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KIAWAH ISLAND COMMUNITY ASSOCIATION, INC.
2006 ANNUAL MEETING

DATE: March 19, 2006

TIME: 2:00 p.m.

LOCATION: East Beach Conference Center
Kiawah Island, South Carolina

REPORTED BY: JENNIFER M. HUGGINS
COURT REPORTER
CLARK & ASSOCIATES
P.O. Box 73129
Charleston, SC 29415
843-762-6294

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1 A P P E A R A N C E S

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3 Sitting on the Board of Directors:

4 President - Faith Dodge

 Vice President - Richard Sula

5 Treasurer - John Wilson

 Secretary - Russell Warren

6 Director - Avril Fenwick

 Outgoing Director - Dwight Freeburg

7 Developer Director - Buddy Darby (absent)

8

 Candidates, Nominators and Seconds:

9

 Candidate - Russell Crane

10 Nominator - Herchiel Sims, Jr.

 Second - Fred Peterson

11 Candidate - Harold Fallon

 Nominator - Joan Avioli

12 Second - Randy Gilmore

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 Member Comments:

14

 Wendy Kulick, 38 Marsh Edge Lane

15 Bill Wert, 184 Glen Abbey

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0003

	I N D E X	
1		
2		Page
3	Election for Board of Directors Candidate:	
4	Russell Crane	8
5	Harold Fallon	11
6		
	Election of four proposals:	
7	PV-06-01	17
8	PV-06-02	18
9	PV-06-03	19
10	PV-06-04	20
11		
12	Certificate of Reporter	52
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

0004

1 MS. DODGE: Good afternoon, ladies and
2 gentlemen. I am Faith Dodge, and it has been a
3 privilege for me to serve as your president for this
4 past year. I welcome you all to our 30th annual
5 meeting and would like to introduce our Board of
6 Directors. To my far left -- and that's not a
7 political statement -- is Avril Fenwick, John Wilson.
8 Starting at my far right is Russ Warren, Dwight
9 Freeburg and Dick Sula. And I officially call this
10 meeting to order.

11 I have a few people to thank and a few more to
12 introduce so bear with me. A thank you to Roger
13 Warren, President of the Kiawah Island Golf Resort,
14 for donating the use of this conference facility
15 again this year. We really appreciate your
16 generosity. It is very important to us. I would
17 also like to thank Mary Jane Roberts, Chair of the
18 Community Services Committee, and the entire
19 committee for hosting the Celebrate Kiawah event at
20 the Sandcastle last night.

21 We had approximately 550 people, and it seemed,
22 when I left, everyone was doing the YMCA. They all
23 seemed to be enjoying themselves. This is the fourth
24 year for this event, and it's great to see so many of
25 our members attending and enjoying our Community

0005

1 Center. Please allow me to introduce our auditor,
2 Mr. Michael Putich. He is principal with Robinson,
3 Grant and Company out of Hilton Head. Michael has
4 personally worked with KICA for several years now and
5 will be certifying the various quorums and votes for
6 us today. Thank you, Michael.

7 I also would like to introduce our
8 Parliamentarian for today, Mr. Ian Freeman. Thank
9 you, Ian. Ian is from our KICA's legal firm of
10 Pratt, Thomas, Epting and Walker. Next, approval of
11 the minutes of last year's meeting held on March
12 20th, 2005. The minutes are in the form of a verbatim
13 transcript, which I have holding in my hand, taken by
14 a court reporter. And do I have a motion to have
15 these minutes approved as written?

16 MR. FREEBURG: So moved.

17 MS. DODGE: Second?

18 MR. WILSON: Second.

19 MS. DODGE: All in favor?

20 THE FLOOR: Aye.

21 MS. DODGE: Those opposed? Thank you very much.
22 The minutes of last year's annual meeting are duly
23 approved. They are available for review at the
24 administrative office in accordance with policy or on
25 the Association's web site. We have over 3,000

0006

1 members who have submitted their e-mail addresses and
2 if you would like to add yours, please see the staff
3 while you are here. If you have your e-mail address
4 sent in, there are many items of interest on the web
5 site. Our *Digest* is put on the website every month
6 and is normally on there several days before the
7 actual mailing. So if you have an interest to get
8 the information before anyone else, that's a good
9 idea. And we also have access to immediate community
10 information posted at all times. So you all should
11 try it. I think you'll like it.

12 As of today -- well, as of Wednesday, I'm
13 supposed to give you both totals. We have to have a
14 51 percent quorum to conduct this meeting and to hold
15 the election, and a quorum of 60 percent is required
16 to vote on the proposals. As of 5:00 p.m. on
17 Wednesday, for the record, the base votes were 8,426,
18 disqualified were 261, available votes 8,165,
19 and valid votes received 5,035. The total quorum
20 represented was 61.67 percent.

21 As of today, the quorum, or the base votes are
22 8,426, the same. The disqualified is a bit
23 different, 252. So the available votes are 8,174,
24 and the valid votes received are 5,047, which is a
25 61.74 percent for the voting for today.

0007

1 Before we move on, I would like to have the
2 members who were assigned proxies to pick up their
3 ballots. Do I have this list? I don't have a list.
4 We're going to go ahead and keep going. We're going
5 to affirm - Where's Tammy? There's an awful lot of names. All
6 right. If the Board Members and candidates will
7 remain seated, the staff will bring your ballots to
8 you. But the other names, if you will, please go out
9 in the hallway, and the staff will give you your
10 little sheets for -- this is the list I'm supposed to
11 be reading for proxies.

12 Richard Bennett, Alan Burnaford, Mary Carven --
13 you have to do this quickly and go out there and get
14 them -- Pat Casey, Charles Cooper, Russ Crane --
15 well, don't do that -- Russell, Lewis Driskell, Joe
16 Evangelist, Leo Fishman, Jeffrey Forte or Forte, I
17 don't know, O. Hollis Garris, Pam Harrington,
18 Alastair Harris, Gordon Hillock, William Hindman, Kay
19 Hunnicutt, Wayne Juchatz, Leigh King, Katherine Kotz,
20 Wendy Kulick, Charles Larsen, Diane Lehder, Mary Jo
21 Makely, Don McIver, Pat McKinney, Richard Patterson,
22 Jim Piet, Laura Pulleyn, Ronald Ritchie, John Sibley,
23 Marylin Summers, Deborah Thomas, William Wert and
24 Jerome Yaeger.

25 We try to find a way that we don't have to read

0008

1 these names because I'm sure it's boring for anybody
2 that doesn't have a proxy to be voted, but we cannot
3 do it until the registration is done from the time
4 you come in because some people do revoke what they
5 put in for proxy votes. So those people have to get
6 them in order for us to continue on with the voting.
7 I guess I can keep going. This year, we have
8 -- the next item on the agenda is our election for
9 Board of Directors for next year. We will now affirm
10 the nominations previously submitted. We have this
11 year two candidates for two open seats. Russell
12 Crane was nominated by Herchiel Sims, Jr. Herk,
13 would you come to the front microphone in the center
14 aisle and give your nominating comments, please?
15 MR. SIMS: Thank you, Faith. All of us come to
16 Kiawah to enjoy this special place. I know, and I'm
17 sure that each one of you know, that we are
18 extraordinarily blessed to be able to live in a place
19 like this or to be a part of this community. But
20 Kiawah is a complex community. It's not just a place
21 where many of us came as vacationers and we didn't
22 really care where it came from, or who maintained it,
23 or where it was going. The community of Kiawah
24 requires vision, planning and leadership. It is
25 necessary for some people to step forward to provide

0009

1 that leadership if we are to preserve what we have
2 and accommodate the change and growth and development
3 that are a part of this wonderful community.

4 Since coming to Kiawah on a nearly full-time
5 basis in 1999, Russ Crane has been involved in this
6 community. As a member of the Kiawah-Seabrook
7 Exchange Club, he demonstrates an interest in the
8 larger island community. And as president of the
9 Kiawah Men's Golf Association, he demonstrates a
10 willingness to spend time and effort leading one of
11 the organizations on the island. Russ is a member of
12 the Communications Committee of the Town of Kiawah
13 and is sharing his professional expertise in human
14 resources by performing a compensation project for
15 the Town.

16 Now he has indicated a willingness to serve on
17 the Board of Directors of KICA. I want to take this
18 opportunity to thank him and Faith Dodge and the
19 professional staff and all who are serving in various
20 ways to make this community so special. And so it is
21 with pleasure that I nominate Russ Crane as property
22 owner director on the Kiawah Island Community
23 Association Board of Directors. Thank you.

24 MS. DODGE: Thank you, Herk. Russ's nomination
25 was seconded by Fred Peterson. Fred, would you give

0010

1 your remarks, please?

2 MR. PETERSON: Thanks very much, Faith. A year
3 ago today, I was actually presiding this meeting and
4 finishing up a three-year term on the board. So I
5 was thrilled to learn that Russ Crane wanted to serve
6 KICA because I have got to know Russ first, on the
7 golf course, where both of us count every stroke and
8 that is the only way to play the game. And then I
9 knew him on the Human Resources Committee for KICA,
10 where he brought a good professional background to
11 that committee and helped KICA to have a great staff.
12 So it is with great pleasure that I second the
13 nomination of Russ Crane to the board of KICA. Thank
14 you.

15 MS. DODGE: Thank you Fred. Russ, your
16 acceptance of the nomination, please.

17 MR. CRANE: These speeches go in descending
18 order--the long ones first and the short one last.
19 I would like to thank Herk and Fred for those kind
20 words. I appreciate it very much. And I'd personally
21 like to thank Faith and Dwight for many years of
22 service to our community and the Community
23 Association. So thanks to both of you. I plan -- I
24 guess I should say if elected--I plan to encourage
25 and participate in frequent and open discussions and

0011

1 communications with property owners and with all of
2 the entities that have an interest here on Kiawah
3 Island. I believe that open and factual
4 communication is the only way to build a consensus.
5 So again, Fred and Herk, thanks and I accept.

6 MS. DODGE: Thank you, Russ. Harold Fallon was
7 nominated by Joan Avioli. Joan, would you come to
8 the front microphone?

9 MS. AVIOLI: I used to think I was tall. There
10 we go. Thank you.

11 MS. DODGE: You're lucky Dwight wasn't there.

12 MS. AVIOLI: Thank you, Faith and all the
13 members of the board. I nominate Dr. Harold Fallon,
14 known to most of us as Hal, for Property Owner
15 Director of the Kiawah Island Community Association.
16 He and his wife, Jo, are long time property owners
17 and are now full-time residents.

18 It amazes me to realize that I have known Hal
19 for more than half a century, way back in his medical
20 school days. Afterward, in his postdoctoral training
21 days, he became Chief Resident, served in the Cancer
22 Institute of the National Institutes of Health,
23 entered Academic Medicine and became a research
24 professor, then the Chairman of Medicine in Virginia
25 and Dean in Alabama. Through the years of his

0012

1 distinguished career, he also found time to serve as
2 president of the Association of American Physicians,
3 Chairman of the Board of the American College of
4 Physicians, home secretary of the Institute of
5 Medicine of the National Academy of Sciences and
6 Chairman of the American Board of Internal Medicine,
7 among others. His willingness to serve and his
8 ability to study issues in depth and to examine them
9 from several points of view before making decisions
10 are the qualities of a good administrator that he
11 will bring to the Association. Thank you.

12 MS. DODGE: Thank you, Joan. Hal's nomination
13 was seconded by Randy Gilmore. Randy?

14 MR. GILMORE: Good afternoon. It is a great
15 honor I have to second the nomination of Dr. Fallon
16 to be a Property Owner Director of our organization. I
17 have known Hal for six years, and I find him to be an
18 extremely articulate person. He thinks, he acts only
19 after a great deal of thought. I look forward to
20 having him represent me over the next three years.

21 MS. DODGE: Thank you, Randy. Hal, your
22 acceptance of the nomination, please.

23 MR. FALLON: Thank you, Faith. Thank you, Joan.
24 Thank you, Randy. Those words sound like flattery to
25 me, and flattery is something that a dean of the

0013

1 School of Medicine is very unaccustomed to. Why
2 would someone want to serve on the KICA Board? For
3 me the answer falls in three different areas.

4 First, we have owned property here for 30
5 years. It is where my children and now my 11
6 grandchildren all want to come for holidays,
7 vacations; it's a lovely place. I remember when it
8 was 90 percent jungle, and now it is 85 percent
9 developed. But it's still a wonderful place. So I
10 have a keen attachment, and I hope to contribute to
11 maintaining the beauty and attractiveness of this
12 island.

13 There is also the staff. It is all very nice
14 to be on a governing board where you make policy and
15 consider strategic plans and think about the future.
16 But if there is no staff and management to initiate
17 and follow through on those ideas, nothing happens.
18 I have worked for the last three years on the Land of
19 Lakes Management Advisory Committee, and I can assure you that at least
20 in that portion of KICA, we have dedicated, hard
21 working and professional individuals that I have
22 confidence in and they will implement board policy.

23 And the third is you all. I think this is a
24 most unusual community, very diverse backgrounds. I
25 wouldn't say that you come from all walks of life,

0014

1 probably the top two rungs of the ladder might be
2 more appropriate. In fact, I sort of thought of this
3 as a melting pot of overachievers.

4 There are so many bright and capable
5 professionals. It seems to me that not all of you
6 want or will contribute to KICA directly, but I
7 certainly hope you will advise Russ and me and all
8 the rest of the board as we need specific focused
9 bits of information from your background.

10 Finally, a word about my view of the major
11 issues facing KICA. They fall into two general
12 areas. First is what I call preventive med --
13 medicine. I'm sorry. After 50 years, it's hard to
14 get it out of your head. Preventive maintenance, the
15 sort of thing that you see all around you. Yes, the
16 roads, the bike paths, the landscaping, a lot of it
17 is getting old and needs refurbishing. Some of
18 the areas that were cut down need to be restored. We
19 have a lot of regular work to do.

20 But there is also a more challenging area, I
21 think, and that is managing change. The island has
22 changed drastically and the rate of change is
23 increasing. Many more people, many more tourists,
24 guests, a lot more cars, a lot more buses and
25 traffic and all kinds of things that require some

0015

1 kind of intelligent management. We need to preserve
2 some green space. We need to preserve space for
3 those other critters that live on the island. And I
4 hope that we can work, all of us together, to make
5 this island an even more beautiful place to live in
6 in the next five or ten years. Thank you, and I
7 accept the nomination.

8 MS. DODGE: Thank you, Hal. Do I hear any
9 nominations from the floor? Hearing none, do I have
10 a motion to close the nominations?

11 THE FLOOR: So moved.

12 MS. DODGE: Second?

13 THE FLOOR: Second.

14 MS. DODGE: All in favor?

15 THE FLOOR: Aye.

16 MS. DODGE: Any opposed? Thank you.

17 Nominations are closed. Ladies and gentlemen, since
18 we only have two candidates for two seats, do I hear
19 a motion to dispense with the written ballot -- I
20 have to do this -- and to elect two candidates by
21 acclamation?

22 THE FLOOR: So moved.

23 MS. DODGE: Is there a second?

24 THE FLOOR: Second.

25 MS. DODGE: All in favor?

0016

1 THE FLOOR: Aye.

2 MS. DODGE: Opposed? Thank you. Election

3 to each position will be by acclamation. May I have

4 a motion to elect Russell Crane to the Board of

5 Directors?

6 THE FLOOR: So moved.

7 MS. DODGE: Second?

8 THE FLOOR: Second.

9 MS. DODGE: All in favor?

10 THE FLOOR: Aye.

11 MS. DODGE: Those opposed? Thank you. May I

12 now have a motion to elect Hal Fallon to the Board of

13 Directors?

14 THE FLOOR: So moved.

15 MS. DODGE: Second?

16 THE FLOOR: Second.

17 MS. DODGE: All in favor?

18 THE FLOOR: Aye.

19 MS. DODGE: Those opposed? Thank you. You have

20 elected two new Property Owner Directors who will

21 represent you for the next three years. Russ and Hal

22 have graciously waived their acceptance speeches.

23 Gentleman, I congratulate you. You will join them --

24 there will be a meeting of the new board in the

25 Rutledge Room immediately after adjournment for your

0017

1 first meeting.

2 Next on the agenda are our four proposals to
3 amend the Association Covenants. If you voted on
4 your mail-in absentee ballot by the December 15
5 deadline, or if you have signed your proxy and did
6 not revoke it this morning, you need to take no
7 further action. If you did neither of these, and
8 registered before the meeting this morning, and you
9 were given the appropriate ballots on which to cast
10 your votes. You received the details of these
11 proposals in your February 1 packet. They were also
12 placed on the web site on January 19 so that members
13 had ample opportunity for review.

14 You will note the four proposals. You will
15 vote the four proposals individually. The auditor
16 will verify the votes, and with four proposals, it
17 will take a bit of time. So the results will be
18 announced prior to adjournment. The first proposal
19 is PV-06-01, which proposes an amendment to a portion of
20 Article 5, Section 6, Reserves, Subsection B of the
21 Covenants to correct an anomaly that would decrease
22 by one-half the Contribution to Reserve Rees paid to
23 the Association by purchasers if the Town imposes a
24 transfer fee. To summarize the background, when this
25 fee was put into place in 1997, there was a concern

0018

1 that the Town like Hilton Head might adopt a fee. To
2 shield Kiawah purchasers from having to pay a double
3 fee, a clause was included reducing the KICA fee by
4 one-half should that occur.

5 Since that time, the South Carolina General
6 Assembly passed a statute sharply curtailing the
7 benefits to a municipality in this regard and the
8 State Supreme Court ruled that the Hilton Head
9 ordinance was invalid. If the Town imposed a fee,
10 the money would have to go to the state and would not
11 benefit Kiawah. Therefore, the board believes that
12 the provisions should be deleted from the Covenants
13 as unnecessary and confusing. Those who have not
14 already cast their ballot by absentee ballot, may
15 cast their votes on the pink ballot now marked "PV-06-01
16 Proposed Ballot One". Please mark your pink ballots
17 now. When the collectors come to your row, place
18 these in the basket.

19 We're going to keep going. Next is PV-06-02. This
20 proposal would change the wording of item 4 of
21 Subparagraph G under Article 5, Section 6 to include
22 the word, "with consideration." This gives you, the
23 property owner, the opportunity to sell your property
24 to a family member rather than gift it, if you choose
25 to do this for tax or other purposes and still not

0019

1 be subject to the transfer fee.

2 Item 12 under this same subparagraph G, is an
3 additional exemption. The previous change in item 4
4 was for individuals, and this change is for
5 businesses on the island and will allow any business
6 entity under common control to transfer with or
7 without payment to another of their entities under
8 that same control without being subject to the
9 transfer fee because of their internal business
10 transactions. You may vote now using the dark green
11 ballot marked "PV-06-02, Ballot One." Please mark your
12 green ballot now and hold them for collection.

13 Does it stop you all if I keep going here?
14 You've got them separated. Fine. Let's keep going.
15 The next proposal is PV063, which would amend Article
16 2, Section A of the Covenants and would require the
17 Company, as KRA, as identified in the Covenants, to
18 obtain the approval of the members at a duly called
19 meeting before adding to the KICA Covenants any
20 property on the north side of the Kiawah River
21 Bridge. The Covenants, as written, do not require
22 this consent of the members. KRA agreed to this
23 concession in the 2005 Development Agreement with the
24 Town. So this amendment is really a housekeeping
25 matter to make our Covenants consistent with the new

0020

1 Development Agreement. You may now vote using the
2 salmon ballot -- aren't we colorful -- marked "PV-06-03,
3 Ballot One." Please mark your ballots now and hold
4 them for collection.

5 The last proposal is PV-06-04. It would amend five
6 sections of the Covenants to accomplish elimination
7 of KRA's right to elect the majority of the KICA
8 Board of Directors and to type -- vote type A votes
9 in elections while preserving its right to appoint a
10 single director and approve all amendments to the
11 KICA Covenants. The specific amendments, as with the
12 others, were outlined in the materials you received
13 and impact Article 3, Section 2, 4A and 4B and
14 Article 8, Section 2. This also is a housekeeping
15 item to accomplish consistency again with the 2005
16 Development Agreement. You may now vote using the
17 orchid ballot marked "PV-06-04, Ballot One." Please mark
18 your ballots now. While the votes are being tallied,
19 and it will take a bit of time for that, we'll move
20 on with the agenda. John Wilson will now present the
21 treasurer's report. John?

22 MR. WILSON: Thank you, Faith. As soon as our
23 slides come up, we can get started. The state of KICA's
24 finances remains very strong. It's one of the best
25 financed and financially strongest Community

0021

1 Associations in the country, as it has been for the
2 past several years. We have received a clean opinion
3 from Robinson, Grant, our outside auditor. And
4 Robinson, Grant, by the way, has a large Community
5 Association practice. They're based in Hilton Head.
6 So they see a lot of Community Associations.

7 We have also, in the audit, received nothing in
8 the way of control recommendations, which is also, I
9 think, a very positive sign. The audit, by the way,
10 will be posted on the website for anyone that would
11 like to obtain it there and also you can request a
12 hard copy of the audit and the accompanying financial
13 statements and footnotes.

14 To talk about the Association's finances for
15 2006, I'd first like to discuss where we get our
16 funds and where they are spent. As you can see from
17 this chart in both 2005 and 2006, the primary source
18 of our funds consists of the property owner
19 assessments and transfer fees or contributions to
20 reserve. That's the half of one percent fee that's
21 collected on real estate transfers. In 2005, we had
22 extraordinary transfer fee collections as a function
23 of the very robust real estate market that existed
24 during the year on Kiawah. We actually ended up
25 collecting about \$1.3 million over the 2005 budget in

0022

1 transfer fees.

2 We forecast 2006 pretty conservatively, using a
3 rolling five year average, 105 percent of a rolling
4 five year average of transfer fee collections. So
5 that number in the 2006 budget is down considerably.
6 And that's really what accounts for virtually all of
7 the drop in revenue between 2005 and 2006. There are
8 some off-sets. For example, assessments are going to
9 be up a bit both because more properties have come
10 online and we have had a 3 percent increase in
11 assessments.

12 By the way, the 3 percent increase is a very
13 unusual or historically unusual event for Kiawah. Our
14 Covenants allow up to a 5 percent increase on
15 assessments or inflation, whichever is larger. And
16 typically, the board has voted to take 5 percent.
17 Because of our very strong financial situation and
18 our very strong reserve balances, the board agreed
19 this year to cut that back to 3 percent.

20 Next slide, please. In looking at our expense
21 slide, the big news in 2006 is capital projects. The
22 expenditures in capital projects will be up
23 considerably in the year partially because of some
24 items that were to be completed in 2005 that will go
25 over into 2006, such as the repaving of the Kiawah

0023

1 Island Parkway, partially because of the money
2 expected to be spent on phase two of the Sandcastle
3 renovations. Other major items include a new Cinder
4 Creek boat storage facility, the bulkhead that's
5 necessary over on Cinder Creek and various landscape
6 projects.

7 Recently, the board agreed to pay up to
8 \$500,000 towards beach erosion mitigation, assisting
9 the Town, the Resort and the Developer in that
10 critical project. The numbers you see on those
11 slides for 2006 reflect that extra \$500,000. But we
12 are hoping that the expense turns out to be somewhat
13 less than that. You may also notice, if you look at
14 the numbers on the bottom for revenue and now
15 expense, that the expenditures in 2006 are going to
16 exceed revenue by about \$2.4 million.

17 This might sound like an alarming situation,
18 but it really isn't. It's a normal development in a
19 year where you have large capital expenditures, and
20 it is something that is anticipated in our Reserve
21 Strategy and Reserve Policy. Also, as I said, our
22 revenue and our expense projections tend to be very
23 conservative. Early return status for the first
24 couple of months of this year suggest that we will
25 probably exceed our revenue expectations and come in

0024

1 somewhat under our plan on expenses; however, it is a
2 little early to tell for sure. That picture won't be
3 completely clear for another four to five months.

4 Next slide, please. One very important
5 indicator of our financial health is our MR&R or
6 Major Repair and Replacement Reserve Fund, which is
7 used to maintain and improve our infrastructure base.
8 As you can see from the slide, we have an
9 infrastructure base on a replacement cost basis of
10 about of \$37 million. The biggest single chunk of
11 that is the part that you don't see, but is very
12 critical, and that is our drainage infrastructure.

13 This is a restrictive fund, which means we
14 cannot pay normal operational expenses out of this
15 fund. We can only use it for repair or replacement
16 and upgrading of our infrastructure. As a result, we
17 have to be very careful with that because we are
18 operating under some IRS guidelines, and we do
19 not want to trigger a taxable event that could cause
20 the IRS to come in and take 35 percent of that fund.
21 The slide you're looking at shows projections for the
22 fund done at the time of budget preparations last
23 year. The maximum and minimum amounts are set per
24 our Reserve Policy based on an independent
25 consultant's review of our infrastructure and

0025

1 replacement time frames for the various pieces of
2 infrastructure.

3 Also, this is a relatively conservative slide
4 in that during the last part of 2005, in fact, we did
5 very well in terms of bringing in additional monies
6 into this fund, and also, as I mentioned earlier,
7 some of the major projects in 2005 were moved over
8 into 2006. As a result, our actual reserves for this
9 projection are probably about a million dollars or so
10 higher than what you see on the slide. Also, the
11 general fund, which is our overall operational fund,
12 in addition to these reserves, has a fund balance
13 that is a retained balance in excess of \$2
14 million. That's available for contingencies and does
15 not have the restrictions that are applied to the
16 MR&R Fund.

17 A word on investments. Right now, we have a
18 surprising amount of money invested, approximately
19 \$14 million. Now, this amount will decrease over the
20 course of the year because we front load our
21 assessments. The assessments come in at this time of
22 the year and then are spent on operations over the
23 course of the year. We have about \$2 million in
24 corporates, corporate bonds and CDs, about \$9 million
25 in treasuries and the rest in money market funds and

0026

1 other money market equivalent type investments.

2 One of the innovations that was introduced in
3 2005 was something called Treasury Direct, where the
4 Association opened up an account directly with the US
5 Treasury. This has been a very good way of investing
6 both longer term and shorter term. For example, we
7 have purchased -- or are about to purchase in one
8 case, about a million dollars in Treasury Inflation
9 Protective Securities as a hedge against inflation of
10 the replacement costs of our infrastructure, but it
11 has also been very efficient for short term
12 investments. So we have a lot of treasury bills now
13 that are yielding very well and getting a nice yield
14 or bump over what we might otherwise receive in a
15 money market. And that does help.

16 I would like to commend Charlie Larsen and Chris
17 Dahlstrom for introducing that particular
18 innovation and also for keeping a close track of our
19 investment portfolio. One of the other things we are
20 doing is really refining our cash flow forecasting so
21 that no money is sitting idle, and that everything
22 that can be invested, that isn't needed for immediate
23 operational purposes, is invested and going forward.
24 There are some other innovations that may be brought
25 into our investment policy. With the overall

0027

1 guideline of preservation to principle, we just are
2 not in the business of taking meaningful risks.

3 Thank you very much, and that concludes my remarks.

4 MS. DODGE: Thank you, John. I would now like
5 to introduce Mr. Dwight Freeburg, our outgoing
6 Property Owner Director. I was going to say if you
7 wanted to sit --

8 MR. FREEBURG: That's all right, I can --

9 MS. DODGE: Dwight and I were accepted on the
10 KICA Board together three years ago, and it has been
11 a joy for me to have Dwight by my side all of this
12 time. Dwight served two years as Association
13 Treasurer and has been a valuable asset to the board.
14 We have agreed many times that it has been a
15 tremendous learning experience for both of us, and
16 one we value due to the opportunity to become closer
17 to our many members and to work daily with an
18 outstanding staff. Dwight, I would like to present
19 you with this token of our thanks -- and Avril is our
20 little shopper this year, and I am told that you
21 don't need to open it, but you have to read the card.
22 Dwight is going in for surgery tomorrow. That's why
23 I'm trying to baby him.

24 MR. FREEBURG: Thank you. I'm having hip replacement
25 surgery tomorrow, and I want to ensure the new board

0028

1 members that this is in no way, shape or form a
2 result of the three years of service on the board. I
3 will read the card, it says, to Dwight Freeburg,
4 Property Owner Director extraordinaire, in
5 appreciation of the countless hours you have given to
6 the Kiawah Island Community Association. Now your
7 time is your own. Here is something to remind you of
8 that. And that's in the box that I guess I don't
9 need to open right now, or should I open it?

10 MS. DODGE: You can open it anytime you want.
11 Well, maybe you do need to open it.

12 MR. FREEBURG: Maybe I should open it now. I'm
13 not very good at opening boxes. You don't mind if I
14 rip the paper? Let's see what this is. I kind of
15 guessed it when you mentioned the time. It appears
16 as though it's a clock. A Seth Thomas quartz mantel
17 clock. I don't think I need to open box. Thank you
18 very much. I appreciate that. Now that I don't have
19 to watch the clock quite as closely as I used to, it
20 will come in handy.

21 As my three year term on the KICA Board comes to
22 an end, I do appreciate this opportunity to make a
23 few personal observations that I think are
24 appropriate. First, I'd like to say that serving on
25 the board has been a most enjoyable and rewarding

1 experience. I know I was told it would be when I
2 agreed to serve three years ago, and actually it has
3 turned out to be that way. There are really many
4 reasons for this. First of all, KICA is blessed with
5 an excellent staff and a strong group of advisory
6 committee volunteers who have been a real pleasure to
7 work with for the past three years.

8 Secondly, as John Wilson has pointed out, the
9 Association is financially very strong from both an
10 operating and a reserve standpoint. It's always more
11 fun to work with an organization that's financially
12 strong.

13 Third, we have had a good working relationship
14 with the Town, which this relationship was tested and
15 survived this past year with some challenging
16 negotiations, both the development agreement and the
17 beach renourishment funding. I think we still have a
18 good working relationship with the Town. And we have
19 a developer and a resort that both have been for many
20 years and are planning to continue to invest
21 substantially in the future of Kiawah Island, which
22 should support the continued growth and property
23 values and the quality of life on this beautiful
24 island. I think after 30 years, it's unusual to
25 still have the degree of new investment that's going

0030

1 on on this island. That's why I believe, you know,
2 we are well positioned for the future. There are
3 challenges ahead.

4 I just have a couple of thoughts on how we might
5 address these and improve our effectiveness in trying
6 to deal with them. In over these three years, I have
7 seen the KICA Board, which represents all property
8 owners, resident and non-resident, complete the
9 transition the property owner controlled which six of
10 seven board seats now held by duly elected property
11 owners. In addition with the signing of the new
12 development agreement, we, the Property Owner
13 Directors, have control over the expenditure of all
14 operating and reserve funds -- we didn't always have
15 this -- and the ability to establish our own standard
16 operating procedures.

17 With this expansion of control comes added
18 responsibility. I think it is more important than
19 ever that the board maintain and enhance where needed
20 the strength of our KICA staff and the Advisory
21 Committee Voluntary Program. I think it should be
22 pointed out that all Property Owner Directors,
23 including both the outgoing as well as the incoming
24 members, served on one or more advisory committees and
25 were chair and vice-chair, but at least one of these

0031

1 committees prior to their election to the board.
2 This source of future leadership must be maintained.
3 At the same time, and the board has talked a little
4 about doing this, I think we need to examine and
5 evaluate the way we operate and the way we
6 inter-relate, that is the board, the committees and
7 the staff, to see if we can find ways to become more effective and
8 efficient in the management of the Association's
9 business.

10 One of the many issues that our board addressed
11 over this past year, through the establishment of an
12 amenities task force, was the availability of the
13 amenities to the membership. This is a very broad
14 and challenging subject that I believe should receive
15 the ongoing attention of the board in the future. A
16 new development agreement was recently concluded with
17 the developer and an agreement with the resort will
18 probably be negotiated in the near future dealing
19 with the future development of the Resort's Kiawah
20 property.

21 In all of this, the board needs to focus on the preservation,
22 enhancement and addition of amenities wherever
23 possible. These include, but certainly are not
24 limited to, providing additional beach parking,
25 access related services, consideration of ways to

0032

1 expand pool and fitness center availability,
2 protection of Night Heron Park from any future development and
3 maintaining the existing Governor's Club programs
4 that provide favorable membership access to Resort
5 tennis, golf and restaurant facilities. The best way
6 to accomplish this, I believe, is through a
7 continuation of the amenities task force, which should
8 include the leadership of the KICA Board, the Resort,
9 KRA and the Town meeting on a regular basis,
10 preferably quarterly, but at least semi-annually, to
11 provide a forum to address these and possibly other
12 appropriate issues.

13 I would like to conclude by making a few
14 comments about my fellow board members. I think this
15 board has always held the well being of the Kiawah
16 membership foremost in its deliberations and has
17 worked very hard to thoroughly understand all sides
18 of an issue before making a decision.

19 The required leadership to reach a board
20 agreement on many complex issues during the past year
21 has been provided by Faith Dodge, our President, with
22 whom I have had the pleasure of serving for three
23 years. I do want to express to you, Faith, my
24 admiration and appreciation for the outstanding
25 leadership that you have provided to the board as

0033

1 President this past year.

2 And I can't step down -- I didn't know whether
3 I wanted to say this or not, and he is not here
4 today -- but I say, I can't step down without saying
5 a word about Buddy Darby, with whom I have also
6 served for three years. I think Buddy's active
7 presence and participation on the board has been very
8 important to us. He brings expertise, experience,
9 historical perspective and a dedication to Kiawah
10 that provides invaluable input to the board. While
11 the board may not always agree with him, and we
12 haven't, his input has always been a very important
13 consideration in the decision making process. I want
14 to thank you for the opportunity to serve on this
15 board. It has been a very satisfying experience and
16 one that I would highly recommend to anyone
17 interested in contributing to this beautiful
18 community. Thank you.

19 MR. SULA: Well, it is now my task to talk about
20 somebody else. I'm going to be speaking about a
21 resident of 10 Avocet Lane. This particular person
22 is going to find life very much quieter in the next
23 month or two. This person will probably sleep
24 longer, probably even enjoy a meal or two with his
25 spouse. When the phone rings, chances are it won't

0034

1 be KICA. But enough about Doug Dodge.

2 Now, I would like to talk a little bit about
3 Faith. We have more than been blessed, you have been
4 blessed to have her as president. I think in terms
5 of what she's done for us, I can highlight three
6 areas. One is her energy which she brings no matter
7 what meeting she's going to. Next to her the
8 Energizer Bunny looks like the Plymouth Rock. Her
9 attention to detail, nobody can get after it better
10 than Faith Dodge. If you doubt my words, check with
11 Joe or Tammy. They were in files that had cobwebs
12 and hadn't seen the light of day in years.

13 Finally, and I think this is perhaps Faith's
14 greatest accomplishment during this year, and that's
15 what she's done for communications within and outside
16 of KICA. Communications with the board,
17 communications with our members and communications
18 with other entities have definitely improved. Faith
19 has taught us, and I use that with the strictest of
20 terms to be -- as far as communication goes, to be
21 timely, be direct and by all means, you better be
22 accurate. As I say, we have been blessed. At this
23 time, Faith, you are going to have to read the card,
24 open the box. Thank you so very much.

25 MS. DODGE: Thank You. I certainly appreciate

0035

1 these kind words. This says, to Faith Dodge, madam
2 president, in appreciation of time, talent and
3 leadership you gave to the Community Association for
4 so many years. Now it is time for leisurely walks on
5 the beach. Now it is time to play with the dolphins.
6 She is a busy little thing. Yes! It is a dolphin. Thank
7 you very much. I appreciate it.

8 This past year has been a very active one for
9 the Community Association. We set two priorities at
10 the beginning of the year. The first was to have
11 improved communications with our members, both
12 resident and non-resident, and with the various
13 entities on the island. The directors have attended
14 regime meetings to update those members and answer
15 any questions they have of the various activities on
16 the island.

17 We have also had many open meetings for all
18 Association members and various policies which we
19 were considering and on which we sought member input,
20 such as the management of our Dunes Properties, our
21 art displays in the community center, our
22 recreational amenities, pond reconstruction, pond
23 dredging. There are many issues that came up and we
24 wanted as much input as we could from our members.
25 The Town approved a comprehensive plan this year.

0036

1 Our board submitted several items to be considered
2 for inclusion in the plan, and we thank the Town for
3 allowing those additions.

4 We were active in the negotiation process for
5 the 2005 Development Agreement, requesting many
6 changes to be incorporated into this new agreement
7 between the Town and the Developer. We kept our
8 members informed on the progress being made and the
9 reasons for our requests. We also met individually
10 with members regarding their concerns and
11 recommendations. Our board meetings and all
12 committee meetings except covenant compliance and
13 human resources due to personal information relating
14 to our members and staff are open to all members.
15 You always have the opportunity to make comments or
16 recommendations. The board has given its full
17 attention and consideration to every recommendation
18 that has been presented to it.

19 And I want to thank all the members who have
20 attended our Association meetings and to thank those
21 who have shown the interest and made these
22 recommendations to the board. We established, as
23 Dwight mentioned, our amenities task force this year.
24 That included the leadership of the Kiawah Island
25 Golf Resort, Riverstone Properties, which is the

0037

1 Resort's development arm, Kiawah Resort Associates,
2 Kiawah Island Real Estate, the Town of Kiawah and the
3 KICA Property Directors. This began as an amenity
4 issue and will continue as a leadership group, which
5 will meet on a regular basis to discuss issues of
6 importance to our property owners and our visitors.
7 This has been a good beginning of open discussions
8 and exchanges of ideas, much more than we expected
9 when we began this process, and there were many ways
10 that we realized that we could work better together.
11 And for that, it would be for the benefit of our
12 members and for the future of our island.

13 Our second priority was the safety program for
14 our employees. As you are all aware, insurance costs
15 have increased tremendously and those rates need to
16 be considered in the overall expenses of the
17 Association. The health of our employees is of the
18 utmost importance to us and we have encouraged all of
19 our staff to become involved in the ongoing safety
20 standards which have been put into place.

21 We had many accomplishments this year. As the
22 first phase of the community center renovations, we
23 installed an exterior elevator and completed the
24 second floor. We had many meetings and many
25 recommendations by our members regarding these

0038

1 renovations. We tried to accommodate everyone,
2 improving the lighting, the sound system and the
3 kitchen updates. If you didn't have an opportunity
4 to attend Celebrate Kiawah last night, or even if you
5 did, you might like to stop down and the staff would
6 be glad to give you a tour and show you what the
7 changes were because sometimes, you know, once it has
8 been changed, you don't realize all the input that
9 was made.

10 The first floor renovations are being planned
11 now, and we have had the help of our members
12 who served on the *ad hoc* committee this year and are getting
13 lots of member input to that next phase. Hopefully,
14 the pavilion and snack bar will be the first projects,
15 and will continue to the fitness, exercise and
16 multi-purpose rooms.

17 New maintenance facilities were built this year
18 to improve property management services. When this
19 work was completed, we had an open house for all of
20 our members to attend and to tour these facilities.
21 We are thankful to KRA for donating the land for our
22 maintenance facilities and additional land again this
23 year that made it possible to access those great maintenance areas and
24 also added parking for our employees. If any of our
25 members have not visited this area on Kestrel Court, I invite you to

0039

1 do so. You should see the areas where your money is
2 being spent. And I'm sure you will be pleased with
3 the results.

4 We have completed the resurfacing on Governor's
5 Drive and the Kiawah Island Parkway resurfacing will
6 be starting on April 24th. Work will be done between
7 the hours of 8:00 p.m. and 6:00 a.m. on weekdays to
8 cause the least disruption in traffic flow. That is
9 never easy. Every one of us have been stopped and
10 had to go on a detour -- I know I get very upset --
11 but the work has been put off for so long and it has
12 to get done. So please bear with us on that.

13 The board has spent considerable time studying
14 the issue of the severe beach erosion at the east
15 end. We do believe that the Town of Kiawah has the
16 responsibility to protect and preserve our beach, our
17 most valuable asset. Due to the severity of this
18 erosion, the Association did agree to assist the Town
19 on this one time limited basis in funding the
20 renourishment project. We wish the Town well in
21 it's important effort to protect our island's
22 ecological health, increased wildlife habitat, and to
23 preserve the image and property values associated
24 with Kiawah.

25 As of 12-31, the Major Repair and Replacement

0040

1 Fund, as you saw, has a balance of \$8.5 million. Our
2 general fund is \$2.3 million, and this is a very
3 sound financial condition. And the board is well
4 aware of its financial or fiduciary responsibility to
5 keep it so. The joint effort by the board and the
6 staff to keep the Association expenses at a
7 reasonable level has allowed us this year to present
8 the smallest percentage of increase in assessments in
9 the Association's history. And we were very pleased
10 with that.

11 I have been very fortunate to have an
12 outstanding and amiable group of Directors to work
13 with this year. I thank them all for their devotion
14 and hours of hard work to make this a successful year
15 for our members. We could not have accomplished what
16 we did without the respect and consideration shown
17 for each other and the goal to keep the membership
18 informed. They are a wonderful group of people, and
19 I am going to miss them terribly.

20 Four worthy goals I would hope our future boards
21 may consider. The first is to maintain operating
22 income and expenses without continuous increases in
23 assessments. The second is to develop an advisory
24 board of past presidents to consider long range goals
25 for the Association. We get them -- wherever you get

0041

1 them, kind of smart people, and by the time they
2 leave and then we don't use the expertise they've
3 gained, and I think we need to do that. Continue to
4 work closely with the Town, the Resort and the
5 Developer to accomplish goals which will benefit the
6 members as we look to the future. And last, to
7 continue to keep members informed of all activities
8 and decisions made for the benefit of the Association
9 and its members.

10 I cannot say enough about our wonderful staff we
11 have to work with. Joe Bunting, our general manager,
12 has been with us for eight years. Tammy McAdory is
13 the Director, Governance and Communication, has
14 been with us for 17 years. Their wealth of knowledge
15 and experience makes the job much easier, and the
16 board thanks everyone on the staff for their devotion
17 to Kiawah. They are who make the Association run so
18 smoothly. Joe Bunting could not be with us today.
19 His dad passed away yesterday morning, and Joe and
20 his family immediately left for Tennessee. His dad
21 has been ill for some time, and they ask you to
22 please join us in keeping Joe and his entire family
23 in your thoughts and prayers. Thank you.

24 Now, if there is any old business that pertains
25 to last year's annual meeting? Do we have any?

0042

1 Hearing none, we will go to the new business. And
2 the first part is the fun part of the drawing for the
3 \$500 assessment rebate and our wonderful, talented
4 Alec is going to show us our new hi-tech situation
5 here where we can use computer generated selection
6 system instead of the old fashioned drawing it out of
7 a hat. No, it is going to run. It's going to keep
8 going, and then it is going to randomly pick a
9 number. Is that the person? What is it? 109
10 Surfscoter. Dr. Joseph Carium. If he's not here, he
11 still gets it. They're never here. Are they ever
12 here?

13 Do we have any other new business? Hearing
14 none, I will announce the election results of PV061
15 passed with 89 percent of the vote, and that was to
16 eliminate or decrease the Town's -- if the Town put
17 in a transfer fee that we wouldn't - PV-06-02 to
18 provide exemptions for transfers to related persons
19 or entities with or without legal consideration
20 passed 94 percent.

21 PV-06-03 was to require the company to obtain
22 approval of the members before adding to KICA
23 property, 98 percent. And PV-06-04, to eliminate the
24 right of The Company to elect a majority of the KICA
25 Directors passed 98 percent. So they all passed. So

0043

1 thank you very much. And the effective date for each
2 proposal shall be on June 1, 2006. That's a minimum
3 after -- of 60 days after this meeting as required by
4 our Covenants. So they don't go into effect until
5 June 1.

6 Now, we come to member comments. Do we have any
7 questions or comments? If you do please come to the
8 microphone in the center aisle. Give your name,
9 property address, and please address your questions
10 to the entire board. Be reminded that we will not
11 answer particularly any question until -- within
12 seven days we will do that after the regular meeting
13 which allows adequate time for research in case
14 research needs to be needed. And I see we have
15 Wendy.

16 MS. KULICK: Wendy Kulick, 38 Marsh Edge Lane.
17 I think you looked at my remarks, Faith, before you
18 made yours. I would first like to thank all of you
19 for your communication over the past few weeks
20 regarding the work to be done on the parkway culverts
21 (ph). Having advanced notice of potential delays,
22 which thankfully have not been materialized is very
23 helpful. Communications is a subject I'd like to
24 address with you. During the course of this year,
25 this board has held more town-hall style meetings than any other

0044

1 KICA Board. You sought and received property owner
2 input on a variety of subjects and for that you are
3 to be commended.

4 It was therefore surprising that you did not
5 follow the same procedure regarding the proposals to
6 be placed before the membership at this meeting.
7 Until the board announced there would be four
8 proposals to be voted upon today, there was no public
9 discussion about them. No property owner input was
10 solicited nor received regarding proposed changes to
11 the KICA's Covenants. And once the proposals were
12 announced, there was no opportunity provided for
13 property owners to ask questions and gain greater
14 understanding about the explanations the board
15 provided in the annual meeting packet mailed at the
16 beginning of February.

17 Perhaps it was lack of information that led to
18 having to request at the last minute achieving a 60
19 percent quorum in order to vote on the proposals
20 today. KICA members deserve better from the Property
21 Owner Directors we elect. We also deserve better
22 from our elected officials regarding property which
23 is turned over to KICA, whether it be by KRA, which
24 gave KICA seriously eroding land at Cinder Creek, or
25 a third party such as the Terrapin Island

0045

1 Association, which has asked to turn over ownership
2 of the Terrapin Island Bridge to KICA.

3 At least in the case of the Terrapin Island
4 Bridge, there are performance bonds which will be
5 turned over to KICA if it accepts the bridge, and the
6 property owners on Terrapin Island will be required
7 to pay a super assessment or 150 percent of the
8 assessment the rest of us pay. However, both the
9 Cinder Creek property and the Terrapin Island Bridge
10 require repair work.

11 In the case of Cinder Creek, KRA told the board
12 it would not perform any mitigation on the property
13 either before or after it was turned over to KICA.
14 And this lack of corrective action would have
15 endangered other KICA property at Cinder Creek. KICA
16 is spending an excess of \$200,000. That's almost a
17 quarter of a million dollars of our money, folks, to
18 correct this erosion.

19 The Terrapin Island Bridge appears to need
20 corrective work to be performed on its supports,
21 bolts on its side supports and a number of the
22 shredded, weak planks. This work should be performed
23 prior to the bridge being turned over to KICA. Both
24 of these actions by the board highlight a general
25 failing on the board's part to discuss decisions

0046

1 openly. So those who attend meetings or who report
2 on them to the 1,600 plus members of KPOG can
3 provide board thinking on actions taken and board
4 member positions, such as the reversal of the
5 position regarding funding for the beach
6 renourishment project.

7 I personally see this behind closed doors
8 decision making depriving us of the pros and cons of
9 issues and who stands where and why as the single
10 biggest failing of the board. To ensure future board
11 actions, provide necessary protections to property
12 owners and KICA assets, I therefore make two advisory
13 motions, and I ask for a second for each motion and a
14 vote on them.

15 First, I move that the board present no
16 proposals to the membership for a vote without first
17 conducting public meetings to explain its position,
18 to receive input from property owners and to provide
19 an opportunity for property owners to ask questions.
20 Second, I move that before any property is turned
21 over to KICA, any and all necessary mitigation or
22 corrective actions be taken by the owner of that
23 property. At this point, I would ask for a second on
24 these motions, and I thank you for your
25 consideration.

0047

1 THE FLOOR: I second both motions.

2 MS. DODGE: Wendy, would you state them again,
3 please?

4 MS. KULICK: The first motion is that the board
5 present no proposal to the membership for a vote
6 without first conducting public meetings to explain
7 its position, to receive input from property owners
8 and to provide an opportunity for property owners to
9 ask questions. The second motion is that before any
10 property is turned over to KICA, any and all
11 necessary mitigation or corrective actions be taken
12 by the owner of that property.

13 MS. DODGE: Okay. This is advisory, which
14 will advise the board to take these things into
15 consideration. So could we have a vote by the
16 members if you approve these two proposals given by
17 Wendy. All in favor?

18 THE FLOOR: Aye.

19 MS. DODGE: All opposed?

20 THE FLOOR: No.

21 MS. DODGE: I think the aye's have it.

22 THE FLOOR: Can we vote on the separately?

23 MS. DODGE: Okay. We can do that if you like.
24 Let's take the first one. If you want to have a
25 meeting, an open meeting, and have discussion on

0048

1 proposals before they are presented -- and I assume
2 you mean only the annual meeting proposals; is that
3 what you are talking about, Wendy?

4 MS. KULICK: Yes.

5 MS. DODGE: Before they are put to the
6 membership for vote, you want to have a meeting
7 beforehand. All in favor?

8 THE FLOOR: Aye.

9 MS. DODGE: All opposed?

10 THE FLOOR: No.

11 MS. DODGE: How did that sound? Will we have to
12 have a paper ballot on this? Did that sound loud
13 enough?

14 MR. SULA: Yeah.

15 MS. DODGE: That's good. Well, the aye's have
16 it. Before the property, any property, is turned
17 over, I must say we have no choice when we accept property that
18 is conveyed to us, the property owner turned over
19 needs property mitigation before it is done. All in
20 favor?

21 THE FLOOR: Aye.

22 MS. DODGE: All opposed?

23 THE FLOOR: No.

24 MS. DODGE: Okay. The board, the new board will
25 take that under advisement.

0049

1 MS. KULICK: Thank you.

2 MS. DODGE: Thank you. Is there any other

3 member comments or questions. Mr. Wert?

4 MR. WERT: My name is Bill Wert, 184 Glen Abbey,

5 presently serving as your Mayor, and I promise I do

6 not have any advisory motions. I think you all are

7 doing a hell of a job.

8 MS. DODGE: Thank you.

9 MR. WERT: The cooperation between the Kiawah

10 Island Community Association Board and the Town

11 Council has never been better. Over the past year,

12 the Town was confronted by several major issues. The

13 renewal of the Comprehensive Plan, the renewal of the

14 Development Agreement, the east end erosion problem,

15 the traffic issues associated with the new roundabout

16 in Fresh Fields coming on-line, and now the repaving

17 of the Kiawah Island Parkway.

18 The KICA Board's cooperation and willingness to

19 find a way to make the solutions a win-win for all of

20 our residents was outstanding. The Town Council

21 thanks the KICA Board for their insight, the

22 consultation -- consultations and cooperation. This

23 wouldn't have been possible without the leadership

24 and guidance of your outgoing president, Faith Dodge.

25 Thank you, Faith and Dwight for your service.

0050

1 MS. DODGE: Thank you, Bill. I appreciate that.
2 It is nice to hear nice things said. Are there any
3 other questions or comments? There being no further
4 business, I would entertain a motion for adjournment.

5 MS. MCADORY: Madam President.

6 MS. DODGE: Yes.

7 MS. MCADORY: The staff does have a further
8 piece of business, if we may. We would like to say
9 that it has been our extreme pleasure to serve this
10 Board of Directors and particularly this President.
11 Thank you.

12 MS. DODGE: As you can see, I think it's a girl
13 thing. Thank you, girls. I really appreciate it.
14 They are so wonderful, and I am going to miss them
15 terribly. Now, could I entertain a motion for
16 adjournment?

17 THE FLOOR: I move.

18 MS. DODGE: Second?

19 THE FLOOR: Second.

20 MS. DODGE: All in favor?

21 THE FLOOR: Aye.

22 MS. DODGE: Opposed? Thank you. The meeting
23 stands adjourned. The board will hold a brief
24 meeting here in the Rutledge Room for the elections
25 of officers, approval of board meeting schedule and

0051

1 approval of committee chairs and staff.
2 (Meeting concluded at 3:12 p.m.)
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1 STATE OF SOUTH CAROLINA)
)
2 COUNTY OF CHARLESTON)
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4 I, Jennifer M. Huggins, Court Reporter and
5 Notary Public for the State of South Carolina at Large,
6 do hereby certify that the witness in the foregoing
7 deposition was by me duly sworn to testify to the truth,
8 the whole truth and nothing but the truth in the
9 within-entitled cause; that said deposition was taken at
10 the time and location therein stated; that the testimony
11 of the witness and all objections made at the time of the
12 examination were recorded stenographically by me and were
13 thereafter transcribed by computer- aided transcription;
14 that the foregoing is a full, complete and true record of
15 the testimony of the witness and of all objections made
16 at the time of the examination; and that the witness was
17 given an opportunity to read and correct said deposition
18 and to subscribe the same.

19 Should the signature of the witness not be
20 affixed to the deposition, the witness shall not have
21 availed himself of the opportunity to sign or the
22 signature has been waived.

23 I further certify that I am neither related to
24 nor counsel for any party to the cause pending or
25 interested in the events thereof.

Witness my hand, I have hereunto affixed my
official seal this 30th day of March, 2006, at
Charleston, Charleston County, South Carolina.

20 Jennifer M. Huggins
21 Court Reporter and
22 Notary Public
23 My Commission expires
24 January 31, 2012
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