

I'On Assembly, Inc.
Board of Trustees Meeting
November 19, 2015

Members Present in Person: Anne Register, Bruce Kinney, Lori Feehan, Adam Robinovitz, Tony Woody and Chad Besenfelder

Members Present by Conference Call: Bob Davis and Tom O'Brien

SCS: Mike Parades

Guests: Amy Sage, 63 Joggling St.; Karen Dillard, 143 Ionsborough St.; Barbara Fry, 28 Mobile St.; David Thompson, 198 N. Shelmore Blvd.

Homeowner Forum: Amy commented her only question was related to planting of seasonal flowers, but Mike had already answered while waiting for this meeting. Mike reported that LOG had given a number of reasons why the planting had not been done but has been told that it must be done before Thanksgiving. Karen commented she is attending the meeting to get a sense of how the Board operates as she is still trying to decide if she can work full time, be a mom and wife and serve the community. Her husband attended the Potluck dinner and got some good feedback.

Call to Order at 6:05 pm by Anne Register.

Approval of Minutes:

Motion to approve the October 22, 2015 Board of Trustee Meeting Minutes. Motion seconded. All in favor. Motion passed unanimously.

Anne commented that three years ago the Board decided to move toward a more professional management function and engaged the current management company, Southern Community Services... Mike Parades was brought on board as the community manager in late 2013 and became full-time in September of 2014. With his significant experience, he has been assuming more responsibility in the day-to-day operation of I'On. After much discussion in recent weeks among Bob, Bruce and Anne, it was agreed to try running tonight's Board meeting differently than in the past. Instead of each Committee Chair or Board member reading their reports that are included in the Board meeting package, Mike will take the lead in conducting the meeting when it comes to reports and summarize the information and report any changes. In addition, Anne also reported that to be consistent with Mike's increased role in managing the community, his title is changing to General Manager. The goal in changing the format of the monthly Board meetings is to have the meetings run more efficiently and takes less time.

Mike noted that since all the reports are sent to the Board ahead of the meeting time, it will increase efficiency if each member will review the material before the meeting to enable them to make decisions where necessary. He also indicated that if there are any questions, please contact him before the meeting and he will try to answer those questions.

Anne noted the next item on the Agenda was the President's report and asked if Mike had any comment or would he defer to Bob. Mike indicated that he would defer to Bob.

President's Report: Bob gave an update on the Creek Club litigation. Two issues have arisen with respect to relations with Justin Lucey. The first issue relates to the filing of a brief by our legal counsel. The second issue is who should have control of the bond put in place by the I'On Group. Discussion is on-going on both issues.

The Annual Meeting package has been finalized and Bob stated that he would review it that evening. If all the requested changes have been made, the package can be mailed. Mike noted the goal is to have the package in the mail by the end of the current week. It will not go until Bob does his final review and advises it is okay to send.

Communications Report: Barb gave an update on activities noting:

- There were now 150 I'On property owners signed up on the Face book social page
- She asked Anne about the progress with the 2016 printed Directory, and Anne reported they will be delivered the next day in time to be put into luminary kits on Saturday. She highlighted some changes in format and also shared that a number of ads had been sold totaling approximately \$3,400. There will be alternate methods to obtain Directories for those who did not order luminaries.
- The Communications Committee is still looking into other methods for communicating with the neighborhood, and some of the issues are being investigated.

Amenities Report: Mike suggested that the discussion on the proposed Amenities Survey be moved up on Agenda since Barb was present. Tom opened discussion noting the survey has had additional demographic information added. The survey was projected for all those present to see at the same time.

The survey was sent to all Board members for review and comment prior to the meeting. The most commonly requested additional amenities were included, and questions on each follow the same format. In addition, there is a section that allows input on other desired amenities.

Lori commented that based on the first survey done in the fall of last year, response will be fairly rapid. If the same preparation and marketing is done as was done for the last survey, she believed the response will be fairly quick. There was discussion on the timing of survey, and the point was made it might be better to wait until January after the holidays to get it out.

The group then went through the survey, and a number of comments and questions were asked and answered.

Motion was made that Board should further review the survey draft and get comments back to Tom by November 24th. Mike will then pass comments on to the Survey Committee to finalize it for distribution in early January. Motion was seconded. All in favor. Motion passed unanimously.

It was agreed that Mike would work with Committee to take comments and revise the Survey as appropriate to be ready to send it to the I'On property owners.

Karen commented that the cover letter should reflect where the ideas for additional amenities have come from.

Manager's Report: In addition to the items in his written report in the Board package, Mike shared that there were some other updates for the Board's attention:

- The gates at the Creek Club dock and Boathouse got delayed and were now scheduled to be done during the first week of December.
- With TOMP approval in place for the crosswalk projects, Mike was now getting pricing to do the concrete work necessary for both locations.
- The transfer of the canals to the HOA is still waiting on closure of the new lot on Mobile. When it closes, the Founder will cut cover the costs for installation of the new fountain pumps, and the transfer of the canals can be completed.
- The installation of holiday lights on trees in the Square was scheduled for the week of November 23rd. Power has been run to the signpost at the entrance enabling the large Oak tree to be lit this year. Lights will be turned on Wednesday evening before Thanksgiving.
- Maintenance projects are moving pretty smoothly.
- Mike has received pricing to resurface the walking paths on the Fernandina side of Westlake.
- The dock repairs at Westlake will be done when the contractor is on site to do the gates at the Creek Club dock and the Boathouse.
- Lori asked about the status of alley repairs. Mike explained that for several reasons, alley work had been deferred. The plan now is for alleys to be the major focus during the first quarter of 2016. Funds are available in reserves to do all repairs and do seal coating. Lori's alley bordering on Prescient, as one of the oldest and in the worst shape, will be done first.
- Finally, preparations have been made for the volunteers to do neighborhood wreath-hanging and holiday decorating the first weekend in December. Some new materials needed to be bought (ribbons, pins, wire, etc). Funds are available to reimburse the volunteers for the needed items.
- LOG has said seasonal flowers will be installed before Thanksgiving.

Infrastructure/Landscape: Mike reported that the memo in the Board package summarized his meeting with Tony and the status of most on-going projects. Tony then discussed the meeting held with Latitude owners who would like the right-of-way Oak trees in front of their houses removed.

Tony gave some background to the tree issue on Latitude Lane. The owner at the corner of Patty and Latitude obtained permission from TOMP to remove the tree in front of her home without putting anything back due to concerns with the tree eventually growing to a size that could impact the foundation of the home, the sidewalk and other potential damage. The HOA found out the permit was issued only

when the tree was taken down. The removal led to the remaining owners on Latitude filing application with the TOMP to remove the Oak trees in front of their homes.

Tony met with TOMP to express the HOA's position that trees should not be removed. When the owners filed for permission to remove the trees, officials from TOMP contacted the HOA first and deferred any action. The HOA now has the opportunity to meet with the owners, the Town and do some further research. The trees are in the public realm and add value to everyone's investment. Further, the Town approved the plan to install the trees as part of the PD.

All present agreed that every effort should be made to retain the trees, ensure the trees are properly maintained and educate all owners as to why the trees should be protected.

Bob commented it is a huge step to have the Town defer action and reach out to the HOA for discussion. The implication is that TOMP sees the value in working with the HOA.

It was agreed that a thank you should be sent to the Town and include the plan for the HOA to meet with the owners and get back to the Town with a recommendation. Tony will take the lead to write a letter to the Town regarding maintenance of trees, maintenance of sidewalks, etc. Mike will set up a meeting with Latitude owners and invite Eddie Bernard from the Town to attend. Chad will do an education piece about right-of-way trees for the newsletter.

Discussion followed on the condition of the Sycamores at Perseverance. There are some under stress that may need to be removed in the spring.

A comment was made there are some loose bricks in the steps at Perseverance that should be looked at and repaired. Mike made a note to investigate and have repairs made.

IDC Report: Bruce reported on continuing efforts to remind owners of the need to obtain approval for projects before beginning work. He also reported that during review of a project, one of the IDC architects noted that a section of fence enclosing an owner's yard is in fact on common property. It was agreed that this is not an IDC issue but one that Covenants should look into.

There is also an issue related to a trailer located on a lot that is visible from a house situated on one of the canals. Mike reviewed the governing documents and does not believe it is a violation. Bruce believes he can make a case that it is a violation. Further review is needed.

There has been a recent request by an owner on Sowell to remove a Palmetto tree so that the single car driveway for a three car garage can be widened. The tree has been hit many times by vehicles pulling in or out of the garages. Further review is needed, but the request appears reasonable.

Covenants Report: Lori indicated the only new item just was referred to her on the previous day, and she has not had a chance to review the matter. Mike noted it involves a letter from an attorney in response to a communication from him asking if the owners the attorney represents are still operating a

B&B. The attorney's letter demands a number of items and in general adopts an aggressive tone. Mike noted he is not inclined to provide anything as the attorney answered the question about the rental.

Bob commented that he has only recently read the letter and feels the only thing that needs to be done is send a nice letter thanking the attorney for answering the question. No documents need to be provided as his client already has the documents.

I'On Trust Report: Amy commented that W. Shipyard will be closed for Giving Lights and the Holiday Festival on December 5. As previously reported, the Directories will be delivered from the printer tomorrow. Directories will be put in luminary bags for those participating. For those not participating, the Ambassadors will hand deliver the books to homeowner's front doors before the holidays.

Amy reported that as of November 19, there were 388 owners who have signed up for luminaries compared to 355 at this date last year. Total funds raised are \$13,600.

Amy also noted that sand for luminaries will be delivered to four locations within I'On next week, and the information regarding luminaries will be communicated via email blast.

Treasurer's Report: Mike reported that as the financial information in the Board package shows, I'On is in excellent financial condition as year-end approaches. We will finish the year with excess transfer fees between \$15,000 and \$20,000. The excess fees will go into the Capital Projects fund. Overall AR is in great shape and is approximately \$15,000 less than at the same time last year. There is very likely going to be one bad debt write-off in February on the largest delinquent account that has been ordered sold at a Master Sale in February. The 2016 Annual Assessment billing letter is ready to go in the mail right after Thanksgiving. Finally, he reminded the Board that the budget tentatively approved at the last meeting had a couple of minor adjustments needed. Those adjustments have been made and the final budgeted net income for 2016 is projected at \$920. This final budget needs approval of the Board. *Motion made to approve the final proposed 2016 budget. The motion was seconded. All in Favor. The motion passed unanimously.*

Mike noted that the package contains a revised Guideline for intent and use of the Contingency Fund that is much clearer than the one adopted earlier this year. This is not a formal policy but simply a Guideline. The Finance Committee would like Board approval. Discussion followed on the difference between the revised Guideline vs. the original approved earlier this year. *Motion was made to approve the proposed Guideline. The motion was seconded. Vote taken. Motion passed unanimously.*

Mike drew the Board members' attention to the financial statements advising all that the \$15,000 budgeted for Trust funding for this year will not be needed by the Trust. As has been previously approved, the \$15,000 has been transferred to a new HOA reserve account. All present were reminded that the 2016 budget includes another \$15,000 in Trust funding that, if not needed next year, would go into the HOA Trust reserve fund which will then be fully funded for future needs.

Finally, Anne commented that the Finance Committee has asked Mike to prepare a report on Reserve Fund expenditures since SCS took over. Mike advised that the schedule already exists on page two of the

Excel spreadsheet done monthly for the Reserve Fund activity analysis. That schedule needs a bit of reformatting and will then be distributed to the Finance Committee monthly.

Manager Priorities: Mike reported the primary responsibility for the next month will be finalizing the Annual Meeting package and getting it in the mail on time. The package has been assembled and sent to the Board for review. He asked that all Board members take a moment to review and let him know of any changes or corrections by the following day. Once Bob has approved, it will be sent to the mailing house with the goal of its being in the mail no later than next November 24th.

The next priority is to finalize preparations for the actual meeting. Mike has requested additional help from other SCS staff. Some volunteers may be needed as well to help with check-in.

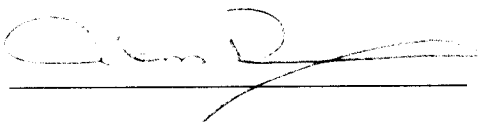
Mike indicated he needs to plan a possible wrap-up meeting for the outgoing Board to summarize any issues still open to pass along to the new Board. An Organizational Meeting to elect new officers and choose committee chairs will need to be scheduled within ten days of the Annual Meeting.

Finally, Mike will be planning a Board orientation for the new Board that will be just for I'On Board members.

Lastly, but most important, is identifying a new employee to step in as the full-time Assistant Manager. SCS has identified two candidates that appear to be qualified to do the job. The intent will be to have one or more Board members interview both candidates and give their feedback. With that information, SCS will make a job offer hopefully before the Annual Meeting.

There being no further business, the meeting was adjourned at 7:52 pm.

Respectfully submitted by

A handwritten signature in black ink, appearing to be "Mike", is written over a horizontal line. The signature is cursive and extends slightly below the line.