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KIAWAH ISLAND COMMUNITY ASSOCIATION MEMBERSHIP
26TH ANNUAL MEETING
MARCH 17, 2002
1:03 p.m.

REPORTED BY: Rebecca L. Arrison
Clark & Associates
P.O. Box 12925
Charleston, SC 29422-2925
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A P P E A R A N C E S

ON THE BOARD:

Peter Trees, President
Marty Yonas, Treasurer/Property Owner Director
Patrick McKinney, KRA Appointed Director
William Wert, Vice President/Property Owner Director
Charles P. Darby, KRA Appointed Director
Tom Hutchinson, Property Owner Director

STAFF:

Joe Bunting, KICA General Manager

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1 MR. TREES: Good morning,
2 ladies and gentlemen. Did I do that last
3 year? Good afternoon. Welcome to the 26th
4 Annual Meeting of the Kiawah Island Community
5 Association Membership. My name is Peter
6 Trees, and I am the current President of the
7 Association.
8 I would just like to say it's
9 nice that all of you are here. There's many
10 faces that I know that over the years I've
11 come to expect would come, and there are many
12 new faces, too. We appreciate all of you
13 coming in on such a beautiful day.
14 I would like to officially call
15 this meeting to order and introduce the Board
16 of Directors of your Association. To my left,
17 far left, is Tom Hutchinson, Property Owner
18 Director. To his right, still on my left, is
19 Bill Wert who is Vice President. He's a
20 Property Owner Director as well. To my right,
21 immediate right is Patrick McKinney. He's a
22 KRA Company Appointed Director. And Treasurer
23 Marty Yonas is to his right, and he is a
24 Property Owner Director. And to his right is
25 our General Manager, Joe Bunting. Jon Weitz,

1 KRA Appointed Company Director is not able to
2 be with us today. And we expect Mr. Darby to
3 arrive shortly.
4 (Mr. Darby arrives.)
5 I show you how strong and
6 capable I am. Mr. Darby has arrived, KRA
7 Appointed Director.
8 I would like to make a few
9 introductions. These are people that I am
10 told are here. And I would like you to
11 acknowledge their presence -- you can hold it
12 to the end. These are honored attendees. And
13 I would like to start with our past property
14 owner directors that are here. And when I
15 mention your name, if you would stand so that
16 everybody can see you, I would appreciate that
17 as well.
18 Don White is the Dean of our
19 Property Owner Directors. Don? Don served
20 from 1983 to 1987. He is our most senior
21 Property Owner Director, even as young as he
22 looks.
23 His wife, Gloria White, was
24 also a Property Owner Director. Gloria? She
25 served from 1989 to 1991.

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1 Thank you, Don, for standing
2 up. I would like you to do that.
3 The third Property Owner
4 Director I would like to call to your
5 attention is Dick Sayers. He served from 1990
6 to 1992.
7 Tom Winkleman served from 1991
8 to 1993. Thank you, Tom.
9 Laura Pulley served from 1993
10 to 1995. Laura?
11 Eric Neilsen served from 1995
12 until 1997. Is Eric here? Eric was our first
13 Property Owner Director as President.
14 And Tom Keating served from 1999
15 to 2001. Thank you, Tom.
16 Now, I think I've covered all
17 the Property Owner Directors that are here.
18 Let's give them a big hand.
19 (Applause)
20 MR. TREES: Did I miss any
21 of you?
22 We have another past Director,
23 and I hope he is here. I haven't seen him
24 here. I hope he is. Townsend Clarkson was --
25 he is the Chief Operating Officer of KRA and

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1 served on our Board for 12 years, five years
2 as President. Townsend, are you here?
3 (Applause.)

4 MR. TREES: You couldn't be
5 further back, though, Townsend.
6 I would like to introduce
7 several other people that are leaders on the
8 Island that deserve your attention.
9 The Managing Director of the
10 Kiawah Island Resort, Prem Devadas. I want to
11 thank you very much for the facilities that
12 you've again allowed us to use this year.
13 Thank you.
14 The Mayor of the Town of Kiawah
15 Island, the Honorable Jim Piet. Jim, are you
16 here? There he is.
17 Chairman of the Kiawah Island
18 Natural Habitat Conservancy, Kurt Wassen.
19 Kurt, are you here?
20 President of the Kiawah
21 Property Owners Group, Patrick Casey.
22 Patrick, are you here?
23 Let's give these gentlemen a
24 big hand.
25 (Applause.)

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1 MR. TREES: And to all our
2 other dignitaries on the island that serve in
3 a wide range of capacities, including the Town
4 Council members, thank you for your service
5 and your presence.
6 I would like to introduce our
7 parliamentarian for today's meeting, KICA's
8 legal counsel, Trenholm Walker, with the
9 firm -- it's a firm, Pratt-Thomas, Pearce,
10 Epting & Walker. Notice the last name is
11 Walker.
12 Next I have with me the minutes
13 of last year's annual meeting held on
14 June 3rd, 2001. These minutes were taken
15 verbatim, as is done each year by a court
16 reporter. Do I have a motion to approve these
17 minutes as written?
18 AUDIENCE: So moved.
19 MR. TREES: Is there a
20 second?
21 AUDIENCE: Second.
22 MR. TREES: All those in
23 favor say aye.
24 AUDIENCE: Aye.
25 MR. TREES: All those

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1 opposed? So moved, so passed.
2 My next duty is to certify the
3 quorum. As you know, a 51 percent quorum is
4 required to conduct this meeting and to hold
5 the election. I will now read the quorum
6 figures as of 5 p.m. Thursday for the record.

7 This is Thursday, and these will be updated
8 and put into the actual record based on the
9 attendees that came today that did not turn in
10 their proxies.

11 The total votes available are
12 8,229. Total votes disqualified are zero.
13 Total votes available for quorum is 8,229.
14 Total votes required for a quorum to hold this
15 meeting is 51 percent. That would require
16 that we have 4,197 votes available. The total
17 votes received, either in terms of your
18 presence here or by proxy, are 5,496. That's
19 roughly a 67 percent receipt of votes that are
20 available. In excess, that's 1,300 votes that
21 are in excess of our requirements. We have a
22 quorum.

23 (Applause.)

24 MR. TREES: We have a very
25 important job today of electing a Property

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1 Owner Director. Before we move into the
2 nominating speeches, I would like to ask those
3 persons who have signed proxies to report to
4 staff in the lobby and collect your proxy
5 ballots. Those individual are -- and I'm
6 supposed to have a sheet but I don't have it
7 yet. It says here, if you don't have the
8 list, fudge a little bit.

9 When your name is read off, you
10 should step outside and receive the proxies
11 that you're going to receive. The board
12 members should stay here. They will be -- the
13 proxies will be brought in to them.

14 What do you say, Joe? Should
15 we have your report?

16 MR. BUNTING: Absolutely.

17 MR. TREES: This is always a
18 treat at these annual meetings. So we'll move
19 ahead, bypass the election here for just a
20 moment, and we'll have the General Manager's
21 report. This is always a highlight of these
22 meetings. Joe Bunting.

23 (Applause.)

24
25

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1 MR. BUNTING: Thank you,
2 Mr. President, I appreciate that. And welcome
3 to all of you. This morning, I was going to
4 start out by singing "Amen," but it's already
5 been done.

6 I want to say a special thank
7 you to the Rural Mission for being here today.
8 We appreciate that so much, and thank you so
9 much for those beautiful words. That was

10 wonderful singing.
11 (Applause.)
12 For those of you who were able
13 this morning to worship, you have had a chance
14 to participate in the sacred, and now we're
15 going to get into the profane.
16 When I lived in New Orleans,
17 which was a million years ago when dinosaurs
18 roamed the earth, we would parade for
19 anything, and by that, I mean anything, it
20 didn't matter. Yeah, sure, we would parade on
21 Fat Tuesday, but if somebody bought a new
22 house, parade, you know. It was Twelfth
23 Night, parade. Funeral, no problem, parade.
24 And that was kind of a neat thing. I enjoyed
25 that so much.

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1 I think that we have cause to
2 celebrate today. I always enjoyed the St.
3 Patrick's Day Parade especially. They happen
4 close to my home on Magazine Street. And the
5 wonderful thing about St. Patrick's Day
6 Parades was that the floats that we used -- we
7 were lucky enough to have Mardi Gras ahead of
8 time, were leftovers from the Mardi Gras
9 parade. So it was a real hodge-podge of this
10 and that. And I tell you, especially on years
11 that it rained, you know, a couple of weeks
12 before Mardi Gras, these floats were looking a
13 little bit down at the heels.
14 And I use the term float
15 generously. They were really just trailers
16 that were raised up. And, of course, you had
17 very high rails on them to help the drunks not
18 fall off.
19 But the great thing about St.
20 Patrick's Day was this: It didn't matter who
21 you were, whether you were a Magazine Street
22 merchant or miscreant, we all got a chance to
23 go get into the parade and to be a part of a
24 wonderful celebration. I remember we would
25 throw down cabbages and potatoes from the

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1 float, which was always a lot of fun, as well
2 as the green beads and the balloons.
3 For those who were
4 celebrating -- for those who were celebrating
5 the Lenten Festival -- I can't believe my
6 staff is doing this.
7 For those who were celebrating
8 the Lenten Festival, we would do something a
9 little more quiet, and that is instead of
10 throwing the whole cabbage, we would cut the
11 cabbage in half and throw half a cabbage.
12 But it's a lot of fun to ride

13 in a float. It really is. I like being
14 elevated enough so I can see ahead. You can
15 see all the way clear down Magazine Street. I
16 really enjoyed that.

17 Some years we marched in the
18 rain. We were floats triumphant against the
19 elements. And the most -- the neatest thing
20 to me is we were one large community. And by
21 that, I mean not a conglomeration and not an
22 aggregate group, but we were one community.
23 And it didn't matter if your background was
24 Creole or Cajun or Hibernian, for that one
25 day, the St. Patrick's Day, we would all put

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1 an O in front of our last names for just a
2 little bit and march down Magazine Street.

3 And that brings me to a
4 thought. And that thought for me is that we
5 at Kiawah should celebrate more in community.
6 I think that would be helpful for us. I can't
7 recall the last time that this group got
8 together to throw cabbages at one another,
9 unless maybe you're counting, you know, last
10 month's short-term rental hearing.

11 But we really do have cause for
12 celebration today. Today is a good day for
13 that. I can't think of a better time than
14 today. And if you're as tightly wired a
15 person as I am, then you would consider
16 celebrating when you put on the real tie
17 instead of the bow tie.

18 But maybe there's a way that we
19 could celebrate a little better this year.
20 And I want to talk a little bit about what a
21 year this has been for us. We won the
22 National Community Association Of The Year
23 Award. And staff has been acting like kids.
24 We've been really jumping up and down about
25 this award.

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1 Now, outwardly, you know, we're
2 very mature and we're informing members and
3 people off the island, oh, thank you very
4 much, you know, we're very excited about this
5 award, and we're acting very subdued. But
6 inside, when we come across our fellow staff
7 members at the People's Republic of Seabrook,
8 we -- inside, oh, yeah, we're saying we're so
9 pleased, but you should have won, we say. But
10 inside, we're going, nah, nah, nah, nah, nah.
11 But we think, we won the award, and we really
12 do feel like that. We really feel very happy
13 and pleased that we were able to win this
14 year.

15 And let me tell you the reason

16 we won. It's not because of the staff. It's
17 because of two things. It's because we've got
18 a great bunch of community members, and we
19 have a very, very visionary board. And I
20 think those two things have really put us over
21 the top. Your Board of Directors and your
22 community won this award.

23 The Community Association
24 Institute told us that we won for excellence
25 in two areas. First, operations in

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1 management, and secondly in community
2 building. And that's interesting to me
3 because we hear a lot about community building
4 and are we doing that well or not. And it's
5 nice to get this third party to say that we
6 are doing very well.

7 Here's how we did it. Way back
8 in 1999, your Board of Directors, which
9 included Pete Trees who is our President at
10 this time, set out on a mission, and that
11 mission was unique to us, and I think it was
12 unique to the industry, and that was this.
13 Our board wanted our Association to look long
14 term at our future. And the board said, you
15 know, let's get some ideas together, and
16 that's how we started it. Bold ideas from
17 what I'm going to call a very visionary board.
18 And since that time, each new board has
19 brought that same emphasis to the table.

20 The results are plain. We've
21 been held up nationwide as exemplary, which is
22 so pleasing to me. But even more than that, I
23 was even more pleased that our mission and
24 vision statements, the ones we have in our
25 Long Range Plan Cycle II, have been published, and

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1 they're published in the Community Association
2 Institute's book called Best Practices for
3 Community Associations in Long-Range Planning.
4 So in winning our award, the CAI noted our
5 excellence in operations management and
6 community building.

7 Let's first of all talk about
8 our excellence of operations. Our long-range
9 plan was concluded last summer with 107 of 113
10 action items complete. The remaining six
11 items were rolled into this year's plan, which
12 is already underway. It consists of 21 goals
13 and 77 action items. And to date, we've
14 completed one goal and 21 action items. There
15 are 28 action items underway, and 28 action
16 items that are pending. If you would like to
17 stay up on this activity, you're welcome to
18 visit our web site and get the information

19 there.
20 There are four new planning and
21 construction items that were begun in 2001
22 that significantly impact you. First,
23 landscape revitalization of Kiawah Island
24 Parkway was in full swing with a portion from
25 the main gate to Sea Marsh Drive completed.

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1 We completed this with predominately native
2 plant materials and water-saving
3 computer-controlled irrigation.
4 In addition, the Land
5 Management Advisory Committee renovated 34 unsightly
6 cul-de-sacs last year, and they've brought
7 them up to what we're calling the Kiawah
8 standard for landscaping.
9 Secondly, our Lakes Study was
10 successful. This is a comprehensive and
11 painstaking inventory and analysis of our 117
12 lakes. It comes along with a complimentary
13 water quality study, and it shows that our
14 lakes continue to be balanced and healthy
15 ecosystems. Use of chemicals was almost nil
16 again this year as it has been in past years,
17 and we're pleased with that.
18 And I need to mention third
19 that the Resort has begun the groundbreaking
20 for their wonderful new hotel at East Beach.
21 Prem, that's tremendous. That's fantastic.
22 This 255-room oceanfront hotel is estimated
23 for completion in 25 months. The Association
24 is so excited to have this promise of a
25 Five-Diamond/Five-Star experience at Kiawah.

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1 It's something that Prem has told us of these
2 past few years, and I almost got to the point
3 where I felt, oh, it's not going to happen.
4 But our congratulations certainly go the
5 Resort for that. What a wonderful thing.
6 Fourth -- now, this is a
7 smaller construction project -- our main gate
8 has started. We started constructing our new
9 main gate, and you can see, it's certainly a
10 lot smaller project, isn't it? But it was
11 designed by a nationally recognized architect,
12 Shope, Reno, Wharton. And the facility will
13 replace our existing gatehouse by enhancing
14 aesthetics, and also offering a means whereby
15 we can get two rows of -- two lanes of traffic
16 in and open during inclement weather, and also
17 in the evenings so that we'll have ease of
18 members' use.
19 Additionally, the Major Repair
20 and Replacement Committee maintained and
21 improved our island's infrastructure,

22 including resurfacing eight streets and four
23 leisure trails. Since the eastern end of our
24 island is accreting, the committee
25 lengthened five boardwalks so they extended

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1 fully to the beach. In addition, more than
2 1,000 off-road drainage were replaced.
3 In response to our members'
4 wishes, the Security and Covenant Compliance
5 Committees successfully focused on islandwide
6 education and enforcement. Not only did the
7 board add extra neighborhood patrols, but each
8 visitor to the island received a colorful
9 guest guide for rules for living while they
10 were at Kiawah. We hand-delivered
11 approximately 100,000 of these guest guides at
12 the gate.

13 Where there were rule
14 infractions, several thousand educational
15 contacts were made in a customer-service,
16 friendly manner, with the result that are our
17 parking violations, for example, went down
18 substantially as the season progressed last
19 year. The Association and the rental agents
20 signed a Memo of Understanding that increased
21 cooperation among our organizations.

22 And you probably noticed the
23 Digest and our web sites have improved content
24 and timeliness with more photographs and
25 meatier articles. A new feature, The Mailbag,

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1 provides a forum for members to ask questions
2 and to make comments. And the web site is now
3 linked to more Kiawah happenings than ever,
4 which includes small things like dolphin
5 escapades, and small things like turtle
6 hatchings. But these are also very important
7 things to our community. The Internet Mail
8 List has steadily grown to a membership now of
9 260, and our web site use has reached a high
10 of over 9,000 hits in the last seven months.

11 But the thing that I'm most
12 proud of in this past year is the excellence
13 in community building. Increasingly, this
14 concept of strengthening the community at
15 Kiawah was brought to the board in 2001. And
16 interestingly, nationwide, the concept of
17 building communities seems to have caught on
18 over the last several years.

19 To our Board of Directors, the
20 communities and all the volunteers, community
21 to them meant that we were emphasizing the
22 neighbors and the neighborhoods, not the unit
23 owners and the housing development. We were
24 stressing our commonality as members to each

25 other, based on members' desires. The Board

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1 of Directors directed that the newest
2 committee, Community Service and Recreation
3 Advisory Committee, come up with some
4 community building tasks this last year.
5 As an aside, I wanted to thank
6 all the volunteers of the Association this
7 year. We had sent out a request, for example,
8 for volunteers to help us today, and we
9 received more volunteer candidates than we
10 possibly have places to put you. That tells
11 me something about the community spirit. You
12 can tell a lot about a community spirit by
13 just seeing how easy or difficult it is to
14 attract volunteers for tasks or to attract
15 members to special planned events. We are so
16 pleased to have a record number of volunteers
17 here today. So I wanted to say thank you to
18 the volunteers.

19 But back on track, the
20 Community Services Committee met the challenge
21 of building a community by hosting welcome
22 brunches for new members, by a fall leadership
23 development breakfast, by a Kiawah night at
24 the Charleston RiverDogs. In addition, they
25 connected members to the greater community, as

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1 they were doing today in the back of this room
2 by encouraging sign-ups for volunteer
3 opportunities in the Greater Charleston area.

4 Following 9/11 and on South
5 Carolina Arbor Day, the Association planted a
6 special remembrance live oak tree in grateful
7 appreciation for all of those who have served
8 our nation and our community in the armed
9 forces and in public safety response.

10 In addition, the Recreation
11 Advisory Committee responded to community
12 building by adding two new programs. The
13 first being opera history, which still remains
14 their most popular class and, of course,
15 computer classes.

16 For member convenience, they
17 built a brand new boat storage facility
18 providing 45 new spaces and two spaces for
19 even overnight storage of boats.

20 All community and club meetings
21 are held upstairs at the Sandcastle Community
22 Center where we put in new acoustical tiles
23 this year. And Kay Narmour, our manager,
24 tells us that the results speak for
25 themselves.

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1 Because of demand, the
2 committee has enlarged the fitness facilities,
3 and we've opened it for after-hours use by
4 more members.
5 And as before, Cinder Creek and
6 Rhett's Bluff Pavilions hosted neighborhood
7 block parties at no charge. If you're
8 interested in hosting a block party at no
9 charge, you can call us at the recreation
10 center.
11 I think we're going to remember
12 2001 for a long, long time. And the reason
13 for that is because that's the year that
14 changed our lives, particularly after
15 September 11. This day personally impacted
16 some of our members, and I don't need to go
17 forward any more than saying that. I think
18 you know those individuals we're talking
19 about, and our hearts do go out to them. So
20 we're moving ahead and looking to the year
21 head, but we're looking to the year ahead with
22 somber hearts, and I think with wiser hearts
23 than last year.
24 This year has pretense to be a
25 promising year for us here at the Association,

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1 and we're urging all members to celebrate the
2 strength of the spirit of our community. And
3 that is something that has gotten us through
4 what has been the worst and also the best of
5 times last year.
6 I would like for you to join us
7 next month. Next month, April 12th to 14th,
8 will be the Nature Conservancy Weekend and
9 Earth Day Festival. We're going to hold this
10 next month. This weekend includes astronauts
11 and snake handlers, it includes bionic
12 reptiles -- you have to see them to believe
13 them. It includes killer eagles. We hope
14 that you will attend. It's being co-hosted by
15 your Association, and also the Kiawah Natural
16 Habitat Conservancy.
17 Many of the Saturday events in
18 Night Heron Park will be free for you and your
19 family, and we hope that you will come. We
20 look forward to seeing you at this event.
21 In conclusion, I think that
22 you'll agree that 2001 was an auspicious year.
23 If anything, it strengthened so much the
24 spirit of community at Kiawah. I would be
25 remiss at this time if I did not celebrate one

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1 person, who for 13 years has gotten this
2 annual meeting, not only off the ground, but
3 gotten it together, with what I'm going to

4 call rigor and vigor and finesse. And I would
5 like to ask Tammy McAdory to come up to the
6 front, please, and come up here on stage and
7 stand by me.

8 And while she's coming up here,
9 I would like to say a few words. While
10 Tammy's coming up here, I would like to say
11 she is your Assistant General Manager, and she
12 has served the Association very well for these
13 past 13 years.

14 (Applause.)

15 Tammy is the corporate memory
16 of the Association. In fact, she is the only
17 person that I know that can keep seven
18 disparate board members and one very foggy
19 General Manager in line. And that's a
20 difficult task. When we need to know the
21 answer to any question, either it's on our
22 history or if it's on our governance, Tammy
23 knows the answer. We go to her first.

24 She is a certified -- are you
25 ready for this -- she is a Certified Manager

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1 of Community Associations, which is a national
2 designation held by very few people. She is
3 also an Associations Management Specialist.
4 Her dedication to her work is exemplary. Her
5 dedication to the membership is even more
6 extraordinary. She doubles as member services.
7 She goes to bat for the members every single
8 day in an atmosphere that can sometimes best
9 be described as a pressure cooker, and she
10 excels at that job, often after hours and on
11 weekends.

12 So, Tammy, for a job very well
13 done, and on behalf of our Board of Directors,
14 please accept these flowers.

15 (Applause.)

16 MS. McADORY: Thank you.

17 MR. BUNTING: And a gift
18 certificate for you and Roy that you can use
19 when you can get away from the office for one,
20 at least one night, hopefully soon. Mostly
21 from the Board of Directors, we ask you to
22 accept our sincere thanks on behalf of all the
23 members. And, no, we're not retiring you.

24 (Applause.)

25 MS. McADORY: Thank you,

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1 everyone. It's been a real pleasure working
2 for everyone. And I have to say that it is a
3 team effort. I appreciate the board's
4 recognition of me. But my team is over there,
5 and I couldn't do any of it without them --
6 plus Shannon down here. So please give them a

7 hand, also. Thank you.
8 (Applause.)
9 MR. BUNTING: And on that
10 note, that concludes my remarks.
11 Mr. President?
12 (Applause.)
13 MR. TREES: Not seeing the
14 proxy counts approach the desk, we'll turn to
15 the Treasurer's report, Marty Yonas.
16 MR. YONAS: As your
17 Treasurer, I am pleased to announce that I am
18 wearing green, a little piece of it, on this
19 auspicious St. Patrick's Day. And most
20 importantly, the Association is in the green
21 as well.
22 There is nothing duller than a
23 financial report at one of these meetings.
24 But let's just go through here. Dilbert is
25 showing us some insight here. But I'm here to

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1 tell you not to lose hope. We do have budgets
2 and we do have a strategy, and it has been an
3 interesting year.
4 I'm pleased to report that the
5 Association is in strong financial condition.
6 Our auditors have their unqualified -- have
7 issued their unqualified opinion that the
8 financial statements accurately reflect the
9 condition of the Association. No, it's not
10 Arthur Andersen. I think our auditors are
11 here.
12 A copy of the report and the
13 2001 audited financial statements can be
14 mailed to you by calling the office, and the
15 reports should shortly be available on the web
16 site.
17 While the Association is
18 financially sound overall, the coming years
19 are not without their challenges and
20 opportunities. And rather than just go over
21 budgets versus actual and that kind of
22 routine, let's just spend a few minutes and go
23 over some of the hard data.
24 You know, as a new Treasurer, I
25 think the first question I was asked out of

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1 the box is: How come my assessments were
2 raised 5 percent when you got all this money
3 in reserve? Other questions are: How can you
4 have financial difficulties of any kind when
5 you've got \$6 million in the reserve? And if
6 we're all going to pass the quiz, we've got to
7 get answers to these questions before you
8 leave the meeting today.
9 The answer lies in better

10 understanding of the different funds the
11 Association is required to maintain and their
12 current condition. These funds are the
13 reserves fund, the general operating fund, and
14 the recreation center funds. In the future,
15 we should be asking about these three funds.

16 Without approval from the
17 board, and in some cases without approval from
18 the membership, we just can't move money from
19 one fund to use expenses in the other. And
20 that's a clear message that I will be going
21 over.

22 Let's look first at our reserve
23 fund. This fund is designated for the purpose
24 of major repairs, replacements, capital
25 projects, including the landscape

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1 revitalization. I hate to throw numbers at
2 you, but this is part of the drill.

3 Five years ago, there was a
4 subject that was probably the most contentious
5 within the Community Association, and maybe
6 on -- with this subject of reserves. We
7 didn't have any. We only had one source of
8 income. Working with the developer and boards
9 of the past, not only have we fixed our
10 reserve problem, we probably are one of the
11 soundest or highest, best-funded associations
12 in the country. And that has happened in the
13 last five years, which to me says we can solve
14 problems if we look at them and talently work
15 together.

16 But let's go over the numbers.
17 We started the year last year -- these are the
18 last audited results -- with \$6 million.
19 \$6 million. Where did this money come from?
20 Well, five years ago, the only source we had
21 was roughly half a million dollars, which is
22 our commercial access fees -- those trucks and
23 stopping and collecting money that way, and
24 that was established by the developer.

25 Since that time, and for

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1 instance this past year, interest on the
2 \$6 million, \$300,000; access fees continued.
3 And contributions reserve means transfer fees.
4 Transfer fees. When you sell your house, the
5 new buyer gets to contribute to our reserves,
6 which is an honor that we bestow on almost
7 everyone. So in the last year, starting with
8 \$6 million, we took in \$2 million.

9 Now, we spent money, and that
10 is, we spent on landscaping revitalization
11 \$400,000, and all other capital projects --
12 this is capital -- those are roads and

13 culverts and boardwalks and everything else
14 that's called capital. It's been a pile of
15 money. We spent \$2 million. And we actually,
16 at the beginning of the year, increased our
17 reserves by \$400,000. And this is very, very
18 healthy.

19 Now, I'm going to warn you,
20 when you sit here a year from now, this number
21 is going to look like \$5.2, \$5.3 million. And
22 the reason is we're spending money, and we
23 have the money to spend. And we've decided to
24 spend.

25 Now, if anything, we're getting

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1 ahead of the game. So, you know, we continue
2 to spend it on roads, but obviously, the front
3 gate, which is going to be a first-class
4 installation, but it costs money, and the
5 landscape revitalization, which is starting to
6 look very, very exciting and bring us back to
7 a maritime course.

8 So there's the story of
9 reserves. And at the end, we can discuss that
10 if you have questions -- or excuse me, call me
11 later and we can go over that.

12 Our next is the general
13 operating fund. The purpose of this fund is to provide money
14 for the day-to-day operations, security,
15 landscape and lakes management and
16 administrative costs of the member services.
17 The major category of expenditures in this
18 fund is payroll and payroll costs, people
19 costs, and it's 84 percent of this category.

20 In 2000, the Human Resources
21 Committee, at the board's direction, surveyed
22 wages and benefits, not only from the local
23 area's associations and industries, but also
24 12 community associations comparable in size
25 and quality located along the Atlantic coast.

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1 The results were thoughtfully considered and
2 incorporated in the 2001 budget. As a result,
3 payroll expenses included an increase of
4 \$144,000 in salary and benefit improvements,
5 as well as another \$180,000 in additional
6 personnel in land management, recreation, and
7 administration to provide needed services.

8 So let's switch now to the
9 general fund. And the first thing you're
10 going to see there, which is a net of -- by
11 God, we had a surplus. How did we do that?
12 The board members are still trying to figure
13 it out. But we need that surplus, and that's
14 going to pay some increased employee health
15 insurance premiums that we're really getting

16 hit with at the end of the year.
17 Let's look at this one. And
18 let's remember, this is a fund, but it's like
19 a checking account, and I'm going to simplify
20 this for our purposes. The checking account
21 at the beginning of the year had \$834,000.
22 And remember, money comes in, money comes in.
23 Everybody pays their assessments at the same
24 time. And the number for last year was
25 \$3,195,000. So that's a big pile of money,

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1 and that comes in and it goes away during the
2 year. Other income of \$150,000. This is our
3 revenue. \$3,352,000.
4 Now, we have to pay all
5 expenses out of this revenue. You can't reach
6 over to the \$6 million or borrow from
7 somewhere else -- or I guess you could, but a
8 whole approval process is required, and we
9 have to manage within these limits. Your
10 board and Financial Advisory Committee and
11 other committees have to manage within these
12 limits.
13 The revenue, you can see there,
14 are three large departments where our people
15 are just under a million dollars each. And
16 the other maintenance and other things are
17 \$3.1, \$3.2, and we ended up with a surplus.
18 Okay. Let me just say -- is
19 Teresa Cooper here? Where is Teresa? Teresa?
20 AUDIENCE: She's coming.
21 MR. YONAS: Is our auditing
22 firm here, a representative of the auditing
23 firm? Are they here? What are they doing?
24 Teresa? Just put your head in here just for a
25 second.

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1 We end up here with \$89,000.
2 If it wasn't for Teresa -- Teresa, come on.
3 That number swung \$150,000 by saving on taxes,
4 due to Teresa and our auditors.
5 (Applause.)
6 MR. YONAS: And this is a
7 great Community Association, but this is a
8 business, folks. I mean, we have to have
9 people like Teresa, and we have to have
10 auditors figure it out. That's a swing of
11 \$150,000. So instead of showing you a
12 negative, you know, in the hole \$70,000, we're
13 plus \$89,000. Teresa, thank you. Thank you.
14 So let me just finish here on
15 this category. Expenses outpaced revenue in
16 each of the last seven years. Keep going. If
17 you look back at our history, each category,
18 we've spent more than we've taken in in

19 assessments or other. Our standards have
20 changed. We want more and it costs more.
21 Simply, we have to manage operational expenses
22 better in the future. Your Association will
23 continue to concentrate on this category of
24 spending.
25 Just to continue with this

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1 whole category here, we're going to stay with
2 operations expense. First, the Finance Advisory
3 Committee will be developing a new
4 forecasting methodology. You just can't deal
5 with it year to year. We believe this
6 valuable tool will provide direction for where
7 we are heading in the long run, and by so
8 doing, will also help us project and control
9 expenses, and it's going to be a roller
10 coaster.

11 Second, the Finance Advisory
12 Committee and the staff are working hard to
13 bring costs down. Our three largest
14 departments, as we saw -- administrative,
15 security and land management -- represent
16 84 percent of the total expenses during 2002.
17 We believe the financial accounting software,
18 which was just recently approved by the board,
19 will allow each department head to better
20 track and account for his or her funding from
21 day-to-day, and this will also allow Teresa to
22 go home before 8:00 or 9:00 at night, which is
23 really our major objective here -- and working
24 on the weekend.

25 Third, we've begun our first

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1 ever operations audit, and it's being
2 conducted in our three largest departments.
3 We have two Association members, Joe Zambito
4 and Bob Cheatham, and you probably know Bob,
5 Bob Cheatham from Dewey, Cheatham and Howe,
6 Dewey, Cheatham and Howe, the well-known
7 accounting firm. Also -- I can't read his
8 name without saying that. I've just never
9 been able to do it. I've been involved with
10 them, and I will continue for the next six
11 months. And Joe, of course, is in overall
12 charge as the general manager. We hope to
13 have results -- we will have results to you in
14 preparation for the 2003 budget.

15 Okay. Last one. I'm taking
16 too much time. Rec. Center fund. Whenever you
17 have a presentation like this, you see three
18 funds, and the last one is always the one with
19 the problem, right? This is the problem fund.
20 But let me just say here, this is a problem
21 that can be solved. This is where you look at

22 facts and data, you define the problem and you
23 fix it. This isn't like recent problems on
24 the island where we've come up with a solution
25 and then somebody tries to find the problem

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1 later or something. So don't get excited.
2 We're going to talk about its negative, but we
3 can find solutions here.

4 Okay. Let's just look -- we've
5 got to look back at the pool. Remember the
6 new pool? It was funded by a loan from
7 reserves rather than from accumulated
8 depreciation. And creating a negative fund
9 balance in 2000 and going into 2001, we have a
10 negative in this fund.

11 Further, this place has really
12 been successful, and that costs money. And,
13 you know, I don't know how to say it. It just
14 costs more, because it's built. Emmy Lou, Kay
15 and others should be congratulated -- however,
16 I can't get a treadmill, Kay. But it costs
17 money.

18 Our experience has shown that
19 actual recreation revenues and expenses have
20 varied significantly from those contained in
21 the 2000 pool referendum. Revenue decreases
22 have been due primarily to decreases in pool
23 initiation fees and property status changes.

24 For the year 2000, 2001, and
25 projected 2002, these revenues decreased

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1 approximately \$145,000. We just didn't take
2 in the money that we had projected. People
3 are not building homes. Decreases were caused
4 by significant differences in actual and
5 budget in new lot releases and building
6 permits.

7 At the same time, the pool
8 operating repairs, maintenance, administrative
9 expense and, again, people, people were higher
10 than we had projected. And for this period of
11 time this past year, we're looking at a
12 negative \$54,000. And this is after a whole
13 bunch of creative -- I don't want to say
14 creative accounting, but good management --
15 what's the word? Management. Yeah,
16 management.

17 And just to approach the
18 problem -- let's just go through this quickly.
19 The Finance Advisory Committee recommended
20 several actions, action items to be taken
21 during 2002 to eliminate deficit spending at
22 Sandcastle. You have to remember, you can't
23 take money out of one fund to put it in the
24 other. Remember the \$6 million? You could

25 reach in and get some money here and fix it.

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1 You can't do that unless we go through a
2 discipline procedure and approvals and
3 everything else. But the main thing we've got
4 to do is work together and understand a
5 problem and come up with a solution here.

6 As part of the work to resolve
7 this, we will ask the Membership this summer
8 what you want the Sandcastle to be as we go
9 forward. We want to know how you want to fund
10 the Sandcastle and pool. There are several
11 options. There are a number of options. And
12 we believe we should get our members involved
13 in analyzing it. And there are probably
14 options we haven't considered yet.

15 To assist in this endeavor and
16 bring all ideas to light, the board has
17 approved a focus group, which is small
18 meetings with free coffee and cookies, okay,
19 to think about it and get involved and
20 recommend. We'll be promoting these on our
21 web site and in the Digest this summer. And
22 we just want your ideas.

23 If you didn't sign up for this
24 effort before, Kristen -- where's Kristen --
25 one of our real star performers -- will meet you

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1 at the door as you leave. Please sign up and
2 get involved.

3 Okay. That's the finance
4 report. I want to do two other things really
5 quickly, and I won't take too much time. But
6 I've got an audience, and I can do that.

7 This is the latest photograph
8 of Mac McCannon in his recent time in prison
9 at the sheriff's department. You can see
10 that. And where's Mac? He's not here?
11 There's Mac. Mac, we would like to thank you
12 for stepping down as Chairman of the
13 committee. It's been a hard-working
14 committee. I've been the Treasurer, so I've
15 been there through lots of meetings, and we
16 just want to thank you, Mac, for a lot of hard
17 working, hard times, interesting challenges
18 and lots of work. So thank you, Mac.

19 (Applause.)

20 MR. YONAS: We do look
21 forward to the coming year under Avril
22 Fenwick, who will be moving in as chair, and
23 she comes very well prepared.

24 In addition, also, but not out
25 of prison, we have Emmy Lou Anderson. Thank

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1 you, Emmy Lou.
2 (Applause.)
3 MR. YONAS: Living in the
4 community, I believe a lot of us believe our
5 rec center -- we like to think of it as a
6 community center -- has come an awful long
7 way. Those of you that aren't involved, go
8 see what Emmy Lou and her committee has done.
9 We've got a lot of good people in that
10 committee, and we will continue.
11 I apologize, Mr. President, for
12 taking probably more time. That concludes my
13 remarks.
14 (Applause.)
15 MR. TREES: Thank you,
16 Marty, for an entertaining Treasurer's report.
17 Now, we're going to go back in
18 the agenda. And I'm going to call the names
19 of the people who have been -- in regard -- to
20 receive the proxies, and I'm going to ask them
21 to step outside and receive your proxies so
22 that you can be prepared to vote in the
23 election. If your name is read, please go out
24 there to the vestibule.
25 Joan Avioli. Rich Bennett.

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1 Norman Case. Margaret Cash. Townsend
2 Clarkson, Tom Cowen, Bill Daniel, John Deleo,
3 Mike Duffy, Leo Fishman, Trisha Flanagan, Jeff
4 Forte, Dwight Freeburg, Hollis Garris, Pam
5 Harrington, Gordon Hillock, Lib Jackson, Tom
6 Keating, Don Kingsley, Wendy Kulick, Steve
7 Lapp, Arnie Liebman, Charles Lipuma, Marty
8 Maghakian, JoAnne Makely, Barbara Manges, Don
9 McIver, James Piet, Laura Pulleyn, Dick
10 Redman, Peggy Russo, Larry Scott, Arch
11 Templeton, Cynthia Betteridge, Patrick Casey,
12 Martin Coyle, Browning Crow, Charles Grzanka,
13 Steve Koenig, Robert Kosian, Tom Kulick, Marge
14 Middleton, Brad Munday, Fred Peck, Dick
15 Sayers, Elmer Shumaker, Larry Shurlds, Lyle
16 Blair Torrey, David Warner, Thomas Waylett,
17 and Gene Yost.
18 If I read your name, if you
19 would please go out and pick up your proxies,
20 I would appreciate it.
21 I do have one piece of business
22 here that I overlooked previously. And Marty
23 had referred to our auditors. Today's auditor
24 is Mr. Michael Putich, of Robinson, Grant and
25 Company, P.A. They will be certifying the

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1 various quorum and voting numbers for us
2 today.
3 Okay. The proxies have been

4 picked up. We will now go into the nominating
5 procedure. We will first conduct the
6 affirmation of nominations previously
7 submitted. Fred Peterson was nominated by Rod
8 James. Rod, would you come to the front
9 microphone in the center aisle and give your
10 nominating comments, please.

11 MR. JAMES: I assume you can
12 hear me. I'm pleased and honored to place the
13 name of Fred Peterson in front of you as
14 Property Owner Board Member. We're indeed
15 fortunate to have a person with Fred's
16 credentials who is willing to serve in this
17 job. His credentials are not only those he
18 developed in his business career, but just as
19 important are those that he garnered as a committee
20 volunteer here at Kiawah.

21 In business, Fred co-founded a
22 residential property management company, and
23 he later expanded that into a company that did
24 commercial property ownership, management, and
25 development.

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1 Later he became involved in
2 mortgage banking, and this background led Fred
3 to consulting work with Summerville National
4 Bank, where we helped them through a troubled
5 real estate loan portfolio.

6 Fred lives in Summerville,
7 South Carolina, with his wife Anne, who was
8 named teacher of the year last year in that
9 city. Fred is the Director of Turtle Cove Two
10 Regime, but that's just the beginning of his
11 dedication to Kiawah.

12 I served with Fred on the 2001
13 nominating committee, and in that process
14 recognized him as a faithful, capable,
15 dedicated and contributing member. I saw him
16 in action.

17 He also served on the Community
18 Services Committee and the Communications
19 Committee. As Vice Chair of the
20 Communications Committee, Fred attends Town
21 Council Meetings, Community Association Board
22 Meetings, Kiawah Property Owners Group Board
23 Meetings.

24 He also attends meetings of
25 other committees, such as one for the Safety

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1 and Security Committee when we presented
2 information about our new main gate. Fred
3 knows what's going on here at Kiawah. He has
4 the background and the desire to serve us.
5 Please join me in supporting his candidacy as
6 a Director of our Community Association Board.

7 Thank you.
8 (Applause.)
9 MR. TREES: Thank you, Rod.
10 Fred's nomination is being seconded by Ginny
11 Orban. Ginny, your remarks, please.
12 MS. ORBAN: I'm happy to
13 second the nomination of Fred Peterson as a
14 Property Owner Director to the Board of the
15 KICA. Fred and I have worked closely over the
16 past two years on the Communications Advisory
17 Committee. Since the Digest comes out every
18 month, you can imagine we have had numerous
19 occasions to deal with all kinds of issues.
20 He will be a valuable addition to the board,
21 as he was to our committee.
22 But in addition to all the
23 qualifications that Rod mentioned, I want to
24 say that Fred is really a nice guy. He is
25 truly a gentleman. He's patient, thoughtful

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1 and wise. He considers all sides of an issue
2 and only then takes a position. We will be
3 lucky to have him as a Property Owner
4 Director.
5 (Applause.)
6 MR. TREES: Thank you,
7 Ginny. Fred, your acceptance of the
8 nomination, please.
9 MR. PETERSON: Thank you
10 very much. Thank you to Rod and Ginny for
11 extremely kind remarks.
12 Mr. Trees, board members of KICA
13 and our staff, I believe that our current
14 board has provided excellent leadership for
15 the Community Association. I intend that this
16 record of accomplishment will continue if I am
17 elected to the board. I've enjoyed serving on
18 committees in the Association as the vision
19 and policies advance to these active volunteer
20 groups. All members here today should
21 consider service at some point in time on the
22 advisory committee.
23 The members of KICA can be
24 proud of our staff. In round numbers, some 95
25 able, well-trained, hard-working individuals.

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1 It is they who do the work in the Association.
2 As a board member, I will
3 strive to continue the positive progress
4 that's been made. Long-term best interests of
5 the community will be my goal. I look forward
6 to serving the members of KICA. Thank you
7 very much.
8 (Applause.)
9 MR. TREES: Thank you, Fred.

10 Do I hear any nomination from the floor?
11 Hearing none, do I hear a motion to close the
12 nominations?
13 AUDIENCE: So moved.
14 MR. TREES: Is there a
15 second?
16 AUDIENCE: Second.
17 MR. TREES: All those in
18 favor say aye.
19 AUDIENCE: Aye.
20 MR. TREES: Those opposed?
21 Nominations are closed. Fred Peterson is our
22 new Property Owner Director.
23 (Applause.)
24 MR. TREES: Fred, you have
25 one minute to accept.

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1 MR. PETERSON: Thank you
2 very much.
3 (Applause.)
4 MR. TREES: I would have
5 expected something a little more eloquent than
6 that, but --
7 Now let's see where we are.
8 The next item on the agenda, and I beg your
9 pardon for having to jump around on it, is the
10 President's report. That is I.
11 As you've heard from Joe
12 Bunting, our General Manager, and Marty Yonas,
13 our Treasurer, the Association is in great
14 shape. We have an outstanding staff, a
15 balanced budget, wonderful facilities, a program of greatly expanded
16 services and a strong committee board structure manned by
17 talented and committed volunteer members. All
18 this, plus the unbelievably great environment
19 we enjoy suggests the foundation for our
20 future is very solid.
21 However, there are challenges
22 facing us, and I would like to take up the
23 theme initiated by Marty in his report, and
24 discuss several additional ones that I see.
25 I'll do it around the mission

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1 statement crafted this year by the Board of
2 Directors and Committees which reads as
3 follows. The mission of the Kiawah Island
4 Community Association is to be a premiere
5 Association in all aspects -- let me repeat
6 that -- a premiere Association in all aspects,
7 especially in maintaining common properties,
8 providing a secure environment, preserving a
9 quality, natural setting, meeting members'
10 needs for community services, maintaining and
11 enhancing property values, and fostering a
12 sense of community for all members.

13 Now, with regard to our
14 challenges, first relating to the maintenance
15 of our common properties. Appearance of our
16 landscaping is very good and improving, and
17 our infrastructure is well-maintained and
18 well-funded. This assumes you can forgive us
19 temporarily for the parkway while we continue
20 to upgrade landscaping and finish the new
21 front gate. The challenge for the future for
22 the element, in fact for the operation of the
23 entire Association, revolves around the issue
24 of affordability.

25 Marty pointed out to you that

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1 expenses have increased more rapidly over the
2 past seven years than have general
3 assessments. Rectifying the imbalance and the
4 rates of growth will not be easy, given that
5 our covenants limit increases in annual
6 assessments to 5 percent. Sure, we hammered
7 out our budget for 2002, but it took
8 extraordinary effort. How much longer we will
9 be able to do that is a major question.

10 We have an ongoing program to
11 reduce expenses. However, that might not be
12 enough. And it is conceivable the Board might
13 have to come to the membership to raise the
14 5 percent cap.

15 The second element of our
16 mission statement calls for the Association to
17 provide a secure environment. Our members
18 tell us they have an overall sense of security
19 on the Island. This stems from our
20 experienced staff and outstanding Security and
21 Safety Committee headed up by Rod James, and good
22 three-way relations between our Director of
23 Security, Bill Westberg, the Town, and the
24 Sheriff's Department.

25 In response to the overwhelming

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1 request of our membership, last summer we
2 increased monitoring enforcement of the
3 association's rules and regulations. Our
4 actions included instituting vehicle controls
5 on all three visits. The program was very
6 successful, and we intend to repeat it this
7 coming season.

8 You might be aware that from
9 some quarters there are proposals for the town
10 to hire a full-time police force and to take
11 over enforcement of ordinances and rules.
12 Apart from the issue that a public entity
13 cannot legally enforce private covenants and
14 rules, we believe it would be unnecessary and
15 wasteful to overlap the association's work in

16 this area.
17 Our covenants and rules and
18 regulations promulgated by the boards actually
19 stipulate what is required for good
20 citizenship on the Island, and we have legal
21 means to assure compliance. There is no need
22 for the town to be involved, and to duplicate
23 inefficiently the services already being
24 provided by the Association. It would be
25 ultimately a waste of your resources. Can you

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1 imagine the confusion that would arise over
2 whom to call given a problem on the Island?
3 Now you need to know only one number and that
4 is our security staff, and they coordinate the
5 right response as to whatever problem arises.
6 The major challenge in all this
7 is for us to enforce rules and regulations
8 without losing the friendly and warm-hearted
9 nature of our security operation. We are very
10 aware that the first person you encounter on
11 entering our gate is a member of our security
12 staff. And that smiles and offers of
13 assistance go a long way in ensuring an
14 enjoyable experience.
15 The third element of our
16 mission statement calls for preserving a
17 quality natural setting. We're blessed with a
18 beautiful environment and a great master plan.
19 The Association's Land Management Committee,
20 under the leadership of Dick Sula, closely
21 monitors maintenance of the environment and
22 aesthetics, and cooperates closely with the
23 conservancy on preserving the natural quality
24 of the Island. The challenge for us all is to
25 continue to find work being done in this area

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1 in the face of continued growth and eventually
2 build out.
3 The fourth element of our
4 mission statement is meeting members' needs
5 for community services. While continued
6 improvement of our services has been a high
7 priority throughout the Association over the
8 last two years, nowhere has it been more
9 evident than at The Sandcastle. The
10 Sandcastle's recreation and other programs
11 have increased nearly four-fold over these
12 years. It's grown from four basic programs to
13 over 15.
14 We've been particularly
15 sensitive to the need to draw more of our
16 membership into using this fine facility, and
17 in some ways we've overachieved, as witnessed
18 by the record crowds at the morning workout

19 sessions.
20 The challenges in this area for
21 us are two-fold. First, there is, again, an
22 issue of affordability. As Marty pointed out
23 to you, The Sandcastle in this year's budget
24 will operate at a severe deficit. We're well
25 aware of, again, that while The Sandcastle is

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1 the closest facility we have to a community
2 center, providing an array of broad community
3 interest, many of you don't use the facility,
4 particularly the pool. Accordingly, the major
5 challenge for tomorrow is to balance our
6 efforts at providing high quality programs to
7 attract greater participation while containing
8 cost to what is affordable.

9 The second challenge relates to
10 Member Services other than recreation. With
11 this in mind, the Governance and Planning
12 Committee initiated a review of the broad
13 services the Association should undertake on
14 behalf of its members. One question being
15 tackled in this study is whether the
16 Association should be more proactive in
17 representing its members on off-island
18 matters. Should we, for example, be prepared
19 to lobby the county and state on issues
20 seriously affecting your welfare. Examples
21 that come to mind are the county's tax cap,
22 and proposed new roads through Johns Island.
23 We intend to involve you in answering this
24 question and others as the Governance and
25 Planning Committee draft proposed revisions to

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1 the covenants and reviews them with you. The
2 target for gaining your approval of any
3 proposed changes is at next year's annual
4 meeting.

5 The fifth element of our
6 mission statement calls for maintaining and
7 enhancing property values. Right now, the
8 board believes the island faces the greatest
9 challenge, the maintenance of our property
10 values that we've experienced since the
11 Kuwaitis back in the mid-Eighties were
12 backing away from the island. The devise
13 resulting first in the tax cap issue, and now
14 the rental issue is negatively affecting the
15 appeal of our properties.

16 One view of this situation was
17 expressed by a consultant last fall when he
18 told us that Kiawah is in danger of gaining a
19 reputation of being a community with increased
20 tension and reduced property values. The
21 association's contribution to maintaining and

22 enhancing property values have been to
23 maintain our common properties in great shape,
24 keep our assessments reasonable, and
25 contribute in meaningful ways to the peace and

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1 harmony on the island. With regard to the
2 latter, you might remember that two years ago,
3 there was open hostility among the various
4 governing activities. Now, through the
5 concerted efforts of Joe Bunting and other
6 Island leaders, this is all behind us, and
7 there is a general spirit of cooperation and
8 goodwill that purveys discussion among your
9 community leaders.

10 With the motions on the tax cap
11 issue in check for the time being, it is
12 essential, in our opinion, that the rhetoric
13 on the rental issue quiet down also. Toward
14 that end, the Community Association has urged
15 the Town to give fair share attention to all
16 property owners in dealing with the rental
17 restriction issue. The Association, although
18 not instigating the present deliberations,
19 continues to offer its services in seeking
20 resolution.

21 The sixth and last element of
22 our mission statement calls for the
23 Association to foster a sense of community for
24 all members. Our status on where we stand on
25 fostering a sense of community among our

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1 members is difficult to ascertain. We in the
2 Association have taken a number of actions, as
3 Joe Bunting pointed out. To foster a sense of
4 community, including launching a new Community
5 Services Committee chaired by Pat Wert, the new
6 program sponsored by Pat's committee have had
7 a very positive impact, we believe, on our
8 sense of community. And I think improved
9 communications guided by our Communications
10 Committee under the leadership of Ginny Orban,
11 including a greatly improved Digest, open
12 forum discussion whereby non-residents who
13 participate on a real-time basis, the
14 outstanding survey we conducted on the rental
15 issue, a much improved annual meeting packet
16 sent out to you this year, all have resulted
17 in a greater sense of oneness for our
18 community.

19 In spite of these efforts, our
20 sense of community has taken a couple of major
21 hits by virtue of the tax cap and rental
22 issues. These two issues drove a wedge into
23 the community, and that wedge must be removed.
24 We intend to do that upon our part by

25 accentuating the positives, and there are

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1 plenty of those here. After all, that's what
2 brought us to the Island in the first place.
3 Our major challenge in fostering a sense of
4 community for all members is more fully
5 engaging your membership, regardless of
6 whether they call Kiawah their primary
7 residence or not in the community building
8 effort.

9 In summary, the board and
10 committees have put in writing a mission
11 statement that calls for KICA to be a premiere
12 Association in all aspects. An assessment of
13 status is majored by our own internal review,
14 and by external measures such as the CAI
15 award, indicates that we rate at the top of
16 associations around the country now. Our job
17 is to maintain that. In so doing, our major
18 challenges are, first, overcome the
19 divisiveness of two issues facing us today,
20 the tax cap and rental issues, and avoid the
21 risk to our property values that divisiveness
22 among our membership bring with it.

23 While solutions to these issues
24 have proved to be evasive, it is clear that
25 our willingness to consider opposing views, to

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1 think before speaking out, and to engage in
2 give-and-take dialogue, are key ingredients to
3 finding the answers.

4 Summarizing our second
5 challenge is to recognize, as we expand
6 services to our memberships, that there are
7 costs to those services, and that they must be
8 affordable as well as appealing. Balancing
9 our budgets in the future will be even more
10 difficult as we struggle to contain growing
11 expenses within the maximum 5 percent annual
12 increase imposed under assessments by our
13 covenants.

14 Our third challenge is to
15 engage all members in the community, including
16 both residents who provide ongoing involvement
17 and leadership in activities so important to
18 us all, and non-residents whose lives are much
19 less focused on Kiawah, at least now, and yet
20 whose attention and participation in all
21 matters is critically important.

22 I urge all of you to volunteer
23 when you can. Read the Digest carefully to
24 stay tuned to the issues, and to call our
25 staff or directors when something comes up you

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1 don't understand.

2 And fourth, our challenge is to
3 plan, with your help, where and how the
4 Association's resources should be expended
5 outside the island, on Johns Island, and
6 within the Greater Charleston community, on
7 matters of importance to you.

8 Now, before closing, I want to
9 take a moment and follow up another thing that
10 Marty said, a thank you for our committee
11 chairpersons who are stepping down from their
12 chair positions. Emmy Lou Anderson, Mac
13 McCannon will be stepping down from recreation
14 and finance chairs, respectively. Emmy Lou
15 has completed over 10 years in planning and
16 executing our recreation activities, starting
17 with putting The Sandcastle, to put it in
18 place itself. Thank you, Emmy Lou, for giving
19 so much of yourself on our behalf for so many
20 years.

21 (Applause.)

22 MR. TREES: Mac McCannon,
23 who after three years of playing a most
24 integral part in all the Association's
25 activities is stepping down as head of our

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1 finance committee. Mac has brought his
2 accounting experience into play for our
3 benefit, and along with our controller, Teresa
4 Cooper, to greatly improve the integrity of
5 our financial planning. Thank you, Mac, for
6 fulfilling such an important role for the
7 Association.

8 (Applause.)

9 MR. TREES: Rod James, chair of Security
10 and Safety Committee is stepping down after 6 years of service.
11 Thank you, Rod, for your job very well done.

12 (Applause.)

13 MR. TREES: Ginny Orban is
14 stepping down as chairperson after two years
15 as our communications committee. Under
16 Ginny's leadership, our communications
17 programs, including the publication of Digest,
18 have taken a most profound upward step in
19 professionalism, coordination and quality.
20 Thank you, Ginny, for all your efforts on our
21 behalf.

22 (Applause.)

23 MR. TREES: Thank you for
24 hearing me out. We have a great Association,
25 and I believe the means are there to ensure

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1 that it stays that way.

2 (Applause.)

3 MR. TREES: Now we're going

4 to move into old business. I'm going to go
5 through old business, new business, and then
6 comments. And there will be -- keep in mind
7 there will be an opportunity for general
8 comments at the end.

9 Is there any old business of
10 the Association that someone wants to bring to
11 our attention?

12 New business. We have some
13 exciting new business to conduct today. A
14 drawing for a \$500 assessment rebate and other
15 gifts. As a matter of fact, I pointed out to
16 you, didn't I, that the -- we achieved
17 quorum -- we overachieved quorum. We're at --
18 51 percent, we achieved 67 percent. I had no
19 idea that the program would be that
20 successful. And my kudos to all -- Pat Wert and
21 the staff that made it happen.

22 The staff tells me that
23 absentee ballot and proxy appearance have been
24 higher than for any meeting the past 14 years.
25 This has saved on total staff hours, which

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1 equate to dollars, as well as hundreds of
2 dollars in long distance charges from
3 telephone campaigns when we're seeking to
4 achieve forum. It saved countless volunteer
5 hours, as the volunteers help man the phones
6 in the past. This has been a very successful
7 experiment, and one we will likely repeat.

8 We also have some other
9 drawings apart from whoever is going to get
10 the \$500 rebate on the assessment. We also
11 have some other drawings to conduct today.
12 These drawings are sponsored by KICA's
13 Community Services Committee to talk with you
14 today about the CSC's efforts and community
15 building and volunteerism. I would like to
16 introduce Pat Wert, Chair of the Community
17 Services Committee. Pat.

18 MS. WERT: Before I do the
19 drawings, I have Kristen Buck, actually, as my
20 assistant that will be here. I just want to
21 add on to the comments that have been made
22 that we wanted to add some kind of levity to
23 these meetings and that we have some very
24 important issues in front of us. We had an
25 opportunity to hear a nationally-renowned

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1 person on the issue of community and community
2 building, Wayne Hyatt, the end of last year at
3 our volunteer recognition breakfast, and he
4 suggested that we needed to do some
5 celebrating and we needed to have some fun
6 also, so we decided to add some prizes and

7 drawings. And the one that you're probably
8 most interested in is the \$500 rebate, which
9 is so helpful in getting the response into the
10 proxies and vote, and so we'll do that now.

11 (Drawing.)

12 MS. WERT: Okay. This is a
13 test of my pronunciation. I may spell this.
14 It's Ms. E. Maureen Kobayashi,
15 K-o-b-a-y-a-s-h-i, at 4362 Sea Forest Drive.
16 Is she here today? She doesn't have to be
17 here today. Okay.

18 (Applause.)

19 Next we're going to have a
20 drawing -- two drawings for Thursday night
21 dinners for up to a value of \$50 at the
22 Sandcastle.

23 (Drawing.)

24 MS. WERT: Okay. Dr. and
25 Mrs. Jack H. Hancock, Jr., from 4813 Turtle

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1 Point Lane.

2 And we've got one more.
3 Dr. and Mrs. Richard Densler, II, from
4 8 Nicholas Lane.

5 So those were from everyone
6 that basically voted were in those drawings.

7 Now we're going to go on to
8 attendance at the annual meeting. So for all
9 of you here, we're going to have two for
10 Thursday night dinners on two separate
11 drawings there.

12 (Drawing.)

13 MS. WERT: Al, I think it's
14 Allnon, A-l-l-n-o-n, 4238 Mariner's Watch
15 Villas.

16 (Applause.)

17 MS. WERT: Do you want to
18 come up and get it or do you want to get it
19 later?

20 MR. ALLNON: I'll get it
21 later.

22 MS. WERT: Later, all right.

23 Okay. The other one is Tom
24 Alessi, 4172 Night Heron.

25 (Applause.)

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1 MS. WERT: Our next drawings
2 are for Earth Day T-Shirts, and also the
3 newest video tape from Kiawah Island Natural
4 Habitat Conservancy, and we have great new
5 T-shirts. The first person that gets one of
6 these, I would like for them to open it
7 because I haven't even seen them yet. They're
8 fresh off the presses. Let's see.

9 (Drawing.)

10 Beckett, 86 Bufflehead Drive.
11 Okay, Bob, you get to open the T-shirt.
12 (Applause.)
13 You don't have to wear it, but
14 I would like to see what it looks like.
15 (Applause; drawing.)
16 And another T-Shirt for Bill
17 Bruce, 390 Green Winged Teal. Bill, is Bill here?
18 We'll get it to him.
19 The next category is property
20 owners who have owned the longest. We have
21 someone who has owned since 1976, owned
22 property for 26 years. Cheryl Calender of
23 1029 Scaup Court. Do you want to come up here?
24 (Applause.)
25 MS. WERT: While Cheryl is

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1 coming up, we kind of thought it was so close,
2 we did a second person here who has owned for
3 25 years. I'm not sure if -- Buck Weaver,
4 W-e-a-v-e-r, 64 Surfson, is he here?
5 (Applause.)
6 MS. WERT: Then we have two
7 other awards for property owners who have
8 traveled the furthest to attend the meeting.
9 Denver, Colorado, Jay and Kathleen Rust.
10 (Applause.)
11 MS. WERT: And the other one
12 is from Rhode Island, Bill Reeb.
13 (Applause.)
14 MS. WERT: I don't know what
15 the joke is over here.
16 AUDIENCE: Co-owners.
17 MS. WERT: Oh, co-owners.
18 Okay.
19 We have a few other T-shirts
20 that we're going to draw names of wonderful
21 volunteers who have helped us today.
22 Linda Pezzullo.
23 (Applause.)
24 MS. WERT: Thank you so much
25 for your help.

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1 The next person, Joe Pezzullo.
2 (Applause.)
3 MS. WERT: Art Zackrison.
4 (Applause.)
5 MS. WERT: This way you get
6 to see all of our great volunteers.
7 Emmy Lou Anderson.
8 (Applause.)
9 MS. WERT: We have enough.
10 I think everyone's going to get one.
11 Nick George. Is he here?
12 (Applause.)

13 MS. WERT: Cheryl Calender.
14 A volunteer and winner for the other.
15 (Applause.)
16 MS. WERT: Jenny Troiano.
17 (Applause.)
18 MS. WERT: I'm almost done.
19 Dick Sayers.
20 (Applause.)
21 MS. WERT: Okay. Louis
22 Andria.
23 (Applause.)
24 MS. WERT: Wayne McGlohon,
25 M-c-G-l-o-h-o-n. Okay. We'll hold that for

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1 him. Norm Case.
2 (Applause.)
3 MS. WERT: Okay. Abbott
4 Brown.
5 (Applause.)
6 MS. WERT: And the last
7 lucky T-shirt winner is Ann Connellee.
8 (Applause.)
9 MR. TREES: Thank you, Pat.
10 That was a lot of fun.
11 I'm going to ask, is there any
12 other new business? Mind you, this is -- if
13 anyone wants to make a motion that they should
14 make it now.
15 MRS. KULICK: Wendy Kulick,
16 38 Marsh Edge Lane. Thank you, Pete.
17 I would like to make an
18 advisory motion, that the Community
19 Association join the Resort in supporting the
20 Town of Kiawah Island and KPOG in intervening
21 to prevent the 29 percent rate increase
22 requested by KRA, Kiawah Island Utility.
23 This support would include, but not be limited
24 to, notifying all property owners of KICA's
25 opposition to the increase, file the necessary

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1 paperwork to intervene with the South Carolina
2 Public Service Commission, the PFC, in filing
3 an amicus brief at the PSC in support of the
4 position of the Town and KPOG. If my motion
5 is seconded, I would like to speak to it.
6 AUDIENCE: I'll support it.
7 MR. TREES: Is there a
8 second to the motion?
9 AUDIENCE: I'll support it.
10 MR. TREES: Are there
11 comments?
12 MRS. KULICK: Several times
13 during the past year, I have asked the KICA
14 board or individual board members why the
15 board hasn't opposed the 29 percent increase

16 in water and sewer rates requested by KIU, a
17 wholly-owned subsidiary of Kiawah Resort
18 Associates, the developer on our island. KICA
19 itself is one of the major customers of the
20 utility. All of its members are customers.
21 Yet KICA has, to date, refused to fulfil its
22 responsibility to property owners by being our
23 advocate in front of the PSC in carrying out
24 its fiduciary responsibility.
25 At the February 18th KICA board

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1 meeting, I asked why KICA had not joined the
2 Town and KPOG as the Resort had done in
3 objecting to the increases. The response I
4 received from Joe Bunting dated March 7 said,
5 and I quote, "As a member who keeps abreast of
6 community information, you know that the 2002
7 budget was extremely tight due to economic
8 conditions. The board continues to believe
9 that the party already involved in objecting
10 to the rate increase do a fine job, and that
11 it would not be prudent to expend Association
12 funds duplicating an already adequate effort,"
13 unquote.

14 I did not then and I do not now
15 ask the board to commit Association funds to
16 this effort, since the Town some time ago took
17 on the responsibility for all financial costs
18 associated with intervention. This was a
19 burden KPOG used to shoulder by itself for
20 many years, during which its protest to the
21 PSC saved property owners a very significant
22 amount of money. A conservative estimate of
23 the total savings to Kiawah rate payers as a
24 result of KPOG's 15 years of effort is in
25 excess of \$4 million.

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1 I only ask that the Community
2 Association give its verbal and written
3 support to the effort to the Town, KPOG and
4 the Resort. I recognize that filing an amicus
5 brief will necessitate hiring outside counsel,
6 as Trenholm Walker, KICA's lawyer, is also the
7 attorney for KRA and KIU.

8 KICA's costs were more than
9 12 percent higher in 2001 for irrigation and
10 water related costs than they were in 2000.
11 \$89,889 versus \$80,222. Not an insignificant
12 number.

13 Costs are apt to rise
14 appreciably if KICA adds irrigation to Kiawah
15 Island Parkway and Governor's Drive. I am
16 unaware of any reason our board Property Owner
17 Directors, having the majority on the board,
18 would not support the Town and KPOG

19 intervention. This would seem to be a matter
20 of touching on the fiduciary responsibility to
21 us, the members.

22 I ask you, the membership of
23 the Association, for your support of this
24 motion to send a strong message to our
25 Property Owner Directors. Thank you.

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1 MR. TREES: Thank you,
2 Wendy.

3 (Applause.)

4 MR. TREES: Are there any
5 other comments regarding the motion?

6 There being none, I will take
7 the vote by acclimation. And I remind you that
8 this is an advisory motion asking that the
9 board consider this issue that has been
10 brought up, and the issue being that they join
11 in, as I understand it, that they join in on
12 the challenge to the water rate increase.

13 I will ask you the question and
14 you indication by acclimation what your
15 feelings are to give us guidance. Those in
16 favor of -- I will ask it this way. Those in
17 favor of the board considering this issue, say
18 aye. Those who are -- not yet -- those who
19 are against the board considering this, say
20 nay. All those in favor of the board
21 considering this advisory motion say aye.

22 AUDIENCE: Aye.

23 MR. TREES: All those
24 opposed say nay.

25 AUDIENCE: Nay.

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1 MR. TREES: The ayes have
2 it. The advisory motion passes.

3 Are there any other advisory
4 motions that you wish us to take up in new
5 business?

6 There being none, we'll move
7 onto the member comment section. Are there
8 member comments that anybody would like to
9 bring to our attention? I saw a hand.
10 Mr. Sula, did I see your hand? In front of
11 Mr. Sula. Yes, ma'am. Please give your name
12 and address and your comment.

13 MS. FRATTAROLI: My name is
14 Peggy Frattaroli, and I live at 341 Governor's.
15 And I actually live here now, but mostly in
16 Dallas, so I'm one of those people who is a
17 nonresident, and I've gotten very interested
18 in the short-term rental subject here. And I
19 would just like to make some comments to all
20 of us in KICA about what I, as an outsider,
21 see.

22 I got the KICA survey, which
23 I'm sure you all remember from last August.
24 And it basically said what we property owners
25 believed we wanted to have here as far as

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1 short-term rental situation. In the time I've
2 been here, however, the answers which were on
3 the survey where we all said the keepers
4 should take the lead and the Town should
5 defer, certainly have never been carried
6 through. The areas where we indicated that --
7 Question Q-9, should we limit home rentals
8 behind the second gate, 43 percent were
9 against, and that was the highest percentage
10 that answered the question in any category.

11 Question Q-10, should
12 individual neighborhoods have their own
13 standards. 53 percent said, no, we don't want
14 that, and yet in going to the Town Council
15 Meeting and the Planning Board Meetings, I
16 have seen a situation -- maybe I'm wrong and,
17 Mr. Trees, maybe you can correct me if I am
18 wrong, but what I see is 3,281 property owners
19 who are not having as much of a say on this
20 issue as 1,149 South Carolina voters.

21 The Town Council has suggested
22 rezoning the entire island or one or two
23 making cottages or one, et cetera. The option
24 also has been drawn on a map to separate our
25 one island where all of us in this room belong

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1 to this great Association that's done all
2 these wonderful things we heard about into 22
3 or 23 different districts as far as what would
4 be known as short-term rentals.

5 On February 12th this year at
6 the Town Council Meeting, a Town Council
7 Meeting moved that the Town Counsel actually
8 have a nonbinding referendum for South
9 Carolina voters on this particular issue.

10 So I am here to speak for the
11 empty seats in this room, all of us who can't
12 get to these meetings because we live in
13 Denver, like the people who came for this, or
14 Dallas like myself, but we are, I believe, 75
15 percent ourselves the property owners here,
16 and we're here because of what Kiawah is like
17 and because of the covenants we were giving at
18 our closing which gave us certain rights from
19 this organization. And so I'm just speaking
20 to the issue that if you're not familiar with
21 it, it's important to get involved. Because
22 in April or May, the final determination on
23 whether our island will be seen by potential
24 buyers of lots and houses, and whether those

25 people will continue to be welcomed in our

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1 golf courses and restaurants, and whether
2 we'll be able to, you know, continue this
3 lifestyle, will probably be determined. Thank
4 you.

5 MR. TREES: Thank you.

6 (Applause.)

7 MR. TREES: Any other
8 comments? Yes sir.

9 MR. COLAPINTO: Pat
10 Colapinto, 551 Bufflehead Drive. This is an old
11 subject, but I think it should be brought up
12 again.

13 We have a situation with the
14 counsel for KICA who is also counsel for KRA
15 and is also counsel for the utility on the
16 island. I think that's a potential for a
17 conflict, and I ask the board to review that
18 situation. And if you see that, as Marty
19 Yonas said a little while ago, if you see a
20 problem, you should analyze it and fix it. I
21 think that this is a potential problem. I
22 think the board should review it, and if they
23 see it as a problem, they should fix it.
24 Thank you.

25 (Applause.)

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1 MR. TREES: Thank you, Pat.
2 We spoke to that last year. That point was
3 raised. We are aware that our attorney has
4 other clients. Attorneys have multiple
5 clients. We talked particularly about the
6 challenge of the tax cap issue and that we
7 were not a party to that. We saw no technical
8 conflict in that regard.

9 I'll just sum it up by saying
10 what I said last year, that we are cognizant
11 of the issue that you raise, but we, in our
12 judgment, think we get very good value in
13 return for the -- for what we ask for in
14 dealing with this attorney.

15 That's not to shut you out, but
16 to say that we are cognizant of the issue and
17 we'll continue to watch it, but we're
18 satisfied with the relationship as it
19 presently exists.

20 Are there any other comments
21 that somebody would like to raise?

22 Thank you very much. Pardon
23 me. The gentleman to my left wishes to
24 make --

25 MR. WERT: Still being --

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1 Bill Wert, 184 Glen Abbey. I belong to Pat
2 Wert. Ruth Ann, you maybe getting a ride
3 back, but I'm not going to sleep as well
4 tonight.

5 Being President of KICA is like
6 trying to change direction of a massive ocean
7 liner or an aircraft carrier. There's always
8 a great deal of momentum to overcome. There's
9 always plenty of suggestions on how to do it.
10 But the job takes a steady hand, a cold
11 demeanor, and the wisdom and the power to
12 lead. Pete has done that over the past two
13 years.

14 Just a few of the KICA
15 accomplishments under his term -- Joe
16 mentioned some and so did Marty, but the
17 Landscape Revitalization, he recommended that
18 we change the Development Agreement with the
19 Town to have a seamless transfer of Property
20 Owner Directors on what had been in place
21 which would have been a very unseamless
22 affair. The first cycle of a Long Range Plan
23 was completed. He established an annual
24 leadership recognition and training breakfast
25 to thank volunteers, hosted the first KICA

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1 vision retreat. He established monthly
2 meetings with the Town, with the Resort, with
3 rental agents, with KPOG.

4 Pete took -- what he took over
5 was a very, very disruptive situation here,
6 and has smoothed it out over the last two
7 years where we all look at each other, we
8 smile. We may differ, we may not agree, but
9 at least we can talk to each other and not
10 throw any spears at each other across the
11 table like before he took over. That's an
12 incredible accomplishment that he did there.
13 It was under his leadership.

14 He's changed the transition --
15 he's overseen the transition of the Digest
16 from what it is to where it is going and what
17 it is going to become. He drove new
18 residents -- nonresident participation at each
19 committee, said we should have at least two
20 nonresidents in each community, and he drove
21 that and made that happen. He held us all at
22 running committees accountable to make that
23 happen. He established a Community Services
24 Committee, and he added additional security
25 personnel to enhance patrols. The new main

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1 gate you see, that was started under his
2 launch, under his push. And, of course, the
3 Committee Association under the direction of

4 Joe but with Pete's leadership, won the
5 National Community Association of the Year.
6 Pete has given freely of his
7 time, up to 40 hours a week in some cases that
8 you don't see, but we have worked with him to
9 see. His wife Ann, thanks for letting him do
10 it. And I personally owe Pete many thanks.
11 He's been a wonderful mentor and a teacher to
12 me. His calm voice of reason has saved me, he
13 so served me, the Association and our
14 community well.
15 Pete, as just a small token
16 because we can't thank you enough for our
17 appreciation, please accept these gifts.
18 MR. TREES: Oh, my gosh.
19 MR. WERT: First a plaque --
20 this is a plaque, and Pete has agreed to
21 accept this. I wish you could have been here.
22 We've got four or five of these hanging around
23 the office because he won't accept them.
24 (Laughter.)
25 MR. WERT: In recognition of

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1 Pete Trees for his service as Property Owner
2 Director of Kiawah Island Community
3 Association, Incorporated, Board of Directors,
4 March 2000-2002. Pete.
5 (Applause.)
6 MR. WERT: And because he's
7 going to have a lot of us now with nothing to
8 do, time on his hands, here's a clock, Pete,
9 we'd like you to have to go on your desk. You
10 said you wanted something for your desk.
11 Here's a clock that says, Pete Trees, KICA
12 President, March 2000-2002.
13 (Applause.)
14 MR. TREES: Well, I didn't
15 expect anything like that. Is there some
16 reason why you all are standing there?
17 These are some of my best
18 friends in the world standing up against the
19 wall over here. And I want to thank the
20 membership for giving me this job, putting me
21 on this board. It's one I've enjoyed very,
22 very much, principally because of the
23 friendships I've made in the committee members
24 and the staff.
25 I want to thank the board for

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1 electing me President. They didn't harass me
2 too much during the course of the two years
3 I've been President. And I want to thank my
4 wife, Ann, for all her support. Thank you
5 very much.
6 Do we have a motion for

7 adjournment?
8 AUDIENCE: So moved.
9 MR. TREES: Is there a
10 second?
11 AUDIENCE: Second.
12 MR. TREES: Those in favor
13 say aye.
14 AUDIENCE: Aye.
15 MR. TREES: There will be a
16 Board meeting immediately following this
17 annual meeting to elect new officers and set
18 the schedule for next year.
19 (Meeting adjourned at 2:48 p.m.)
20 - - -
21
22
23
24
25

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1 STATE OF SOUTH CAROLINA)
)
2 COUNTY OF CHARLESTON)
3 I, Rebecca L. Arrison, Certified Shorthand
4 Reporter and Notary Public for the State of South
5 Carolina at Large, do hereby certify that the
6 foregoing was taken at the time and location
7 therein stated; that the meeting was recorded
8 stenographically by me and thereafter transcribed
9 by computer-aided transcription; that the foregoing
10 is a full, complete and true record of the meeting.
11
12 I further certify that I am neither related to
13 nor counsel for any party to the association or
14 interested in the events thereof.
15
16 Witness my hand, I have hereunto affixed my
17 official seal this _____ day of April, 2002.
18
19 REBECCA L. ARRISON
20 Certified Court Reporter
21 and Notary Public
22 MY COMMISSION EXPIRES 5/29/07
23
24
25