

I'On Assembly
Board of Trustees Meeting
Thursday, May 22, 2014
Executive Session 5:15 P.M.
Board Meeting 6:30 P.M.
Conference Room
159 Civitas Street, Second Floor
Mt. Pleasant, SC

AGENDA

- Homeowner Forum
- Call to Order
 - Approval of Minutes: April 24, 2014 Board Meeting
- I'On Trust Report
- Landscape–No Report
- Infrastructure–No Report
- Treasurer Report
 - Vote on accepting Accountant's FYE 12/31/13 Financial Report
- Covenants Report
- IDC Report
- Amenities
- Communications Report
- Secretary Report
 - VOTE Required: Proposed Amendment to Board Committees Policy
- President's Report
 - Expense reimbursements: VOTE Required
 - i. Deborah Bedell
 - ii. Martha Morgan
- Community Manager Report
- Adjournment

I'On Board of Trustees Meeting
April 24, 2014

Members Present: Deborah Bedell, Martha Morgan, Tom O'Brien, Bob Davis, Anne Register, and Chad Besenfelder

Members Absent: Tony Woody, Stephen Wood

SCS: Mike Parades and Jessica Gosnell

Guests: Dave Rosengren and Ed Clem

Homeowner Forum: No homeowners present.

Call to Order: 6:00 pm

Motion to approve the March 27, 2014, Board Meeting Minutes. Motion seconded. All in favor. Motion passed.

I'On Trust Report: None

Landscape Report: Dave reported that the Perseverance Park work is to begin next week.

Infrastructure Report: Deborah mentioned that several pending infrastructure items such as the storm drain behind Ionsborough and the crosswalk refurbishment project need to be focused on by management and be completed as soon as possible.

Tom inquired about the status of the Creek Club loading zone project. Mike said a survey needs to be completed before we can proceed with the project. He will follow up on having that completed.

The infrastructure committee asked the board to vote on allotting funds for two large projects.

The first project is the refurbishment of the boathouse. Mike put together a scope of work and requested that Lawn-O-Green and Maintain INC. provide bids. Mike reported on the bids that he received and reported that the infrastructure committee decided to go with Lawn-O-Green. LOG will handle the carpentry and painting for \$5,900. The electrical work to be done by Burch Electrical was estimated at \$975.

Motion made to spend approx. \$7000 from the reserves to refurbish the boathouse. Motion seconded.

Bob inquired if this project is just a band aid for the boathouse, or if this refurbishment will be a lasting improvement. Mike responded that this project will

be a lasting improvement and keep the boathouse in good condition for many years to come. The only other boathouse item that will need to be done in the near future is to seal the deck.

*All in favor of spending approx \$7000 from the reserves to refurbish the boathouse.
None opposed. Motion Passed*

The Maybank Green lighting project is the second project that needs a vote before proceeding. Mike reported that he had the electrician inspect the landscape lighting at Maybank Green as well as several other areas where lighting inspections are done on a regular basis.

Maybank Green has not had any major lighting replacements in approximately 7 years. The electrician confirmed that the fixtures are in various states of disrepair and the timers need to be replaced and remounted. The electrician provided Mike with an estimate of \$2575.00 to replace all of the lighting and timers that are currently in Maybank Green.

*Motion to spend \$2575 on Maybank Green lighting project. Motion seconded.
All in favor. Motion passed.*

Treasurer Report: The finance committee is still trying to simplify the report they provide to the board. They will separate out the operating and the reserve P&L and add the transfer fee language on how those funds can be allocated- as some can be used for improvement projects.

Deborah commented that when looking at the P&L, it combines operating funds with reserve funds spending which causes the account to appear to have a year-to-date deficit. She requested creating an operating P&L and a reserve P&L.

Anne reported that the finance committee plans to take a closer look at the reserve study to see if any changes are needed to ensure we are sufficiently funding the reserves. Mike commented that the reserve study actually establishes the budget for the reserve fund spending if followed.

Anne reported that we are now down to 51 delinquent homeowners with a total delinquent amount under \$60,000.

Covenants Report: Bob reported that the Covenants Committee minutes and agenda are being included in the report to provide transparency to the neighborhood on what the Committee is working to achieve.

Bob will continue to directly keep the board updated on their progress.

The question was raised if the Covenants Committee meetings should be open to homeowners. After discussion there was a consensus that it would not be beneficial

to have homeowners sitting in on the meetings. It could negatively affect the committee doing a complete and thorough job and possibly inhibit open discussion and debate. Further, specific addresses and residents' identities are discussed in the meetings and having an open meeting would compromise the privacy of the individuals involved. Their meeting minutes will be posted on the website for anyone who is interested.

Bob brought up the topic of proper membership on the Board of Appeals. In his case, since he is a voting member of the Covenants Committee, as well a member of the Board of Appeals, it is not an appropriate dual position. He recommended removing himself from the Board of Appeals to ensure there are no conflicts.

He proposed amending the Board of Appeals charter to remove the sentence that previously stated "the chair of the Covenants Committee shall be a member of the Board of Appeals".

Motion made to approve amended Board of Appeals charter. Motion seconded.

The question was raised whether the Board of Trustees has the ability to take any issue and hear it for themselves, or even overrule or reverse a Board of Appeals decision. Bob replied that yes, the Board of Trustees does have that authority.

All in favor of the amendment to the Board of Appeals charter. None opposed. Motion passed.

There is now an open seat on the Board of Appeals that must be filled.

Bob nominated Kathy Chambers to serve on the Board of Appeals. Motion seconded. All in favor. None opposed. Motion passed.

IDC Report: Nothing to report.

Amenity Report:

Motion made to change the boat registration fee from \$50.00 to \$20.00 for homeowners requesting keys and decals and \$10.00 for decals only. Motion seconded.

Ed Clem presented information on the costs to operate the boating facilities. This information is based on historical information provided by Mike Russo. According to Mike Russo, he estimated a total cost of \$16,000 per year to operate the docks.

Ed believes that the boating community should share a larger share of these costs, saying it seems unfair for the entire community to pay for 90 percent of the costs for an amenity that they are not using. He commented that there is value to ownership for everyone in the community; however the financial burden should not be placed on the entire neighborhood for an amenity that approximately 100 I'On residents use. He believes that the boat registration cost should be increased and asks that

the board take this in consideration when voting to reduce the boater registration fee.

Tom reported on the great deal of feedback from the initial \$50 boating fee. He stated that many boaters see the docks as any other common amenity; it is for the residents of the neighborhood and they feel it is part of what they are already paying yearly assessments for. They are questioning why they are they being asked to pay more money when they feel that they already own this amenity by being a part of the community.

Tom reiterated the main goal of having boaters register is so that the Assembly has a way to contact the boat owners, ensure that only I'On residents and Olde Park I'On Club members are using the docks, and properly enforce the dock rules. He said many residents have told him they will simply not register their boats on principle due to the new \$50.00 fee, thus defeating the main goal of having boaters register.

Martha asked why the fee came down to \$20 rather than staying at \$25 as it was last year. Tom replied that since the Assembly bought the Creek Club, it makes sense to charge less than what an outside party was charging before.

Deborah made a suggestion to charge a higher amount for replacement keys to stress the importance of not sharing or losing these keys.

The charge is to cover the keys, decals, and cost of the administrative work that is being done on this. The fee should cover these charges as these are the known specific costs for use of the docks and once the Assembly has had the docks for longer and know the actual costs then the fee can be reassessed.

In response to community concerns a motion is made to change the boat registration fee.

Motion is made to amend motion to lower fee to \$25 instead of \$20. Motion seconded.

Dave Rosengren commented that homeowners may feel that even \$25.00 is unreasonable being that they were paying \$25.00 to an outside party before the Assembly purchased the Creek Club.

Motion made to amend motion to add the replacement key cost will be \$50.00. Motion seconded. All in favor. Amendment passed.

Second motion made to amend initial motion changing registration fee from \$50 to \$25.00. Three in favor. Three opposed. Motion does not pass.

Motion made to amend initial motion of reducing fee to \$20.00 for key with decals and \$10 for only decals, to make the fee \$20.00 across the board. Motion seconded.

Chad commented that, based on his years of experience with the boat ramp, having two fees in place could become very complicated.

Motion made to have a flat boat registration fee of \$20.00 per boat. All in favor. None opposed. Motion passed.

Motion made to lower boat registration fee to \$20.00 with a replacement fee charge of \$50.00. All in favor. None opposed. Motion passed.

Communications Report:

Anne conveyed several Communication Committee ideas to improve communications in the neighborhood. One idea is to have a white board at the Creek Club where residents can write what they wish for in l'On, what they would like to get involved in, or what they would like to see happen in the neighborhood. The idea is to get input from the neighborhood in a constructive, non-confrontational way. Anne reported that the Communication Committee will then take this information, compile it to see if there is any critical mass, and then bring that information back to the board.

Another idea is to have borough meetings to replace one First Friday. The goal is to get homeowner input in a fun casual setting. A suggestion was added that the borough meetings should be open to children as well to make sure that younger population is included.

Board members commented that they liked these ideas, and requested the committee provide a firm idea of how they will implement these projects.

Anne reported very little response on a logo idea. The next step may be to ask homeowners in the neighborhood to submit photographs and then have a graphic designer turn a photograph into a line drawing for a logo.

Martha raised a question on the homeowner guide booklet. She pointed out that it seems to have taken a different direction from the board's initial idea, which was to get homeowners a hard copy of the covenants and restrictions.

Deborah proposed providing the CC&Rs when the estoppel letter is requested for property purchases in l'On.

Bob commented that even if homeowners are handed a hard copy of the CC&Rs or provided with a website, there will still be people do not read the rules nor follow them.

Mike offered to provide an easy to read, one page document, that he created to provide homeowners with the main points and legal obligations of being part of an association.

Secretary Report:

Martha asked the board to vote on three items that have to do with the annual meeting policy that she is working on.

Motion made to purchase a podium, a podium reading light and two flood lights to be used at the annual meeting. Motion seconded.

Bob made a suggestion to put logo on podium once we have a logo.

All in favor. Motion passed.

Martha suggested providing water, cookies, fruit, nuts, etc. at the mid-year and annual meetings. Anne mentioned that the Trust has four large water coolers that the Assembly can borrow for water. The decision was made to provide refreshments with the social fund that is already in the budget, so no vote is needed.

Martha reported on some of her findings in the elections book from CAI. She mentioned that the League of Women's Voters will handle the election process if the Assembly wished to outsource that task.

Martha suggested creating a nominating committee to ensure enough qualified people run for the board each year.

Bob suggested having one person from each borough on a nominating committee in order to create a broader network reaching out to more homeowners who may run for the board. There are 5 boroughs, so Bob made the suggestion to have 5 members on the nominating committee, one from each borough.

Deborah recommended a Leadership Recruitment Committee version since the purpose is to find interested, qualified, candidates, not to vet or approve a slate.

Anne suggested having a current board member on the leadership committee to help guide the group.

The board is unanimously supportive of creating a Leadership Recruitment Committee for the annual meeting in December.

Deborah and Bob will look into the legal aspect of the early voting concept and report back to the board.

Discussion on the Mid-Year meeting followed. It was clarified that the June meeting will not be an official meeting; it is mid-year update meeting where no voting takes place.

Martha proposed reformatting the mid-year meeting to a mid-year open-communications-with-the-board meeting, a community wide homeowner forum. We would encourage homeowners to come for the potluck, bring their questions or ideas, and have open discussion with the Board of Trustees. The Board agreed.

The decision was made to mail a simple Midyear Potluck/Homeowner Forum Meeting announcement out on June 1st and mention that midyear reports can be found on the website. Interested homeowners can read updates on accomplishments year to date and see what the board is working on for the future. This material may trigger questions or ideas they may want to bring to the board.

President's Report:

Deborah, Tom and Tony met with Tom Graham to hear his proposal for certain changes to the Recreational Easement and Agreement to Share Costs. She informed him that this was a decision that the Board would need to take a vote on before she could give him an answer.

Motion made that the Assembly respond to not amend the Recreational Easement at this time. Motion seconded. (Chad recused.) All in favor. None opposed. Motion passed.

Motion to reimburse Deborah for expense of condolence bouquet delivered to Bob and Vikki Davis. Motion seconded. (Bob recused.) All in favor. None opposed. Motion passed.

Manager Report: Deborah raised a question on the property reconciliation. It says there is one lot owned by the Founder and three entitlements. Chad clarified that the Founder (I'On Company) owns one residential lot which is actually Phase 11. The lot by the school that has never been billed HOA dues is owned by Graham Development.

Mike will send Deborah and Bob the covenants where it states that the Founder is exempt from paying dues. Mike and Chad are going to cross reference their property reconciliations to make sure they match up.

There being no further business, the meeting was adjourned at 8:39 PM.

Board Secretary:

Martha Morgan

**I'On Trust Report for the I'On Assembly HOA Board Meeting
May 19, 2014**

For May -

Memorial Day Fun

We have a good old fashioned Picnic in the Park planned for Sunday, May 25th from 5 to 7 p.m. on Maybank Green. There will be lots of games, music and fun for all. Mr. Koolie will be on hand with ice cream treats. The Trust will provide fried chicken, lemonade and paper goods for the picnic. Neighbors are encouraged to bring a covered dish to share. It is free and open to neighbors and guests.

Looking forward -

July 4th Celebrate I'On

Plans are well underway for the day-long celebrations in I'On on Independence Day. The morning begins with a parade and Salute on the Square at 9:30am and the evening concert from 6pm to 9pm, featuring Plane Jane. This is one of the most anticipated days in the neighborhood, and the Trust looks forward to presenting all of the fun for July 4, 2014. Both events are free and open to neighbors and guests.

I'On Assembly Finance Committee Meeting

Participants Present: Ed Clem, Sally Raver, Anne Register; Mike Parades, Steve Wagner

Meeting Date: April 21, 2014

Submitted by: Anne Register

AGENDA ITEM	DISCUSSION/DECISIONS	FOLLOW UP/ACTION STEPS
Review of April, 2014 Financial Statements	The financial statements had been distributed via e-mail ahead of the meeting. Mike apologized that due to the timing of the CAI Conference last week, he had not had a chance to do the preliminary review that he normally does before the reports are sent to committee members. Discussion continued on some of the line items in the report. Mike shared a variance report with the committee which was very helpful in understanding lines that had a significant variance to the budget. Mike also covered a few of the discrepancies in the report, and what had been done to correct these. There was nothing of great significance to account for in the financial reports, and the net position was still positive. Questions from committee members were answered satisfactorily. The balance sheet, the transfer fee report, and the delinquency report were all reviewed as separate components of the April report. The committee's discussion on the report was positive and productive.	A summarized version of the April report will be prepared to present to the Board.
Review of the CPA's Compilation Report on the 2013 Financials	Mike provided copies of the CPA's work which was done to create an official posting of our year-end figures for the community website. Those present expressed no concerns about the report, recognizing that it is a simple accounting and uses official language that is appropriate for this type of CPA review.	Copies will be made available to the Board. They will be asked to approve the document in order for it to be posted on the website.
Update on the Mortgage Foreclosures on the Delinquency Report	Mike is currently reviewing the six bank mortgage foreclosures left on the delinquency report. He will provide this information to the committee next week. This information is needed to help with our continuing research into the status of and reason for each delinquency in the report. In a related matter, Mike shared that Jessica had researched the smaller amounts due on the delinquency list to determine what circumstance had created these. Mike and Anne then met to go over the list which did require some "clean-up." Anne concurred with Jessica and Mike's findings. Next, a letter was mailed to each property owner who was on the list with legitimate charges still pending (SCS does not mail payment letters to anyone who has a balance less than \$100). The letters are bringing in some results.	Mike will send the results of his research via e-mail to the committee. Mike and Anne will continue to pay attention to these small payments and update the committee.

AGENDA ITEM	DISCUSSION/DECISIONS	FOLLOW UP/ACTION STEPS
Creek Club Billing	Ed had provided background information on the costs involved in operating the Creek Club, docks, etc. that he obtained from Mike Russo last year. Mike P. provided some additional information based on the changes since the Assembly acquired the facility. At issue is determining the correct amount to invoice Tom Graham to cover I'On Club members' use of the facility as the first quarterly billing of this year. It should go out as soon as possible. Also at issue is the matter of there being no reserves accumulated since the Creek Club was built to help maintain the facility. In discussion, the group agreed that trying to collect any money for past years will not be productive, but that we should correct this oversight situation going forward. Mike will create an invoice with appropriate details and send it to the committee for review before it is sent to Mr. Graham.	Once this business matter is resolved, Anne will update the Board on how it is being handled.
Reserve Fund Status	Committee members discussed concerns over determining the right amounts to have on reserve to cover responsibilities the Assembly has to safeguard common areas and amenities in I'On. The results of the Risk Management Study that is being planned will have bearing on this. Meanwhile, there is real concern that some recommendations on reserve funds as contained in the Miller Dodson report were not sufficient. In addition, the Assembly is now responsible for more of the infrastructure in I'On, not the least of which is the Creek Club, which means more chances for loss and damage. The group agreed that this issue needs to be very carefully reviewed as a part of the budgeting process and as a response to the Risk Management Report is created. This concern is a bit at odds with any current plan to use reserves for essential maintenance, which has been suggested by some people. What is obviously needed is a clear understanding of what safeguarding capacity is needed, how we create the appropriate reserve amounts, and when usage of these funds is in order. Anne suggested that perhaps an update on the reasons for the Assembly's reserves could be done for the newsletter.	Much more discussion on this matter needs to be held. It will be continued at the next meeting.
Next Meeting Date	The June Finance Committee meeting will be held at 2 p.m. on Monday, June 23.	Reminders will be sent out.

IRON ASSEMBLY, INC.

FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

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Iron Assembly, Inc.

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**INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

To the members  
FOOn Assembly, Inc.  
c/o Southern Community Services, LLC  
3301 Salterbeck St.  
Mount Pleasant, SC 29466

I have compiled the accompanying statement of assets, liabilities and fund balances - income tax basis of FOOn Assembly, Inc. (a Homeowners Association), as of December 31, 2013 and the related statement of revenues and expenses - income tax basis and the statement of changes in fund balances - income tax basis for the year then ended. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the income tax basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the income tax basis of accounting and for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit all of the disclosures required by the income tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

**DRAFT**

Columbia, South Carolina  
May 12, 2014

**I'On Assembly, Inc.**  
**Statement of Assets, Liabilities and Fund Balances -- Income Tax Basis**  
**As of December 31, 2013**

|                                             | <u>Operating<br/>Fund</u> | <u>Reserve<br/>Fund</u> | <u>Total</u>        |
|---------------------------------------------|---------------------------|-------------------------|---------------------|
| <b><u>ASSETS</u></b>                        |                           |                         |                     |
| Operating Cash                              | \$ 65,546                 |                         | \$ 65,546           |
| Operating Money Market                      | 51,439                    |                         | 51,439              |
| Reserve Money Markets                       |                           | \$ 432,152              | 432,152             |
| Reserve Cert. Of Deposits                   |                           | 912,376                 | 912,376             |
|                                             | <u>116,985</u>            | <u>1,344,528</u>        | <u>1,461,513</u>    |
| Total Cash and Investments                  |                           |                         |                     |
| Accounts Receivable                         | 67,705                    |                         | 67,705              |
| Prepaid Expense                             | 13,535                    |                         | 13,535              |
| Due from Operating Fund                     |                           | <u>14,392</u>           | <u>14,392</u>       |
| Total Assets                                | <u>\$ 198,225</u>         | <u>\$ 1,358,920</u>     | <u>\$ 1,557,145</u> |
| <b><u>LIABILITIES AND FUND BALANCES</u></b> |                           |                         |                     |
| <b><u>Liabilities</u></b>                   |                           |                         |                     |
| Accounts Payable                            | \$ 14,965                 |                         | \$ 14,965           |
| SCS Administrative Costs                    | 2,438                     |                         | 2,438               |
| Deferred Income                             | 135,837                   |                         | 135,837             |
| Due to Reserve Fund                         | 14,392                    |                         | 14,392              |
| Federal income tax payable                  | <u>1,799</u>              |                         | <u>1,799</u>        |
| Total Liabilities                           | <u>169,431</u>            |                         | <u>169,431</u>      |
| <b><u>Fund Balances</u></b>                 | <u>28,794</u>             | <u>1,358,920</u>        | <u>1,387,714</u>    |
| Total Liabilities and Fund Balances         | <u>\$ 198,225</u>         | <u>\$ 1,358,920</u>     | <u>\$ 1,557,145</u> |

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See independent accountant's compilation report

**P'On Assembly, Inc.**  
**Statement of Revenues and Expenses – Income Tax Basis**  
**Year ended December 31, 2013**

|                                               | <u>Operating<br/>Fund</u> | <u>Reserve<br/>Fund</u> | <u>Total</u>     |
|-----------------------------------------------|---------------------------|-------------------------|------------------|
| <b>REVENUES</b>                               |                           |                         |                  |
| Assessments                                   | \$ 631,736                | \$ 14,848               | \$ 646,584       |
| Transfer Fees                                 |                           | 94,999                  | 94,999           |
| Interest Income                               | 2,441                     | 5,716                   | 8,157            |
| Other Fees                                    | 11,999                    |                         | 11,999           |
| Delinquent Assessments                        | -23,413                   |                         | -23,413          |
| Total Revenues                                | <u>622,763</u>            | <u>115,563</u>          | <u>738,326</u>   |
| <b>EXPENSES</b>                               |                           |                         |                  |
| Administrative:                               |                           |                         |                  |
| Management                                    | 74,974                    |                         | 74,974           |
| Legal-Professional                            | 84,274                    |                         | 84,274           |
| P'On Trust                                    | 15,000                    |                         | 15,000           |
| Other Administrative                          | 57,640                    |                         | 57,640           |
| Landscape and Grounds:                        |                           |                         |                  |
| Contract Landscaping                          | 162,900                   |                         | 162,900          |
| Grounds Supplies                              | 32,325                    |                         | 32,325           |
| Tree Maintenance                              | 24,235                    |                         | 24,235           |
| Seasonal flowers                              | 15,000                    |                         | 15,000           |
| Pine Straw and Mulch                          | 21,600                    |                         | 21,600           |
| Other Landscape Expenses                      | 18,100                    |                         | 18,100           |
| Infrastructure:                               |                           |                         |                  |
| Repairs and Maintenance                       | 45,212                    |                         | 45,212           |
| Pond and Lake Maintenance                     | 11,146                    |                         | 11,146           |
| Other Infrastructure Expenses                 | 3,423                     |                         | 3,423            |
| Reserve Expenditures                          |                           | 6,757                   | 6,757            |
| Utilities                                     | 65,161                    |                         | 65,161           |
| Insurance                                     | 14,427                    |                         | 14,427           |
| Income Taxes                                  | 1,995                     |                         | 1,995            |
| Total Expenses                                | <u>647,412</u>            | <u>6,757</u>            | <u>654,169</u>   |
| Excess (Deficiency) of Revenues over Expenses | <u>\$ -24,649</u>         | <u>\$ 108,806</u>       | <u>\$ 84,157</u> |

See independent accountant's compilation report

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**I'On Assembly, Inc.**  
**Statement of Changes in Fund Balances**  
**Year ended December 31, 2013**

|                                               | <u>Operating<br/>Fund</u> | <u>Reserve<br/>Fund</u> | <u>Total</u>     |
|-----------------------------------------------|---------------------------|-------------------------|------------------|
| Beginning Operating Fund Balance              | \$ 53,443                 |                         | \$ 53,443        |
| Beginning Reserve Fund Balance                |                           | \$ 1,250,114            | 1,250,114        |
| Excess (Deficiency) of Revenues over Expenses | -24,649                   | 108,806                 | 84,157           |
|                                               | <u>28,794</u>             | <u>1,358,920</u>        | <u>1,387,714</u> |
| Ending Fund Balances                          | \$                        | \$                      | \$               |

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See independent accountant's compilation report

**Minutes  
I'On Assembly, Inc.  
Covenants Committee  
April 16, 2014**

**Members Present:** Bob Davis, Chair; Scott Alderson; Lori Bate; Lori Feehan; Linda Rinaldi and Peggy Watt.

**Members Absent:** Ginger Black

**Others Present:** Mike Parades

The meeting was called to order at 6:05 pm.

Bob asked for a motion to approve the minutes of the April 3, 2014 Committee meeting. Upon motion made and seconded, the minutes were approved as written.

Deborah Bedell joined the meeting and provided the Committee with an update of the Board of Appeals' hearing of the Committee's decision regarding the chickens and chicken coop.

Deborah stated that what the Covenants Committee is doing is an important function of governance. On behalf of the Board of Trustees and all Titleholders, she expressed thanks for the Committee members volunteering to serve.

At the conclusion of her remarks, Deborah left the meeting.

Bob commented that the article discussing covenant enforcement drafted by Lori Feehan is excellent and will appear in the May community newsletter.

The Committee discussed "Alternative Dwelling Units" (ADUs) and, specifically, the issue of parking in connection with ADUs. When an ADU is rented to a tenant, the issue of adequate parking, which is an ongoing problem in I'On, is theoretically made worse by the tenant's vehicle(s). The Town of Mount Pleasant requires a dedicated off-street parking space in connection with a town-approved ADU. However, not all ADUs in I'On comply with this town requirement or have formal town approval as an ADU. The Committee determined that there are two sources of this problem:

First, the I'On Design Committee (IDC), during the time that it was under the control of the Founder, approved ADUs that did not comply with the town requirements associated with ADUs, including parking. Fortunately, this practice has now been discontinued and the IDC, as currently constituted, is being careful to require adequate parking in connection with all building plans. The Committee affirmed that this ongoing degree of care exercised by the IDC is vitally important for the entire community.

Second, some structures within I'On, which did not rise to the town-definition of an ADU at the time of their construction, were later internally-improved by the owner and became a de facto ADU, as defined by Mount Pleasant. However, the dedicated parking space required by the town was not provided as part of that improvement and Mount Pleasant approval of the newly-created ADU was not formally obtained.

With this understanding, the Committee determined NOT to take action with respect to:

- A. ADUs that are: 1) approved by the IDC; and 2) constructed consistent with that approval; but 3) lack adequate parking under the town rule. It is the Committee's conclusion that IDC approval of plans and construction consistent with such approval effectively prevents any after-the-fact action by the Committee and would cause the community to view any such action as unfair.
- B. Structures that: 1) were not ADUs, as defined by Mount Pleasant, at the time of construction; but 2) later rose to satisfy the town definition of ADU as a result of internal improvements made by the owner; and 3) lack adequate parking. There are two reasons for this conclusion. First, the Committee has no appetite to police internal improvements within a structure and believes that the IDC shares this view. Second, while referring such a situation to the Town of Mount Pleasant might result in the town requiring after-the-fact administrative approval associated with an ADU and would be likely result in the town imposing the tax applicable to an ADU, the Committee found it to be unlikely that the town would exercise its authority to require the owner to create an additional parking space. Such an outcome would do nothing to remedy the parking issue, which is the Committee's specific focus with regard to ADUs.

The Committee determined that it WILL take action when any structures, ADUs or otherwise, are built inconsistent with IDC approval. The Committee encourages the IDC to refer to it all such situations, including ADUs that are constructed with parking other than as approved by the IDC.

Mike provided a photo presentation of various covenant violations currently existing within the neighborhood. The Committee discussed these infractions and their prioritization. Such violations included, but were not limited to: boats stored improperly and without necessary screening; boat trailers improperly parked; trash and recycling bins stored without proper screening or left out on the curb days after pick-up; and homes in need of general maintenance.

The Committee authorized Mike and Bob to meet before the Committee's regular May meeting to finalize courtesy reminder letters to be sent to several Titleholders where the types of infractions described above are in existence.

There being no further business, the meeting adjourned at 8:10 pm

Respectfully submitted by

Lori Feehan

## IDC REPORT May 2014

| Rev. Date | Address        | Submittal Request  | Action                  |
|-----------|----------------|--------------------|-------------------------|
| 5/6       | HOPETOWN       | LDR                | HO WITHDREW             |
| 5/6       | HOPETOWN       | CDR                | SENT TO DEV. FOR REVIEW |
| 5/6       | EDENTON        | PDR                | A/WC                    |
| 5/6       | ROBT.MILLS     |                    | A/WC                    |
| 5/6       | ISLE OF HOPE   | CTAD               | A/WC                    |
| 5/6       | N. SHELMORE    | CTES/PAINT         | APPROVED                |
| 5/6       | N. SHELMORE    | CTES/PAINT         | APPROVED                |
| 5/10      | RIALTO         | CTES/STUCCO REPAIR | APPROVED                |
| 5/12      | IONSBOROUGH    | CTES/TREE REMOVAL  | APPROVED                |
|           |                |                    |                         |
| 5/20      | KRIER          | FDR                |                         |
| 5/20      | HOPETOWN       | CDR/GARAGE/WALL    |                         |
| 5/20      | JANE JACOBS    | CDR                |                         |
| 5/20      | JANE JACOBS    | LDR                |                         |
| 5/20      | SATURDAY       | CTES/GARAGE        |                         |
| 5/20      | MCDANIEL       | CTES/STEPS         |                         |
| 5/20      | JANE JACOBS    | LDR                |                         |
| 5/20      | 11 ROBT. MILLS | LDR                |                         |

|      |                              |
|------|------------------------------|
| FDR  | FINAL                        |
| PDR  | PRELIMINARY                  |
| LDR  | LANDSCAPE                    |
| CTES | CHANGE TO EXISTING STRUCTURE |
| CTAD | CHANGE TO APPROVED DESIGN    |
| AW/C | APPROVED WITH CONDITIONS     |
| NA   | NOT APPROVED                 |

# **REPORT TO HOA – FEES AND DEPOSITS**

| <b>MONTH</b>         | <b>FEES</b>     | <b>DEPOSITS</b> |
|----------------------|-----------------|-----------------|
| DEC. 2013            | \$1650.         |                 |
| JAN. 2014            | \$3600.         |                 |
| FEB. 2014            | \$1600.         |                 |
| MAR. 2014            | \$1650.         | \$5000.         |
| APR, 2014            | \$1350.         |                 |
| MAY 2014             | \$1450.         | \$ 350.         |
| <b>TOTAL TO DATE</b> | <b>\$11300.</b> | <b>\$5350.</b>  |

I'On Assembly, Inc.  
Communications Committee Report  
May 22, 2014

Updates

The Communications Committee will meet again on May 28.

Since the previous meeting, the following activities have occurred:

- A meeting was held to discuss plans for a Homeowners' Guide. In attendance were Lees Baldwin, Julie Hussey, and Anne Register. The group plans to have an outline for the contents and some possible design and cost information for the May 28 meeting.
- Anne and Margaret Summers will meet on May 27 to continue discussion about transferring more substance related to the I'On Trust to the I'On Community website. Then they will meet with Jessica Gosnell about the planning. Jessica has been able to determine what capacity there is for additional postings from Association Voice.
- The community newsletter is designed each month to include information related to I'On Assembly activities and business. These articles are being well received. The lead article for June will be the plans for the mid-year meeting to be a Town Meeting format with opportunities for those in attendance to share thoughts.
- The Communications Committee will coordinate having a display board at the meeting to give those in attendance a chance to write comments and ideas to finish sentences such as "I wish knew more about . . . ."; "Why can't I'On have . . . .?"; "How can I be involved in . . . ?" We hope to have a new posting spot on the website to allow similar comments by the time of the meeting.
- Still in progress is planning for an I'On Assembly/I'On neighborhood logo.
- The committee will also deal with other communication issues that may require some special handling when inappropriate language, etc. is used.

## Secretary Report May 22, 2014

### COMMITTEE POLICY - AMENDMENT

**VOTE:** to approve the amended communications policy with the addition of [the sentence](#) attached.

### NEW BOARD CALENDAR

A natural outgrowth from the annual meeting framework is an Annual calendar for the board of the meetings, monthly reports, preparation dates for midyear and annual meetings and any other annual related board items. (Civitas Award,) This is being developed on the website calendar as a board category calendar and will be maintained by the website administrator.

### MID-YEAR MEETING NEW FORMAT

The format for the June 17<sup>th</sup> Potluck and Homeowner Forum requires that board Midyear Reports due Monday, June 2<sup>nd</sup> and the President's Invitation letter due Wednesday 28<sup>th</sup>. All will be posted on the website and the invitation will be mailed on Monday, June 2<sup>nd</sup>. Board members need to arrive with a dish for the 6:30 potluck dinner and enjoy the mingle time with everyone before the 1hr Homeowner Forum.

## BOARD COMMITTEES POLICY – PROPOSED AMENDMENT

The purpose of a Board Committee is to gather information and make recommendations for the area of interest as defined by the Board.

Each committee has a Board member who is also a committee member or liaison to the Board. All committee members are appointed by the Board and need to be property owners in l'On in good standing.

Some (Landscape, Finance, IDC, etc.) are standing committees with rotating members over time.

Other committees are created by the Board for a specific issue in the community (dog run, boat docks, etc.). These members focus on doing research and analysis for formulating a recommendation or proposal to the Board on how to proceed.

Neither the committee nor its individual members represent the opinion of the Board. It is the ultimate responsibility of the Board as to what action is taken on all issues.

**Consistent with Board member communications, no committee member may post or comment on topics under consideration by the Board and its committees.**

This is to certify that the Board of Directors adopted this resolution effective \_\_\_\_\_, until such date as it may be modified, rescinded or revoked.

PRESIDENT'S REPORT  
MAY 2014

LITIGATION UPDATE: The judge in the Creek Club litigation, Judge Stephanie McDonald, has been named one of three candidates for election to the Appellate Court. It is not anticipated that there will be any new trial date assigned until after this election is held; the election will probably occur by the first week in June.

The Board learned from its counsel last week that the I'On Company and the I'On Club have filed a new lawsuit against the Assembly as well as LeaAnn Adkins and Brad Walbeck. The suit seeks to have a court declare that the 2000 Recreational Easement and Agreement to Share Costs is in fact valid and is perpetual. It is frustrating that the Assembly will be forced to spend additional legal fees on this clearly frivolous and abusive lawsuit. Counsel for the Assembly, Tim Bouch, will coordinate with Justin Lucey, counsel for Ms. Adkins and Mr. Walbeck, in vigorously opposing this lawsuit; both attorneys will be filing a motion to dismiss.

RISK MANAGEMENT STUDY: An RFP was issued last week to three firms, including the Assembly's current insurance agent, requesting bids for conducting a risk management study for the Assembly. Responses are due by Friday, 23 May.

COMMUNITY MANAGEMENT: Several Board members have met with representatives of other local homeowners' associations to begin the process of evaluating appropriate community management options for I'On. The Board may wish to consider appointing a task force going forward to review options and make a recommendation to the Board, as we are mindful of the expiration of the SCS management agreement at the end of 2014.

ATTENDANCE AT CAI CONFERENCE: Last week the President attended the CAI Conference in Orlando. She attended several workshops in areas such as conducting community surveys, running elections, risk management and claims resolution, and managing community association services, and met various vendors who provide services such as reserve studies, online voting and other web-based services. A full report will be provided to the Board. The President incurred registration and travel expenses in conjunction with the conference, and requests reimbursement. An expense report and receipts are attached. VOTE REQUIRED.

## **Manager's Report**

### **May 2014**

#### **Property Reconciliation**

Following the April Board meeting, I worked with Chad to reconcile his numbers with my work and resolve the issue of the Founder lot. After further investigation, it was determined that the Lot 3 was in fact not a Founder lot as defined in the Covenants and that the 2014 assessment had been paid. Chad revised the I'On map to reflect all lot combinations and sub-divisions over the years and then color coded the phases with actual lot counts in all categories. He also determined there was one entitlement originally granted to an individual that planned an apartment over a commercial business that never occurred.

The reconciliation of billable residential lots is now complete and verified with the county tax records, the records of the Founder and the actual billing roster. The maximum number of residential lots currently approved by Mt. Pleasant ordinance is 762. There are 759 platted residential lots paying assessments. That leaves the Founder with 3 entitlements, one of which will stay with the residual land of Phase 11. Thus, should the Founder so elect, he can parcel off 2 lots from the Phase 11 residual for sale. In addition to the 759 residential lots being billed, the Holy Ascension Church voluntarily also pays an assessment. Thus, there will be 760 bills sent out June 1 for a total of \$380,000. Of the total, approximately \$57,000 has already been paid.

At the finance committee meeting May 19<sup>th</sup>, the reconciliation was discussed to the satisfaction of all present.

#### **Summary Financial Report**

The summary financial report has been revised based on the input from the last Board meeting. The report uses the hybrid income statement to report operations. The report has been separately sent to each Board member for information. Please let me know if you have any questions or comments.

#### **Boat Ramp and Docks**

A contract was entered into with Lawn O Green for maintenance of the parking lot area including regular attention to potholes. Pruning has been completed, posts reinstalled and all potholes filled.

Approximately 40 boaters have registered to date. The docks are being monitored daily during the week by management and the members of the boating committee are monitoring on the weekend. I am pleased to advise most of the boats at the dock are registered.

#### **Billing to the I'On Club**

At the finance committee meeting on May 19<sup>th</sup>, the billing to be done was discussed. I expect to have a budget for this year finalized by the end of the week. It will be reviewed with the Finance committee and used as the basis for billing the I'On Club its share of expenses next week. The Treasurer's report discusses one major element of the budget and the recommendation on how to treat beginning to fund a reserve.

NOTE: This statement is based  
on the Hybrid income statement

I'On Assembly, Inc.  
Statement of Revenues and Expenses  
And Change in Fund Balance  
April 30, 2014

|                               | -----Operating Fund-----        |                                   |                  | -----Reserve Fund-----        |                                 |                  |
|-------------------------------|---------------------------------|-----------------------------------|------------------|-------------------------------|---------------------------------|------------------|
|                               | This Month<br>Operating<br>Fund | Year to Date<br>Operating<br>Fund | Annual<br>Budget | This Month<br>Reserve<br>Fund | Year to Date<br>Reserve<br>Fund | Annual<br>Budget |
| <b>REVENUES</b>               |                                 |                                   |                  |                               |                                 |                  |
| Assessments                   | \$12,832                        | \$413,217                         | \$749,000        | \$6,875                       | \$13,750                        | \$27,500         |
| Transfer Fees                 | \$0                             | \$0                               | \$0              | \$6,486                       | \$27,937                        | \$77,500         |
| Interest Income               | \$21                            | \$101                             | \$350            | \$591                         | \$876                           | \$3,500          |
| Montessori School             | \$6,706                         | \$6,706                           | \$6,706          |                               |                                 |                  |
| IDC Revenue                   | \$1,050                         | \$9,550                           | \$12,000         |                               |                                 |                  |
| Other Revenues/Fees           | \$840                           | \$4,324                           | \$5,100          |                               |                                 |                  |
| Total Revenues                | <u>\$21,449</u>                 | <u>\$433,898</u>                  | <u>\$773,156</u> | <u>\$13,952</u>               | <u>\$42,563</u>                 | <u>\$108,500</u> |
| <b>EXPENSES</b>               |                                 |                                   |                  |                               |                                 |                  |
| Administrative:               |                                 |                                   |                  |                               |                                 |                  |
| Management                    | \$8,679                         | \$35,005                          | \$111,580        |                               |                                 |                  |
| IDC Administration            | \$2,025                         | \$7,144                           | \$30,000         |                               |                                 |                  |
| Legal & Professional          | \$0                             | \$33,239                          | \$76,000         |                               |                                 |                  |
| I'On Trust                    | \$0                             | \$5,150                           | \$20,000         |                               |                                 |                  |
| Other Administrative          | \$2,926                         | \$8,198                           | \$36,715         |                               |                                 |                  |
| Landscape and Grounds:        |                                 |                                   |                  |                               |                                 |                  |
| Contract Landscaping          | \$14,758                        | \$59,032                          | \$177,096        |                               |                                 |                  |
| Grounds Supplies              | \$3,805                         | \$17,440                          | \$34,475         |                               |                                 |                  |
| Tree Maintenance              | \$14,715                        | \$14,990                          | \$30,050         |                               |                                 |                  |
| Seasonal flowers              | \$0                             | \$0                               | \$15,800         |                               |                                 |                  |
| Pine Straw and Mulch          | \$0                             | \$0                               | \$22,280         |                               |                                 |                  |
| Other Landscape Expenses      | \$375                           | \$525                             | \$35,000         |                               |                                 |                  |
| Infrastructure:               |                                 |                                   |                  |                               |                                 |                  |
| Repairs and Maintenance       | \$1,967                         | \$10,957                          | \$59,000         |                               |                                 |                  |
| Pond and Lake Maintenance     | \$575                           | \$2,933                           | \$10,400         |                               |                                 |                  |
| Other Infrastructure Expenses | \$0                             | \$0                               | \$2,000          |                               |                                 |                  |
| Reserve Expenditures          |                                 |                                   |                  |                               | \$495,000                       |                  |
| Utilities                     | \$5,680                         | \$20,695                          | \$68,750         |                               |                                 |                  |
| Insurance                     | \$0                             | \$20,788                          | \$16,000         |                               |                                 |                  |
| Income and Property Taxes     | \$0                             | \$2,090                           | \$510            |                               |                                 |                  |
| Funding to Reserve            | \$6,875                         | \$13,750                          | \$27,500         |                               |                                 |                  |
| Total Expenses                | <u>\$62,380</u>                 | <u>\$251,936</u>                  | <u>\$773,156</u> | <u>\$0</u>                    | <u>\$495,000</u>                | <u>\$0</u>       |
| Net Revenue (Deficit)         | <u>(\$40,931)</u>               | <u>\$181,962</u>                  | <u>\$0</u>       | <u>\$13,952</u>               | <u>(\$452,437)</u>              | <u>\$108,500</u> |
| Beginning Fund Balance        |                                 |                                   |                  | <u>\$30,131</u>               | <u>\$1,358,920</u>              |                  |
| Ending Fund Balance           |                                 |                                   |                  | <u>\$44,083</u>               | <u>\$906,483</u>                |                  |