

# ROSEN | HAGOOD

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July 31, 2023

**VIA EMAIL**

W. Andrew Gowder, Jr., Esquire  
Austen & Gowder, LLC  
P.O. Box 20820  
Charleston, SC 29413  
[andy@austengowder.com](mailto:andy@austengowder.com)

Re: Kiawah Island Community Association re: Tim Hazel, et al. demand letter

Dear Andy:

We are writing you to update you and your clients on KICA's progress analyzing and addressing the issues identified in Tim Hazel, et. al. March 26, 2023, demand, which generally requested that KICA take action to require Kiawah Partners give up their right to appoint a member to the KICA Board and to transfer control of the ARB to KICA, or file a declaratory judgment action against Kiawah Partners to adjudicate these issues.

As you are aware, on April 10, 2023, in response to the Hazel demand letter, KICA formed a Legal Committee made up of all Board members except Amanda Mole—the member appointed by Kiawah Partners. KICA's insurer appointed outside legal counsel (Copeland, Stair, Valz & Lovell) on April 26, 2023, to represent KICA as well. The Legal Committee then asked its counsel to analyze the demand and advise the KICA Board as to the actions it could take that are in the best interests of KICA and its members. On May 8, 2023, your clients submitted additional information to the Legal Committee for its consideration.

On several occasions in May and June, KICA's legal counsel (Rosen Hagood) held informal discussions with all parties involved, including yourself and counsel for the Partners, to better understand the parties' respective positions and explore potential resolutions short of litigation. On June 1, 2023, outside legal counsel completed and submitted an initial written opinion to the Litigation Committee discussing the Partners' board seat. On July 14, 2023, outside legal counsel completed and submitted an initial written opinion to the Litigation Committee on the ARB transition issue.

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As a result of that advice, the Legal Committee decided to first attempt working with the Kiawah Partners and its representatives regarding the Board member appointment right and ARB control. Representatives of the Legal Committee met with representatives of Kiawah Partners on July 18, 2023, to open a dialogue on the Kiawah Partners' Board seat and ARB issues, and determine if the parties could work together to resolve the concerns your clients raised. The Legal Committee is mindful that legal action can be expensive and time consuming in that any Order issued by a Circuit Court is subject to an appeal first to the SC Court of Appeals and ultimately to the SC Supreme Court. While conversations are actively occurring with Kiawah Partners, the Board's legal committee is not currently pursuing additional legal options. There was, however, an atmosphere of cooperation from Kiawah Partners at the July 18, 2023, meeting and additional action is anticipated.

KICA remains committed to addressing the concerns your clients outline in their demand, and the Legal Committee will continue to take action consistent with advice from its legal counsel which is in the best interest of KICA and the membership as a whole. The Legal Committee will periodically update your clients through you and all members via public announcements. Please feel free to give me a call if you have any questions or would like to discuss this.

Sincerely,



H. Brewton Hagood

HBH/see

Cc: Shannon White, Chief Operating Officer  
Skyler C. Wilson, Esquire  
Douglas W. Mackelcan, Esquire  
D. Frank Blanchard, Esquire