



January 18, 2010

Hello Members!

Below is a summary of the Jan. 18, 2010 *Mornings with Joe* session. Where appropriate, replies have been researched, clarified and/or expanded upon. These sessions are part of the association's continuing efforts to enhance communications to and from members. Joe Bunting, chief operating officer, hosts these meetings with members on the third Monday of every month at 10 a.m. The next session will be Feb. 15 at 10 a.m. at the community association's administrative office located at 23 Beachwalker Drive.

Meetings are typically at the association offices but can move, so please check your news flash or our Web site (www.kica.us). Representatives of the town, developer and resort are invited to attend these meetings so that questions relating to their organizations can be answered quickly.

Joe welcomed the members in attendance. Joe provided as handouts the biography and position statements for the three candidates running for the open board seats in March 2010.

The following questions were posed in a round table discussion:

Q: Are there any future plans to heat the Sandcastle pool?

A: Heating the Sandcastle pool has been discussed by the board of directors as well as the Strategic Planning Committee. Collectively, it has been determined that it would not be economically prudent in 2010.

Q: Do you have an update on the resort's West Beach property?

A: A meeting has been scheduled for members of West Beach regimes and KICA directors to discuss landscaping guidelines and property maintenance. The purpose is to give regime members an opportunity to express their ideas and areas of most concern.

Q: Why was the Feb. 8 open forum cancelled regarding Captain Sam's revetment?

A: The open meeting planned for Feb. 8 was to discuss the proposed covenant amendment and answer questions for clarification. It was not to discuss Captain Sam's Spit or the revetment. As stated in our INF sent on Jan. 14, one of the presenters withdrew. Therefore, it would not have been possible to present a comprehensive and balanced evaluation of the proposed amendment, nor would association members have an opportunity to receive responses to their questions from all parties involved.

In light of this, the board agreed that the time and expense incurred by KICA to host the meeting and engage the services of legal counsel would not be a judicious use of KICA's resources.

Members can obtain detailed information on the proposal (including the proposal as written, a summary of KICA counsel's legal opinion, and a dissenting opinion from the developer) on the KICA website (www.kica.us). This information will also be available in the 2010 Annual Meeting packets, being mailed to members on approx. Jan. 27.

Q: What happens if the amendment passes by the membership?

A: In order for a covenant amendment to pass, quorum requirement of 60% must be met. This means that signed ballots or proxies representing 60% of eligible votes must have been returned by the deadline. The amendment passes if 75% of those voting are in favor. However, rights reserved to the developer under the covenants provide that no amendment shall be made without consent to the developer.

Q: Will the board do anything if the developer exercises his right to veto the covenant amendment?

A: The board of directors cannot compel the developer to forego his right to deny or accept a covenant amendment.

Q: Isn't the board fiducially responsible to the membership to stop this from happening?

A: The covenants require the association to maintain common property. A letter was sent to the developer to request this property be placed under a sub-association. But again, the board of directors cannot compel the developer to take that course of action.

Q: How close are we to transition?

A: The covenants provide a mechanism whereby the developer will no longer have the right to elect a majority of the board, or to consent to covenant amendments, once 80% of the cumulative maximum number of authorized lots and dwelling units have been sold to Type A members. At this time, 77% of that authorized number have been sold. (As information, by covenant amendment several years ago, the developer voluntarily gave up its right to elect a majority of the board, so this would apply to the right to consent to covenant amendments.)

Q: Can KICA's attorney's letter/legal opinion about the validity of the proposed amendment be made public to the membership?

A: No, that would violate attorney-client privilege. A summary of his opinion is on the KICA website and will be in the annual meeting materials.

Q: Does the majority of the board support the proposed covenant amendment?

A: There have been no votes polled as to whether it agrees or not.

Q: Has the board gone back to legal and asked for alternative options?

A: Yes. There are no covenant amendment alternatives; however the developers could add provisions in individual deeds to affected properties.

Q: Where does the Kiawah Inn property become KICA property? Some of the walking paths behind lake at Sparrow Pond are unsafe.

A: The trail you are referring to is owned by the resort. KICA's property runs from Duneside Road and ends near 1010 Sparrow Pond.

Q: With the town's new bike path from the traffic circle to the gate, isn't there easier access to the island?

A: The KICA Safety and Security Committee is looking into this issue. One benefit is that the path is located closer to the main gate making it easier for security to observe bike traffic. The SSC plans to evaluate how the path is being used after it is officially opened on Jan. 22, 2010.

*The next **Mornings with Joe** session will be on Monday, Feb. 15, 2010 at 10 a.m. at the community association's administrative office located at 23 Beachwalker Drive. A toll-free conference call can connect out-of-town members to the administrative conference room. Teleconferencing instructions are available on the Web at www.kica.us/mornings_with_joe.htm, or contact Tomi Moore at 1-866-226-1770, ext 217 (please contact us at least an hour before the meeting so we can expect you for teleconferencing) or by e-mail at tomi.moore@kica.us.*

Written inquiries may be submitted at any time to the staff or the board at kicaadmin@kica.us.