DRAFT

Innerarity Island Association
Board of Directors Meeting
November 8, 2009

Opening:
The regular meeting of the Innerarity Island Homeowners Association Board of Directors was called to order at 5:00 pm on November 8, 2009 at the Innerarity Point Fire Station by President Tom Bender. A quorum was present.

Present:
Members: Tom Bender, Ramsey Greene, AJ Schultheis, Dick Wetzel, Ken Bass, Peg Gilmore, Dale Boyd, Leigh Dawkins
Committee Chairs and Guests: John Fennell, Vann Goodloe, Tom Conrad, Eddie McMillan, Jami Farber, Al Dawkins

Comments from President:
President Tom Bender welcomed members and guests and thanked them for attending the Board of Directors Meeting.
Tom reminded those present that any guests wishing to speak must sign a speaking request form. As time permits all guests wishing to speak will be allowed three (3) minutes to speak at the end of the Board meeting. The Board will not respond to guests.
Tom introduced special guest, Eddie McMillan who is with the President's Forum. Mr. McMillan spoke regarding the benefits of joining the President's Forum to promote the beneficial development of the west end of Escambia County which includes Perdido Key and all property west of Blue Angel Parkway and South of Highway 98. The President's Forum is a citizen's advocacy group that has a strong voice concerning road paving, development, lowering property taxes, gaming issues and a possible charter school and other important issues regarding our future community development.
Tom asked John Fennell (Development Committee) to speak regarding the President's Forum membership. John advised the Development Committee had recently voted to recommend to the board that IIA join the President's Forum. John said the Committee believes it is crucial we join the forum in order to have a stronger voice regarding development on Innerarity Island and the surrounding community. He feels the $1500 yearly membership fee to join the President's Forum would be money well spent.
The Board agreed a one year trial membership would be beneficial for the Innerarity Island Association. Ramsey Greene made a motion we join the President's Forum. Dick Wetzel seconded the motion. Seven (7) favor. One (1) opposed.
Tom thanked Kip Tinker, Dick Wetzel, George Neff, Jack Mlagan and all who assisted for a successful 2009 Annual Picnic. There were at least 70 people who attended. The Board also extends a thank you to all of our Committee Chairs and Members for their work.
Approval of Minutes:
Dale Boyd made a motion to approve the minutes of the July 12, 2009 meeting. Ken Bass seconded the motion. The vote was unanimous.
Tom reported, in Kip Tinker's absence, that the mowing of our right of ways is completed for the 2009 season. He advised that Harry Sugg did a good job. Tom received several questions regarding the mowing between the old gate and the new gate, which is not part of the area called the causeway that

we excluded from last year's mowing contract. Other areas that questions were asked about are the cul-d-sacs off of Seascape and North Shore Road that weren't mowed. The Board understood that this was to be mowed once at the end of the season without additional charge. However, we did not get the contract in writing and our contractor refused to mow the cul-d-sacs without an additional charge. He said he has to use his bush hog and not his finish mower to mow those areas. Kip advised that he would get an estimate from Harry Sugg about mowing the areas that haven't been mowed for a large part of the 2008 season and the entire 2009 season. He will also get an estimate from Harry Sugg to mow the designated Greenways on the west end of the Island. Kip advised that landscaping the gate and entrance area is pending completion of the MSBU project and the Associations paving of the eastern section of Innerarity Point Road. The President's Report will substitute for Kip Tinker's Report, Chairman of the Beautification Committee, as he advised he would be out of town.

Tom reported he has received numerous emails and phone calls concerning the MSBU. As of November 4, Innerarity Island Development Corporation is waiting on the County to furnish an accurate description of the property the County is requesting Mr. Dennison to sign over to them for the 60' right of way that is required by the County for the MSBU. He spoke with James Duncan the Escambia County Engineer who is over the MSBU Project. He said the County is in the process of preparing a survey showing the exact areas they need Innerarity Island Development Corporation to sign over for the 60' right of way. He said that Mr. Dennison has agreed to sign the necessary property over to Escambia County for the MSBU Project at the completion of the survey. Innerarity Island Association, Inc. as previously approved will then sign (Quit Claim) the necessary part of IIA right of ways over to the County for the County to have its required 60' right of way along the MSBU portion of Innerarity Point Road. The Board was unanimous in its desire to do what it takes to move the MSBU Project along as quickly as possible. The President's Report will substitute for Ray Moody's Report, Chairman of the MSBU Committee, as he advised me he would be out of town.

Other calls were concerning litter; ie plastic bags, paper, etc. flying out of the ECUA Recycle Trucks. Tom followed up on our neighbors concerns by contacting ECUA. ECUA's Sanitation Director advised they ask that everyone bag their garbage and recyclable trash. They are asking for Homeowners Association's help in this matter. He advised that if we don't bag our garbage and recyclable materials there is no way for them to keep the light weight debris ie; plastic bags and paper primarily from flying out of the truck and littering the streets and highways. Tom encourages each of you and your neighbors to call Escambia County Code Enforcement about household and vegetative debris and other eyesores placed on the sides of streets and roads. ECUA advised they remove properly placed vegetative debris weekly and household debris once a month, if called. If you observe any debris that is not picked up by ECUA on the side of the streets and roads of Escambia County please call 471-6160 to report.

Several calls have been in favor of and asking questions concerning an increase in Association Dues. We as Board Members are aware of what happened following the dues increase in December 2007. Some of our neighbors challenged that increase with their attorney as they didn't feel it was right for the dues to be increased for homeowners and not for other property owners on the Island. As a result of their Attorney and our Association Attorneys involvement and research into this matter it was determined that:

1. In the future all dues increases must be increased evenly across the board; for example a 10% dues increase would be an $8.00 per year increase for unimproved property and a $20.00 increase for improved properties.
2. Any annual dues increase would require a majority vote of the total voting power for all properties on the Island; for example for 454 properties it would take 228 votes to increase the annual dues.

The President and other Board Members have received numerous emails and calls concerning landscaping and beautification around our entrance (the ECUA pumping station, etc.). The Beautification Committee is handling this along with cooperation from the Gate Committee and will be presenting their plans to the Board after the MSBU and our paving of Innerarity Point Road East is complete. We could go ahead and approve up to $1,000.00 for landscaping around the gate and our entrance in general. This would help to expedite the project when the time comes; otherwise the Beautification Committee will have to wait for a Board vote. Peg Gilmore said she would like to see and review plans of the Beautification Committee before approval of funds for the project. She advised she would get in touch with the Beautification Committee and work with them on a plan to be submitted to the Board. The Board agreed to go along with Peg's recommendation.

Tom and other Board Members have received several additional calls during the past three months concerning the Townhouses. A strong thunder storm in late summer resulted in household items, debris, etc. blowing out from under the Townhouses onto Innerarity Point Road. This debris had to be removed from the road for Island residents to be able to come and go. Other complaints were the same as we have received before concerning some of the Townhouses looking bad ie; household items and misc. things stored under some of the Townhomes along Innerarity Point Road. Some of our neighbors have suggested that we go together with them on putting some kind of nice privacy fence along Innerarity Point Road along the rear property line of the Townhouses.

Other complaints and concerns Board Members have received were concerning vehicles parked on Association right of ways or actually on the roads, leaks from the sewage plant and water service, people who do not live and are not members of Innerarity Island Association using our roads for walking and bicycling, some of whom are not courteous and will not move off the road to allow for the normal flow of traffic. This has been a real concern for some of our neighbors who have actually had confrontations from the walkers who refuse to move onto the shoulder of the road. In one case a walker actually threw a coke bottle at one of our IIA members. This matter has been brought up numerous times in the past with one of our owners at the 2008 annual meeting suggesting that we keep our gate closed and do not allow trespassers to come onto our Island. This is going to have to be discussed and hopefully addressed in the near future. No parking is allowed on the roads or the Association right of ways; those complaints are forwarded to EPM for notification and enforcement. The leaks were taken care of with exception of one reported leak on North Shore Road. Innerarity Island Development Corporation sent out service crews who advised Fayette Dennison there were no leaks from the water system. The water was from private lots in the area and was actually water runoff from these properties that were retaining water. This was pursuant to Fayette Dennison calling Tom back concerning the problem he had reported to IIDC water service a few days earlier. Fayette Dennison and Tom have talked several times since then. Mr. Dennison's water service crews have concluded they believe the standing water along the edge of the road in that area is primarily caused by water runoff from low lots and owners landscaping their lots across the Association right of ways down to the edge of the roads. Innerarity Island drainage plans call for swells along all the roads from the edge of the road to the end of the Association right of way, (the actual front property line of the owners). This allows the water accumulated in the swells to perk into the ground. After 3-4 visits to the North Shore Road area Tom is still not sure what the source of water is. It had abated very little when he looked at it on Saturday morning, November 7, 2009. Any help from the neighbors in that area in finding the source of the water would certainly be welcomed.

There have been complaints about pets being allowed to roam freely. In one case last week an owner and her small dog were attacked by a pit bull. There have been several other dog attacks on our members over the years. Our Association covenants address that: "**No animals shall be allowed except dogs, cats and other commonly allowed household pets, and no such animals shall be kept or**

maintained in such a manner as to interfere or annoy the neighbors." However, in Escambia County – pets, dogs unaccompanied by owner (handler) and not on a leash are a violation of the County's Leash Laws. Under no circumstance should a pet of any kind be allowed to roam freely. The Board of Directors have made our members aware of the County laws in their annual letter to the members in 2009 and previous years and asked that our neighbors in addition to the above pick up all droppings left by their pet while walking them in the neighborhood as that has been another area of contention among neighbors.

Several of you have noted that the road plan was incorrect concerning the striping on the road. The board voted on July 12, 2009 for one solid regular traffic stripe and traffic reflectors down the middle of all of Innerarity Point Road. This should save us several thousand dollars as the price quoted by Roads, Inc. for solid thermoplastic line down both sides of the road was $5,456.00 The Board wanted a solid stripe down the center of the road to clearly mark the center of the road and to keep people from passing on Innerarity Point Road.

Most Board Members felt that the savings could be spent on another speed bump closer to the west end of IPR. (One member said it could be used for gate repairs). Our Road Committee Chair and Vice-President will discuss this further.

The Chief of Innerarity Point Fire Station told Tom today they would be having the Annual Santa Clause ride on Saturday, December 19, 2009 with the Fire Trucks leaving the Station at 9:00 am. The Island is scheduled to be their first stop. Tom recommended that the Board make a motion to make a $200.00 donation to the fire department.

Dale Boyd made a motion that we donate $200.00 to the Innerarity Point Fire Station for the Christmas candy, dog treats, etc that Santa Clause will be throwing out on the ride. AJ Schultheis seconded the motion. The vote was unanimous.

The Annual Association Meeting will be on Tuesday December 8, 2009 starting at 6:00 pm for all Board Members. All others should plan on being there by 6:30 pm to sign in, etc. The Annual Meeting will be called to order by 7:00 pm.

Development Committee:

John Fennell reported there has been no information on further development of the Russell Bayou PUD. He does believe the PUD will be pursued in the future. John reports the Escambia County review examiners report regarding the land on the corner of Innerarity Point Road and North Shore Drive has no access to North Shore Drive. He feels this should be a matter of record to clarify the access in the event of a sale of the property.

Ramsey Greene made a motion we send a letter to Pelican Real Estate in Miramar informing them there is no ingress and egress to the property from North Shore Drive. Dale Boyd seconded the motion. The vote was unanimous. The Board agreed the letter would be sent after verifying the property is still for sale and that the Realtor is still advertising access to North Shore Drive. John agreed that he and his Committee would investigate this further prior to the letter going out.

Road Committee:

Vann Goodloe submitted a Master Road Plan for IIA October 2009 Revision which is intended as a planning tool for the Board of Directors to maintain all Island roads, less the causeway, in a reasonable operating condition and within the Association budget. The MRP will be presented at the IIA December 8, 2009 meeting. The revised cost of the IPR paving, widening and striping project is $53,625.00.

Dick Wetzel made a motion to approve the October 2009 Revision of the Master Road Plan to pave roads in the future every other year and a revised listing. Ramsey Greene seconded the motion. The vote was unanimous.
As to the estimated start date on the paving of Innerarity Point Road East it hinges on the completion of the causeway project.
The Board agreed to install a solid thermoplastic line on both sides of the road and one solid thermoplastic line down the center of Innerarity Point Road. It was agreed that Tom and Ramsey would meet with Vann and Road's, Inc. and decide on placement of the speed bumps and signs notifying motorists of the speed bumps. The traffic reflectors originally approved by the Board can be installed at a later time if needed.

Comments from Vice -President:
Ramsey Greene reports he would like to move on to the next item.

Treasurer Report:
AJ Schultheis reported we currently have $93,086.00 for the end of the 2009 year.
Our proposed 2010 budget will have the beginning balance of $93,086.00.
Estimated receipts for 2010 are $55,550. This includes dues, Road Impact Fee, Special Assessments & late fees and reimbursements from Russell Bayou.
Disbursements – Operating costs are budgeted to be $36,120.00after the Board suggested increasing Legal Expenses to $5,000.00 including proposed road resurfacing for 2010 of $55,000.00, which results in Total Disbursements of $91,120.00.
Cash at End of Year 2010 expected to be $57,516.00. This will be the start of 2011 Budget Proposal.

Gate Committee:
Ken Bass reports the gate was operating normally for the first two months of this quarter. Due to a problem the gate is not currently working. The problem may be the failure of two circuit boards. All-Tech has requested from Etheridge authorization of $4493.00 (includes labor) to repair the gate. Ray Etheridge has been informed that this will require Board approval. The gate committee recommends the following to be performed by Etheridge Property:
1. Authorize All-Tech funds to repair the gate.
2. If both boards were hit by lightning contact Gulf Power to see if they will pay for the boards.
3. If Gulf Power claims it is not their fault then file a claim against our insurance company for the $4493.00 plus a claim against the Manufacturer of the board that was replaced 3 months earlier.
4. Contact other gate companies for a service agreement to maintain the gate.
5. Check with Gulf Power to see if they will connect lightning protection to the phone line.

Ken Bass made a motion that we do items 1-5 above. The motion was tabled due to lack of a second. The Board requested the Gate Committee look into other options and report back to the Board as soon as possible. Dale Boyd, Ramsey Greene and Ken Bass said that they would look into other options and present them to the Board as quickly as possible.

Architectural Control Committee:
Dick Wetzel reported for the 3rd quarter of 2009, the ACC has addressed the following:
1. Resolved Issues
   a. None
2. Completed Projects

a . Don Singleton, 16151 Innerarity Point Rd., new patio & enclosure (Note: while the ACC approved this project, the County required that Don request a variance for the Enclosure. Evidently the setbacks are different for pads/patios and enclosures requiring him to pay an additional $500 fee to the county for processing the variance. The variance was eventually granted but something for future ACC's to consider and remind association members having similar requests).

b. Steve Mims, 5520 N. Shore Rd., concrete pad (see below, Action Items); trellis' and general landscaping.

3. Approved Requests
   a. Steve Mims, 5520 N. Shore Rd., concrete pad (see below); trellis' and general landscaping.
4. New Business – Requests
   a. None
5. Continuing
   a. A draft statement has been approved by the ACC and delivered to the BOD for review and possible adoption at the November BOD meeting.
6. Action Items
   a. Mr. Steve Mims has appealed the $500 secondary impact fee for the concrete pad construction. He requests a waiver/reduction in the fee on the grounds he does not understand how the fee is/was arrived at and it seems to him excessive when the cost of the project (concrete) was approximately equal to or less than the fee. The ACC has spoken with and met on one occasion with Mr. Mims and indicated the ACC does not set the fee and cannot act alone on behalf of the Board to either waive or reduce the fee. The ACC agreed to present this appeal to the BOD for action at the November 8, 2009 meeting.
   b. Impact Fee Assessment Guidelines: The ACC presents to the BOD a general statement of guidelines concerning assessment of both primary and secondary impact fees for inclusion in the minutes of this board meeting as a statement of general policy and posting on the association's website. It might also be considered as material for mailing to the membership at an appropriate time.

Peg Gilmore made a motion that the secondary impact fee will not be prorated. We are rejecting Mr. Steve Mims appeal. The $500 fee will be due upon notification by Etheridge Property Management. Dale Boyd seconded the motion. The vote was unanimous.

Ramsey Greene made a motion to approve the ACC recommendation for approval of the Primary Impact Fee and the Secondary Impact Fee Guidelines. Dale Boyd seconded the motion. The vote was unanimous.

Innerarity Island Association, Inc.
Architectural Control Committee
IMPACT FEE ASSESSMENT GUIDELINES

Impact fees are assessed by the Innerarity Island Association for a project that involve the construction of new homes, improvements and/or renovations to existing homes, and in some cases other general improvements or additions to a property. The assessed fees go to the general fund of the Innerarity Island Association to help cover recurring operational and maintenance costs of the association. The fees fall into two categories: **1. Primary Impact Fees, and 2. Secondary Impact Fees.**

1. Primary Impact Fees: All new construction within the domain of the Innerarity Island Association is assessed at a rate determined by the Board of Directors and in force at the time of submission of plans for construction to the Architectural Control Committee. The fees are due before any construction or activities related to construction begins and following approval by the Architectural Control Committee.
2. Secondary Impact Fees: Most, but not necessarily all other projects, fall into this category for impact fee assessment. As for Primary Impact Fees, the rate is determined by the Board of Directors and in force at the time of submission of plans for the project to the Architectural Control Committee. Generally, the secondary impact fee is assessed for projects that involve the use of heavy equipment such as tandem axel trucks, grading, and hauling or excavation equipment. An assessment is determined by the Architectural Control Committee following review of the project plans.

The expectation is that all projects are completed within one year beginning on the date of approval by the Architectural Control Committee. Projects extending beyond this period are subject to additional fees as determined by the Board of Directors. Appeals for extensions of time are reviewed by the Architectural Control Committee and approved by the Board of Directors.

Report from the Nominating Committee:
Dick Wetzel reports the Election Committee has met on two occasions over the past two months (10/14/09 and11/02/09) to review 1) the charge and responsibilities of the committee, 2) determine the number of seats on the board open for nomination and election, and 3) review the list of individuals having signed up or expressed an interest in the past to serve on the board or committees of the board. The following summarizes our actions and recommendations to date.

1. The number of terms expiring in 2009 is five (5): Tom Bender, Dick Wetzel, Ramsey Greene, Ken Bass and a currently vacant position.
2. Various members of the committee have contacted a number of association members either taken from the aforementioned list or committee member recommendations. The following nominees are presented to the Board for consideration to the 2010/11 term;
   a. Mr. James Buttram
   b. Mr.George Bush
   c. Mr. Ramsey Greene
   d. Mr. Dick Wetzel
   e. Mr. Rich Loudin

NOTE: A nine member Board of Directors is the desired outcome but not required by the current Bylaws of the Association.

Peg Gilmore made a motion that we accept the Nominating Committee recommendations for the Board of Directors nominees. Ken Bass seconded the motion. The vote was unanimous.

Dick Wetzel furnished copies of the ACC Report, Impact Fee Assessment Guidelines and Report from the Nominating Committee to the Board Secretary "For the Record".

Other Business:
Guest speaker, Jami Farber inquired about the possibility of paving N. Shore Lane. She was advised by the Road Committee Chairman that N. Shore Lane is not on the list of roads to be paved at this time as it

does not have any homes on it. He also advised the current list of roads to be paved goes through 2019. He said the Board could add it to the road plan for 2021 depending on funds available etc. at that time.

Tom Conrad, Chair of the Website Committee, said he would like to publish the BOD nominations on the Innerarity Island Website (innerarityisland.net). The Board agreed with his request.

Ramsey Greene made a motion to adjourn. Ken Bass seconded the motion. The vote was unanimous.

Minutes submitted by: Leigh Dawkins