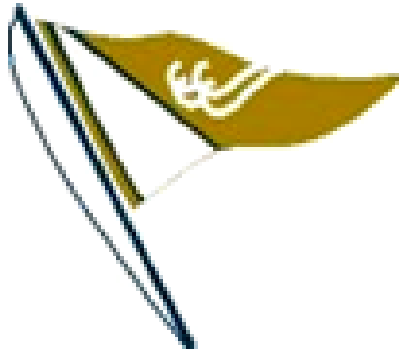


AGENDA

Windmill Harbour Association Annual Meeting

Saturday, November 8, 2025 at 9:30a.m.

- I. Roll Call / Call to Order
- II. Proof of Notice of Meeting or Waiver of Notice
- III. Reading & Approval of Minutes of Preceding Meeting
- IV. Unfinished Business
- V. Committee Reports
- VI. Nominations & Introduction of Director Candidates
- VII. New Business
 - A. Appendix 5C-1: IRS Ruling 70-604
 - B. 2026 Budget Review and Ratification
 - C. Dolphin Park Presentation
- VIII. Adjournment



WINDMILL HARBOUR ASSOCIATION

2025 ANNUAL MEETING

Welcome!

- Please silence your cell phones.
- Prior to stating a question, comment or motion, please state your name and property address and use the center aisle microphone.

Thank you Board Members

Seat Expires
Dec. 31st of:

Tim Kelly, President	2027
Margie Rolf, Vice President	2026
Sam Ham, Secretary	2025
Ann Clausen, Treasurer	2025
Janet Davis Brooks, Director	2027
Susan Geller, Director	2026
Tom Crews, Director	2027
R. Malcolm Fortson, Director	2026
Brad Wolford, Director	2025

Welcome New Owners

November 1, 2024 – October 31, 2025

50 CLOSINGS

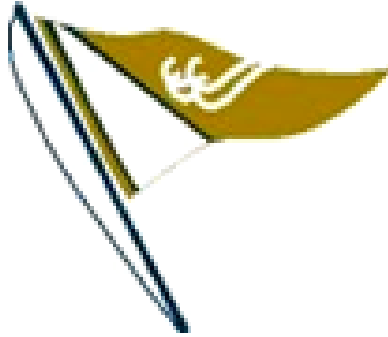
(11 less than last year)

- 24 Homes
- 16 Boat Slips
- 10 Vacant Lots

New Construction

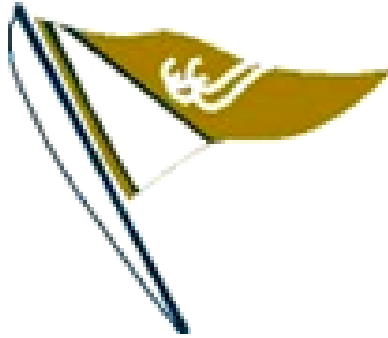
November 1, 2024 – October 31, 2025

4 homes built; 9 under construction



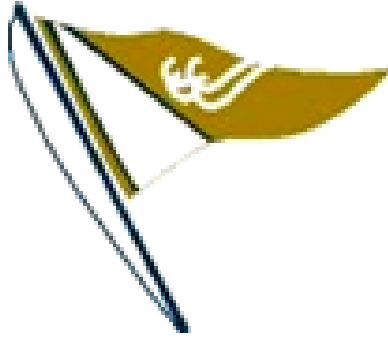
Proof of Notice of Meeting or Waiver of Notice

The notice of the annual meeting was mailed on October 8, 2025 by regular US postal service mail to the addresses of the members as provided by the members with proper postage affixed.

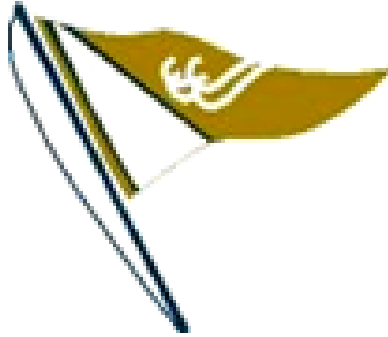


Reading and Approval of Minutes

Waiver of reading and approval of the 2024
Annual Meeting Minutes

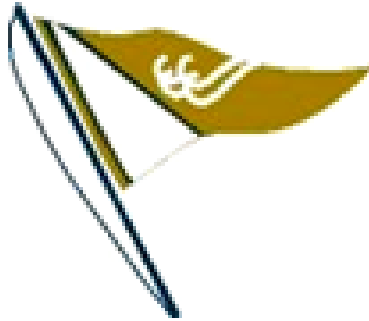


Unfinished Business



Committee Reports

Refer to 2025 Committee Reports
available online.



Nominations & Introduction of Candidates

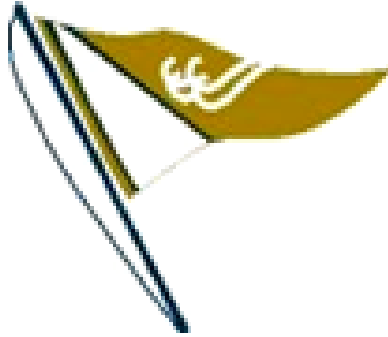
3 Full Term Seats Up for Election:

Ann Clausen

Sam Ham

Barry Lerner

Noel Wendt



New Business

**IRS RULING 70-604 RESOLUTION
2025 BUDGET RATIFICATION
DOLPHIN PARK PRESENTATION**

IRS RULING 70-604 RESOLUTION

APPENDIX 5C-1

WHEREAS, the **Windmill Harbour Association** is a South Carolina Corporation duly organized and existing under the laws of the State of South Carolina; and

WHEREAS, the members desire that the corporation shall act in full accordance with the rulings and regulations of the Internal Revenue Service;

NOW, THEREFORE, the members hereby adopt the following resolution by and on behalf of the Windmill Harbour Association:

RESOLVED, that any excess of membership income over membership expenses for the year ended December 31, 2025, shall be applied against the subsequent tax year member assessments as provided by IRS Revenue Ruling 70-604.

MOTION TO ADOPT THE ABOVE RESOLUTION

Financial Review

ANN CLAUSEN, TREASURER

- **CURRENT FINANCIAL POSITION**
- **2026 OPERATING BUDGET**
- **RESERVES**

BALANCE SHEET

	<u>FYE</u>	<u>YTD</u>
	<u>Dec 2024</u>	<u>Sept 2025</u>
Total Assets	\$3.0M	\$3.4M
Liabilities	\$695K	\$711K
Equity	\$2.3M	\$2.7M
Operating Cash	\$608K	\$820K
Capital Reserves	\$1.1M	\$1.3M
Emergency Reserves	\$0	\$65K
ARB Deposits	\$428K	\$425K

Assets

Other – ARB Deposits
AR
Prepaid Insurance

Liabilities

Accounts Payable
Advance Payments
ARB Deposits

Strong overall financial position. The Association's balance sheet strengthened in 2025, with growing reserves and equity, and continued low receivables.

INCOME STATEMENT

(\$ thousands)	2024	2025 E	2026 BUDGET
POA Dues	\$ 1,485	\$ 1,537	\$ 1,609
Other	\$ 510	\$ 558	\$ 531
TOTAL INCOME	\$ 1,995	\$ 2,095	\$ 2,140
Operating Exp.	\$ 1,597	\$ 1,661	\$ 1,693
NET REVENUE / EXP.	\$ 398	\$ 434	\$ 447
Transfer to Reserves	\$ 345	\$ 361	\$ 393

2026 Operating Budget

KEY INCOME CHANGES

(\$ thousands)	2026 BUDGET
POA fees (6_E New Homes)	\$71
Gate Receipts	\$59
Other	\$4
NET CHANGE v. 2025	\$134

KEY EXPENSE CHANGES

(\$ thousands)	2026 BUDGET
Pro Services (hwy 278)	\$10
Taxes	\$10
MOA Shared Exp	\$10
Storm Maintenance	\$25
Depreciation	(\$10)
Irrigation Repairs	\$14
All Other	\$5
NET CHANGE v. 2025	\$64

POA FEES

<u>Member Type</u>	<u>2025 Fee</u>	<u>2026 Fee</u>
Unit	\$3,152	\$3,280
Lot	\$1,576	\$1,640
Consolidated Lot	\$788	\$820
Boat Slip	\$788	\$820
SC Yacht Club	\$72,240	\$74,336

VOTE TO RATIFY 2026 OPERATING BUDGET

2025 RESERVE PROJECTS

<u>(\$ thousands)</u>	2025 _E	
Pool Heat/Chill Pump	\$	19
Pier Replacement Project	\$	20
Storm Drainage	\$	50
Entrance Landscape Lighting	\$	15
Dolphin Park	\$	29
TOTAL Replace/Capital Resv Exp	\$	133

Capital Reserve Funds Analysis

Dolphin Park

<u>Capital Reserve Fund Projected Balances</u>	2026*	2027*	2028*
Proj. Balance Per Reserve Study 12-31-2025	\$ 1,296,270	\$ 644,108	\$ 457,178
Plus 2026 Transfer from Operating Fund	\$ 392,838	\$ 392,838	\$ 392,838
Less 2026 Reserve Projected Expenditures	\$ (1,045,000)	\$ (579,768)	\$ (289,542)
Projected Balance as of 12-31-2026	\$ 644,108	\$ 457,178	\$ 560,474
*Dolphin Park construction and maintenace expenditures are not included			
Total Reserve Funds Balances as of 10.31.25	\$ 1,370,295		

2026 PROJECTED RESERVE PROJECTS

(\$thousands)	<u>2025 Budget</u>
Community Pier & Dock	\$ 200
Lagoons & Storm Drainage Imp.	\$ 75
Lagoon Dredging	\$ 175
Roads & Curbing	\$ 410
Maintenance Tractor+	\$ 40
Gatehouse & Wall painting	\$ 27
Promenade Surface Replenish	\$ 20
Path b/n 151 & 153 Harbour Psge	\$ 8
Dolphin Water Feature Restore	\$ 75
Maint & Dog Park Parking Replenish	\$ 15
Total Project Expenses	\$ 1,045

RESERVES

(\$ thousands)	2024	2025 E	2026 E
Begin. Reserves	\$ 997	\$1,097	\$ 1,359
Contribution	\$ 345	\$ 361	\$ 393
Interest	\$ 27	\$ 34	\$ 30
Cap. Spending	(272)	(133)	(1,045)
NET RESERVES	\$ 1,097	\$ 1,359	\$ 737

Windmill Harbour Association

Dolphin Park Pond Restoration Concepts

November 8, 2025



With Design Support from:

Land Planning & Landscape Architecture By:



Fountain Constructibility Support By:



Project Steps

- Identify Source of Leak (Completed May)
- Engage Engineering Support (Completed June- August)
- Engineering Condition Assessment (Completed Sept)
- Identify Options and Costs (Completed Oct)
- **Share Information with Members - Today**
- **Member Feedback**
 - **Member comments as time permits**
 - **Post-Meeting All Member Survey**

Marina Park with Fountain ~1985?



First 20 Years

**Black
Single Fountain Stream
Three waterfalls
Sitting Area on Promenade**

**Pre-Dolphin
No Planters
Small trees**

Marina Park with Fountain ~1985?





Dolphin Park 2001



Added Dolphin and Art Sculptures
No Fountain
Three Waterfalls

Pond Pumps
Larger Trees

Dolphin Park 2025

Slide 29

Dolphin Park 2001?



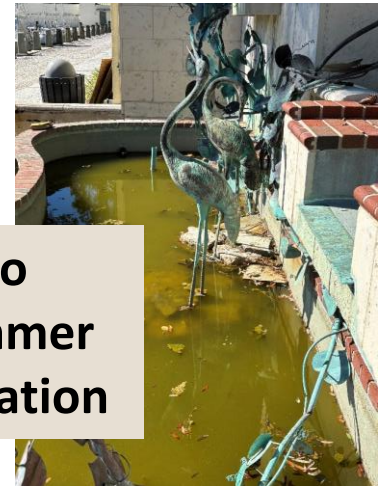
M



**Wall
Staining**



**Trash Daily
from Trees
Overgrown**



**No
Skimmer
/Filtration**

**Art
Damaged**



**Need higher
volume pump/
system removed
during last
restoration.**

Concept 0 - Restore Current Design



Estimated
Total Cost

~\$199K

Estimated
15 year
Maintenance

~\$173K

Concept 1 -

Mid-Level Dolphin

Slide 32



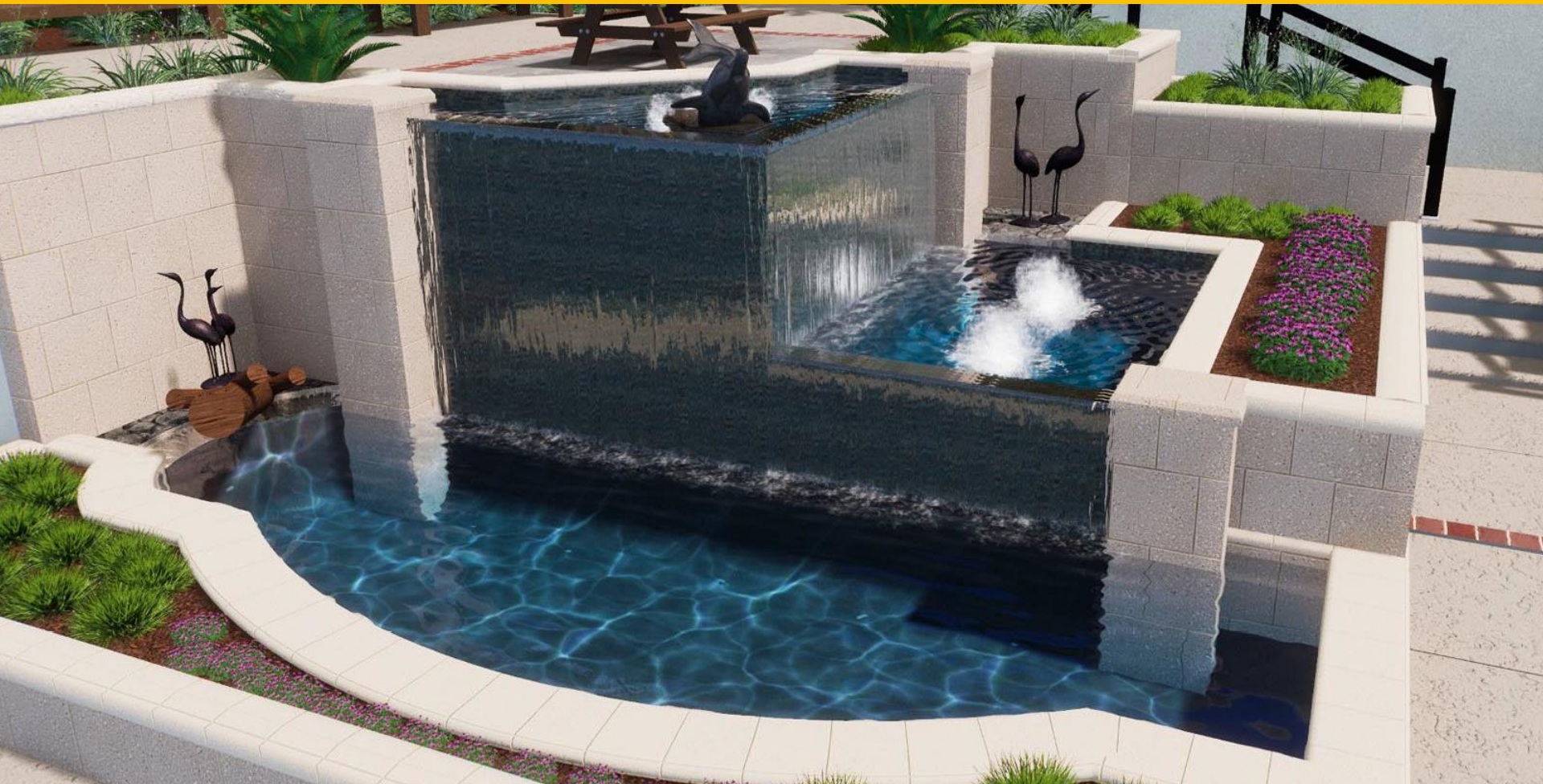
Estimated Total Cost

~\$411K

**Estimated
15 year
Maintenance**

~\$178K

Concept 2 - Dolphin in Upper Pond



Estimated
Total Cost

~\$402K

Estimated
15 year
Maintenance

~\$178K

Concept 3 -

Dolphin in Lower Pond

Slide 34



Estimated
Total Cost

~\$224K

Estimated
15 year
Maintenance

~\$140K

Concept 4 -

Fill in Ponds with Plants



**Estimated
Total Cost**

~\$60K

**Estimated
15 year
Maintenance**

~\$0

COST ESTIMATES

COST ESTIMATES

Lifecycle Costs*

- ✓ Weekly pool maintenance
- ✓ Machinery replacement every 15years
- ✓ Annual Utilities
- ✓ Semi-Annual Tree trimming to minimize debris in ponds
- ✓ Plantings maintained by landscaping Contractor (Not included)

*Note** Not applicable to Concept 4

ESTIMATED COSTS PER WINDMILL HARBOUR POA MEMBER

Estimated Costs Per Window (without Per Foot Member (887 Members))									
Initial Costs									
Installation Costs		Concept 2 Cost			Concept 3 Cost			Concept 2 Cost	
		Per Member	Total		Per Member	Total	Per Member	Total	
Dwelling Unit - 301		4300	105,000	3600	360,000		3600	105,000	
Uninhabited Unit - 40		170	6,800		170	6,800		170	6,800
Conventional Unit - 6		1807	5407	2035	5,500		2200		
Bed Room - 200		107	21,400		107	21,400		107	21,400
			133,607		403,800			133,607	
Maintenance and Equipment Replacement - 10 Year Period									
Installation Costs		Concept 2 Cost			Concept 3 Cost			Concept 2 Cost	
		Per Member	Total		Per Member	Total	Per Member	Total	
Dwelling Unit - 301		370	540,000	360	1,64,700		360	1,64,700	
Uninhabited Unit - 40		165	5,770		165	5,760		165	5,760
Conventional Unit - 6		80	540		80	570		80	570
Bed Room - 200		55	20,250		55	20,250		55	20,250
			575,520		575,680			575,680	
Estimated Costs Per Window (without Per Foot Member (887 Members))									
Initial Costs									
Installation Costs		Concept 2 Cost			Concept 3 Cost			Concept 2 Cost	
		Per Member	Total		Per Member	Total	Per Member	Total	
Dwelling Unit - 301		4800	105,000	1300	49,500		1300	49,500	
Uninhabited Unit - 40		240	9,600		240	9,600		240	9,600
Conventional Unit - 6		1300	750	200	500		200		
Bed Room - 200		107	21,400		107	21,400		107	21,400
			136,600		80,900			80,900	
Maintenance and Equipment Replacement - 10 Year Period									
Installation Costs		Concept 2 Cost			Concept 3 Cost			Concept 2 Cost	
		Per Member	Total		Per Member	Total	Per Member	Total	
Dwelling Unit - 301		390	1,14,300	0	0		390	1,14,300	
Uninhabited Unit - 40		165	5,760		165	5,760		165	5,760
Conventional Unit - 6		75	540	0	0		75	540	
Bed Room - 200		55	10,940		55	10,940		55	10,940
			1,31,540		1,31,540			1,31,540	

Member Questions / Comment

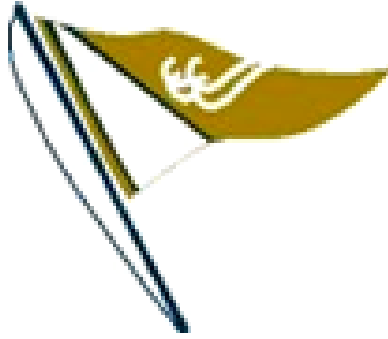
- We have a time limit before moving to the next agenda item
- Speakers will be given up to 3 minutes each
- Will take more questions after the meeting

Next Steps

- Member Feedback
 - **All Member Ranking Survey (Nov 12-22)**
- Board Select Solution Concept (Dec-Jan)
 - Request Special Assessment if required
 - Exercise Phase 2 Option Design Support Contract
- Contract for Work (March)

Other New Business





Adjournment

2025 Windmill Harbour Annual Meeting

Thank you for attending.

*MARK YOUR CALENDAR TO ATTEND THE
2026 ANNUAL MEETING ON NOVEMBER 14TH*