

The Board of Directors



THE PRESERVE

Condominium at Indigo Run

Owner's Association

Year-End State-of-the-Preserve Letter 2018

The year-end chaos has begun. First and foremost, you will receive a proxy card in a separate post. All you have to do is fill it out and just sign it and post! If you lost it, copy the last page of this letter and just email the signed proxy to:

thepreserve@sc.twcbc.com or fax to 843 342 7743

WE MUST RECEIVE A PROXY BY 20 November 2018

OR, attend the annual meeting in person (the preferred way to vote).

If we don't have a quorum, the entire annual meeting has to be rescheduled at great expense and inconvenience to everyone!

It appears that my being a pain in the neck in previous years has been effective in eliciting a necessary response from owners re: the year-end and proxy issues so, I'll repeat my bad behavior this year as well. Nothing personal, everyone gets the same aggravation, you're not being picked on but we really need for the postage paid postcard proxies to be returned!!

YOU WILL SHORTLY RECEIVE AN ANNUAL MEETING PACKET WITH THE PROXY Postage paid post card (can't get easier!), BUDGET ETC.

This year there are two seats vacant due to term expiration, Joe Muenkel, our Treasurer and Allan Morrison, our Secretary will both stand for another term.

Many have told me that this is about as far as they read so, as an enticement, the board's regime fee and assessments recommendation for next year are buried several pages on.

The owner's meeting will be held on Wednesday 5 Dec. Due to a very uncooperative Westin Hotel, the meeting will be held at a more exciting venue, the Indigo Run Plantation golf club (thanks to John Babbitts) Wednesday 5 Dec and a full breakfast buffet will be served prior to our getting down to business (all of which will cost us less than the usual Westin charge). So, breakfast will begin 8:30 am and the meeting will come to order at 10 am. AND, don't forget, our famous Christmas Party will be SATURDAY the 1st (note...Not the usual SUNDAY!) starting 6:30.

This past year has been productive although aggravating :

1. Grayson, our ice/snow storm started the year off in a bad way...really bad. You all should have received a YouTube link (<https://www.youtube.com/watch?v=necqiwUhLPg>) to both the beauty and destruction of the ice and snow at the Preserve. Having grown up in NJ, by northern standards this wasn't that big a deal. Obviously, on a semi-tropical island with many tropical plantings it was devastating. Damage and expense far exceeded last year's hurricane Irma. Destruction to major trees and shrubs were both immediate in some cases and in other cases didn't show up for months.
2. We finished re-shingling all 44 buildings ahead of schedule. This go-round all fascia (trim) at the roof line was replaced when necessary. Unlike the original construction, this trim was painted/treated *before* installation rendering it far more resilient to aging. Capital reserves were more than sufficient to complete this 1.3 million dollar project without any assessment.
3. We embarked on a rather aggressive replanting of areas most affected by Grayson and normal aging. This included many areas along the roadways and the pool courtyard.
4. We have always had a rather aggressive tree maintenance program, cutting down those that pose a threat. For this reason we didn't lose a single major tree to storms this year (I'm not counting the leaner into the 35 building that I sent pictures of in my Florence updates)...so far! But, as I write we still have a couple months of the season still ahead.
5. For whatever reason, the developers of the Preserve chose to install a rather unique wireless fire/alert system rather than the more pedestrian hard-wired system. Well it worked fine and fascinated all that worked with it including the HHIFD until the company that designed and built the proprietary circuit boards and other hardware went out of business. We were one of the few communities left that used the system so I became rather friendly with World Electronics owner, Howard. He gave me a head's up about the upcoming closing and I purchased every bit of hardware (transmitters, sensors, repeaters etc.) he had left in stock. That enabled us to continue with the system for years. That ability came to an end last year as we ran down our inventory and were unable to purchase more. So, we bit the bullet and commissioned a hard wired system to replace the aging wireless before the FD came down on us like, well you know. Custom Security came up with a very unique and effective (read, far-less-expensive) solution. So, all buildings were wired via underground conduit to control panels placed throughout the Preserve. Only two false alarms and 3 cut irrigation lines later the system went live couple weeks ago. Some minor tweaks and the HHIFD, gave us it's approval.
6. It's a nanosecond from 'cutting edge' technology to obsolescence. Parts were no longer available for the hardware/software that worked our gates and entry kiosks. Everything had to be replaced, Jan went crazy reprogramming 452 remotes! The new software gives a vast improvement in what we can and can't do regarding entry...legal or otherwise. The guest screen is high def and beautiful BUT, the screen is far more sensitive than the last one. So, when entering a FIVE-digit entry code you really have to be careful to note that each number is shown in the entry space on the top of the screen before hitting the green 'enter' band at the bottom of the screen. Again for added security, you have to be much closer to the gate for the remote to work and, you need to press and hold the button rather than just click it.
7. The tennis court was showing its age, 18 and counting. A decision was made to resurface and Jim Etheridge, one of our owners made a very strong case about adding 'Pickleball' lines so that the

new court could be used for both tennis and pickleball. After 1/2 year of frustrating searches for a contractor that we liked, the court was finally completed to what has turned out to be an extremely enthusiastic group headed up by Pam Carson and a bunch of newly minted pickleball players. Jim BTW gives lessons to any and all budding Pickleball stars. Kudos to him!

8. Canals, as mentioned in my Florence updates, the town was able to drain our canals as a pre-cautionary move when Florence looked like it was going to track Matthew's path. Unfortunately, we need some rain now to refill the canals. Until this happens they're not going to look that great.

9. The Cleveland Ohio firm of McManamon & Co. completed the scheduled audit for 2017. We've scheduled a follow-up audit for 2019.

10. Illegal use of the fitness center (if you're not a resident or a guest of a resident AND you're NOT 18 or older, you're trespassing) and your presence will be considered as such.

11. Villas are selling quicker than usual. That said, the inventory of for sale villas is extremely low with only 3 or 4 out of 252 on the market at any one time.

12. Our fountain. Our famous Hobbs designed (Bellagio and Washington DC's WWII memorial park fountain) has been a most beautiful logo and invitation to our community for 18 years. Special thanks to Joel Willey for maintaining, repairing and when necessary rebuilding this magnificent focal point during all 18 years. Everything eventually wears out beyond 'local' fixes no matter how expertly applied...again thanks to Joel. Recently we've had to replace the 10 HP motor deep in the 10' underground pit that houses all the fountain equipment and just last month replace the main 10" valve (this is big stuff people!). All 42 sprays have individual pipes and nozzle configuration. Joel has patched as best possible nearly all these fixtures. Now the 'fix' is in need of a fix. First order of business will be a complete retro-fit of all 42 nozzles. Hobbs is doing up drawings for the fixture heads and Piper Plumbing has already constructed the angle pipe. So, if you see the fountain down for any length of time...this is why.

13. Pool. It's unbelievable how government is so entwined in...well everything. When we re-surfaced the entire pool some time ago, we had to get special permission (indeed with a threat of a law suit) to have the 'same' color, the beautiful blue you see today, they wanted an ugly gray-black speckled finish that reminded me of the men's room decor you'd expect in an old bus station! A decision was made to increase the main filter pump to more adequately circulate a pool of this size. We had to get permission from DHEC, to improve the efficiency, this took the better part of 6 weeks! Additionally we had to reconfigure the pipes due to the large size of the pump. Well, it's finally in and working magnificently. Word to the wise, anyone removing the baskets and trying to check the suction power of this new motor by foolishly (yes, people have actually done this) placing their hand over the intake will be nursing a damaged hand for some time. Possibly causing enough discomfort to actually affect one's ability to hold a drink :-}

14. Staffing with ALL vendors in the area has deteriorated dramatically...I know you hear this every year! Quite simply the skilled and non-skilled labor pool has diminished greatly. Restaurants are closing days/hours, and trade contractors such as plumbers or electricians have become more difficult to schedule. This is most evident with landscaping. Some owners have suggested hiring a differed landscaper...NO landscaper has employees just sitting around doing nothing so, the promises of 'taking care of us' is disingenuous at best. Just where would another landscaper get the help to take on a major client such as the Preserve? I'll tell you where, they'd be taken from another client to keep us happy for awhile until that customer starts complaining and then we'd see our hours shaved. It's a vicious circle that unfortunately I see no resolve to...every manual labor-intensive business in the area has a permanent 'Help Wanted' sign out to no avail, they're ALL fishing in the same empty labor pool. New skilled and semi-skilled labor simply doesn't exist. **So it's not so much the money, it's the non-availability of any service at all, at any price.** So we'll continue to allocate what resources available to the greater good, this means that at times walks won't be blown or every hedge trimmed

every week...add storm cleanup to the mix and you magnify the problem, at least short term.

We completed our re-roofing years ahead of schedule. All 44 buildings were completed early this year. Again, this was accomplished without an assessment or regime fee increase, unlike other HOA's. We can do these things for the simple reason that every board I've chaired for 14 years has done its job well. Almost every year we bring annual expenses in under budget. We've added dozens of community improvements such as the fountain circle landscaping at the holding pond, planted dozens of trees (all the cherry trees for a start), revamped the courtyard, replaced large amounts of plants/shrubs destroyed by Grayson, resealed the roadways...twice, turned a field of weeds (thanks to Matthew) into a park and on, and on. The important point to make is that this and past boards have accomplished all this as I said, while maintaining our low regime fees. You don't accomplish what we've done over the years and have the cash reserves we have by spending money foolishly.

It is the primary function of all HOA boards to allocate and make expenditures. Indeed, it is a mandated legal responsibility. These are the same legal dictum that state no officer or director of a SC HOA can be remunerated in any fashion, in other words all of us work for free. The budget is presented to all owners and again, unlike many HOA's on the Island, published for all to read on our web site. Not only are items such as the budget available for public view, so are all minutes, insurance summary and general missives sent to owners...again something unique to the Preserve's level of transparency, we don't have any password-protected areas on our web site.

NO Rule/Regulation/Resolution is worth anything if not enforced. Jan, myself, the entire board and nearly all residents, take enforcement very seriously and we feel that enforcing the RRR's is one of the most important aspects of everyone's obligation to all owners..NO, make that all *residents*, we don't have two different sets of rules and regs (one for owners and one for tenants)...basically protecting the many from the few...and there will always be that 2% (see my Spring 2018 Newsletter)! That said, it is the most disagreeable aspect of our jobs and there are times (after fourteen years you would have thought I'd have gotten over this) when I just can't fathom what makes a resident do things or permit things to happen that directly detract from the very reason they made this their home. Worse still are those residents that complain to anyone and everyone who will listen but never walk into the office to tell us or any of the very visible directors (they live here!) How can anything be done about a problem if we don't know about it? If you *see* a problem and don't *report* the problem, then you're *part* of the problem. Good communication is part of the solution. Good, got that out of my system for another year. ALL owner's should have received a copy of the Master Deed, Bi-laws and Rules/Regs at their closing after all, they encumber your deed! ALL these documents are available on our web site <https://thepreserveatindigorun.com> and access the owner's page.

For those of you who read this far, congratulations. For the most part we came in under budget... again. Considering the fact that we have more than adequate capital reserves, insurance reserves and construction reserves, I see no reason to recommend an assessment or an increase in regime fees to the board...again. Ok, now with that revelation, many will stop reading...you really shouldn't.

Looking forward to seeing you all at our now-famous Christmas Party (Saturday Dec. 1st at 6:30...the bar and food will *not* be out beforehand) and the annual owner's meeting at the Indigo Run Golf Club WED, Dec 5th at 8:30 for a full breakfast buffet with the meeting starting at 10 am.

SOME REMINDERS & TIPS

1. **Insurance Coverage:** The Preserve's insurance covers all perils; including wind, hail, fire, flood, etc.. including added coverage extensions that provide broaden coverage. Our entire property is covered *exclusive* of Villa owner's personal furnishings, *improvements and upgrades made to the unit by the owner or previous owners*. The HOA coverage rebuilds and repairs the property to *original construction parameters*. It is the responsibility of each owner to obtain an HO6 policy (Condominium Unit Owners Policy) to provide coverage for all personal items and upgrades including but not limited to: installation of granite, wood or tile floors, extensive wall covering and upgraded fixtures (lighting or otherwise) every policy is different so this should be discussed with your personal agent.
2. **Just a Tip:** When you exit via the front gate, just hug the right curb by the pedestrian gate and it will activate the gate before you pull up.
3. **Dogs:** We have an incredible amount of dogs...we are possibly the most dog-friendly community on the Island. For this reason all dog owners tend to police themselves and gently...and sometimes not so gently, remind serial poopers that they must pick up after their dogs...even in the cloak of darkness. Serial poopers will be fined substantial amounts and in the case of tenants, eventually evicted.
4. **Gate Entry via 'vendors code':** Our gates record every entry made either by personal remote (with individual 5-digit code <located on the back of the remote>) or guest entry. In the unlikely event there are some nasties that occur at 3am, we can see who entered the gate at 2:30. If many people simply used the vendor code this would defeat the whole purpose of having gates. Like most HOA's on the Island the Preserve's new guidance is that only HOA vendors and service providers will be given the new vendor code. If a resident hires or arranges for someone to visit, they have several options: have them call at the guest kiosk and you push '9' on your phone to open the gate; meet the person/company at the gate and beep them in; arrange (give permission to the office in advance) to grant entry OR if the guest will be constantly visiting, just give them the 5-digit number on the back of your remote
5. **Main line back-ups:** There are 3 villas in each building that feed into a central main line which goes into the sewer. Almost 95% of main line backups have nothing to do with the pipe that goes from the building slab/foundation to the sewer. ***The reason for backups are mostly because residents are putting items in the toilet or the disposal... that are non-biodegradable. It's NOT a structural problem, it's a human problem!*** 'Problem' buildings miraculously ceased being a problem when someone moved out. ***The water sensor/alarm device installed last year has proven to be a tremendous success. For this reason the board passed a resolution basically stating that if it can be ascertained that the water sensor/alarm placed in the HVAC closet in all ground floor villas has been moved or otherwise rendered ineffective the damage caused by water spreading beyond the closet (see insurance limitations above) will be charged to the villa's owner.*** If you live on the ground floor check your HVAC closet. You should see a small greyish box 6"x 3" on the floor. If you don't, head to the office and we'll give you one. This alarm will blast with an ungodly sound for 3-days if it detects any moisture/water on the floor.
6. **Preserve Web Site:** We have an extremely informative web site for...well, anyone. It's not password protected so literally anyone can make use of it and they do...several hundred visitors weekly! For owners, you'll find everything you'll need for insurance and mortgages as well as a year's worth of minutes, budget, insurance summary etc. Take a look <https://thepreserveatindigorun.com>.

7. **Any owner is free to rent to a long-term (1+ years-NO short-term) tenant.** This can be accomplished through a licensed professional agency or handled personally. No matter who places a tenant, that tenant is obligated to abide by the same rules as every other resident, owner or tenant (there aren't two sets of rules). Tenants must be provided with a copy of the Preserve's rules and regulations. If any tenant does not conform to our rules and regulations, and to protect all our values (financial and quality of life) the board has the power to file for eviction at the owner's expense. ALL tenants should be provided the landlord's and/or agency's number that can be called 24/7 in the event of problems. The Regime provides such services (my personal cell is the 24/hour/365 days a year number) for **emergency** matters that **pose a threat to safety or property** but cannot get involved with 'owner' issues such as an air conditioner going on the fritz at 3 am Sat morning in the middle of August or being locked out at 2 AM (the Regime will accommodate any 'locked-out' problems during normal business hours however).
8. **Vents, chimneys, smoke detectors and water heaters.** It's a good idea to get your vents cleaned (it's probably been 15 years now)...particularly your dryer vent. As it turns to winter and the crisp smell of burning wax as Duraflame logs are set ablaze...it's also a good idea to have your chimney cleaned as well. **If you have the original smoke detectors, they're useless and must be replaced.** The element to detect smoke is way past its specified useful life.
9. ***If you have an original water heater it's also way beyond its scheduled demise...WHEN....not IF it goes, it will leave you (and often your neighbor) with rather expensive water damage costs, costs that are YOUR responsibility...often exceeding the WH replacement cost. GET IT REPLACED. It's really not that expensive with the Palmetto Electric rebate.*



Ross Pascall, President - The Preserve at Indigo Run Owners' Association

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Phone: 843 342 7747

PROXY

I am a member of the The Preserve at Indigo Run Horizontal property Regime and hereby constitute and appoint _____ or, if left blank the President of the Association (Ross Pascall), as attorney and agent for me in my name, place and stead, to vote as my proxy and representative at the 2018 Annual Meeting on WEDNESDAY 5 DECEMBER 2018 AT 10:00 AM (Breakfast at 8:30 at the Indigo Run Golf Club, HHI or any adjournment thereof, hereby revoking all prior proxies. This proxy is valid for any matter to be voted upon at the meeting.

This Proxy is revocable by the Property Owner and is valid only for the meeting for which it is given and any lawful adjournment. In no event is this Proxy valid for more than ninety (90) days from the date of the original meeting for which it was given.

DATE OF THE MEETING: Wednesday 12/5/2018

Villa(s)#: (List all Preserve villas owned): _____

Signature of Owner: _____ . **Date:** _____

By signing this document, I certify that I am the authorized person to sign this proxy on behalf of all individual owners, corporate owners or partnership owners for the above named unit(s). My 'in person' vote, if attending the meeting, will override your Proxy.

Please complete, sign and return the proxy above before 20 NOVEMBER 2018 so that we may be guaranteed a quorum for our Annual Meeting on Wednesday 5 December 2018

Mail: Preserve Proxy, c/o IMC Resort Services - 2 Corpus Christi, Ste 302 - Hilton Head, SC 29928
OR
Fax: 843 342 7743
OR
Scan/email to: thepreserve@sc.twcbc.com