boathouse and post houses have been painted. The lake maintenance was improved in 2005 by Estate Management. The Town of Mount Pleasant repaired the corner ruts along the community roads. Dave Rosengren advised that the street light inventory and repairs are still ongoing. Dave Rosengren advised that in 2006, the Association will install street lights in the darker areas in the community. He reported that wash out areas on the banks of Eastlake are currently being repaired. In 2006, power washing and painting of fences is planned throughout the common areas. Dave Rosengren advised that the handover process was finalized in 2005. Dave Rosengren advised that Amphitheater landscape lighting will be upgraded in 2006.

Traffic Committee
LeGrand Elebash advised that the Traffic Committee worked with the Town of Mount Pleasant and presented the Town with a parking plan. The Town of Mount Pleasant is working on implementing the plan. The Town of Mount Pleasant is to mark permissive parking and install general signage at the Town's expense. The Town is to begin work in about two to three months.

Board of Directors Election Results
The 2006 Board of Directors are: Alan Barbari, Ed Clem, George Flynn, Theresa Green, and Ted Webb.

I'On Trust Report
Anne Register advised that the Tour of Homes was held on Sunday, December 4. Eight hundred of the one thousand tickets were sold. Anne Register thanked everyone and encouraged people to join the I'On Trust. Anne Register advised owners they will receive letters in the mail to renew or join the I'On Trust and a list of planned 2006 events. On January 28, 2006 the Charleston Ballet Theater will be at the Creek Club. Everett Wilcox advised that on December 14, 2005 a meeting regarding Johnnie Dodds Boulevard will be held at City Hall at 6:00 PM and he encouraged all residents to attend.

2006 Meetings
Everett Wilcox advised that the Mid-Year meeting will tentatively be held on June 28, 2006 at 7:00 PM at the Creek Club and the Annual Meeting will tentatively be held on December 6, 2006 at 7:00 PM at the Creek Club.

Question and Answer
A homeowner advised that builders should also pay the transfer fee on new construction, not just re-sale's. Everett Wilcox advised that the Board of Directors is following the direction of other homeowners associations and that is the way the I'On Trust transfer fee is set up.

A homeowner suggested a flat fee to protect that of homes of higher price. Everett Wilcox advised the Board of Directors is reviewing this as an option.

Meeting Adjourned.

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Theresa Green, Secretary

I'On Assembly
Board of Directors Meeting Minutes
April 26, 2006

Members Present	Everett Wilcox, Ed Clem, George Flynn, Alan Barbari, Theresa Green, Alan Comen, and Ted Webb
Guests	Annie Bonk, Ed Ball, Dave Rosengren, Brent Hill, Chad Besenfelder, Hugh Wilder, and Andy Gowder
AMCS	Cheryl L. Wilson

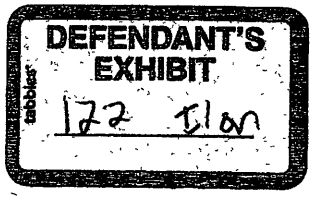
Everett Wilcox called the meeting to order.

Minutes
The corrections to March 22, 2006 minutes are as follows: Under I'On Company Update, first paragraph it reads, "The I'On Company will replace that phase six street signs and sidewalks in the summer of 2006." It should read, "The I'On Company will replace the phase six street signs and sidewalks in the summer of 2006." Under Communications Committee Report, third paragraph, it reads, "Theresa Green will contact AMCS to give them information need to cut the check." It should read, "Theresa Green will contact AMCS to give them the information needed to cut the check." Under Newsletter it reads, "Everett Wilcox advised that whoever takes the Civitas Award over they need to come up with a election process for the Civitas Award candidates." It should read, "Everett Wilcox advised that whoever takes the Civitas Award over needs to come up with a election process for the Civitas Award candidates." Under Traffic Committee Report, second paragraph it reads, "George Flynn advised that he has also sent a letter to Mac Burndette the Town of Mount Pleasant Administrator regarding the implementation of the parking plan." It should read, "George Flynn advised that he has also sent a letter to Mac Burnette, the Town of Mount Pleasant Administrator, regarding the implementation of the parking plan." Under Traffic Committee Report, fourth paragraph, it reads, "Chief Mims asked George Flynn if the Homeowners Association could pay some of this cost. George Flynn advised him that the Assembly are tax payers." It should read, "Chief Mims asked George Flynn if the Homeowners Association could pay some of this cost. George Flynn advised him that the Assembly are taxpayers." Also, correction to Joe Bustos name. In the minutes it is spelled Bostus it should be spelled Bustos.

Ed Clem made a motion to accept the March 22, 2006 minutes with the above corrections. Ted Webb seconded the motion. All in favor. Motion carried.

AMCS Report
AMCS reported the following account balances as of April 17, 2006.
Operating Account $100,114.92
Reserve Account $192,133.62
Operating Excess Escrow Account $200,000.00

AMCS stated that the Board of Directors meeting packet was sent out on April 21, 2006 to the entire Board of Directors giving them a chance to review the operating statement, twelve month trend, reserve statement, balance sheet, to do list from the March 22, 2006 Board of Directors



meeting, and the open and closed work orders. AMCS asked the Board of Directors if there were any questions regarding these reports. There were no questions from the Board of Directors. The violation report, collection report, and lien report will be discussed in executive session.

Neighbor Comment
Mr. Ball expressed his concern about the recent vandalism in the community. The Board of Directors will discuss this issue later in the meeting.

Everett Wilcox congratulated Alan Comen with his recent job in his participation at the April 22, 2006 Bike Race Event.

Audit versus Compilation
Brent Hill with Jackson Hill CPA introduced himself to the Board of Directors. He is the I'On Assembly's accountant. Brent Hill discussed the different reports that the Homeowners Association could do from an audit, which would be the most thorough, to a compilation. The cost for an audit is about $5,000.00 and a compilation is about $1,500.00. Everett Wilcox advised Brent Hill that the I'On Assembly was officially turned over to the homeowners from the developer as of January 1, 2006 and the Board of Directors want to make sure everything is in order; however, the Board of Directors are not suspicious of any wrong doing. Annie Bonk asked Brent Hill that if the Homeowners Association were to do a full blown audit would it only cover one year? Brent Hill advised yes unless something was uncovered during the audit which would require looking into previous years. Annie Bonk advised that the Homeowners Association previous property management company's signed all checks; however, AMCS requires that a Homeowners Association Board member and a AMCS representative sign each check therefore she feels that in previous years where there were less checks and balances there may have been more errors rather than in the past two years with AMCS. George Flynn suggested a review of 2005 records and a review of the ongoing procedures. Annie Bonk suggested that Brent Hill give the Homeowners Association his recommendations to possibly improve the current checks and balances that are in place. Brent Hill will review the items that the Board of Directors are requesting and he will contact Ed Clem when he has a proposal to present to the Board of Directors. Everett Wilcox advised that the report needs to be completed so the Board of Directors can report the information at the June 28th, mid-year meeting.

Tax Return
Brent Hill advised that a 1120 form has a lower tax rate than the 1120-H form. The 1120 form is riskier as you would need to provide more in-depth detail. The Board of Directors agreed to stay with the 1120-H form for the foreseeable future. The Board of Directors thanked Brent Hill for coming to the meeting.

Communications Committee
Theresa Green thanked the Board of Directors for the approval of the $100.00 for the Easter Egg Hunt. The I'On Assembly, I'On Trust and I'On Biznet are meeting including a representative from the churches on a monthly basis. Items they reviewed include problems that large events in the community have such as a parking plan. Theresa Green thanked AMCS for their help with

getting the Quarterly Board of Directors Meeting Newsletter to the printer and getting it mailed to the owners. Everett Wilcox reiterated that the I'On Assembly does not endorse the churches.

Security and Vandalism
AMCS advised that the Mount Pleasant Police Department is currently in place to patrol the community on a random schedule that was approved by the Board of Directors. The patrols began in early April. Everett Wilcox advised the Board of Directors that vandalism continues to increase, therefore, he suggests that the Board of Directors look into possibly starting daytime police patrols in the community and have an engineer look into re-designing the Boathouse to give kids less places to hide.

Everett Wilcox asked Theresa Green to speak to Cynthia Rosengren about setting up a separate place on the website where neighbors can post vandalism reports and suspicious behavior that occurs in the community. Chad Besenfelder suggests that the Board of Directors possibly look into installing security cameras similar to the ones that he had installed at the Creek Club. Everett Wilcox will have an engineer take a look at the Boathouse. Annie Bonk will speak to the Boathouse Committee about updating to a more intense police patrol schedule.

I'On Company Update
Chad Besenfelder gave the Board of Directors a brief update on phase nine. The phase is almost complete. The I'On Company is considering adding three small sitting parks. Chad Besenfelder advised that the May 4th auction is for twenty-one lots. Chad Besenfelder stated that the road behind the cemetery will not be put in and this has been platted as lot 9-2. A small playground, Georgetown Park, may be installed in phase seven. Chad Besenfelder reported that the I'On Company is looking to make improvements to the Hopetown playground. Ted Webb suggested that the I'On Company should ask the neighbors for their input. Chad Besenfelder reported that the street and stop signs in the construction phases will be replaced. Chad Besenfelder advised that he walked the entire marsh walk with Dave Rosengren to review the improvements that Tom Graham wants to make which would replace the wood retaining walls with rock. Everett Wilcox asked Chad Besenfelder what the status was on the Eastlake Road School. Chad Besenfelder advised that the school is on hold due to financial matters. Chad Besenfelder advised that the I'On Company is still trying to get the Graham's to approve the installation of bubblers in the canals. Chad Besenfelder advised that the I'On Company is working on the remaining land turnover with the I'On Assembly and will have an update next month. Chad Besenfelder reported that phase ten development will begin within the next two months and that the Evan's staging area will be minimized after clearing is completed. Everett Wilcox thanked Chad Besenfelder for his hard work.

Infrastructure Committee
Dave Rosengren advised, that the brick steps at the Boathouse have been repaired, that the fountain at Perseverance Park was running. There is one step light at Perseverance Park that is out that has been reported to Complete Property Maintenance. Dave Rosengren discussed with the Board of Directors the encroachment issue with lots 5-179, 5-180, 5-181, and lot 5-182 on the Lafayette Canal. He asked to table this topic as he believes this canal was deeded back to the I'On Company, which would not make this an issue for the I'On Assembly.

Finance Committee
Ed Clem reported that everything is right on target and the budget is approximately $10,000.00 under budget. Ed Clem advised that the Finance Committee has been looking into money markets and reserve fund commitments for long term lattering CD's. Everett Wilcox gave the Finance Committee approval to move funds as they see fit for the best interest of the I'On Assembly. The Finance Committee will update the Board of Directors of their progress at the next Board of Directors meeting.

Traffic Committee
George Flynn advised that he has been calling Brad Morrison and Chief Mims to discuss the implementation of the parking plan. Brad Morrison advised that the funds are not available to implement the parking plan. Chief Mims has not returned any of George Flynn's phone calls. George Flynn had been calling Brad Morrison and after a few weeks Brad Morrison called back and he agreed to attend this evening's Board of Directors meeting; however, he was not present.

Landscaping Committee
Alan Comen advised that the Landscaping Committee is experiencing a few difficulties with Lawn-O-Green. They have set up a meeting with Lawn-O-Green to review these items and he will report back at the next Board of Directors meeting.

Meeting Adjourned into Executive Session.
Next meeting is May 24, 2006 at 5:00 P.M.

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Theresa Green, Secretary

I'On Assembly
Preliminary Board of Trustees Meeting Minutes
February 28, 2007

Members Present	Dr. Alan Barbari, Ed Clem, Theresa Green, Ward Mundy, Ted Webb, and Everett Wilcox
Members Absent	George Flynn
Guests	Dave Rosengren, Libby Eble, Chad Besenfelder, Vince Graham, LeGrand Elebash, Barbara Fry, and several other residents.
AMCS	Cheryl L. Wilson

Everett Wilcox called the meeting to order.

Minutes

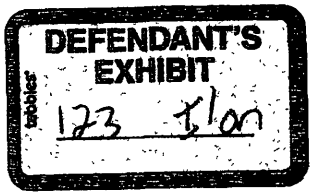
Ed Clem made a motion to accept the January 24, 2007 Board of Trustees meeting minutes as presented. Alan Barbari seconded the motion. All in favor. Motion carried.

AMCS Report
AMCS reported the following account balances as of February 19, 2007:
Operating Account $257,573.42
Fidelity Investment Account $263,826.76 (Capital Reserve)
Operating Funds in Reserves $30,000.00

AMCS stated that the Board of Trustees meeting packet was sent out on February 28, 2007 to the Board of Trustees giving them a chance to review the operating statement, twelve month trend, balance sheet, open and closed work orders. AMCS asked the Board of Trustees if there were any questions regarding these reports. There were no questions from the Board of Trustees. The violation report, collection report, and lien report were discussed in executive session.

I'On Company
Everett Wilcox thanked Vince Graham, LeGrand Elebash, and Chad Besenfelder for attending the meeting on behalf of the I'On Company. Mr. Wilcox reminded them of the three pressing issues the Board of Trustees are working on, which are to establish the storm clean-up fund, the lack of a community center and working out the details of the parking plan. Mr. Wilcox advised that the I'On Assembly cannot solve these issues alone and the Board of Trustees are looking to the I'On Company for their help in getting these matters resolved. Mr. Graham agreed that the I'On Company and the I'On Assembly should work productively together and addressed each of the items. He advised that he did not understand the need for having a large amount of money put aside in a interest bearing account to save for when a storm hit. However, if this is something the I'On Assembly wanted then the I'On Company would not stand in their way. Ed Clem advised that the Board of Trustees were convinced that it was their fiduciary responsibility to be adequately funded in case of a storm that some states are requiring boards to establish such funds.

Alan Barbari told Mr. Graham that the Board of Trustees has devoted countless hours of research regarding whether or not there was a need for a storm clean up fund and the Board of Trustees have reports that back the need for the funds. He asked Mr. Graham to advise if the I'On Company will



get on board with the idea of the need for a storm clean-up fund. Mr. Graham advised that he will review the matter and let the Board of Trustees know.

Alan Barbari reported that he met with Dave Rosengren and Jody Swanigan with the East Cooper Montessori Charter School regarding the I'On Assembly using the new school as a meeting place. He felt that due to the number of organizations within the school system requesting spaces for their meetings that the East Cooper Montessori Charter School would not be able to meet the I'On Assembly's needs. Mr. Graham offered that the I'On Assembly could do as the school and churches have done in the community and do a fundraiser.

Ward Mundy asked if the I'On Company would be willing to sell the Creek Club to the I'On Assembly and Mr. Graham advised maybe. Alan Barbieri asked the I'On Company what their thoughts were on the parking plan. Mr. Graham was asked if there were any other places in Mount Pleasant having to deal with the same parking issues as I'On. Mr. Graham advised no, that the Town of Mount Pleasant has singled I'On out. Mr. Wilcox reminded Mr. Graham that the Town of Mount Pleasant wrote a letter in 1997 to the I'On Company advising that there would not be any parking permitted on seventeen foot streets unless other conditions were provided. Mr. Wilcox advised that it is the Board of Trustees' responsibly to uphold the fire department concerns on the safety issues. Mr. Graham said that the I'On Company and I'On Assembly need to work together in a positive manner to get the parking plan matter resolved with the Town of Mount Pleasant. Mr. Mundy reminded the I'On Company that the Town of Mount Pleasant is ready to start marking streets. Mr. Wilcox advised that he has met with Tony Woody with Thomas and Hutton Engineering and they submitted a proposal for $21,600.00 to look at the parking plan and help find solutions to no parking on the seventeen-foot streets. Mr. Mundy pointed out that the parking plan approved by the Town of Mount Pleasant does not permit parking on seventeen-foot streets; however, they missed Sanibel Street, which is a seventeen-foot street, and according to the parking plan, parking is permitted. Mr. Wilcox asked for a commitment from the I'On Company to solve the problems with the parking plan by providing room for emergency vehicles but also allowing parking in the front of the owner's homes. Mr. Barbieri asked the I'On Company how much time they needed to discuss these requests and come back to the Board of Trustees with a response. Mr. Graham advised he could have something in two weeks. Mr. Wilcox stated that the Board of Trustee meeting would be adjourned and reconvened on March 14, 2007 at 5:00 PM, later changed to March 15, 2007 at 7:00 PM, to discuss the planned development amendment and the parking plan. Mr. Wilcox also asked Mr. Graham if he could have a definite answer on the transfer fee whether the I'On Company would support the need for a by the March 15, 2007 meeting. Vince advised he would.

Planned Development Amendment

Vince Graham advised that the current planned development amendment called for 762 lots and the proposed planned development amendment would bring the total homes in I'On to 800. Mr. Graham advised that the plan would not only add 38 lots but also remove some current commercial lots. The amendment also calls for an increase in the commercial square footage from 30,000 to 36,000 square feet. The details of the planned development amendment were as follows:

Proposed Change: Increase the total permitted home sites in the neighborhood by 5% from 762 to 800. Decrease the number of commercial lots in the neighborhood by two from 11 to 9. Increase

the allowable commercial square footage in the neighborhood by 6,000 square feet from 30,000 square feet to 36,000 square feet. This latter change will enable the construction of a commercial building on CM-7 at a scale similar to those structures now fronting the I'On Square.

Increasing the total number of home sites in the neighborhood from 762 to 800 would include the following:

- Increasing the number of home sites previously contemplated for Phase 11 by 16 home sites form 22 to 38 home sites. This will make Phase 11 lot density consistent with existing phases of built-out parts of the neighborhood such as Phase 5 Rialto Road, Phase 6 Sanibel Street, and Phase 8 Ionsborough Street.
- Converting CM-12 at the intersection of N. Shelmore Boulevard and Montrose Road to a residential home site.
- Converting CM-9 and Lot 137 at the intersection of Ponsbury Road and Sowell Street into three residential home sites.
- Converting CV-10 into three residential home sites.

If approved by Mount Pleasant Town Council, The I'On Company, will make a donation of $60,000 for each of the 38 additional lots. This equates to a total donate of $2,280,000, and will be disbursed on or before the Phase 11 development loan closing, anticipated to take place within 180 days of planned development amendment approval by the Town of Mount Pleasant. The donation would be split as follows:

- 25% ($570,000) to the I'On Assembly, Inc.
- 25% ($570,000) to the I'On Trust
- 25% ($570,000) split evenly among community church organizations
- 25% ($570,000) to the East Cooper Montessori Charter School

Donation Conditions:

- Before moving forward with an application, there must be unanimous approval of the Board of Trustees of the I'On Assembly for this initiative.
- The I'On Assembly Board of Trustees must agree to be a co-applicant with the I'On Trust, churches, and the East Cooper Montessori Charter School on the application for amendment.
- A representative from the I'On Assembly Board of Trustees must be prepared to assist with the presentation for the amendment at the Mount Pleasant Planning Commission and the Mount Pleasant Town Council meetings. Other presenters are anticipated to include the Very Reverend John Burwell of the Church of the Holy Cross, Father Jay Parker of the Church of the Holy Ascension, the I'On Trust, and Jody Swanigan of the East Cooper Montessori Charter School. The I'On Company will prepare all the documentation and provide logistical and financial support for the application.
- The monies donated to the I'On Assembly shall not be used to reduce dues, but shall go toward public art, capital reserve accounts, a meeting facility, or other endeavors, which contribute, to the long-term beauty and/or financial health of the neighborhood. A plan for the handling of these monies must be submitted by the I'On Assembly for the approval of the I'On Company.

Mr. Wilcox advised he does not want to see the current parking situation worsened by adding the additional home lots. He strongly suggested that each of the homes have approved on the lot parking for two vehicles. LeGrand Elebash advised that the lots will be front loaded meaning that each lot will have a driveway. Mr. Graham advised that the I'On Company will not move forward

with this plan until they had full board approval from the I'On Assembly. Mr. Wilcox advised that the Board of Trustees would need to review the planned development amendment and get back to the I'On Company.

Muirhead Entrance
Mr. Wilcox advised the I'On Company that the Board of Trustees would like to re-open the discussion of having an additional entrance from I'On to Muirhead Road. Mr. Graham suggested that the I'On Assembly should head up this project. Mr. Wilcox agreed that this would be something the I'On Assembly could take the lead on.

I'On Company Update-Chad Besenfelder
Chad Besenfelder reported to the Board of Trustees on the following items:

- The I'On Company will repair the retaining wall damaged on Sanibel Street near Lot 5-83 as it appears to have been struck by a delivery truck.
- The I'On Company will repair the wood retaining wall near lot 6-2 and the access lane island near 6-29. Repairs will be made after surrounding construction is complete.
- AB Evans is finishing the staging area cleanup and dress up on the McDaniel Lane access lane including drain screen replacements and street sweeping.
- The I'On Company owned lots are being cleaned, including lot 6-25 and the fence installation and grading.
- The I'On Company has hired crews to walk the marsh walk paths to pick up trash in phase 7 and 9.
- The I'On Company is currently working on the property deeds and use agreements for the I'On Assembly including the Amphitheater, I'On Square, and boat docks.

The I'On Company will begin the following item in the next 30 days:
- Phase 9 park construction
- Cemetery and Georgetown Road park enhancements
- Reduce steep grade of the phase 6 walking path
- Phase 6 and 7 curb and sidewalk repairs
- Install pavers at the rollover curb at the fountain park in phase 6
- Storm drain repairs and cleanouts in phase 7
- Complete list of information for I'On Assembly turnover from last year
- Assist the I'On Assembly with the parking plan
- Improve accountability with Guild Members and increase site inspections

Infrastructure Committee-Dave Rosengren
Dave Rosengren advised that he is working with Wes Haynes on repairing sidewalks and curbs in the community. AMCS will be setting up an appointment with the Town of Mount Pleasant to review the repairs that are needed. Mr. Wilcox advised that there is broken curbing at the end of Isle of Hope Road and that the wood bench in the center island needs to be repaired. AMCS will issue a work order for the needed repairs on the wood benches. Mr. Wilcox also advised that the mailboxes on Isle of Hope Road had been repaired. Mr. Barbieri suggested putting the drawings of the community turned over by the I'On Company on CD-ROM. The Board of Trustees agreed that Mr. Rosengren can look into transferring the plans from paper to CD-ROM. Mr. Rosengren

advised that Chad Besenfelder with the I'On Company had cleaned out the storage shed at the Scramble. The Board of Trustees agreed to meet with Mr. Rosengren to review the site and see about turning it into a useable space. Mr. Rosengren will schedule a meeting with the Board of Trustees.

Dura-Therm
AMCS asked where the costs for the dura-therm crosswalks, that are to be installed as speed break options, are to be paid. Ed Clem advised that the check should be paid from the operating account. The Board of Trustees agreed that the locations of the crosswalks needed to be specific. The crosswalks are to be installed at the following locations:

- Intersection of Sowell Street and Eastlake Road with the crosswalk on the south side of Eastlake Road.
- Intersection of Sowell Street and Ponsbury Road with the crosswalk on the east side of the Sowell Street.
- Intersection of Sowell Street and N. Shelmore Blvd. with the crosswalk the on the south side of N. Shelmore Blvd.

Landscape Committee-Alan Barbieri
The Board of Trustees reviewed the Landscape Committee report prepared by Alan Barbieri. The Board of Trustees discussed Ed Pinckney's proposal of $14,681.00 to design the three entrances to I'On, which are Lowcountry Boulevard, North Shelmore Boulevard, and Eastlake Road. The Board of Trustees agreed to put the project out to bid. The Board of Trustees advised AMCS to obtain three bids for the design enhancement of the three entrances. AMCS will forward the request for proposal to two contractors, which the names will be sent to AMCS from the Board of Trustees. The landscape architects are to have free rein of their design plans so we will have alternatives to consider. The Board of Trustees asked AMCS to obtain two more bids on installing sixteen landscaping lights to up light the palm trees on Maybank Green. The bids will be compared to Lawn-O-Green's bid of $265 per light fixture.

The Board of Trustees agreed to have AMCS send a standard dog reminder letter to those owners that need to be reminded of proper pet owner etiquette.

Mr. Barbieri advised that the East Cooper Montessori Charter School would be repairing the soccer goal as the physical education teacher uses it on a regular basis.

Mr. Barbieri suggested that the Board of Trustees have AMCS contact Michael Murphy to obtain a proposal on how to proceed on treating the trees that were identified as in trouble by Steve Walker with Lawn-O-Green. The Board of Trustees agreed and advised AMCS to proceed with contacting Mr. Murphy for a proposal.

Avant Garden
The Board of Trustees agreed to permit the park at the southwest corner of Eastlake to be named Avant Garden.

Parking Committee-Everett Wilcox
The Board of Trustees reviewed the Parking Committee report prepared by Mr. Wilcox. He reported that he and George Flynn met with Brad Morrison with the Town of Mount Pleasant last

week and they spent a pleasant, cooperative hour together. Brad Morrison made it clear that he wants to work with the I'On Assembly wherever possible. They told him that the I'On Assembly had talked with Tony Woody with Thomas & Hutton about getting some engineering advice about alternatives to the communities parking situation such as how to get more parking spaces while meeting the town's requirements. Even though Brad Morrison still has several sections to complete in his evaluation/planning, he is ready to get started with the street painting whenever the Board of Trustees can get the neighborhood responses back to him. He also has to look into appropriate signage for the neighborhood. They also discussed the town going ahead and painting a 'test' section so that the residents would have a better idea what would be involved with the implementation of the parking plan. Mr. Wilcox advised that Brad Morrison shared with him a copy of a letter sent by the Mount Pleasant Fire Department to Vince Graham in 1997, in which the then chief spelled out in detail the no parking requirements for I'On. Brad Morrison said that the usual practice was for the town to approve a PUD based on incorporating all town department requirements, but did not know if this practice was followed in I'On. Mr. Wilcox advised that he had received the formal proposal from Thomas & Hutton and they are proposing $21,600.00. The Board of Trustees will discuss this matter further at their March 15, 2007 meeting with the I'On Company.

Finance Committee-Ed Clem

The Board of Trustees reviewed the Finance Committee report prepared by Ed Clem. Ed Clem advised that as of as of February 15, 2007, the association had received over $375,000 in regime fees leaving $150,000 as still outstanding which represents 200 residents who have not paid their fees. He advised that under the I'On Assembly's collection policy, these accounts would be delinquent if not paid by the February 28, 2007 deadline and will start accruing late fees and penalties. Ed Clem advised that at the end of January, the association moved $225,000 from their Wachovia checking account to a money market fund with Fidelity, which is paying 5.03% interest versus less than 2% it was earning at Wachovia. The associations Fidelity account now totals $489,000, $255,000 of which is operating funds and it includes the $30,000 carried over from 2006 and $234,000 in the Capital Reserve account. All of the associations Capital Reserve money is invested in U.S. Treasury Bills, as will be with this year's contributions to that account. During January, the association had expenses of $35,689.22 versus a budget of $36,274.16; in spite of the fact, the association prepaid all the insurance costs for 2007. Nearly all the individual accounts were either at or below budget for the month. Office expenses-offsite (that is expenses not incurred at the AMCS office) was unfavorable by a little over $400 due to the proxy mailing the Board of Trustees sent out, which cost $1024. Some individual zone irrigation bills and electric bills were higher than budget, and the Finance Committee is working with the Landscape Committee to try to learn the causes. Power washing was also unfavorable by almost $900, relating to the board's decision to have the stained sidewalks along Eastlake Road cleaned at a cost of about $1500 which also caused excess water usage for the zone in that area.

Communications Committee-Theresa Green

The Board of Trustees reviewed the Communications Committee report prepared by Theresa Green. The committee's monthly meeting was held on February 21, 2007 and seven representatives from each of the many I'On groups attended. The committee reviewed the strategic planning goals for the benefit of the new members on the Communication Team. The importance of having a master calendar was discussed and a link has been added to the website so that every group trying to plan

an event will be able to look at the Charleston Convention and Visitors' Bureau Calendar. Updates were given on the need to survey residents and gather information that all of the groups will be able to use. The committee wants to get input from I'On residents to plan activities that meet their needs and find out what is of interest to them. The I'On volunteer database project was discussed in length at the meeting. A plan was presented to the group and it looked as though the committee will be able to use resources and talent available in I'On to make this project a reality. Collaboration between Len Hanson, Ward Mundy and Cynthia Rosengren was discussed. The need to get more of our younger families involved was also discussed. There is an effort on the part of each organization to reach out and invite more of these residents to participate. The committee is looking at events such as Halloween in the Hood, Easter Egg Hunt, etc... that continue to draw younger households as well as organizing new events to attract more interest. There was some discussion about mentoring younger residents to assume future leadership roles and organizing babysitting for the annual I'On Assembly meetings and future I'On Trust events. A meeting is scheduled for March 7, 2007 with the Ambassadors to increase their responsibilities. The committee is looking to this group to plan block picnics/gatherings, visiting new residents after they have moved in to answer any questions, lend support or share neighborhood resources. The committee is also attempting to recruit new people to be mentored by the present ambassadors. The I'On Club representatives gave an update of the upcoming events, as well as, the childcare service that they provide once a month to I'On residents. The committee hopes to expand these services to encourage more residents to participate in the many planned events. I'On Biznet is looking for future projects to sponsor that would be of interest to all I'On residents. They will supply financial support for these events. Upcoming Biznet events, programs and activities were discussed. The Bike race is scheduled for April 21, 2007. They advised that the Market might not return due to poor attendance however, they are looking for a coordinator. The I'On Trust has numerous events planned. The jazz event has only 3 tickets remaining out of 160. A yearlong calendar of events was handed out at the meeting

I'On Design Committee Liaison Committee-Ted Webb

The Board of Trustees reviewed the I'On Design Committee Liaison Committee report prepared by Ted Webb. Ted Webb advised that the original purpose of this committee was to introduce the I'On Assembly to the interworkings of the I'On Design Committee, as it appeared initially that within a few years the Assembly would take over that function when the community was completed. Clearly the completion has been pushed out, yet the experience gained so far has helped to clarify how the Assembly can best interact with the I'On Design Committee. When the I'On Design Committee makes a final inspection of a new home, and assuming all conditions have been met, the I'On Design Committee has no more authority and it shifts to the Assembly. The I'On Design Committee still reviews all changes to or additions to existing structures. The Assembly then takes on the role of enforcer should there be complaints. Now that a committee has been formed to take on the role of arbiter with the addition of Lou Dardozzi, we are closer to refining the mechanisms by which complaints, etc. are handled. In fact, Lou had, several years ago, produced a procedure memo to codify how complaints are handled, and the appeal process.

The Board of Trustees asked AMCS to contact the Town of Mount Pleasant and inquire about any procedure for regulating basketball goals in town streets. Alan Barbieri will contact Chad Besenfelder to inquire if the soccer field was deeded open space. Mr. Wilcox asked Mr. Webb to work closely with the I'On Design Committee on making sure all plans are approved with two off

street parking spaces. Ted Webb will get a written agreement from the I'On Design Committee that two off street parking spaces must be planned for each lot.

East Cooper Montessori Charter School
Alan Barbieri advised that he met with Jody Swanigan and Dave Rosengren. The items discussed were the cross use of amenities and the availability. Jody Swanigan advised that East Cooper Montessori Charter School is using the playground and/or soccer field on the following schedule:

- Monday-Friday 12:00-1:00PM at both the soccer field and the Scramble with three classes at the soccer field and two classes at the Scramble.
- Monday-Friday 4:30-5:30 PM at the soccer field or Scramble with less than twenty children.

Alan Barbieri advised that the East Cooper Montessori Charter School could not list the I'On Assembly as an additional insured due to the East Cooper Montessori Charter School insurance policy. Ed Clem reminded the Board of Trustees that the I'On Assembly could not charge the East Cooper Montessori Charter School for use of the common areas because it will null and void the I'On Assembly insurance coverage. The Board of Trustees asked AMCS to contact Patrick Smith with Nationwide to confirm whether the I'On Assembly can seek reimbursement from the East Cooper Montessori Charter School for wear and tear on the common areas.

Development of TMS#5350600237
The Board of Trustees reviewed the request form I'On Realty asking that the Board of Trustees put in writing that the I'On Assembly would never build on the lot to the left of lot #285. The Board of Trustees advised AMCS to inform the I'On Realty office that they would not address this question at this time as they felt they could not foresee what future boards might consider.

Work Site Conditions
The Board of Trustees instructed AMCS to begin sending violation letters to the lot owners who do not keep their construction lots clean. Alan Barbieri will advise Chad Besenfelder of their decision.

Ed Clem made a motion to ask Dave Rosengren to join the Board of Trustees to fill the vacancy created by George Flynn's resignation. Alan Barbieri seconded the motion. All in favor. Motion carried.

Meeting Adjourned into Executive Session, to be reconvened on March 15, 2007.
Next meeting is March 22, 2007 at 5:00 PM at the I'On Company Upstairs Conference Room.

Theresa Green, Secretary

I'On Assembly
Board of Trustees Meeting Minutes
April 25, 2007

Members Present	Dr. Alan Barbieri, Ed Clem, Dwain Ray, Ward Mundy, Ted Webb, and Theresa Green
Members Absent	Everett Wilcox
Guests	Bob Hervey, Libby Eble, Chad Besenfelder, Cynthia Rosengren, Lou Dardozzi, Richard Lennon, John Farrish, Jo Clem
AMCS	Cheryl L. Wilson

Ed Clem called the meeting to order.

Ed Clem introduced himself as acting Board of Trustee's president of the month. Mr. Clem reiterated to those in attendance that the floor would be opened to owners for questions and comments during the neighborhood comments section of the agenda, after such time the floor will be closed.

Minutes

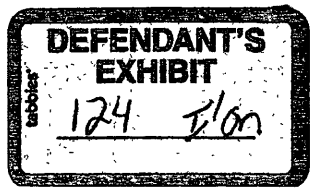
Alan Barbieri made a motion to accept the February 28, 2007 Board of Trustees meeting minutes as presented. Ted Webb seconded the motion. All in favor. Motion carried.

Ted Webb made a motion to accept the March 22, 2007 Board of Trustees meeting minutes as presented. Theresa Green seconded the motion. All in favor. Motion carried.

I'On Company Update- Chad Besenfelder

Chad Besenfelder advised that the Town of Mount Pleasant would not permit parking on seventeen-foot streets. He also stated that the parking plan implementation has begun. The I'On Company is working with the Mount Pleasant Fire Department and the Town of Mount Pleasant to make changes to the current parking plan to permit additional parking then initially planned. The I'On Company did not discuss purchasing an additional truck for the Mount Pleasant Fire Department as they already have a truck, engine three, that is capable of navigating the streets in I'On. The I'On Company is doing everything in their power to get parking on the streets and are currently working to modify curbs and sidewalks.

The I'On Company is working on a proposal on having a community center. Mr. Besenfelder gave the Board of Directors several options that the I'On Company is working on for a solution to the lack of a community center for the association. Option one would be for the I'On Assembly to purchase the Creek Club from the I'On Company for roughly $1.5 million. He advised that the association would spend about $3,000.00 a month for the loan and the maintenance needed to operate the Creek Club. The sale of the Creek Club would include the building, boat dock, ramp, parking lot, and over flow parking lot. As option two, Mr. Besenfelder suggested that the association build a meetinghouse type structure on the small parcel near the over flow Creek Club parking lot. He thought that the I'On Assembly could build a 1,500 square foot building for $100,000.00. He estimated that the I'On Assembly would pay $70,000.00 for a loan plus maintenance for this size building. Option three he suggested having the I'On Assembly increase



the number of weekly rentals at the Creek Club. He estimated that for 2008, the I'On Assembly would pay $51,000.00 for the year. He advised that the rental rate would increase each year. Option four would be to inquire about re-zone the Creek Club overflow parking lot to build a community center. As Chairman of the Infrastructure Committee Dwain Ray will look into these options further. Dwain Ray asked Mr. Besenfelder if the lot between 245 and 285 on N. Shelmore Blvd across from the Creek Club over flow parking lot could be used as a lot to build a community center. Mr. Besenfelder thought that the lot was a buffer area and the I'On Company had to write the Town of Mount Pleasant advising that they would not build on this lot. Alan Barbieri asked if there is any similar agreement for the soccer field. Mr. Besenfelder advised that he was not aware of any such agreement; however, SCE&G does have a twenty-foot easement along the east side of the soccer field.

Ward Mundy advised Mr. Besenfelder that he spoke to the Town of Mount Pleasant about the back entrance. The Town of Mount Pleasant advised that the only reason the they closed the back entrance was because they received complaints that there was a concrete business being run out of there. Mr. Besenfelder advised that if the I'On Assembly wanted to pursue opening the entrance, that is fine, but the I'On Company would not pursue it at this time.

Chad Besenfelder advised that he met with Carolina Landscape to resolve the drainage issue on Westlake. He suggested that the run off water from the homes on Westlake be piped under the common area walkway and lawn area and drain through a pipe in the bulkhead. The Board of Directors agreed that this was an acceptable resolution to the drainage issue. Chad Besenfelder will speak to the builders in this area and have them make the needed changes.

Chad Besenfelder asked if was able to attend the proposed development amendment meeting to present the proposed plan. The Board of Trustees advised that they would let him know after they discussed the matter further.

Neighborhood Comments
John Farrish thanked the Board of Trustees for all their work in making the community a great place to live. He wanted to let the Board of Trustees know that he is in favor of the proposed development amendment and asked that the Board of Trustees vote in favor of the proposed changes.

Planned Development Amendment
Ed Clem advised that a meeting will be held on May 9, 2007 at 7:00 PM at the Creek Club for owners to voice their concerns regarding this topic. The Board of Trustees encourages all owners to attend. If they are not able to attend, owners are asked to send their written comments to the Board of Trustees. Dwain Ray advised that the churches and schools should be invited as they are civic property owners in the community. He also suggested that the I'On Company should be invited to attend so they can present their proposal. He suggested that everyone be limited to two minutes; however, the developer should have an unlimited amount of time to speak. Ward Mundy suggested that the developer should also be limited to two minutes. Dwain Ray advised that he does not think that anyone else can answer questions better than the I'On Company can. Ward Mundy advised that this meeting was being called for the Board of Trustees to hear from the community owners, the Board of Trustees have already heard from the I'On Company. Alan Barbieri noted that the

I'On Company has presented this plan at previous meetings and the information has been posted on the website. Theresa Green suggested giving the I'On Company ten minutes to run through a quick presentation. Ed Clem advised that he spoke to Everett Wilcox about the meeting and he was in favor of having the developer present; however, some owners may not be comfortable with expressing their concerns in the presence of the developer.

Alan Barbieri made a motion to limit the I'On Company's presentation to ten minutes, and the church's, school's and lot owners comments to two minutes. Dwain Ray seconded the motion. All in favor. Motion carried.

Transfer Fee

Alan Barbieri advised that the neighborhood will be an expensive place to maintain and rather than trying to do so by raising annual dues that the Board of Trustees should make another attempt to pass the transfer fee. He would like the Board of Trustees to let the community know that the developer holds the key to passing the transfer fee based on the number of lots the I'On Company still owns. Ed Clem reiterated that the I'On Assembly needs seventy-five percent favorable votes to amend the governing documents. Ed Clem asked Alan Barbieri how the Board of Trustees should market the transfer fee. Alan Barbieri thought that the Board of Trustees were naive in thinking everyone would understand the need for the transfer fee. He suggested that the Board of Trustees needs to let the owners know that the I'On Company holds 129 votes. Ward Mundy advised that eventually, a special assessment would need to be implemented.

Alan Barbieri made a motion to have the Board of Trustees begin working on the transfer fee presentation for the annual meeting. Dwain Ray seconded the motion. All in favor. Motion carried.

AMCS Report

AMCS reported the following account balances as of April 20, 2007:
Operating Account $41,301.09
Fidelity Investment Account $610,291.22
Capital Reserve Funds $337,059.45
Operating Funds in Reserves $273,231.77

AMCS stated that the Board of Trustees meeting packet was sent out on April 20, 2007 to the Board of Trustees giving them a chance to review the operating statement, twelve month trend, balance sheet, open and closed work orders. AMCS asked the Board of Trustees if there were any questions regarding these reports. There were no questions from the Board of Trustees. The violation report, collection report, and lien report were discussed in executive session.

Landscape Committee Report-Alan Barbieri

The Board of Trustees reviewed the Landscape Committee report prepared by Alan Barbieri. He advised that the Landscape Committee meeting would be held April 26, 2007 at 7 PM in the upstairs conference room of the I'On Company building. The meeting has been advertised broadly throughout the community. The committee will need to set a mission and survey the community for issues and concerns.

AMCS had received the revised bid from After Dark Lighting for installing lights on Maybank Green with extra piping around the wires closest to the light fixtures. They advised that the price remained the same as the original estimate. The installation of the lighting had been scheduled.

AMCS scheduled the meeting with Michael Murphy to evaluate the common areas trees on March 20, 2007 at 8 AM. Two Landscape Committee members will escort Mr. Murphy around the community. A report will be sent to the Landscape Committee and the Board of Trustees once it has been completed. Alan Barbieri advised that the committee would work to have the dead common area trees removed but will hold off on other tree issues until a consensus is reached by the committee on how to proceed and a budget has been established.

AMCS has called both Andrew Smith and Sheila Wertimer, the Landscape Architects recommended by the Board of Trustees, on several occasions and left messages. Alan Barbieri advised that as a point of interest Ms. Wertimer was the designer of Perseverance and Patience Park where she used plant materials not suited for this area. He questioned why the I'On Assembly would want her input. AMCS spoke to Ms. Wertimer some time ago and she was going to send her hourly rate before she starts on a design for the front entrances however, this information had not been received. AMCS left her another message before the meeting and was told that she will return the call when she returned to town on the following Monday. AMCS has never heard back from Mr. Smith. AMCS will send Ms. Wertimer and Mr. Smith a formal letter advising that the I'On Assembly is interested in working with them.

Infrastructure Committee Report-Dwain Ray

The Board of Trustees reviewed the Infrastructure Committee report prepared by Dwain Ray. Mr. Ray wanted to thank Dave Rosengren who, after three years of tireless service and many benefits to the community, has resigned from management of the Infrastructure Committee. He will be greatly missed. He is helping Mr. Ray to make as smooth a transition as possible.

Mr. Ray advised as to what the Infrastructure Committee oversees. They are:

- Maintenance of the Boathouse, Eastlake post house, Rialto post house, Scramble post house and storage house, Amphitheatre structure, bridges over Jefferson and Lafayette canals, Ramble fence, Scramble fence and the Hopetown Road playground fence. Maintenance to be done includes power wash, paint, repair, lights, etc.
- Lake maintenance that includes Eastlake, Westlake, Hospitality Street settling pond and the Saturday Road settling pond. The current contract is with Estate Management.
- Walking path refurbishment and repairs that include the Westlake paths, Eastlake paths, Maybank paths, marsh walk path system etc.
- Playground equipment maintenance that includes the soccer field, Scramble, Ramble, Hopetown play area.
- Curb and sidewalk repair.
- Interaction with street lighting company.
- Co-ordination of handover procedures with the I'On Company and the Board of Directors on various phases.

Mr. Ray advised as to what the Infrastructure Committee does not oversee anything involved with the Landscape Committee such as irrigation, lighting, etc.

Mr. Ray advised that AMCS has already issued the work orders on various power washing and painting projects on a range of structures in need of attention.

Mr. Ray noted that the lake conditions appear to have improved with chemicals, carp, etc. Mr. Ray reported that Lawn-O-Green has been physically removing floating weeds and trash in both lakes and that such action will be increased if the vegetation builds up in hot weather. The Infrastructure Committee will scrutinize the effectiveness of the small electric pumps the I'On Company has installed under the two wooden canal bridges and that increased attention will be given to eliminating the build-up of vegetation in the canals that the association has experienced in the past. Ed Clem reminded Mr. Ray that the I'On Company still owns the canals and that the formal turnover of this property to the I'On Assembly has not taken place.

Mr. Ray reported that Wes Haines has reviewed sidewalk and street maintenance problems in I'On and a report with a plan of action will follow in due course. AMCS advised that once the list is completed the committee should forward it to AMCS as they have already discussed the needed repairs with the Town of Mount Pleasant and they will make those repairs as long as they have a list to work from.

Mr. Ray advised that Dave Rosengren is willing to see ongoing complicated street lighting matters to conclusion.

Finance Committee Report-Ed Clem
The Board of Trustees reviewed the Finance Committee report prepared by Ed Clem. Mr. Clem advised that the I'On Assembly has completed the first quarter of the year with expenditures of $103,513.77 versus a budgeted expenditure of $108,471.45 for a favorable variance of about $5000. The associations monthly expenditures for the next several months, however, will be higher as the association will incur higher expenses for irrigation, landscaping and with the implementation of security patrols utilizing off duty Mount Pleasant police officers. Nearly all the associations' individual accounts are within budget except for repair contracts where we have already spent $6000 of our yearly budget of $10,000, so the Finance Committee will have to watch expenditures in this area closely, or "borrow" from other accounts as the association encounters repairs that must be done this year.

On the revenue side, the association has collected $482,706.56 versus a budget of $526,500, so here the association is unfavorable by almost $44,000. Some additional $4000 has come in during the first two weeks of April, but there are about fifty residents who have not paid their regime fees of $750. The associations collection policy calls for the Board of Trustees to start placing liens on these unpaid bills if they remain unpaid by the end of April, the association is in the process of sending the list of delinquent accounts to our attorney to start the legal process of placing liens, and recovering the money owed the association plus interest and legal fees. The association must have these funds to meet the budget approved for this year.

The Finance Committee has transferred funds from the operating account to satisfy the $94,027 budgeted amount to be applied to our capital reserve account this year, so that account is now current. Additionally, another rebate from South Carolina Gas and Electric in the amount of $7865,

has been applied to the capital reserve account. This refund is due to the excellent work of Dave Rosengren and Libby Eble, who discovered in the course of their negotiations with the utility, that the association was paying for electric lights the I'On Company replaced several years ago due to high maintenance costs. The I'On Company chose to finance this purchase via the utility, rather than pay for it, and this cost, entitled "Special Facilities Fee" has been a monthly expense to the association. The utility discovered they had been charging too high a monthly fee, so refunded the association the overpayment. Once again, the I'On Assembly is indebted to these two individuals for the efforts they have taken in this matter on our behalf.

Maybank Green Paths
Ward Mundy advised that the concrete path on Maybank Green that was installed and paid for by George Flynn looked wonderful and he suggested that the entire path be done the same way. The Board of Trustees agreed not to concrete the entire path.

Sound System

Ward Mundy made a motion to approve $1,400.00 for a sound system for the I'On Assembly open meetings. Alan Barbieri seconded the motion. All in favor. Motion carried.

Interim Votes of the Board of Trustees
The Board of Trustees agreed to have any interim votes put on records at the subsequent meeting. The Board of Trustees asked AMCS to track all items voted on between meetings to ensure that all votes are documented.

I'On Design Liaison/Compliance Committee Report- Ted Webb
The Board of Trustees reviewed the I'On Design Liaison/Compliance Committee report prepared by Ted Webb. Mr. Webb advised that the Compliance Committee reports have greatly expanded and there has been great progress on getting violations corrected throughout the community. Mr. Webb reported that Larry Taylor has agreed to join Lou Dardozzi and himself on the committee.

Communication Committee Report-Theresa Green
The Board of Trustees reviewed the Communication Committee report prepared by Theresa Green. Mrs. Green advised that at the Communication Committee's monthly meeting held on Thursday, May 19, the following reports were given:

- Jane O'Neil manages the calendar of events on the website. She would like to remind everyone that schedules an event to use the form on the home page on the I'On website.

- Carol Williams has volunteered to handle the monthly I'On newsletter. We are very grateful to Gail Young for all of her hard work in getting the newsletter published monthly.

- Anne Register gave an update about the I'On Trust's upcoming events. These events include:
  - May 6th-I'onissimo Sings Concert, 4:00 pm
  - May 12th-Adopt a Hwy Program
  - May 19th-I'On Kids Litter Pick-up Day
  - May 27th-Charleston Community Band performs

- The theme for the First Friday Cocktail Party will be Cinco De Mayo and it will be held at the Amphitheater.
- Ward Mundy, who now chairs our website team, reported the following:
    - Currently updating the website to meet the needs of our growing community and to handle the increase in the number of events planned monthly.
    - The technology has changed and we can take advantage of this new technology to make the website easier to navigate.
    - Better coordination with AMCS, our Property Management Company.
    - These changes will be implemented very soon.
    - The hard work and dedication of Cynthia Rosengren, who has chaired our website committee for several years, are very much appreciated.
- The database of I'On volunteers will be available in the near future. Ward Mundy, Len Hanson and Phil Ayers are on this committee.
- Diane Ayers, Ambassador Coordinator, reported the following:
    - Sissa Green is now putting the Welcome Baskets together. We are grateful to Diane Balister, who previously chaired the Welcome Basket Team, for all of her extra efforts and hard work!
    - Ward Mundy and Jack Hamilton are seeking more donations from local businesses to go into the welcome baskets.
    - Please call Diane if you notice that someone new has moved into the neighborhood. Diane or one of the Ambassadors will deliver the baskets & Directory in a timely manner.
- Anne Register is heading the signage committee. More info will be shared in the near future.
- Jack Hamilton gave an update of the future Biznet events. These events include:
    - April 21st-I'On Bike Races & numerous porch parties. I'On radio will be broadcasting the entire day and Maybank Green will have numerous food vendors and special activities thru out the day.
    - An all women business event is being planned by Carol Williams. No date was shared.
    - June 5 A block party sponsored by all of the I'On businesses in the I'On Square.
- Alan Barbieri is working on having an open night at the Creek Club for volunteers.

Creation of Agreement with the Montessori School for use of the Ramble and the Soccer Field
Ed Clem advised that Jody Swainagan would have a better understanding of what space would be available in the school for the I'On Assembly to use as meeting space after construction of the new school has been completed. The Board of Trustees agreed to table this topic until the school is open. Mr. Clem asked AMCS to have Patrick Smith with Nationwide speak with the East Cooper Montessori Charter School insurance agent to confirm that the insurance for the I'On Assembly and the East Cooper Montessori Charter School is adequate coverage in the event of an incident.

Sandbox Installation
Ward Mundy advised that he was contacted by an owner that is willing to install a sandbox in one of the playgrounds free of charge. The Board of Directors agreed to have Ward Mundy ask him to sketch a design and have him work with Dwain Ray on the design and location.

Voting Locations
Alan Barbieri advised the he did not feel as though the Creek Club would always be available on the voting dates. He suggested looking to the school or churches. The Board of Directors agreed. Alan Barbieri will contact Ann Thompson and advise her of the Board of Directors suggestion regarding the voting location.

Community Meeting Facility
Cynthia Rosengren advised that Vince Graham might be willing to keep the current location of the East Cooper Montessori Charter School trailers on Civitas Street as a civic lot for community building.

Coerver of South Carolina Soccer Program
AMCS advised that they have been approached by the Coerver of South Carolina Soccer Program seeking approval to use the soccer field. AMCS advised them that they needed to have a sponsor at which time the group contacted the I'On Trust. The I'On Trust advised that they were not interested in sponsoring the event. The Board of Directors asked AMCS to contact the Coerver of South Carolina Soccer Program and ask for written information on the ages that will be permitted to participate in the programs, insurance, fees, etc. AMCS advised that they already have a copy of the Coerver of South Carolina Soccer Program insurance certificate listing the I'On Assembly as an additional insured.

I'On Trust Bench Program
AMCS advised that the per the Board of Trustees request they have received a proposal from Lawn-O-Green to install the benches. Lawn-O-Green will install one to three benches for $100.00 each, four to six benches for $85.00 each or six to ten benches for $75.00 each. Ed Clem suggested having the benches delivered directly to the office of Lawn-O-Green for them to install. AMCS will contact Lawn-O-Green to see if this acceptable.

Bocce Court
Alan Barbieri requested the approval to install a bocce court on Maybank Green. The Board of Trustees agreed to table this conversation until a later time.

President of the Month
Ed Clem advised that he has amended the Board of Trustees President of the Month report based on Therese Green and Dwain Ray not being in the circulation. The Board of Directors agreed on the amended list.

Meeting Adjourned into Executive Session.
Next meeting is May 23, 2007 at 5:00 PM at the I'On Company Upstairs Conference Room.

_____
Theresa Green, Secretary

I'On Assembly
Preliminary Board of Trustees Meeting Minutes
May 18, 2007

Members Present	Dr. Alan Barbieri, Ed Clem, Dwain Ray, Ward Mundy, Everett Wilcox, Ted Webb, and Theresa Green
Guests	Chad Besenfelder, Vince Graham, Dave Rosengren, Cynthia Rosengren, Bob Hervey, and Tom Graham
AMCS	Cheryl L. Wilson

Everett Wilcox called the meeting to order.

Minutes
Ed Clem made a motion to accept the April 25, 2007 Board of Trustees meeting minutes as presented. Ted Webb seconded the motion. All in favor. Motion carried.

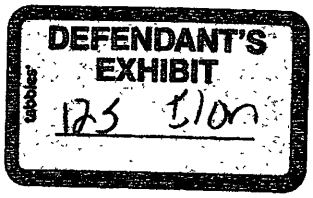
AMCS Report
AMCS reported the following account balances as of May 18, 2007:
Operating Account $5,213.37
Fidelity Investment Account
Capital Reserve Funds $337,808.00
Operating Funds in Reserves $274,360.35

AMCS stated that the Board of Trustees meeting packet was sent out on May 18, 2007 to the Board of Trustees giving them a chance to review the operating statement, twelve month trend, balance sheet, open and closed work orders. AMCS asked the Board of Trustees if there were any questions regarding these reports. There were no questions from the Board of Trustees. The violation report, collection report, and lien report were discussed in executive session.

Neighborhood Comments
Cynthia Rosengren advised that a group of residents have formed to work on environmental concerns throughout the community with the I'On Trust and the other entities in the community. She advised that the group does not have an official name at this time. They will come to the Board of Trustees with any suggestions that come from this group.

Dave Rosengren advised that he spoken to professionals and he was advised that alligators are needed to help keep the bird populations up in the Rookery by eating predators of the bird nests including snakes, raccoons and turtles.. Dwain Ray, Ed Clem, and Ted Webb all agreed that they do not feel the need to remove the alligator from the Rookery. Everett Wilcox suggested that the I'On Assembly keep the gator catchers out of the Rookery for now.

I'On Company Updates
Vince Graham presented an amended version of the planned development amendment based on suggestions and feedback presented at the May 9 meeting held at the Creek Club. Vince Graham pointed out that homes already in the I'On community range in price; however, what ties them



together is the public realm. He advised that the I'On Company would proceed with an entrance connecting I'On to Muirhead Road, which would tie into a round about.

The newly revised planned development amendment is as follows:

Proposed Change: Increase the total permitted home sites in the neighborhood by 6.5% from 762 to 812. This will include 45 residential lots in Phase 11 and converting the Creek Club overflow parking area into five residential home sites. Add an additional entrance and roundabout at Muirhead Road and future Jane Jacobs Street. Decrease the number of commercial lots in the neighborhood by two from 11 to 9. Increase the allowable commercial square footage in the neighborhood by 6,000 square feet from 30,000 square feet to 36,000 square feet. This latter change will enable the construction of a commercial building on CM-7 located on the southwest corner of Civitas Street and N. Shelmore Blvd.

The development has 11 residential units. The following outlines these final 11-unit uses:

- Convert CM-12 and CV-8 at the intersection of N. Shelmore Blvd. and Montrose Road to three residential home sites.
- Convert CM-9 at the intersection of Ponsbury Road and Sowell Street into three residential homes sites.
- Convert CV-10 into one home site and a community/school park.
- Subdivide Lot 350 into two lots.
- Assign remaining three units to complete the Jefferson Canal project.

If approved by Town Council, The I'On Company will contribute $60,000.00 for each of the 50 additional lots. This equates to a total donation of $3 million, and will be disbursed on or before the Phase 11 development loan closing, anticipated to take place within 180 days of the planned development amendment approval by the Town of Mount Pleasant. The donation would be split as follows:

- $700,000 to the I'On Assembly, Inc.
- $700,000 to the I'On Trust
- $700,000 split evenly among community church organizations
- $700,000 to the East Cooper Montessori Charter School
- $200,000 to design and construct roundabout entrance at Muirhead Road

Donation conditions:

- Before moving forward, this amendment must be approved by the Board of Trustees of the I'On Assembly for this initiative.
- The I'On Assembly Board must agree to be a co-applicant with the I'On Trust, churches, and East Cooper Montessori Charter School on the application for amendment.
- A representative from the I'On Assembly Board of Trustees must be prepared to assist with presentation for the amendment at the Mount Pleasant Planning Commission and the Mount Pleasant Town Council meetings. Other presenters are anticipated to include the Very Reverend John Burwell of the Church of the Holy Cross, Father Jay Parker of the Church of the Holy Ascension, Anne Register of the I'On Trust, and Jody Swanigan of the East Cooper Montessori Charter School. The I'On Company will prepare all documentation and provide logistical and financial support for the application.

- The monies contributed shall go toward public art, capital reserve accounts, facility, or other endeavors that contribute to the long-term beauty and/or financial health of the neighborhood. Each organization must submit a plan for the handling of these monies for I'On Company approval.

Vince Graham advised that the I'On Assembly could purchase the Creek Club and the parking lot adjacent to the club for $700,000.00 from the I'On Company. Chad Besenfelder advised that the I'On Company would expand the current Creek Club parking lot and that both on the street and parking lot spaces would provide adequate parking for most events. Mr. Besenfelder estimated the I'On Assembly's monthly operating cost to run the Creek Club would be $5,500.00 per month including taxes, insurance, regular maintenance, and general supplies. He reported that the Creek Club rentals rates average $2,850.00 per event and that it is well established as a Charleston premier event venue.

Everett Wilcox asked Vince Graham if construction traffic for phase eleven could be forced to use the Muirhead Road entrance. Vince Graham stated yes. Mr. Wilcox asked Vince Graham to possibly work in some additional buffering behind existing homes that back up to phase eleven.

Ward Mundy asked if the I'On Company would approve the transfer fee if the I'On Assembly Board of Trustees would approve the planned development amendment. Vince Graham advised yes.

Theresa Green reiterated her option that she did not think that the donations were split evenly because the I'On Assembly has more to take care of then the other I'On entities such as the landscaping and infrastructure in the community. Ted Webb advised that if you look at the market value for the Creek Club the I'On Assembly definitely gets a larger donation.

Transfer Fee
The Board of Trustees agreed to discus the need of the transfer fee at the mid-year meeting. Cynthia Rosengren suggested holding another meeting similar to the May 9th planed development amendment meeting to discuss the transfer fee with the owners.

Landscaping Committee-Alan Barbieri
Alan Barbieri asked Dave Rosengren what directions Lawn-O-Green were given over the past few years. Mr. Rosengren advised that there is a contract with Lawn-O-Green and that it is approved every year. He advised that the contract is not as robust as it could be but Lawn-O-Green has fulfilled their contract. Mr. Rosengren advised that they have discussed with Lawn-O-Green that they are not happy with the lawn areas and he was given a quote for aeration and top-dressing these areas. Mr. Rosengren advised that he did not think the top-dressing and aerating would work to the expectations the committee.

Mr. Barbieri advised that one of the major items that need to be addressed is the irrigation system. Mr. Barbieri advised that the I'On Assembly needed to go with a centralized irrigation system.

Mr. Barbieri reported that the Landscape Committee would be evaluating the current Lawn-O-Green contract.