

3 Chisolm Street HOA
PO Box 972
Mt. Pleasant, SC 29465

Annual Homeowner's Meeting
February 12, 2018

The Regime President, Dr. Martin Morad called the meeting to order at 5:10 PM.

A quorum was established with 24 of the 27 property owners present in person or by Proxy. Dr. Morad welcomed the property owners to the annual Homeowners meeting. Dr. Morad welcomed Richard & Cynthia Urquhart and Greg Van Schaack as new owners of 3 Chisolm Street.

Dr. Morad recognized Missy McClain and Thanked her for hosting the Christmas Social in December. Wonderful time was had by all in attendance.

Dick Simons, Treasurer for the Association discussed the financial report which is attached as well. Dick stated the monthly dues of \$1,100 would remain the same for 2018. Dick stated \$48,400 was deposited in the Capital Reserve account in 2017 for the association and the same amount is budgeted to be deposited in 2018. Dick discussed the 2018 budget as submitted to the membership.

Dr. Morad introduced Linda Hojnacki to the association and thanked Linda for all her work on the Board. Linda was instrumental in starting the web site for the Association. 3Chisolm.org

The site is up and operating well with information for the owners and residents.

Dr. Morad introduced Shawn Daughtridge Wallace as the Vice President and thanked her for her time in implanting and drafting the revised Rules & Regulations of the Association.

Dr. Morad introduced the new property manager Tommy Knisley and thanked him for his prompt response to the needs of the owners. Knisley thanked the owners in attendance and discussed several maintenance issues resolved in the 1st month. The roof of the gym building has been repaired properly. Knisley discussed the additional work on all the vent pipes protruding through the roof on the gym building.

Dr. Morad discussed the repairs to the foundation were completed and in Good shape. Dr. Morad reminded the owners if anyone needed access to the roof for a/c repairs, they must contact Tommy to gain access to the roof.

Dr. Morad discussed the law suit filed by Steven Bernard against the HOA Board, on behalf of the homeowners. This is a class action suit and will go to arbitration on March 20, 2018.

Dr. Morad thanked Amelia Handegan in assisting the Board and making recommendations for interior design improvements of the Buildings.

Dr. Agha Babanoury requested to address the Board and membership. He Thanked the Board for the countless hours spent to benefit all owners. Dr. Babanoury discussed his dissatisfaction on roof access for a/c repairs and his concern regarding 100% vote of membership to change the Master Deed. Dr. Morad stated that the property manager is available for all owners requesting to access the roof for maintenance in a timely manner and appointed Dr. Babanoury to head a committee to re-examine the stipulations of the Master Deed. Ms. Wallace volunteered to serve on this committee.

Bill Maneri owner of The Cottage questioned what benefits would he receive in the interior design improvements of 3 Chisolm Street to his property. Dr. Morad responded, there are no common areas to improve on the Cottage since it a free standing building and no common area shared by other residents.

David Barnett addressed the Board and Owners with recommendation of a product which could be cut to fit all exterior doors of 3 Chisolm street preventing any flood waters protruding into the building and below the building. Dr Morad Thanked David for his time and recommendation. The Board will discuss his recommendations and move forward with implementing this plan.

The election of Board members was discussed. Dr. Morad asked if there were any nominations from the floor. Layton McCurdy motioned to nominate the current Board to serve in 2018. Agha Babanoury 2nd the motion. There was a call for discussion then a vote. All in attendance and proxy voted yes to the motion and 1 no. The motion passed.

John Roven, owner of 107 asked the membership if anyone has an extra parking space, he would be happy to lease. There was discussion of seeking the City's permission to make parking on Chisolm street for Residents only. Knisley will discuss with the City and report back to the Board.

The meeting adjourned at 6:15
Minutes submitted by Tommy Knisley
Property Manager.

3 CHISOLM STREET HOME OWNERS ASSOCIATION INC
INCOME STATEMENTS

| | ACTUAL 2016 | ACTUAL 2017 | BUDGET 2018 | NOTES |
|-------------------------------|-------------------|----------------|-----------------|-------|
| INCOME | | | | |
| 4020 Assessments | \$324,000.00 | \$356,400.00 | \$356,400.00 | 1 |
| 4060 Late Charges | \$943.00 | \$622.00 | | |
| 4080 Transfer Fees | \$8,000.00 | \$8,800.00 | \$2,200.00 | |
| 4085 Move in Fee | | \$1,500.00 | | |
| 4100 Interest | \$9.00 | \$146.00 | \$100.00 | |
| 4137 Storage Fee | \$4,380.00 | \$2,922.00 | \$4,380.00 | |
| 4292 Other | <u>\$2,000.00</u> | <u>\$0.00</u> | <u>\$0.00</u> | |
| 4970 TOTAL REVENUE | \$339,332.00 | \$370,390.00 | \$363,080.00 | |
| BUILDING MAINTENANCE | | | | |
| 5010 Building Maintenance | \$25,796.00 | \$30,057.00 | \$40,000.00 | 2 |
| 5012 Windows/gutters | | \$2,057.00 | \$2,657.00 | |
| 5092 Elevator Permits | \$170.00 | \$160.00 | \$175.00 | |
| 5095 Elevator Contract | \$2,873.00 | \$2,643.00 | \$3,000.00 | |
| Air Conditioner Service | \$459.00 | -\$248.00 | \$500.00 | |
| 5051 Water Treatment | \$336.00 | \$112.00 | \$200.00 | |
| 5180 Termite Bond | \$1,500.00 | \$1,500.00 | \$1,500.00 | |
| 5290 Janitorial Cleaning | \$14,366.00 | \$13,390.00 | \$14,400.00 | |
| 5240 Interior Pest Control | \$1,332.00 | \$1,332.00 | \$1,350.00 | |
| 5312 Door Access Repair | \$2,466.00 | \$1,129.00 | \$1,500.00 | |
| 5350 Fire Alarm Maintenance | \$2,248.00 | \$1,398.00 | \$2,500.00 | |
| 5352 Fire Alarm Inspection | \$5,453.00 | \$2,420.00 | \$2,500.00 | |
| 5605 Light Bulbs and Fixtures | \$1,067.00 | \$204.00 | \$500.00 | |
| Other | <u>\$153.00</u> | <u>\$0.00</u> | <u>\$100.00</u> | |
| 5990 | \$58,219.00 | \$56,154.00 | \$70,882.00 | |
| GROUNDS MAINTENANCE | | | | |
| 6040 Contracted Lawn Service | \$23,155.00 | \$28,420.00 | \$15,000.00 | 3 |
| 6045 Additional Landscape | | \$12,586.00 | \$10,000.00 | 4 |
| 6231 Pressure Cleaning | | \$0.00 | \$500.00 | |
| 6240 Tree Trim and Removal | \$1,090.00 | \$0.00 | \$200.00 | |

| | | | | | |
|------|-----------------------------|--------------------|--------------------|--------------------|---|
| 6361 | Lighting Maintenance | \$2,068.00 | \$2,676.00 | \$2,500.00 | |
| 6621 | Security Gate | <u>\$600.00</u> | <u>\$600.00</u> | <u>\$600.00</u> | |
| 6990 | | \$26,913.00 | \$44,282.00 | \$28,800.00 | |
| | UTILITIES | | | | |
| 7910 | Electric | \$18,082.00 | \$17,855.00 | \$18,500.00 | |
| 7920 | Water / Sewer | \$14,995.00 | \$14,211.00 | \$15,000.00 | |
| 7930 | Telephone | \$5,361.00 | \$5,579.00 | \$5,600.00 | |
| 7940 | Trash Removal | \$2,935.00 | \$3,266.00 | \$3,400.00 | |
| 7960 | Gas -Building | <u>\$1,276.00</u> | <u>\$985.00</u> | <u>\$1,100.00</u> | |
| 7990 | | \$42,649.00 | \$41,896.00 | \$43,600.00 | |
| | ADMINISTRATIVE | | | | |
| 8020 | Management Fee | \$26,400.00 | \$26,400.00 | \$23,400.00 | 5 |
| 8040 | Postage | \$245.00 | \$313.00 | \$300.00 | |
| 8060 | Copies and Printing | \$1,412.00 | \$1,592.00 | \$1,400.00 | |
| 8080 | CPA Services | \$300.00 | \$315.00 | \$315.00 | |
| 8083 | Professional | \$3,824.00 | \$0.00 | \$500.00 | |
| 8100 | Legal Expenses | \$12,613.00 | \$855.00 | \$1,000.00 | |
| 8106 | Legal Expense -Collections | \$200.00 | \$50.00 | \$0.00 | |
| 8111 | Interest Expense | \$4,444.00 | \$12,792.00 | \$9,442.00 | 6 |
| 8114 | Amortization Expense | | \$47,480.00 | \$50,026.00 | 6 |
| 8120 | Insurance | \$60,313.00 | \$68,294.00 | \$70,000.00 | 7 |
| 8321 | Social Committee | | \$535.00 | \$500.00 | |
| 8322 | Special Events | \$2,237.00 | \$0.00 | \$300.00 | |
| | Other | <u>\$15.00</u> | <u>\$30.00</u> | <u>\$0.00</u> | |
| 8490 | | \$112,003.00 | \$158,656.00 | \$157,183.00 | |
| | RESERVE | | | | |
| | Capital Reserve Maintenance | | | | |
| 9170 | Fund | <u>\$95,000.00</u> | <u>\$48,400.00</u> | <u>\$48,400.00</u> | 8 |
| 9400 | | \$95,000.00 | \$48,400.00 | \$48,400.00 | |
| 9980 | TOTAL EXPENSES | \$334,784.00 | \$349,388.00 | \$348,865.00 | |
| 9990 | GAIN (LOSS) | \$4,548.00 | \$21,002.00 | \$14,215.00 | |

Highlights of 2017 Income Statement

1. Assessment Revenues(4020) increased by \$32,000 due to \$100 increase in monthly assessment commencing January 2017.
2. Building Maintenance Account (5010) is budgeted to be \$40,000 to reflect Gym Building roof repair (TBD) and the wall (\$13,000) in front of main building. Given that the \$30,057 spent in 2017 included \$14,000 paid to Sentry Management , it is hoped with new property management that we will be able to achieve cost savings in this account.
3. Contracted Lawn Service (6040) is lower as a result of having entered into contract with new landscape management company.
4. Additional Landscape (6045) costs incurred due to three floods in 2017. Need to replant in 2018 but should come in below budget.
5. Management Fee (8020) Costs are lower due to new property manager Knisley Management replacing Sentry Management.
6. Interest Expense (8111) and Amortization Expense (8114) reflect monthly payments of \$4,953 that began in March 2017 on our five year 4.5% interest rate loan maturing in March 2022
7. Insurance Expense (8120) Currently exploring ways ,if any, to reduce this cost.
8. Capital Reserve Maintenance (9170) Will continue to build this account to reach \$350,000.