

A Comprehensive Plan



Community Association, Inc.

**Prepared by the
Planning Advisory Committee**

**Adopted by the
WDCA Board of Directors
December 2001**

**Revised – June 2008
Revised – January 2011
Revised – July 2011
Revised – August 2013**

ACKNOWLEDGEMENTS

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Executive Summary

The Wild Dunes Community Association (WDCA) was incorporated in 1977 as a not-for-profit corporation. Through the management of its Board of Directors, the corporation is responsible for the protection, maintenance and improvement of the Association's assets and the preservation of the quality of life in the community. With its favorable location adjacent to the Atlantic Ocean, saltwater natural resources and the historic City of Charleston, Wild Dunes will continue to be one of the country's most desirable beach communities and island resorts.

This Comprehensive Plan articulates the **vision** of a residential beachfront community and island resort in harmony. The goal of the Community Association is to foster policies and initiate actions which will enhance the residential character of the community, while simultaneously ensuring a warm welcome and large dose of southern hospitality for all community visitors and resort guests.

The **development and land use plans** for the 1500 acres which comprise the Planned Development District (PDD) of Wild Dunes were approved by the City of Isle of Palms in 1975. The PDD includes some land outside of the Community Association's access control gates. The zoning plan allows for a total of 2500 residential building units and platted lots at build-out. As of December, 2012, 2156 building units and lots have been constructed and platted under the PDD. The PDD also allows the construction of 350 hotel rooms. To date, 147 hotel rooms have been built. Since there is no specified completion date for development under the PDD, it is anticipated remaining residential units, lots and hotel rooms will be completed over time in consideration of existing real estate market conditions. Development rights under the PDD are currently held by Lowe Enterprises, Inc., a California-based company specializing in the acquisition, development and management of real estate assets in the United States. As Wild Dunes approaches build-out, the Association will strive to ensure additional development is consistent with the land use plan and residential character of the community.

The popularity of Wild Dunes as a planned resort community and beachfront destination for owners in the southeastern United States is reflected in the current **demographic data**, which indicates that approximately 81% of the 2134 Community Association properties inside the access control gates are owned by persons from South Carolina, North Carolina, Georgia, Virginia and Tennessee. The data also reflects a mixed usage of properties, with approximately 79% of the existing 2067 building units inside the gates used for second home ownership, shared ownership, and rental property. Given the prevalent demographics relating to use of property, it is anticipated the community will continue to draw large numbers of owners and guests during the spring and summer months for vacation and recreational use.

To fulfill its responsibilities as steward of the community's common properties and to provide services as authorized under the governing documents, the Association has developed and adhered to a detailed **financial plan**, which addresses both short-term and long-term cash requirements. The Association's annual operating budget is primarily funded through the obligatory annual assessment to all property owners. This assessment has remained level since 2003, primarily due to the control of operating expenses and the addition of new revenue sources in 2002. The Association has historically operated with a net surplus in operating dollars from year to year, with a portion of the surplus being added to the reserve funds to support the twenty-year Replacement Reserve Plan.

The **Reserve Plan** identifies funding requirements for major asset repairs and replacements (including roads and drainage), capital improvements, disaster recovery and beach maintenance. In addition to contributions from the operating surplus, the roads and drainage, capital improvements and disaster recovery portions of the Reserve Plan have been funded through real estate transfer fees, which were implemented in 2002. This revenue program collects one half of one percent of the sales price on all WDCA properties at closing. Through 2012, this program has generated \$6.3 million in contributions to the three funds. As of the date of this plan revision, the financial health of the Association is very strong, due to management's tight control of annual operating expenses and the consistent funding of maintenance reserves for future projects.

The protection and maintenance of a **healthy recreational beach** in front of Wild Dunes is an essential element in achieving the long-term vision of the community. Past history has demonstrated a need to periodically renourish the beach to off-set erosion and protect the shoreline during periods of sand shoal migration and attachment. In 2008, in response to severe erosion of the beach between Shipwatch Villas and the eighteenth hole of the Links Golf Course,

the Association partnered with Wild Dunes Resort, the City of Isle of Palms, front-beach property owners and various governmental entities in a highly successful \$9.9 million beach renourishment project. The Association's \$3.2 million contribution to the project was collected through a referendum and supplemental assessment of the membership. The project added approximately 885,000 cubic yards of sand to the beach profile in front of Wild Dunes and serves as the foundation for an ongoing comprehensive beach management plan for the community. Going forward, it is the responsibility of the Association to ensure that:

- the beach condition is being adequately monitored;
- there is a long-term strategy in place for beach management and maintenance;
- there is a funding plan in place for future projects and activities; and
- details of the community's plan are frequently communicated to the membership.

As authorized by the Covenants and Restrictions, the Community Association owns and maintains most of the roads, road drainage collectors and pipes, road landscaping, interconnected lagoons, beach access paths and pedestrian paths in the community. The Association also owns and operates the main gate at Sundial Circle and the Property Owners Beach House. The Beach House is ideally situated on three and one-half acres of beachfront property and is available for use by all property owners. The maintenance and major repair/replacement of the community's infrastructure and buildings are funded by the annual maintenance budget and Replacement Reserve Plan. The condition of the **community's assets** is very good.

In September 2009, property owners completed a **comprehensive survey** to be used for updating the Association's demographic information, identifying community issues and improving communications between management and Association members.

Nine hundred seventeen surveys out of a total of 2129 were completed and returned to the Association--an excellent response rate of 43%. Owners were given the opportunity to provide individualized comments regarding the survey categories and any particular topic of interest at the end of the survey. Highlights of the survey included:

- Respondents cited access to the beach as the most important factor in the decision to buy property at Wild Dunes;
- Eighty-six percent of respondents reported they regularly receive communications about WDCA activities;
- A large majority of owners rated the Architectural Review Committee's performance in keeping Wild Dunes attractive as good or excellent;
- Over ninety percent of owners felt safe and secure within Wild Dunes and eighty percent were generally satisfied with safety and security operations;
- Use of the **Resort facilities and amenities** is an important quality-of-life component for many property owners at Wild Dunes and owners have high expectations for quality amenities and services.

Key recommendations coming out of the survey results will be implemented by management as part of the annual operating plan for the community.

The Wild Dunes community has a very bright future. To maintain and grow its value as a premier beachfront residential community and island resort, it will be necessary for the Community Association to foster and maintain strong communications and **partnerships** with all of the entities that have a vested interest in the community—including, but not limited to its members, Wild Dunes Resort, regime and homeowner associations, property management firms and the City of Isle of Palms. This Comprehensive Plan will serve as the foundation and the stimulus for the actions needed to achieve the community's vision.

I. INTRODUCTION

The Wild Dunes Community Association (WDCA), through its Board of Directors, is responsible for the protection, maintenance and improvement of the assets of the Association and the preservation and improvement of the quality of life enjoyed by its members. As a means of fulfilling this responsibility, on May 18, 1998 the Board of Directors passed a resolution creating the Planning Advisory Committee for the Association. A major objective of the Planning Advisory Committee is the creation and maintenance of a Comprehensive Plan. Input for the original plan came from a number of relevant responsible sources including Directors of the Board, Advisory Committee Chairmen, Community Association General Manager, Wild Dunes Resort, Wild Dunes Regime and Association Presidents, Isle of Palms City, Charleston County and SC State Officials.

This Comprehensive Plan is intended to document the history of development of Wild Dunes*, identify the community's issues and needs, and articulate a vision for its future. The Plan is also intended to help guide future decision-making in matters affecting the physical, social and economic growth, development and redevelopment of the community. Proposed projects and activities should be evaluated for consistency and compatibility with the Plan. If inconsistency or incompatibility is determined, either the project or the Plan should be changed. This Plan is not a final product; it is part of a continuing planning process and should be reviewed annually and updated as necessary, as information becomes available or as new issues and needs arise. It is intended to be consistent with and complementary to the Isle of Palms Comprehensive Plan wherever possible.

The Plan includes six major elements: Land Use, Demographics/Housing, Economics, Natural Resources, Community Facilities and Wild Dunes Resort. Preceding these elements is an overall vision statement and brief description of Wild Dunes' location and history. Each element includes background information, and may also include a list of key issues and a set of goals and implementation strategies where appropriate. Time frames and priorities for implementation of the strategies contained in this Plan will be developed by the Planning Advisory Committee following adoption of the Plan and approval by the Board of Directors. They will then be adopted as an amendment to this Plan.

* Throughout this document, unless otherwise noted, "Wild Dunes" shall mean the "gated" area called Wild Dunes: i.e. the area of WDCA responsibility and authority.

II. VISION STATEMENT

The Wild Dunes community will continue its development into a first class residential, vacation, and recreational complex with a controlled variety of living units and commercial recreational facilities within the gated complex. As the community approaches build-out of residential property and with continuing development by the Resort, the Community Association will continue to foster the residential character of the community while maintaining the balance between its member constituencies; i.e. permanent resident property owners, second home property owners and rental investment property owners. It is anticipated that there will be a continuing lengthening of the Resort season from the spring-summer period into a year-round operation as well as further expansion of commercial Resort facilities. As a major segment of the City of Isle of Palms, Wild Dunes will continue to support the City and will continue its efforts to integrate more fully with the City. The Community Association will develop policies and plans and will initiate actions which will maintain the residential community character of Wild Dunes, while simultaneously accommodating the divergent needs and wishes of its member constituencies.

III. LOCATION AND HISTORY

Location and Climate

The Wild Dunes community is located on approximately 1500 acres at the east end of the Isle of Palms. The community is bounded on the north by Morgan Creek and the Intracoastal Waterway, on the East by Dewees Inlet, on the south by the Atlantic Ocean and on the west by a fence somewhat arbitrarily located and routed by the original developers.

The average annual temperature is 66 deg. F, with a low monthly average of 50 deg. in January and a high monthly average of 81 deg. in July and August. Precipitation averages 46.8 inches annually and varies from 2.1 inches in November to 6.2 inches in August.

History

The development of Wild Dunes began in 1972, when Finch Properties purchased the property from J.C. Long. In 1973 Finch sold the site to the Sea Pines Company of Hilton Head Island, a developer of planned communities. Sea Pines was responsible for the planning, zoning and development of the site then named Isle of Palms Beach and Racquet Club. In 1975 the Isle of Palms City Council approved a resolution creating a Planned Residential Development District then named Isle of Palms Beach and Racquet Club. The Sea Pines Company's application to the city stated its intentions "to construct on the subject 956 acre tract a recreational-oriented residential community offering a diversity of residential units complemented by a broad range of recreational opportunities and support activities to serve these residents". One year later Sea Pines sold the site to Finch Properties and Wilbur Smith & Associates and construction began.

As the original name implies, the Isle of Palms Beach and Racquet Club was designed around the tennis complex. As the Resort prospered and grew, the decision to go ahead with the plans for the Wild Dunes Links Golf Course was made. The course was opened in 1980. By 1981 the course had received such acclaim and publicity that Finch Properties combined the name of the course and the Resort to establish the Wild Dunes Resort. The Harbor Golf Course was opened in 1986 and helped meet the increasing needs of the members and guests.

The Isle of Palms Beach and Racquet Club Community Association was organized as a nonprofit corporation under the laws of South Carolina on March 24, 1977. The Covenants, Restrictions and By Laws were adopted at that time. The original Board of Directors consisted of four Company representatives and one property owner representative. This ratio of directors continued until 1984 when it was changed to 3 to 2. In 1987 the Board membership was changed to 7 and the property owners were accorded a majority of the seats (4 of 7). Wild Dunes Associates had purchased the Resort from Finch Properties in 1983. In the 1980s the community flourished with the rapid additions of homes, villas and condominiums. Resort amenities were added and their commercial businesses were expanded. In 1988, with the property owners in control of the Board of Directors of the Community Association, Ravenel Associates was hired to manage community affairs. Ravenel continued in that role until 1997.

On September 21, 1989 Hurricane Hugo, a class 4 storm entered Charleston Harbor. The eye of the hurricane passed directly over the Isle of Palms damaging every home on the Island and destroying more than 200 structures. This storm closed the Resort for nine months and stopped residential development for almost 2 years.

In February 1990 Destination Wild Dunes (DWD) was formed as an affiliate of Destination Hotels and Resorts Inc., the property management division of Lowe Enterprises, Inc. DWD purchased the on-site rental management and conference business at Wild Dunes and continued to expand its control in the early 1990s. In 1993, DWD completed its acquisition of all Resort amenities. The commercial amenities of the Resort continued to expand throughout the 1990s and a 93-room hotel, the Boardwalk Inn, was completed in 1998. In 2007, Lowe Enterprises completed the construction of the Sweetgrass Pavilion, a new 21,000 square foot meeting facility which replaced the original Island House. In 2008, the first phase of a mixed use residential and commercial development known as The Village was completed on the south side of Palmetto Drive across from the Sweetgrass Pavilion. The Village added another 115 residential condominium units and 54 lockout (hotel) rooms to the Resort core area. The City of Isle of Palms approved plans for an additional 141 condominium units in phase 2. As of the date of this plan revision, construction has not begun on the second phase of the Village.

Lowe Enterprises has constructed two additional amenities in the Resort core area during the last few years. In 2011, Palmetto Hall added approximately 4000 square feet of meeting and event space near the Sweetgrass Pavilion. And in 2013, the Palm Cove swimming pool was constructed between The Village condominiums and the Resort's Administration Building.

The residential community has also expanded rapidly and is approaching build-out. The maximum number of residential building units and lots allowed under the Planned Development District (PDD) of Wild Dunes is 2500. The Architectural Review Committee Residential Status Report in Appendix B shows the breakdown of residential units and lots in the PDD.

In 1997 the Community Association decided to assume direct management of the Association's business affairs and terminated the outside management contract with Ravenel Associates. A General Manager was hired and given full responsibility for administration and management of the Association. In 2011 the General Manager's position was renamed Chief Operating Officer to better reflect the duties of the position. As of the date of this plan revision, security and grounds maintenance services are still contracted to outside suppliers.

IV. LAND USE

In early 1973, the Sea Pines Company purchased 1537.4 acres at the northeast end of the Isle of Palms, consisting of 956.4 acres above mean sea level and 581 acres of marsh.

In April 1975, the Isle of Palms (IOP) City Council approved the development of a Planned Residential Development (PRD) zoning for the development of a residential/resort community to be called the Isle of Palms Beach and Racquet Club. The area to be included in the PRD was the total 1537.4 acres purchased by the Sea Pines Company in 1973. The term Planned Residential Development (PRD) was changed to Planned Development District (PDD) in 1999.

It is estimated Wild Dunes Resort owns approximately 260 acres within the gated area of the Wild Dunes PDD. The bulk of the remaining land within the gates is allocated to the various types of residential housing and facilities/infrastructure owned by the Wild Dunes Community Association (WDCA).

A total of 2500 residential units and lots are allowed in the Wild Dunes PDD, which includes some land outside of the Community Association's security gates. As of the date of this plan revision, the total number of residential units and lots counted against the PDD is 2168.

It should be noted the PDD also allows a total of 350 hotel rooms to be constructed in the Wild Dunes PDD. Ninety three Boardwalk Inn hotel rooms were constructed in 1998 and 54 lockout units were completed in The Village condominiums in 2008-for a total of 147 hotel rooms as of the date of this plan revision.

Key Issues

- Preservation of the residential character of the gated area of Wild Dunes.
- Commercial/Resort development within the gated area.
- Development within the PDD outside the gated area.

Goals and Implementation Strategies

- **Preservation of the residential character of the gated area of Wild Dunes.**
 - ✓ Strategy: Review rules and regulations pertaining to use of property and aesthetics and ensure strict enforcement of existing guidelines.

- ✓ Strategy: Work closely with the Resort, individual regime associations and property management companies to reinforce activities that complement the residential nature of the community.

- ✓ Strategy: Conduct ARC review of standards pertaining to the construction of large homes.

- **Monitor proposed commercial, residential and Resort development within the gated area.**

- ✓ Strategy: Provide for WDCA representation at IOP Planning Commission and City Council meetings.

- ✓ Strategy: Request that the Resort afford the Architectural Review Committee and WDCA management an opportunity to review and comment on all proposed commercial and residential development plans.

- **Development within the PDD outside the gated area.**

- ✓ Strategy: Provide input to IOP officials on all potential development issues affecting the Wild Dunes PDD and WDCA.

V. DEMOGRAPHICS/HOUSING

According to the Community Association’s database, which is continually updated, 75% of Wild Dunes owners are from the tri-state region of South Carolina, North Carolina and Georgia. The following table summarizes where Wild Dunes owners are from.

Northeast Region	
Owners: 71 Percent: ≈ 3%	
State	Owners
Connecticut	12
Maine	1
Massachusetts	12
New Hampshire	5
New York	37
Rhode Island	4
Vermont	0

Mid-Atlantic Region	
Owners: 189 Percent: ≈ 9%	
State	Owners
DC	3
Delaware	2
Maryland	23
New Jersey	32
Pennsylvania	55
Virginia	59
West Virginia	15

Southeast Region	
Owners: 1606 Percent: ≈ 75%	
State	Owners
Alabama	3
Florida	12
Georgia	128
North Carolina	388
South Carolina	1075

Mid-South Region	
Owners: 95 Percent: ≈ 4%	
State	Owners
Arkansas	0
Kentucky	19
Louisiana	1
Mississippi	2
Missouri	2
Tennessee	71

Midwest Region	
Owners: 125 Percent: \approx 6%	
State	Owners
Illinois	24
Indiana	18
Iowa	1
Michigan	14
Minnesota	3
Ohio	58
Wisconsin	7

West Region	
Owners: 44 Percent: \approx 2%	
State	Owners
Alaska	0
Arizona	2
California	12
Colorado	5
Hawaii	0
Idaho	1
Kansas	2
Montana	0
Nebraska	0
Nevada	0
New Mexico	1
North Dakota	0
Oklahoma	1
Oregon	0
South Dakota	1
Texas	18
Utah	0
Washington	1
Wyoming	0

International
Owners: 4 Percent: \approx .02%

Total Properties: 2134

\approx approximately

Inventory of Existing Conditions

Total housing units (WDCA Residential Status Report)
July 2013 – 2067

Owner occupied housing units-Resident (Tax Assessor Records)
(2012 - 438)

Non-owner occupied housing units-Estimated Rental (WDCA Data, Tax Assessor Records)
(2012 - 854)

Non-owner occupied housing units-Estimated non-rental (WDCA Data)
(2012 - 775)

Housing units by type – July 2013 (WDCA Residential Status Report)
1088 – Single Family & Cluster Houses
236– Townhouses
741 – Condos

As of July, 2013 there were 2067 dwellings within the Wild Dunes Community Association. Of these dwellings, approximately 53 percent are single-family, with the remaining 47 percent considered multi-family (townhouses and condos). Most of the multi-family units are under a condominium form of ownership.

There are an additional 67 single-family housing lots that are available for construction.

According to tax assessment records, 21 percent of the present housing units are utilized as owner-occupied, year-round residential units (primary residences), while 79 percent are non owner-occupied seasonal or year-round rental units.

The condition of housing units within Wild Dunes is generally excellent. Some of Wild Dunes' originally developed areas have become dated in relation to newer construction and are in need of significant renovation. Development trends for new construction and renovation is towards larger housing units compared to older construction.

Key Issues

- Demand for quality recreational space in the community.
- Access to saltwater natural resources in the community.
- Preservation of open space in the community.
- The compatibility of exterior changes in older areas (Sandcrab, Sandpiper, Marsh Island, Twin Oaks, etc.).

Goals and Implementation Strategies

- **Improve recreational opportunities for property owners and guests.**
 - ✓ Strategy: Continue to expand network of pedestrian and bike trails.
 - ✓ Strategy: Explore potential sites for saltwater wetland and creek access.
 - ✓ Strategy: Pursue acquisition of additional open space (possible purchase of vacant lots to add to existing open space, and/or create linear parks), observation areas, etc.

· **Encourage improved development quality as properties are renovated.**

- ✓ Strategy: Encourage, through the ARC process, positive changes in older areas that are architecturally compatible with existing development.

In 2004, the Architectural Review Committee revised the Architectural Review Standards to include supplemental ARC Standards for the Sandcrab, Sandpiper, Twin Oaks and Lake Village neighborhoods.

VI. ECONOMICS

Background

The Covenants and Restrictions of the Community Association charge the Board of Directors with determining the functions and services to be carried out by the Association, taking into consideration available funds and the needs of its members. They further charge the Board with determining the amount of the annual assessment necessary to fund essential operations.

The economic situation and concerns of the Association have changed significantly since the initial Plan in 2001. With the introduction of the Real Estate Transfer Fee, adopted by a change to the Covenants in October 2001, the Association has been able to fund a number of major capital projects and build reserves for future project needs.

In establishing a financial plan for the Association, it is essential to understand the funds flows permitted by the Association's covenants and tax status -- which determine the structure of the Association's accounts and separate Operating Funds from Reserve Funds.

The financial data in this current plan document reflect the audited accounts of 2012. An update of the Association's financials is provided to the members each year at the annual meeting and is available on-line in the Association's website.

Current Revenue Sources

Total Revenue in 2012 was \$2.5 million, which was comprised of:

1) Annual Assessments (65%)

The 2012 assessment for developed lots was \$748 and for undeveloped lots \$374. The assessment has been held at these levels since 2003 since the Board has deemed Operating Revenues adequate to fund Operating Expenses during these years. Pursuant to the Covenants and Restrictions, the Board can increase the annual assessment by up to 5% each year or by the Consumer Price Index – whichever is higher. The total assessments collected in 2012 were \$1,655.5K, including \$86.9K from Wild Dunes Resort.

2) Commercial Vehicle Access Fees (10%)

All commercial vehicles are charged an access fee for admission into the gated community. Since their high of \$329K in 2004, these fees showed a steady decline through 2011 with declining construction activity and are expected to increase in the future. The fees collected in 2012 were \$261K.

3) Rental Guest Access Fees (3%)

This fee was introduced in 2002 in order to allow the Association to recoup some of the costs of providing services for rental guests. The fee was increased from \$75 to \$100 per rental unit in 2008. Through 2012 a total of \$749K has been collected, including \$84K collected in 2012.

4) Investment Interest Income (2%)

With its conservative investment strategy to safeguard principal, the income earned on the Association's operating accounts and reserve funds reflects the prevailing short-term interest rate environment – peaking at \$275K in 2007 and only \$51K in 2012.

5) Other Miscellaneous Income (3%)

Architectural Review Committee fees, extra decal purchases and purchases of electronic gate arm openers totaled \$77K in 2012. It is expected that revenue from these sources will remain constant in the near term.

All of the revenue components listed above, except for the portion of investment interest income earned on the Association's reserve funds, are considered Operating Funds and are available to the Association to fund the ongoing operating needs of the community. To date, the Association has functioned with an operating surplus. At the end of each year, the Board determines how much of the operating surplus should be transferred to the Association's reserve funds.

6) Real Estate Transfer Fees [RETFs] (16%)

This program, implemented in 2002, provides for the collection of a fee from the purchaser of any residential or commercial property in Wild Dunes. At .5% of the purchase price, the program generated \$488K in 2002, \$735K in 2003, \$1,027K in 2004, \$989K in 2005, \$781K in 2006, \$355K in 2007, \$678K in 2008, \$234K in 2009, \$313K in 2010, \$273K in 2011 and \$392K in 2012 – a total of \$6.3M. (The increase in 2008 fees, as real estate market conditions were declining, included fees totaling \$436K on the sales of the Resort's Village units.) The tax status of the Association – and the Covenants – requires that the RETFs be booked as "Contributions to Reserves" (along with the interest earned thereon) and may not be used for Operations Expenses without incurring taxes. During the budget process each year, the Board decides to which reserve fund(s) the RETFs will be allocated. The annual allocation reflects the Board's forecast of near-term funding needs in each reserve account.

Other Potential Sources of Revenue

1) Special Assessments

Projects funded by Special Assessments may be identified by the Board and must be approved by a majority of Association members. There are currently no special assessments being collected by the Association. In 1999, \$210 was assessed to each developed property owner and \$105 to each undeveloped property owner for improvements to the community's interconnected lagoons and drainage system. The Resort was assessed \$100K in fulfillment of a legal agreement with the Association – for a total collection of \$500K for that special project.

2) Supplemental Assessments

In 2008, \$1,500 was assessed to each developed property owner and \$750 to each undeveloped property owner for a beach nourishment project managed by the City of Isle of Palms. WDCA property owners contributed a total of \$3.2M to the project, and the Resort contributed \$2.912M.

3) Miscellaneous

In order to keep assessment increases at a minimum, the Board will consider new revenue sources utilized by other communities – such as: contribution programs (e.g., "plant-a-tree"), usage fees (e.g., Property Owners' Beach House), fees for special services provided to regimes or individual homeowners by the Association.

Expenses

The Association's expenses are funded from both the operating account and the reserve funds. Expenses in 2012 totaled \$2.3M – of which \$500K in project expenses were funded from reserves. Of the \$1.8M of operating expenses in 2012: 41% was Administration and non-departmental expenses such as insurance and taxes; 31% was Security; 19% was Property Maintenance; 5% was maintenance of roads, drainage and lagoons; 2% was maintenance of the Property Owners' Beach House.

Reserve Funds

The Association has established reserve funds for major projects relating to: roads and drainage; capital improvements; hurricane/disaster recovery; beach maintenance. These funds are augmented each year from Real Estate Transfer Fees and from surpluses in the operating account as deemed appropriate by the Board. In 2002, the Board decided to reserve funds for hurricane recovery and clean-up. As of December 2012, \$2.8M

had been set aside in a fund designated for this purpose. In the event of a major disaster, all reserve funds of the Association are available for such purpose if necessary. At the end of 2008, the Board established a reserve for Beach Maintenance, which has been funded from surpluses in the operating account. As of December 2012, the Association's reserve funds totaled \$6.4M.

Cash Management Strategy

The investment policy of the Board is very conservative – with emphasis on safety of principal. At the end of 2012, the Association's reserves were almost fully invested in FDIC-insured CDs, with a small amount in money-market accounts available for immediate operating needs.

Financial Planning

In accordance with the guidelines of the Community Association Institute, the Association maintains and updates each year a 20-year Replacement Reserve Report. This report itemizes each infrastructure item of the Association (approximately 30 items in 2012) and calculates an annual funding requirement for each year based on the estimated cost of repair or replacement at an expected future date. At the end of 2012, the total target for all the Association's infrastructure items, including a target of \$3 million for Disaster Recovery, was \$7.6 million. The total target for funds required continues to increase annually through 2017, reflecting significant funds planned in 2018 for paving of roads. At the end of 2012, the Report estimated a need of \$4.1million for Capital Improvements and Roads/Drainage projects over the next ten years and \$8.4 million over the next twenty years. This does not include any funds that may be required for disaster recovery or for a contribution to beach maintenance/renourishment projects.

The Board also maintains and updates annually a 10-year forecast of revenues and expenses and tests it with various revenue assumptions in order to ensure that the Association continues to maintain an operating surplus. The forecast data is used as a guide when developing the annual budget and it is the Board's decision each year as to whether an increase in the annual assessment is necessary. With revenues from rental properties and interest income not expected to increase and with even minimal increases in operating expenses, the current forecast indicates that an increase in the property owners' annual assessments may be needed in the future -- in order to maintain a surplus in the operating account (since the use of reserve funds for operations would make these funds taxable).

Possible Future Expenses not currently in the Reserve Plan

In addition to the items in the Replacement Reserve Report at the end of 2012, the Board may consider some of the following:

- Provision of a WDCA-owned office facility
- Additions to or redesign of the Property Owners' Beach House (first remodel completed in 2006)
- Major landscape improvements (additional irrigation systems or plantings)
- Redesign/improvements of beach and bike paths
- Improved lighting and street signage (current installations completed in 2007 and 2009 respectively)
- Increased community services

Key Issues

- Identification of expenses not currently in Reserve Plan.
- Adequacy of reserves for natural disasters
- Adequacy of reserves for beach maintenance
- Potential additional sources of revenue
- Availability of funds as needed for operations
- Availability of project funds as needed
- Safety of principal

Goals and Implementation Strategies

- Continue to annually update and analyze the 10-year Financial Forecast of Revenues and Expenses to ensure that the Association maintains an operating surplus.
- Continue to annually update and analyze the Replacement Reserve Report to ensure that adequate funds will be available for each project as needed.
- Continue to build the reserve for natural disasters.
- Continue to analyze developments in the economic/financial environment to ensure that the Association's funds are conservatively invested -- with the primary objective of safety of principal -- and that adequate funds will be available for operations as needed.
- Explore possibility of increasing the financial contribution to the community from the Resort.

VII. NATURAL RESOURCES

Background

Isle of Palms, like most South Carolina barrier islands, is characterized by a beach and dune ridge system, with an extensive tidal marsh along the northern side of the island. The island is surrounded by navigable waters and provides many opportunities for water-dependent recreational activities. Ground elevations on the island range from 17 feet mean sea level (MSL) at points along a ridge on the ocean side of the island to sea level although topography of the island is relatively flat with an average ground elevation above the mean sea level of only eight to ten feet. Prior to development, the island was covered by barrier island maritime forest.

The mean tide range, low tide to high tide, is 5.2 feet with the spring tide range increasing to 6.1 feet. Hurricane water levels are much higher with the expected 100 year frequency tide level reaching elevation 12 feet MSL and wave crests up to elevation 18.6 feet MSL. The storm surge from Hurricane Hugo covered most of the island with peak water levels at about elevation 15 or 16 feet MSL along the beach and elevations of 12 to 13 feet MSL along the back of the island.

Because of the low ground elevations, virtually the entire island lies within a Special Flood Hazard Area of the National Flood Insurance Program. The most common flood zone designations on the island are AE and VE zones, which delineate the statistical threat of flooding from a "100 year hurricane", for which there is a one percent probability of it occurring in any given year. Pockets of low elevation coupled with storm drainage that is significantly influenced by the ebb and flow of the tides, can cause significant accumulations of storm water during periods of heavy rainfall or storm surge.

To minimize the potential for property damage due to flood conditions, the City adopted a comprehensive set of regulations in 1983, which are found in Title 5, Chapter 2 of the Code of the City of Isle of Palms. The City is in compliance with the requirements of the Federal Emergency Management Agency, the federal agency responsible for administering the National Flood Insurance Program.

Despite the susceptibility of the island to flooding and coastal storms, the beautiful sandy beaches, marshes, creeks, ocean, clean air, trees, fish and wildlife make the Isle of Palms and Wild Dunes a very attractive place to live and recreate. Protection of these natural resources is essential to maintaining a high quality of life on the barrier island.

Water Quality

The South Carolina Department of Health and Environmental Control (DHEC) is responsible for monitoring ocean water quality adjacent to the Wild Dunes beaches. Ocean water quality is sampled between May 15 and October 15 at three locations from Port O'Call Villas to 53rd Avenue. If high numbers of bacteria are found, DHEC issues an advisory for that particular location on the beach, which means DHEC advises persons NOT to swim in those areas until bacterial levels decrease to acceptable levels.

In addition to beach water quality monitoring, DHEC monitors the bacterial levels in shellfish growing areas in the waterways and estuaries adjacent to Wild Dunes. Evaluations of growing areas which meet National Shellfish Sanitation Program requirements are conducted annually and bacteriological sampling is conducted periodically to ensure the harvesting of shellfish from these areas is safe.

Previous engineering studies by the City of Isle of Palms assessing the source of fecal coliform contamination in the waterways surrounding the island have determined the majority of fecal coliform contamination is from animal sources. They recommended public education and the use of vegetated buffers next to waterways to abate the problem.

Beach

State regulatory responsibility for protecting the beach and dune system rests with the Office of Ocean and Coastal Resource Management (OCRM), which is a division of the South Carolina Department of Health and Environmental Control (SCDHEC). This state agency was created in 1977 as the South Carolina Coastal Council when the state legislature adopted the Coastal Zone Management Act. The Act also established the first comprehensive set of regulations for protecting coastal resources in the eight South Carolina coastal counties. In 1988, SCDHEC's jurisdiction on the beachfront was amended by passage of the Beachfront Management Act, which was further amended in 1990.

Prior to passage of the state Coastal Zone Management Act, Isle of Palms created the Beach Patrol and Control Board in 1970 and adopted the Beach and Sand Dune Protection Ordinance of 1974. This ordinance has been subsequently amended. In 1997, the Beach Advisory Ad-Hoc Committee replaced the Beach Patrol and Control Board.

In 1993 Applied Technology and Management Incorporated, a local engineering firm, prepared the Isle of Palms Local Comprehensive Beach Management Plan as required by state law. However, due to technicalities relating to parking and beach access, the plan was not approved by OCRM.

A review of beach profile information from OCRM in the early 1990s showed that:

- Hurricane Hugo caused a significant loss of dune and reduction in dune height along much of the ocean shoreline; the post-Hugo dune construction project resulted in a dune elevation generally two to four feet below the pre-Hugo dune elevation;
- Between 1988 and 1993, the beach in the vicinity of Mariner's Walk to Beachwood East has experienced the greatest fluctuation, due to sand spreading from a previous location of a shoal attachment; and
- Beaches along the inlet margins of both Dewees Inlet and Breach Inlet tend to be steeper and narrower than beaches along the ocean shoreline.

The shoreline area most susceptible to erosion lies between 46th Avenue and Dewees Inlet while the western 1.5 miles of shoreline has long term accretion rates averaging approximately five feet per year.

The shoreline of Isle of Palms has a positive sediment budget with sediments bypassing Dewees Inlet and moving onto the shoreline in front of Wild Dunes in the form of large sand shoals. Sediments from these shoals then move laterally along the shoreline with a majority of sediments moving west.

The Isle of Palms is one of a few islands along the South Carolina coast which has gained sand over the past 75 years. This long-term accretion trend is a direct result of the shoal by-passing at Dewees Inlet; however, this process has also caused significant short-term erosion events on the northeast end of the island.

In 2004 significant erosion of the beach commenced in the area from Summer House Villas to the middle of the eighteenth fairway of the Links Golf Course, due to a large shoal by-passing event in front of the Property Owners Beach House. By early 2007, owners placed 5 gallon sand bags in front of their buildings and the golf course to protect them from erosion. These were subsequently replaced by one cubic yard sand bags after the smaller bags failed.

In 2007, Coastal Science & Engineering prepared a feasibility report for the Wild Dunes Community Association and recommended that approximately 900,000 cubic yards of off-shore sand be added to the beach along the northeastern end of the Isle of Palms, to mitigate on-going sand losses in the area. The City of

Isle of Palms elected to proceed with the final design, planning and permitting for this project in early 2008. At that time IOP determined the project would cost approximately \$9.9 million and committed \$1.9 million from municipal funds. Other contributors included Charleston County (\$.9M), the Community Association (\$3.2M), Lowe Wild Dunes Investors (\$2.912M) and 424 front beach owners comprising those properties between Shipwatch Villas and Ocean Club Villas (\$.988M). The Community Association funded its portion of the project by overwhelmingly passing a referendum for a supplemental assessment for beach renourishment in March of 2008. The assessment for developed properties was \$1500 and \$750 for a lot.

On March 18, 2008, OCRM issued a permit to renourish 13,785 linear feet of beach on the northeast end of the Isle of Palms with up to 885,000 cubic yards of sand from four borrow sites 2-3 miles offshore. The U.S. Army Corp of Engineer permit was issued on May 7. As part of the permits' conditions, the contractor was required to remove all sand bags located on and buried in the beach.

The contract for the nourishment project was awarded to Weeks Marine in early May and on Memorial Day weekend the dredge "R. S. Weeks" was mobilized on site and pumping sand on to the beach. The project progressed well ahead of schedule and was officially completed on July 2. Under the permits issued by the regulatory agencies, post-project monitoring was required for three years after completion of the project.

In August of 2011 the City of Isle of Palms received a critical area permit from SCDHEC-OCRM to periodically realign the beach in shoal attachment areas as part of a long-term shoal management plan. Specifically, the permit allowed for the transfer of up to 250,000 cubic yards of sand on the beach twice during the five year life of the permit to address focused erosion. Subsequently, approximately 87,000 cubic yards of sand were excavated and transferred from the beach in front of Beach Club Villas and the Property Owners Beach House to the beach in front of Seascape Villas, Ocean Club Villas and the eighteenth green of the Links golf course in March of 2012. This work was paid for with funds remaining from the 2008 off-shore renourishment project. The beach realignment/shoal management permit was amended by OCRM in 2013 to authorize up to four projects during the permit term, as long as the total quantity of sand transferred did not exceed 500,000 cubic yards.

In accordance with the Beachfront Management Act adopted by the South Carolina Legislature in 1989, local beachfront municipalities are required to prepare and implement comprehensive beach management plans as approved by OCRM. OCRM approved the Local Comprehensive Beach Management Plan for the City of Isle of Palms on April 7, 2008. As set forth in Section 48-39-350 (A) of the State Beachfront Management Act, IOP's plan includes an analysis of beach erosion control alternatives, including renourishment for the beach under the local government's jurisdiction. The IOP plan notes that the "Isle of Palms Long Term Beach Management Advisory Committee (2007) made several recommendations to the City and DHEC OCRM (e.g. do not use 5-gallon sand bags, permit larger bags; require placement of outside sand as mitigation for emergency protection; allow controlled sand scraping [shoal management]." The Committee also "recommended use of both offshore dredging and management of attaching shoals as the preferred renourishment options."

Wildlife and Vegetation

There are six species of birds that are listed on the federal endangered or threatened list which may be found in the area. The endangered species are the bald eagle, Bachman's warbler, wood stork and red-cockaded woodpecker. Threatened birds are the piping plover and peregrine falcon.

The Loggerhead sea turtle, a threatened species, visits the island to lay her eggs along the beach. However, visits have declined as the island has developed.

No federally listed endangered or threatened plants are known to be located on the island.

The primary tree species on the island are palmetto, live oak, loblolly pine and wax myrtle. In 1989, the City adopted its first tree protection ordinance to prevent parcels from being completely cleared during development. The Community Association's Architectural Review Committee has also adopted guidelines pertaining to tree pruning and removal, which must be followed during lot construction and subsequent tree maintenance.

Key Issues

- Protection of beach, dunes and marsh lands.
- Water quality
- Management of wildlife and vegetation.

Goals and Implementation Strategies

· **Beach Management**

The Wild Dunes Community Association (WDCA) acknowledges the authority of the State of South Carolina in controlling beach management activities seaward of the mean high water mark of the Atlantic Ocean. It also recognizes the responsibility of the City of Isle of Palms to implement beach management activities which are consistent with the State's 1988 Beachfront Management Act and its Local Comprehensive Beach Management Plan approved by the State on April 3, 2008.

WDCA is mindful of the value of a healthy beach to the quality of life of its owners and understands its role as facilitator of community participation in certain beach management projects which benefit the Wild Dunes Community as a whole. Thus, WDCA plans to:

1. Ensure beach sand quantities from Grand Pavilion to Cedar Creek in Dewees Inlet are monitored via annual surveys (minimum frequency).
 2. Support the City of Isle of Palms' December 2, 2010 Beach Realignment permit application and any beach realignment project undertaken under the permit, limited to the remaining funds from the 2008 off-shore renourishment project.
 3. Participate in beach restoration projects in front of Wild Dunes which are managed and financially supported by the City and determined by the WDCA Board of Directors to be in the best interests of the Community.
 4. Fund \$750,000 in the Beach Maintenance Reserve for addressing potential erosion issues seaward of the Property Owners Beach House.
 5. Provide on-going communications to owners regarding beach management activities.
- **Protect the marsh lands and dune system on the island.**
 - ✓ Strategy: Continue to promote awareness of the value of a viable dune and marsh system and assist residents and other agencies in protecting the dunes.
 - **Reduce nonpoint source pollution.**
 - ✓ Strategy: Encourage use of appropriate best-management practices by island residents in the use of pesticides and fertilizers on their property.
 - ✓ Strategy: Encourage owners to pick up after their pets and properly dispose of pet waste.
 - ✓ Strategy: Encourage the use of vegetated buffers in landscapes adjacent to retention ponds, waterways and marsh areas.
 - **Maintenance of wildlife and vegetation.**
 - ✓ Strategy: Continue to protect trees and encourage appropriate use of trees and other vegetation to support wildlife.
 - ✓ Strategy: Solicit the City of Isle of Palms' assistance in evaluating and controlling feral cat and raccoon populations in the community.
 - ✓ Strategy: With professional wildlife management assistance, monitor the alligator population in the community regularly and respond to owner concerns about nuisance alligators

VIII. COMMUNITY FACILITIES AND OPERATIONS

Water and Sewer

The Isle of Palms Water and Sewer Commission provides water and sewer services within the Wild Dunes development. The potable water distribution system in the community includes two ground storage tanks with one million gallon and four hundred fifty thousand gallon capacities, respectively.

All properties within the development are serviced by an activated sludge treatment system that provides spray irrigation for the two eighteen hole golf courses owned by Wild Dunes Resort.

Other Utilities

Electrical services are provided by South Carolina Electric and Gas Company via a system of overhead and underground transmission lines.

Landline telephone services are provided by AT&T, Comcast and Wild Dunes (Resort) Telecommunications. Cellular telephone services include AT&T, Verizon, Sprint, and T-Mobile.

Comcast provides cable television services to the community via a contract with Wild Dunes Resort.

Natural gas lines are not available in Wild Dunes at the present time.

Garbage and Yard Debris Pickup

Garbage and yard debris services are provided by the City of Isle of Palms.

Operations

The day-to-day operations of the Community Association are managed by the Chief Operating Officer, operating under the direction and policy of a seven member Board of Directors. The Board of Directors has created an Architectural Review Committee (ARC) to fulfill assigned architectural review responsibilities under the Covenants and has designated a number of Advisory Committees to assist in the management of the affairs of the Association. Each of the Advisory Committees operates under a specific charter which lists its' specific duties. Currently, the Association's committees include the ARC, the Beach and Open Space Advisory Committee, the Community Affairs Advisory Committee, the Nominating Advisory Committee, the Planning Advisory Committee and the Safety and Security Committee.

Since 1998, the management philosophy of the Board of Directors has been to deliver high quality management and maintenance services to the Community through the use of a small in-house administrative staff (5-6 persons), and the out-sourcing of access control, security, landscaping, roads and drainage maintenance and lagoon maintenance to outside contractors. This management approach has kept expenses in check, and allowed the Board to maintain annual assessments at the 2002 level.

Administrative Operation

The Community Association's administrative offices are located at 6200 Palmetto Drive, Isle of Palms, South Carolina. The staff leases approximately 1200 square feet of office space at the location, which is owned by the Isle of Palms Water and Sewer Commission.

Security Gates and Security Operation

The Community Association owns and operates the three security gates controlling access into the community. The Main Gate at the entrance to Wild Dunes across from 46th Avenue is a 550 square foot building that was constructed in 1997. There is also a 50 square foot building for monitoring the middle lane at that location. The Palm Gate, located on Palm Path Way adjacent to the Resort's Administration Building, is a 150 square

foot building completed in 2001.

The Community Association currently out-sources its security staffing to Allied Barton Security Services, Inc., a nationwide provider of security labor. The Main Gate is staffed twenty-four hours a day, seven days a week. The middle gate is staffed seven days a week from 8:00 am to 12:00 pm. The Palm Gate is staffed Monday through Saturday from 7:00 am to 6:00 pm and Sundays from 9:00 am to 5:00 pm. During normal working hours commercial and contractor vehicles are required to enter Wild Dunes through the Palm Gate. All persons entering the community for commercial purposes must pay a commercial vehicle access fee to the Association or display a daily pass authorized by the owner of the property requesting the commercial services.

In 1996, the Board of Directors of the Association decided to apply the provisions of the South Carolina Uniform Act Regulating all Traffic on Highways to the private roads located within the security gates. This consent effectively allows the Sheriff of Charleston County and the Police Chief of the City of Isle of Palms to approve the location of speed limit and traffic signs within the community, and to regulate the operation of motor vehicles on Wild Dunes roads.

In addition to access control functions, Allied Barton Security Services is contracted to provide community service patrols within Wild Dunes. The purposes of such patrols are to:

- assist police and medical responders with incidents in the community upon their request
- assist owners and guests
- identify and help resolve violations of the community's rules and regulations
- report to management unsafe conditions in the common areas
- observe and notice unsecured property which could be a target of crime

Roads and Bike Paths

The Community Association owns and maintains approximately 14 miles of private roadways throughout the community. Roadways in Morgan Place, Ocean Point and individual regime association areas are not owned by the Association.

Most of the roadways in the development have been resurfaced once since their construction. Remaining roads will be repaved a second time in the next ten years. The community's repaving schedule is summarized in its Replacement Reserve Plan, which is updated annually.

A six and one half foot bike path runs parallel to Palmetto Drive and Back Bay Drive for approximately 3.4 miles. An eight hundred foot long section of concrete and wooden bridge path meanders through the open space area located between Marsh Point Lane and Seagrass Lane. Maintenance of this recreational amenity is specified in the Replacement Reserve Plan.

Storm Water Drainage

Storm water run-off in Wild Dunes is collected by a series of drainage ditches and structures that are approximately thirty years old. Water flows to a series of interconnected lagoons that eventually discharge into either the Morgan Creek or Dewees Inlet tidal systems.

In 1995 the Association commissioned a comprehensive hydrology study of the storm water system with G. Robert George and Associates. The study confirmed the system's poor overall condition and inability to adequately handle flows generated by 10-year and 25-year storm events. Follow-up engineering studies recommended upgrading the system to handle rainfall from ten-year storms and spending approximately \$1,000,000 on projects.

In November of 1999 the Community Association passed a \$500,000 special assessment for drainage upgrades and created a Storm Water Drainage Reserve Fund for future projects. Later, this Reserve Fund was merged with the Road Re-paving Reserve to create a Road and Drainage Reserve Fund. Work on the upgrades commenced in 2000.

As of December 2012 the Association has spent approximately \$1.25M on storm water drainage repairs and upgrades.

Lagoons

The Association owns approximately 30 acres of interconnected lagoons that serve as the primary conduit for storm water removal in the community. Most of the lagoons are fresh water to slightly brackish with the exception of Saltwater Lake on the easternmost end. Predominant fish species in the lagoons include shad, bream, grass carp (introduced for algae control), small and large-mouth bass and mullet.

In addition to using effluent and deep well water, Wild Dunes Resort is permitted to draw water from the lagoons to irrigate its two eighteen-hole golf courses. The Association plans to irrigate some of its common areas and landscaping in the future with lagoon water.

Future planned upgrades to the lagoons include maintenance dredging, bank stabilization adjacent to WDCA common areas, dock construction, aeration and fish stocking.

Open Spaces

The Association owns approximately 95 acres of land designated as open spaces. Much of this land is saltwater marsh. Deed restrictions prohibit the subdivision of these spaces and the construction of structures thereon.

Beach Access and Pedestrian Paths

Access to the beach is provided by a network of approximately 20 shell-sand or mulched pedestrian paths, some with sections of wooden stairs and walkways. In 2003 and 2004, the Association replaced deteriorated railroad tie path borders with decorative concrete curbing. A wooden boardwalk extends from the Property Owners Beach House to the beach and a fifteen-foot wide emergency vehicle access road is also located at the site. The Association owns and maintains four beach access paths outside of the gated area of Wild Dunes between Grand Pavilion and 57th Avenue, 57th and 56th Ave., 56th and 55th Ave., and 55th and 54th Ave. The Association also owns pedestrian paths between lots 26 and 27 Edgewater Alley, between lots 9, 10 and 12 Lake Village, and between lots 25, 26, 27, 28, 48 and 49 Twin Oaks Lane.

Property Owners Beach House

The Property Owners Beach House is a 3894 square foot building situated on approximately 3.5 acres of land adjacent to the Atlantic Ocean. The building was constructed in 1988 by Wild Dunes Associates (developer) and deeded to the Community Association with certain restrictions. As of December 2009, the current appraisal on the property established a value of \$665,000 for the building.

The enclosed downstairs room is available for reservation by property owners for meetings and social events. The second floor of the building is primarily used for small Association-related meetings. Property owners extensively use the site for access to the beach and there are approximately forty-five parking spaces available for vehicles. There is adequate land available at the site for additional parking.

In 1999, the Board of Directors established a task force to review usage of the building and develop recommendations for renovation and expansion of the facility. In 2003, the Association remodeled the enclosed downstairs room and added 450 square feet of air conditioned space. In 2005 and 2006, the Association added 1300 square feet of decking to the oceanfront side of the building, constructed a 20' x 36' picnic shelter and built a new wooden walkway and observation deck leading to the beach. In 2012, the existing oyster shell parking lot was replaced with a commercial-grade paver stone surface.

Major repair and replacement of the building's components have been specified in the Replacement Reserve Plan.

Parking

There are limited parking facilities in the community. Forty-five spaces are available at the Beach House for property owners and their authorized guests. Parking lots at the Administration Building, Sweetgrass Pavilion,

Boardwalk Inn, Harbor Course Pro Shop, Links Club House and Tennis Center are for Resort Guests and Club Members.

Vehicle parking is prohibited along Palmetto Drive, Back Bay Drive and in all cul-de-sac circles. Occasional on-street parking is allowed on secondary streets in the community for social events hosted by property owners and is authorized and monitored by security personnel on a case-by-case basis.

Communications

The Community Association communicates with its members via the Annual Meeting, special meetings, periodic newsletters, postings to its website (www.wilddunesowners.org), email blasts on timely community subjects and message boards at each entrance to the community.

In the spring of 2009, the Board of Directors formed a Community Focus Group Ad-Hoc Committee to improve communications and identify important community issues. Subsequently, with the assistance of an

outside consultant (E. Boineau & Company), the Committee developed a comprehensive survey which was completed in early September of 2009.

43% of 2135 property owners (917) completed the survey. Highlights included:

- 860 owners rated access to the beach as a very or somewhat important motivation for purchasing property in the community.
- 840 owners indicated they felt safe and secure within Wild Dunes.
- 738 respondents were mostly or somewhat satisfied with safety and security operations.
- 714 owners rated the ARC's performance in keeping Wild Dunes attractive and aesthetically pleasing as excellent or good.

In December of 2009, the Ad-Hoc Committee presented an analysis of the survey results and recommendations to the Board. Most of the group's recommendations will be implemented by the General Manager as a part of the operating plan in 2010 and subsequent years.

Key Issues

- Quality of community's utility services.
- Quality of City's yard debris removal services.
- Improvement of traffic flow through security gates.
- Quality of security services.
- Maintenance of road surfaces.
- Maintenance of drainage system.
- Water quality of lagoons/suitability of fisheries for human consumption.
- Common area beautification.
- Traffic and parking.
- Improvement of communications
- Increase Committee volunteer interest

Goals and Implementation Strategies

· Improve quality of utility services to community

- ✓ Strategy: Verify equipment and infrastructure is being properly maintained and upgraded by utility companies as needed.
- ✓ Strategy: Explore removal of overhead electrical power lines with SCE&G. *Note: As of December 2009, overhead power lines inside the gated area of the community have been replaced with an underground system.
- ✓ Strategy: Develop plan to ensure utility companies properly restore common areas after excavation/maintenance work.

· Improvement of yard debris removal

- ✓ Strategy: Communicate deficiencies and expectations to City Administrator and Public Works Committee on an ongoing basis.

· Improvement of traffic flow through gates

- ✓ Strategy: Determine peak traffic flow periods and personnel requirements.
- ✓ Strategy: Continue to monitor pass issuance systems and present capital upgrade requirements for Board approval as necessary. *Note: Access control software system was upgraded in 2009 to allow pass orders by owners via Internet and voicemail.

· Quality of security services

- ✓ Strategy: Require expanded customer service training for officers.
- ✓ Strategy: Provide for additional membership feedback.

· Improvement of road surfaces

- ✓ Strategy: Complete resurfacing of all roadways per Replacement Reserve Report schedule. *Note: The first re-paving of all roads in the community was completed by 2009.

· Improvement of drainage system

- ✓ Strategy: Complete all lagoon and roadside drainage improvements per Replacement Reserve Report.
- ✓ Strategy: With engineering assistance, establish criteria to evaluate system performance during various storm events.

· Water quality of lagoons

- ✓ Strategy: Increase number of aerators.
- ✓ Strategy: Periodic re-stocking of grass carp.
- ✓ Strategy: Remove organic sediments through dredging.
- ✓ Strategy: Establish lake bank plantings to filter pollutants.
- ✓ Strategy: Periodic testing for heavy metals, dissolved oxygen levels and health of fisheries.

- **Common area beautification**

- ✓ Strategy: Identify common areas for beautification and utilize Capital Reserve funds to implement large-scale landscape improvements.
- ✓ Strategy: Develop community-wide tree mitigation planting plan.

- **Traffic and parking**

- ✓ Strategy: Evaluate potential sites for additional parking.

- **Improvement of Communications**

- ✓ Strategy: Redesign Association website in 2010 and re-evaluate every five years.
- ✓ Strategy: Produce and distribute new informational brochure for renters and new owners in 2010.
- ✓ Strategy: Increase frequency of community e-mail blasts and message board use.
- ✓ Strategy: Produce an electronic directory of property owners.
- ✓ Strategy: Establish regular e-mail communications with regime presidents and managers.

- **Increase Committee volunteer interest**

- ✓ Strategy: Recognize volunteer participation on committees via annual meeting, special annual social event for volunteers
- ✓ Strategy: Enlist new owner participation via “welcome” with Community Affairs Committee

IX. WILD DUNES RESORT

Wild Dunes Resort, operator of the commercial-based properties in Wild Dunes, is managed by Destination Hotels and Resorts, an affiliate of Lowe Enterprises, Inc., a Los Angeles-based real estate development and asset management company that operates 23 distinct hotel and condominium resorts throughout the United States and Hawaii.

Commercial properties of the Resort include two eighteen-hole golf courses (The Links and The Harbor Course), the Wild Dunes Tennis Center (16 Har-Tru courts), The Boardwalk Inn (a 93 room Four Diamond-rated facility), a 20,000 square foot Reception Center, the 23,000 square foot Sweetgrass Pavilion Conference Center, the 14,000 square foot Links Clubhouse, the 5500 square foot Tennis Complex and various dining and support facilities.

In accordance with the Covenants and Restrictions, the owner of Wild Dunes Resort, (Lowe Wild Dunes Investors) is a voting member of the Community Association. The total number of votes allocated to Lowe is based upon the assessable commercial square footage of its facilities and the amount of the annual commercial assessment paid to the Community Association. Currently (December, 2012), Lowe’s votes (701) comprise 14.3% of the total available vote of the membership (4908).

As successor to the real estate developer at Wild Dunes and under the parameters of the Planned Development District zoning regulations, Lowe Wild Dunes Investors has the right to subdivide its land to create additional lots and/or build additional residential units on its land up to 2500 total lots and units. They may also build up to 350 hotel rooms (including lock-out units) as originally specified under the PDD.

Key Issues

- The impacts of additional development on the community's infrastructure and Community Association services.
- The Resort's desire for expansion and commercial development vs. the property owners' desire to maintain the residential character of Wild Dunes.
- The quality of Resort amenities offered to Wild Dunes property owners.

Goals and Implementation Strategies

- **Minimize the impact of additional development on gate access, security operations, traffic flow, parking, beach access, bike path usage, etc.**
 - ✓ Strategy: During the planning process, work closely with Resort management to identify and minimize potential impacts of development on the community.
 - ✓ Strategy: Employ professional personnel/consultants as necessary to review and comment on Resort's expansion plans.
- **Ensure commercial development fits into the community from an aesthetic and functional perspective.**
 - ✓ Strategy: Officially request that the Resort submit plans to the Architectural Review Committee and Community Association Management for review and comment.
 - ✓ Strategy: Utilize outside professional assistance as necessary to evaluate plans and make recommendations to the community.
- **Provide feedback to Resort management on amenity operations via periodic membership surveys and discussions at Board of Directors' meetings.**

APPENDIX A RESOURCE LIST

- **Wild Dunes PRD (PDD)**
- **A Comprehensive Plan for Isle of Palms, South Carolina, March 11, 1998**
- **U.S. Census Data-2000**
- **Declaration of Covenants and Restrictions of Isle of Palms Beach and Racquet Club Community Association, -By-Laws**
- **Isle of Palms Water and Sewer Commission**
- **August 1995 G. Robert George and Associates Hydrology Study**
- **November, 1999 U.S. Inspect Replacement Reserve Study**
- **WDCA 2000-2012 Annual Budgets**
- **WDCA Budget, Summary Statement of Income and Expense-Comprehensive Ten Year Plan**
- **WDCA Residential Status Report**
- **Charleston County Appraisal Information QR 4% vs. OT 6%**
- **WDCA Board of Directors Resolution, May 18, 1998**
- **Wild Dunes Resort Web Site www.wilddunes.com**
- **Planning Advisory Committee Meetings from 1998 through Present**
- **Replacement Reserve Plan**

APPENDIX B RESIDENTIAL STATUS REPORT

8/1/2013		WILD DUNES COMMUNITY ASSOCIATION RESIDENTIAL STATUS REPORT										
ADDRESS		T B/L	TAP	SF	CH	TH	C	Demo	OD	L	UC	
43RD AVENUE		5	5	5					5	0		
44TH AVENUE		4	4	4					4	0		
45TH AVENUE		2	2	2					2	0		
53RD AVENUE		4	4	4					4	0		
54TH AVENUE		13	13	13					13	0		
55TH AVENUE		17	17	15				#6, 5, 2, 15	15	2	#12,14	
56TH AVENUE		17	17	16					16	1	#6	
57TH AVENUE		17	17	14					14	3	#2, 6, 7	
TOTAL AVENUES		79	79	73					73	6		
ABALONE ALLEY	ABA	13	13	13				#9, 7,13	13	0		
BACK BAY DRIVE	BBD	44	44	39					39	5	#5805,17,33/ 6811,23	
BACK COURT	RCV	44	44			44			44	0		
BARNACLE ROW	BAR	7	7	6					6	1	#4	
BAY COURT	BAY	7	7	7					7	0		
BEACH CLUB VILLAS	BCV	72	72			72			72	0		
BEACHWOOD EAST	BWE	31	32	30				Demo #25	30	1	#28	
BEACHWOOD WEST	BWW	36	37	35					35	1	#20	
COMMONS COURT	CMC	24	24	19		4			23	1	#15	
CONCH COURT	CNC	7	7	6					6	1	#2	
DOLPHIN ROW	DLR	9	9	8				Demo #1	8	1	#8	
DUNE RIDGE LANE	DRL	33	33	30					30	3	#21,27,30	
DUNECREST LANE	DCL	15	15	15					15	0		
EDGEWATER ALLEY	EWA	30	30	27					27	3	#4,17,20	
FAIRWAY DUNES LANE	FDL	74	74		14	60			74	0		
FAIRWAY OAKS LANE	FWL	42	42	39					39	3	#6,30,39	
FAIRWAY VILLAGE LANE	FVL	23	23	21					21	2	#7,14	
FISHERS ALLEY	FIA	11	11	10				#2	10	1	#4	
GP BOARDWALK HOMES		42	42	42					42	0		
GRAND PAVILION BLVD.	GRP	68	75	54		10			64	4	#3,8, 33, 35	
GREAT HERON COURT	GHC	5	5	1					1	4	#1,3,4,5	
HIDDEN GREEN LANE	HGL	31	32	31					31	0		
ISLAND COTTAGE LANE	ICC	4	4		4				4	0		
LAGOON VILLAS	LGV	44	44				44		44	0		
LAKE VILLAGE LANE	LVL	24	24		24				24	0		
LINKS CLUBHOUSE VILLAS	LCV	16	16				16		16	0		
LINKSIDE COURT	LSV	46	46			46			46	0		

ADDRESS		T B/L	TAP	SF	CH	TH	C	Demo	OD	L		UC
MARINERS WALK	MWV	72	72				72		72	0		
MARSH ISLAND LANE	MIL	35	35		34			Demo #26, 23,24	34	1	#26	
MARSH POINT LANE	MPL	10	10	8					8	2	#5,9	
MORGAN CREEK DRIVE	MKD	5	5	4					4	1	#32	
MORGAN PLACE DRIVE	MPD	68	68	61					61	7	#5,10,23, 34, 43,54,61	
MORGANS COVE DRIVE	MCD	58	58	51				Demo 10.5	51	7	#11, 12, 17, 27,41,45,46	
OCEAN CLUB	OCC	102	102				102		102	0		
OCEAN POINT	OCP	71	71	71					71	0		
OYSTER ROW	OYR	27	27	26					26	1	#26	
PELICAN REACH	PEB	56	56		55				55	1	#16	
PORT O CALL	PCV	84	84				84		84	0		
PORT O CALL II	TWV	24	24				24		24	0		
SANDCRAB COURT	SCC	25	25		25			Demo #11	25	0		
SANDWEDGE LANE	SWL	16	16	13					13	3	#9,13,16	
SANPIPER COURT	SPC	24	24		24			Demo #10	24	0		
SEAGRASS LANE	SGL	59	61	54					54	5	#3,5,29,39,55	
SEAGROVE VILLAS	SGV	44	44				44		44	0		
SEASCAPE	SSV	50	50				50		50	0		
SEASIDE COTTAGE LANE	SCL	20	20		20				20	0		
SHAD ROW	SHR	10	10	9					9	1	#6	
SHIPWATCH	SWV	103	103				103		103	0		
SUMMER DUNES LANE	SDL	9	9	9					9	0		
SUMMERHOUSE	SHV	55	55				55		55	0		
THE MOORINGS	MRS	12	12				12		12	0		
TWIN OAKS LANE	TWL	65	65		65				65	0		
VILLAGE AT WILD DUNES	VIL	115	115				115		115			
YACHT HARBOR COURT	YHC	36	36	33					33	3	#10,20,24	
YACHT HARBOR VILLAS	YHV	20	20				20		20	0		
TOTAL IN PDD		2156	2168	845	265	236	741	0	2087	69		2156
WATERWAY ISLAND DRIVE	WWI	57		53	0	0	0	Demo #19	53	4	#1,17,18,44	2087
TOTAL PDD & WWI DRIVE		2213		898	265	236	741	0	2140	73		2213
TOTAL IN COMMUNITY ASSO.		2134		825	265	236	741	0	2067	67		2134
T B/L - TOTAL BUILDINGS/LOTS		CH - CLUSTER HOUSES					UC - UNDER CONSTRUCTION					
TAP - TOTAL APPROVED / PLATTED		TH - TOWNHOUSES					C - CONDOS					
SF - SINGLE FAMILY		OD - OCCUPIABLE DWELLINGS					L - LOTS					