

**I'On Assembly Inc.
Board of Trustees Meeting
November 21, 2013**

Members Present

Deborah Bedell, Martha Morgan, Tony Woody, Martin Hansen and Frederik Winther

Members Absent

Jay Thompson and David Countryman

SCS

Mike Parades

Guests

Ed Clem, Stephen Wood, Pam Gabriel, Barbara Fry, Amy Sage, Len Hanson, Melinda Wrenn, Chad Besenfelder and Vince Graham.

Homeowner Forum

No comments.

Call to Order: 6:05 pm

Minutes of Prior Meetings

Motion to approve the October 24, 2013 minutes as amended by changing the Treasurer's report of old delinquencies from "\$40,000 to \$45,000" to "\$20,000". All in favor. Motion carried.

Motion to approve the November 9, 2013 Board Telephone Meeting. All in favor. Motion carried.

Motion to approve the November 15, 2013 Board Telephone Meeting. All in favor. Motion carried.

I'On Trust

Melinda Wrenn reported the Halloween turnout was great. The Giving Lights of I'On event is scheduled for Saturday, December 7th. Luminary kits are still available.

Infrastructure and Landscape

Tony Woody reported seasonal planting has been completed. Progress is being made with the Founder regarding turnover of parts of Phase 7, 9 and 10. The committee approved extension of sidewalk at boat ramp area, and minor maintenance and painting of the Scramble mailbox station, and checked on the status of brass street plaques. He also reported that Christmas lighting will be done in the trees at the Square in the next week or so.

Chad Besenfelder commented that the Founder is in position to contribute towards Christmas lighting in the Square.

Mr. Clem reported there are people driving golf carts on sidewalks. Tony noted that work has been approved and will be funded by available unspent budget funds.

Finance

Frederik reported year to date expenses are \$514,000 vs budget of \$548,000 resulting in a positive variance. There is still a little over a month to go but projections are actual expenses will be as budgeted. Reserve activity is on target but owners should be aware it will soon be time to spend money on anticipated projects.

Frederik noted after much work by many people, the Finance Committee finalized a proposed budget for 2014. After a couple of years with either a decrease or no change in the annual assessment, the time has come to increase the annual assessment to provide funding for the increasing responsibilities of the Assembly. The Committee determined that it is necessary to increase the annual assessment from \$850 per lot to \$1,000 per lot. To ease the impact of the increase, the Committee also proposes billing the annual assessment in two installments of \$500.00 each with the first installment due January 1, 2014 and the second installment due July 1, 2014.

Motion to approve the proposed budget for 2014 increasing the annual assessment to \$1,000.00 to be billed in two installments of \$500.00 each, with the first installment of \$500.00 due January 1, 2014 and the second installment of \$500.00 due July 1, 2014. Motion was seconded.

Discussion comments:

Bills will be mailed approximately 12/10/13 and include explanation for increase. It was agreed a copy of the budget with explanation of increase will be included in the Annual Meeting packet to be mailed soon. Frederik explained the 5 or 6 line items where costs have increased necessitating the need to increase the annual assessment.

With no further discussion, *vote was taken on the Motion. All in favor. The motion carried.*

IDC No report

Amenities No report.

Communications

Martha noted working on the Directory has been a challenge due to a wide variety of types of residency, and trying to get all owner email addresses. The Directories will be ready for distribution at the Annual Meeting December 10th

Mr. Graham commented that there are 271 municipalities in SC. If I'On were a municipality, it would be 141st on the list. Mr. Graham asked if anyone knew how many ADUs existed in I'On? He noted that many ADU's are in essence additional housing units and the Board may want to consider charging owners with ADU's an additional assessment.

Secretary No report.

Compliance

Martin noted it is sometimes difficult to distinguish between the IDC issues and Compliance issues, and there is a need to tie the two functions together. Efforts are being made by SCS to accomplish the connection via its software system. He noted the system is going to evolve into one where an ongoing IDC violation will become a Compliance violation with appropriate sanctions.

Deborah commented there needs to be a complete review of rules, regulations, and compliance procedures that take into consideration ongoing IDC violations and an appropriate due process system. Once the review is done and policies adopted, they need to be consistently enforced. She also suggested that the newsletter include a “Compliance” information piece in every issue.

Deborah cited another compliance issue that needs final action. The issue relates to an unauthorized chicken coop in an owner’s backyard and chickens being kept in the coop. Specifically:

- The owner was cited for violation of the IDC requirement that any construction on a property’s exterior must be submitted for approval of the IDC, and was also cited for keeping chickens.
- The owners were notified of their right to appeal.
- The owners were asked to submit their appeal in writing since they could not be present at the scheduled appeal date, but refused to do so.
- This issue has been open since last August.

Motion was made to deny the appeal for lack of prosecution. Motion was seconded.

Discussion followed. Tony asked what the original complaint was. Complaints were that there was a nuisance regarding rooster constantly crowing, and the owners were maintaining unapproved chicken coop in backyard, and keeping non-household animals in violation of the I’On Rules.

Tony noted that the rooster had been removed so there is no longer the constant crowing. He also noted that chickens are allowed by the Mt. Pleasant ordinances.

Extensive discussion ensued about whether chickens constitute household pets as used by the I’On Rules, whether the owners had been afforded appropriate opportunity to present their appeal, and whether IDC approval was required for structures such as chicken coops.

There being no further discussion, vote was taken. *For the motion 4, opposed to the motion 1. The Motion carried.*

SCS was directed to advise the owners their appeal has been denied.

President’s Report

Deborah reported that the Founder has chosen to exercise his right to appoint a representative to the Board of Trustees. Therefore, Chad Besenfelder will start a two-year term on the Board January 1, 2014. Because the current owner members of the Board believe it is important that seven resident-elected members continue on the Board, the Board was proposing for vote at the Annual Meeting an amendment to the Bylaws creating an eighth seat to preserve the full roster of seven resident-elected members. The

expansion of the Board would terminate with the expiration of the Founder's right to appoint a Board member. This issue will be discussed by Mr. Graham later in the meeting.

Deborah reported that the Founder has indicated an intent to turn over control of the IDC to the Assembly except for conceptual and preliminary approval of new construction.

Tony made Motion that the Assembly accept partial responsibility for the IDC. The motion was seconded.

The motion was opened for discussion. Deborah commented that the Founder's letter was not clear on exactly what the Assembly would do. There is also a question as to whether the Assembly has been funding administrative costs of new construction review.

Tony commented new construction activity is taking a lot of our Administrative Assistant's time. Further, there is a need to track the Admin. Asst. and IDC Coordinator time and seek reimbursement from the I'On Company.

Frederik commented there has been a lot of discussion about taking over the IDC full time, which has created expectations. The Assembly has done what it committed to do when the Founder indicated he would turn over the IDC. The I'On Company has not done its part, one example being that IDC fees are being paid to the I'On Company, while the Assembly has borne the costs of providing a Neighborhood Design Coordinator and administrative services with no reimbursement.

Martin noted that at a prior meeting it was agreed to ask Chad Besenfelder to seek reimbursement from the I'On Company for costs being incurred by the Assembly for administrative support.

Tony moved to amend his original motion to include directing the President to send a letter to the I'On Company asking for reimbursement of administrative costs for IDC support of new construction, Amendment was seconded by Frederik.

Vince Graham, the Founder, commented that it is the desire of the I'On Company to turn over all control of the IDC but that the I'On Company wants to have input in conceptual approval of new construction on the approximately 24 lots it has left to build. He also said his letter did not address fees because he forgot to address them. He agreed all IDC fees should go to the Assembly.

Vote was taken on the proposed amendment to the original Motion. All in favor. Motion to amend carried.

Vote was taken on Motion to accept partial control, as amended. All in favor. Motion carried.

Deborah noted as reported earlier, the Founder has advised that he will exercise his right to appoint a representative to the Board effective January 1, 2014. At present there are five positions to be filled, three for 2-year terms and two to complete the one-year terms of current members resigning as of year end. Five candidates have stepped forward.

If the proposed Bylaw amendment is approved by the Board to be submitted to the membership and the membership approves, the plan would then be for the three candidates receiving the most votes to be elected to the two-year terms and the remaining candidates filling the one-year terms.

Motion was made to submit the proposed Bylaw amendment to the membership for approval. The motion was seconded. All in favor. Motion carried.

Founder Comments

Mr. Graham advised he sent a letter to Deborah today in response to her letter of November 8th, which will be attached to the minutes of this meeting.

Deborah asked about the section of the letter referring to Board shortcomings. Mr. Graham stated he feels he is entitled to notice of Board meetings and Board actions as provided in the Governing Documents. He said the specific requirements for notice have not been met. Mr. Graham stated it was important for the Founder to be notified and heard on anything that may impair the Founder's rights. As an example, the proposed amendment to the Bylaws adding an 8th seat should have been discussed beforehand with the Founder. He emphasized again that communication with the Founder is important to enable the Founder to protect his rights.

Deborah noted with Chad on the Board, notice to the Founder should be easier. She agreed the Founder has a legal right to appoint a representative but it is also important to recognize the potential for conflicts of interest and therefore it is important that the representative complete and sign the Conflict of Interest form.

Manager's Report

Mike Parades stated he is too new to have anything to report.

Other Guest Comments

Ed Clem of the Finance Committee presented information on proposed revisions to the Community Garden Rules to ensure that all prospective gardeners were current on their HOA financial obligations. He requested the Board review the proposed amendment to item #1 of the Rules. Discussion followed on the rights of renters.

Mr. Clem also suggested the need to seek verification of the Creek Club's insurance coverage as they are a vendor that the Assembly makes regular payments to and all vendors must submit a copy of their liability coverage to SCS as part of invoice payment procedures.

Deborah noted Ed's comments and said that the Board would take appropriate action.

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

Respectfully submitted by