



Indigo on the Ashley HOA

Midyear Homeowners Update

Dear Homeowners,

It feels like July has come and gone in the blink of an eye. One thing seems sure. The Dog Days are upon us! This would also be the time for our midyear homeowners meeting. In normal times we might plan to meet in July or August. But these are not normal times. South Carolina is currently a COVID-19 hotspot. Your board simply does not feel it would be prudent to hold a face to face meeting at this time. We will continue to monitor the situation and schedule an in person meeting as soon as it becomes safe to do so. In the meantime we will use this forum to give you an update on some important topics to you all.

FRONT ENTRANCE MAINTENANCE & UPKEEP

CONTRACT EXPIRED: Because of a conflict between our HOA board and the previous Indigo Fields HOA board, Indigo on the Ashley has not been contributing to the front entrance upkeep since April of 2018. In the summer of 2018, the Indigo Fields Board was replaced by their homeowners. Early in 2019, your HOA president began a dialogue with the new Indigo Fields president in an attempt to reconcile amicably. One of our concerns was the previous board's negotiating an exorbitant maintenance contract without our approval. That same contract had been renewed for the 2019 season and was still unacceptable to us.

Late in 2019 The Oaks was given its charter. Indigo Fields was able to terminate the remaining few months left on the existing overpriced contract. All 5 Indigo HOAs began in earnest to create an agreement for the front entrance upkeep. Our goal was to have a new accord in time for the 2020 growing season.

INDEPENDENT LLC: All 5 HOAs agreed that for a 5 neighborhood accord to exist, it is important no one neighborhood has undue influence on the business of the accord. We set in motion a plan to create an independent LLC. The LLC membership would include one member from each of the 5 HOAs. The LLC would be in charge of all common areas identified in the by-laws. Any funds contributed by the 5 members would be held in a separate account and could only be used as specified in the by-laws.

A previous Indigo on the Ashley board had attempted to unite all the HOAs like this. They got close, but personalities on the other boards eventually clashed and the agreement fell through. This time around, we have included two or three board members from every HOA and everyone has worked hard to maintain a collaborative spirit. An agreement is close at hand that gives each HOA equal say. There are checks and balances that keep costs from growing above 10% without approval from everyone. The agreement will be renewable in 3 year increments to allow for some continuity in the short term but give us the ability to make updates and modifications for the long term.

NEW CONTRACT NEGOTIATED: While the 5 HOA team was negotiating amongst ourselves on our new by-laws, we also needed to develop a landscape proposal and create a list of contractors we could request proposals from. All 5 HOAs were to research and bring at least one contractor back to the table that we would then submit a request for quote to.

One of the biggest constraints for us as HOA board members is many of us have jobs and all of us have other obligations. Because our 5 HOA team is as large as 15 people, it is a lot harder to coordinate meeting times and to determine timeframes to get tasks done. Now throw on top of that a world pandemic. We found ourselves falling into the 2020 growing season still without a landscaper under contract.

Our team eventually had 6 contractors to evaluate. Recently we were able to whittle the list down to a final company. While negotiating the details of the final contract a 7th company was identified by one of our members. Because of our diligence in evaluating contractors and revisiting the details two or three times we have negotiated a 2020 1 year contract that is considerably less than what we had been paying in 2017. We think this is an incredible win for all 359 homes here in the Indigo Neighborhoods.

INTERIM CLEANUP PROVIDED BY HOMEOWNERS: While your 5 HOA team was working on a permanent solution for our front, the growth up top was becoming unruly. One of our homeowners and a few from a different neighborhood have contributed hours of their time to mow and do a deep clean. We'd like to express our thanks to these homeowners for their efforts. We think we will have our landscaper under contract in time for the next mow. Regardless, there will be opportunities to volunteer in the future. Please keep an eye open for a request for volunteers in the future.

RETENTION POND UPDATE

POND HEALTH: In April 2019, the board authorized a Bathymetric Analysis from our pond maintenance company, The Lake Doctors. The results were, "Good depths and contouring overall for most of the waterway. 350 Cubic yards of hard sediment on southeastern shoreline. Likely due to sloughing over time." We asked The Lake Doctors to quote the removal costs to dredge out the 350 cubic yards of sediment. Their quote was \$54,320.00.

NEXT STEPS: Your board is working to obtain additional analysis from Clemson University. We are seeking a civil engineering analysis as well as obtaining additions sediment removal quotes. I have discussed sediment removal with a general contractor who is a member of another Indigo HOA board. Her off the record thought was it would cost 20 to 25 thousand. We have had a conversation with the City of North Charleston who stated, "The pond was never meant to withstand a 1000 year flood. If the pond is working, let sleeping dogs lie." Currently we are waiting for the resources above to return to working in the field. Until then we will simply have to be patient.

BOARD RECOMMENDATION: We have spent considerable time reading about, studying, speaking to experts on the phone as well as discussing with neighbors and other board members. We think the best course of action is to stay the course. We will continue to follow

through on our next steps. As far as the inevitable dredging in the forecast most of us don't believe it will be necessary in the foreseeable future. We will continue to manage our reserve fund with this potential expense in mind. But there is no need or desire to fix something that is not yet broke anytime soon.

FINANCIAL UPDATE

BUDGET: Our current outlook is positive having spent under half the budget at the half way point through the year. We took an extraordinary expense of \$8,000 that drew down our reserves. We had also received an extraordinary inflow so the \$8,000 was not a negative impact to our health. The \$8,000 will be explained in the next section.

RESERVE FUND: Our reserve is strong having grown to over \$21,000 after the 8K expense. Along with the negotiations we are undertaking with the other HOAs, we feel our position is very good should we need to weather any other extravagant expense.

ANNUAL DUES: Dues are currently forecasted to stay the same for 2021. There will be no increase. Our efforts to align all the Indigo neighborhoods towards a shared common area expense reserve may eventually lower our dues a small amount. Regardless, our dues are low when you compare Indigo on the Ashley to many other Neighborhoods. This is another win for 2021.

NEIGHBORHOOD GOODWILL

FRONT ENTRANCE BACKGROUND: For almost 20 years, and even before our articles of incorporation, your Indigo on the Ashley neighborhood has contributed to the upkeep of the front entrance. This is the area along the road as you drive into the Indigo community. This area goes from Dorchester Road down Indigo Fields Blvd to the end of the fence lines in front of both The Oaks and Indigo Terrace. Our homeowners have spoken throughout the years about their desire to present a well-kept and well lit entrance to act as a beacon for the safe and desirable neighborhoods within. If the front declines in appearance, it is the very first thing most of you complain about.

These common areas are not owned by the association. In fact they are not owned by any association. Even the city does not lay claim to them. But our interpretation from the beginning has been these front entrance common areas are for the benefit of the association. Funds allocated for upkeep in these areas are clearly for the safety and welfare of not only our homeowners in Indigo on the Ashley but for all the homeowners in Indigo. These contributions have been made by all the HOAs in the community.

Each of the other HOAs have made a similar interpretation towards the front entrance. Until now all funds contributed have been paid to the Indigo Fields HOA. Indigo Fields has managed this effort because Indigo Fields was the first neighborhood on the books. All the bills for the front were put in Indigo Fields name from the beginning. The amounts contributed have varied through the years but for the most part all the neighborhoods have participated.

WE OWN THE POND: In the early 2000s, the builder for Indigo on the Ashley, Charleston Land Group LLC, had enticed home buyers with the promise of a common area dock with access to the Ashley River. When it became apparent the builder was going to renege on that promise the homeowners at the time began pressuring the builder to fulfill the promise. As a deflection, the builder offered the retention pond at the end of Indigo Fields Boulevard as a reasonable alternative to the dock. There were to be bike paths and BBQ spots. Indigo on the Ashley took ownership of the retention pond in 2008 for a cost of \$10.00.

The pond was supposed to be a common area feature for all our neighbors to enjoy. I believe for the most part the pond has lived up to that expectation. What the pond also provided was a transfer of liability from the builder to the HOA residents. It was not necessarily out of malice. It is the nature of all builder-homeowner relationships. It is one of the reasons for the HOA to exist. The HOA is how the builder transfers liabilities inherent in the neighborhood and moves on to the next project.

What the homeowners felt like at the end of 2008 was that they were left holding the bag. Suddenly Indigo on the Ashley had additional expenses that competed with the front entrance contributions. To further add salt to the wound was the fact that our pond's original intent was to satisfy a Clean Water Act of 1972 requirement. The builder of the Indigo Fields development needed to create our pond to get their neighborhood built in the first place.

THE STRUGGLE FOR RECOGNITION: For the last 12 years Indigo on the Ashley has continually brought up the subject of our maintaining the retention pond, which is the single greatest expense in our budget. Year after year we were met with blank stares by IF Board members who simply didn't understand the pond was much more than a neighborhood recreation feature for our use. Its real purpose is a drainage area for the entire subdivision. In the more recent years, our pond concerns lay dormant while we continued to contribute to the front entrance upkeep.

Your board has resurrected the concept of all homeowners in all 5 HOAs making contributions to help offset major and extraordinary expenses for all common areas. We have gained the acknowledgement from the other boards that there is a greater fiduciary responsibility involved with our pond. Recognizing this is a huge first step. Recognition is the first cog in laying the groundwork to an agreement to share expenses.

THE CONFLICT: In 2017 the IF Board was being led by a rather unscrupulous individual who had grand plans to significantly alter the Indigo entrance to create a gated community. This President had four covert activities in place. He was working a 1-gated community, 2-covenant rewrite, 3-absorb Terrace, and 4-landscape upgrade. The landscape upgrade had everything to do with his gated community vision. Three of the four activities were caught and squashed by the Indigo Fields and Terrace homeowners. The landscape upgrade was caught by Indigo on the Ashley. Our board was given an ultimatum to participate but we refused on the grounds that the landscape contract was exorbitant. The work described was unnecessary and Indigo on the Ashley couldn't afford it. We were already paying \$56 dollars a home for front entrance upkeep in 2017. The new contract we were asked to support would lead to \$65 or \$70 dollars a home.

Indigo Fields went forward with the new landscaping contract. The rest of the HOAs were caught up in the other underhanded initiatives, specifically more restrictive covenants and

the absorption of one whole HOA. We don't fault the other HOAs for being lured into a landscape contract by that President. It was an unfortunate turn of events.

As that President's plans got further along, His deceptions were uncovered. In the spring of 2018, the Indigo Fields Homeowners literally ran him and his partner out of town. After the dust had settled, the new IF board took control in July 2018. They were able to return to their old covenants, return Terrace to their covenants and discovered a separate bank account with \$10,000 that had been set aside to start funding his world class community.

OUR STRATEGY: Since early 2019 your board President has been in contact with the new Indigo Fields President. Our goal was to not let bad feeling get worse. The entire neighborhood had been held hostage by a bad player. But our withdrawal from the front entrance agreement gave the other 278 homeowners in Indigo a bad taste in their mouths. We didn't want to allow board member politics ruin our neighborhood's reputation and our standing with our neighbors and friends.

In the latter part of 2019 Indigo Pointe brought all of the neighborhoods together to reconcile. Our goal was to develop a future alliance that would prevent any one member from taking too much control. Indigo Fields turned everything off at the front entrance and we started with a clean pallet.

This board found the newer officers of Indigo Fields as well as the officers of all the HOAs to have a good collaborative spirit. We received serious concessions about who actually benefits from our pond. Not from everyone. The Oaks have a completely different drain path and have two ponds of their own that have similar expenses to ours. Terrace has similar circumstances. But all of us agreed we could see economies of scale by combining our resources rather than remaining separate.

As a result, your Board has been in careful discussions on a solution to all HOAs sharing the costs of all common areas. These negotiations have led to a draft memorandum to create a separate nonprofit corporation to manage common areas, starting right away with the front entrance. All five HOAs would be equally represented on its Board, and together they would manage maintenance of the front entrance, as well as upkeep of other common areas which the Board will decide on. This new corporation will be a significant improvement over the previous agreements, which of course involved only the one HOA making all decisions and tasking the others for support. We are excited about this progress, and anticipate that it will result not only in improved upkeep of common areas, but lower costs overall. There is an additional benefit of creating extraordinary good will between the five HOAs. The agreement will be posted on our HOA website alongside the other important documents.

THE CONFLICT RESOLUTION: There was one final matter to settle. Our HOA had not contributed to the front entrance upkeep for 9 straight quarters. We were able to pull out of a bad deal completely but the rest of the 278 homeowners in Indigo were not so lucky. The rest of the neighborhoods were stuck paying in excess of \$60 dollars a home. The new Indigo Fields board was able to make ends meet by using the newly found \$10,000 bank account to pay what would have been Indigo on the Ashley's portion.

During our negotiations with the other HOAs during the last year, we have come to learn of the bad feelings and ill will towards us from the other homeowners. We were considered the rich HOA but too poor to contribute our share to an entrance we all share.

These were not just the feelings of Indigo Fields but of the others as well. This board felt we needed to open a separate dialogue with the others to create a breakthrough resolution that would allow us to achieve our ultimate collaborative goals. We knew we could not achieve our goals if there was any ill will directed towards us.

Our talks focused on the amount that Indigo Fields had been covering for our share of the front entrance expenses. All the HOAs felt like the right thing to do was make a good will payment towards that amount. Everyone felt that our holdout had brought us all together to create something better for the future. Now it was time to make amends.

The total amount for 9 quarters would have been in excess of \$12,000. We offered \$5000, which was based on a \$30 dollars per home contribution homeowners had agreed to in 2014. Indigo Pointe, whose homeowners were paying more than \$60 per home, suggested a fair and reasonable amount might be the amount we were paying when we stopped.

We calculated the amount we were contributing to be \$45 per home per year. We prorated that amount over 9 quarters and then rounded down to come up with an offer of \$8000. Our offer was recently accepted by Indigo Fields and a check was written. We had a release form signed and notarized to ensure this matter is behind us. This good will contribution will go a long way to restore our name and repair the ill will in the neighborhood. It will allow us to obtain further cooperation with the others in the future.

THE WAY FORWARD: Because of considerable efforts from our previous board and treasurer, our reserve fund has blossomed. The funds usually earmarked for the front entrance contribution have been funneled into our reserve and it is larger than it has ever been. We received over \$9000 from a windfall receivable from a past due lien. That offset our good will contribution to the others and we still have over \$21,000 in our reserve.

We are continuing to build our reserves. At the same time the newly formed Indigo Subdivision Committee will begin building a reserve fund as well. The Subdivision Committee has been solely focused on getting the front entrance in order. Our future efforts will be to write into the by-laws specific language that will cover any extravagant pond expense. For now we have put words into the by-laws that will allow funds to be disbursed on an emergent basis if needed.

Our current thinking is that our pond will not have a large expense for years to come. Meanwhile we will continue to build our reserves in the HOA account and now the indigo subdivision account a well. The two accounts together will eventually grow to an acceptable level that will protect us completely if and when we need to dredge.

IN SUMMARY

I am glad you made it to the end. There was a lot of information to digest. The key points these:

We have a new Indigo Subdivision partnership.

The partnership will manage the front entrance upkeep.

Our first year costs will be approximately \$35 per home.

We will next negotiate inclusion of the pond extraordinary expense.

We received more than 9K in a windfall long term debt payoff.

We made an 8K good will contribution to make amends to our neighbors and friends in the other HOAs.

The pond is healthy and in no need of immediate dredging.

Our reserve account is larger than ever at over 21K.

Indigo on the Ashley has good standing in the community and is a great place to live.

We will post at our website all pertinent document discussed throughout this homeowner update. If you have any questions or additional concerns please send those along to any Board member by return email. We will respond in as timely a fashion as possible.

As always, you can find as up-to-date info as possible by visiting our website:

<https://www.indigo-on-the-ashley-hoa.com>

Please send any suggestions for improving the website so that you will find it usable and helpful. Stay safe and cool this hot summer!

Best Regards,

Your HOA Board

Steve Kiser – President

Steve Baker – Vice President

Luke Ryker – Treasurer

Greg Gorsuch – Secretary

Dave Jones – Board Member at Large and ACC Lead

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