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SC Court of Appeals

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM BERKELEY COUNTY
Court of Common Pleas

Dale E. Van Slambrook, Master-in-Equity

Case No. 2021-CP-08-01441

Christ Fellowship Church, d/b/a a
Church in St. Stephen, South
Carolina,

Respondent,

v.

William H. Johnson and Dustin Kyle
Johnson,

Appellants.

RECORD ON APPEAL – Volume I

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STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	CASE NO. 2021CP0801441
COUNTY OF BERKELEY	)	
	)	
CHRIST FELLOWSHIP CHURCH, d/b/a	)	
a Church in St. Stephen, South Carolina	)	
	)	
Plaintiff,	)	
	)	
vs.	)	FINAL ORDER
	)	
WILLIAM H. JOHNSON and	)	
DUSTIN KYLE JOHNSON,	)	
	)	
Defendants,	)	
	)	

DATE OF TRIAL:	October 23, 2023
TRIAL JUDGE:	Dale Van Slambrook
PLAINTIFF'S ATTORNEY:	Ernie L. Mixon
DEFENDANTS' ATTORNEY:	Roman v. Hammes
COURT REPORTER:	

This case came before me on October 23, 2023 for a final hearing. Present at the hearing were the parties and their respective attorneys. The Summons and Complaint were duly served and an Answer and Counterclaim was filed on August 5, 2021.

Testimony was presented by Ms. Evon Brown and Deacon William Middleton for the Church. Testimony was presented by William Johnson and Dustin Johnson as well as expert testimony from Andrew Duggan, CPA, senior Tax Management of Moore, Beauston, Woodham, LLP.

Based on testimony presented I make the following findings of fact and conclusions of law:

- (1) I find that this Honorable Court has jurisdiction over the parties and the subject matter.
- (2) The subject matter of this action is real property identified as:

All that certain piece, parcel or lot of land, together with any and all buildings and improvements thereon, situate, lying and being in or near the northern limits of the Town of St. Stephen, South Carolina, MEASURING AND CONTAINING and BUTTED AND BOUNDED generally as follows, to-wit: Beginning at the northwestern corner of said tract of land at the point at which said tract adjoins the right-of-way of U. S. Highway 52, and running South 43 ½ degrees west a distance of one hundred fifty (150') feet along lands now or formerly of Ruttenberg Corner; thence in an easterly direction a distance of seventy-five (75') feet along lands now or formerly of E. V. Stevens to a corner; thence north 43 ½ degrees west a distance of one hundred fifty (150') feet along lands now or formerly of E. V. Stevens to a corner located on the right-of-way of said U. S. Highway 52 to the point of beginning.

-ALSO-

ALL that certain piece, parcel or tract of land, together with any and all buildings and improvements thereon, situate, lying and being in the southwest side of the right-of-way of U. S. Highway 52 in or near the northern limits of the Town of St. Stephen, in First St. Stephen Tax District, Berkeley County, South Carolina, said lot BUTTING AND BOUNDED generally as follows, to wit: On the northeast by the right-of-way of U.S. Highway No. 52; On the Southeast by a paved street fifty (50') feet in width; and on the Northwest by Tract; said tract of lands being in form and shape of a parallelogram measuring seventy-five (75') feet on its northeastern and southeastern and northwestern boundary lines.

BOTH TRACTS ABOVE HAVING BEEN

COMBINED UNDER TMS#: 026-06-02-033

-ALSO-

ALL that certain piece, parcel or lot of land, together with any and all buildings and improvements thereon, situate, lying and being on the northwest side of Graham Street, in the Town of St. Stephen in First Tax District, Berkeley County, South Carolina, MEASURING AND CONTAINING Eighty-Three Hundredths (0.83) of an acre, more or less, BUTTING AND BOUNDED generally as follows, to-wit: On the Southwest by lands of B-L-S Construction Company, Inc.; and on the northwest by lands of Albert Cooper; having such shape, form, courses, distances, buttings, boundaries, and delineations, as are more fully shown on a plat captioned "Plat of Survey Land Owned by B-L-S Construction Company, Inc., St. Stephen, Berkeley County, South Carolina, About to be Conveyed to L & M Building Supply", dated March 14, 1970, which was prepared by E. A. Dennis, R.L.S. and reference is hereby craves to said plat and same is made a part and parcel of this description.

Such property was owned by William Johnson as life tenant and Dustin Johnson as remainder man.

(3) Plaintiff and William H. Johnson entered into a contract identified as "Rent with Delayed option to Buy" dated September 3, 2012.

(4) Defendant Dustin Kyle Johnson as remainder man acknowledged being bound by contract entered into by his father, William H. Johnson, as holder of the life estate.

(5) The contract entered into by the parties was at best inartfully drawn and easily subject to misinterpretation and misunderstanding. Plaintiff claims that the agreement was a contract to purchase real property and sought enforcement of the agreement. Defendant asserted the agreement was initially an agreement to purchase, but due to Plaintiff's breach it became a rental agreement.

(6) I find that the contract entered into by the parties agreement is an installment contract. That termination of the contract as requested by the Defendants would constitute a penalty and forfeiture. I find that Plaintiff is entitled to an equitable right of redemption. As a Court of equity this Court may relieve the defaulting purchaser from the strict forfeiture provision in the contract and provide the opportunity for redemption when equity demands. *Lewis v. Premium Investment Corporation* 351 S.C 167, 568 S.E. 2d 361 (2002)

(7) I find that the essence of the agreement was that Plaintiff pay \$250,000.00 in installments and thereafter to receive title to the real property. Plaintiff made substantial payments pursuant to the contract. However, Plaintiff is in default for failure to make timely payments. Further, Plaintiff is in default of its obligation to pay the taxes on the subject real property.

(8) I find that based upon Defendant's expert witness's testimony the Plaintiff has paid to Defendant a total amount of \$232,745.00. This amount has substantially paid the parties contract price. I find therefore Plaintiff is entitled to pay the remaining balance along with any other amounts due under the contract to claim the right of equitable redemption.

(9) I find that Plaintiff, as required by the parties agreement, has failed to pay property taxes in the total amount of \$9,156.88.

(10) Defendants' assert that Plaintiff failed to pay insurance as required by the parties agreement. However, the evidence presented by the Defendant in this regard is contradictory and not credible therefore will not be considered.

(11) The parties agreement provided that Defendant is entitled to claim a charitable deduction of \$250,000.00 in addition to the contract sale price. Defendants' claim that Plaintiff failed to provide the benefit of a tax deduction. Based on the testimony Defendants did not appear to have sought a tax deduction as contemplated in the contract. Defendants did not show it was claimed, rejected or disallowed. The contract merely allows the Defendants to claim a deduction over five (5) years. Defendants did not establish a specific amount of loss resulting from the purported inability to claim such a deduction. Therefore, the Court will not consider such a loss as part of the redemption amount.

(12) I find that the redemption amount is the sales price \$250,000.00 less \$232,745.00 the amount paid plus \$9,156.00 tax amounts which Plaintiff is responsible therefore, the total amount due to Defendants from Plaintiff is \$26,411.68.

THEREFORE, It is **ORDERED** that the Plaintiff's redemption amount is established as \$26,411.68, and such amount shall be paid by Plaintiff to Defendants within 30 days of this Order, it is further;

ORDERED upon payment of the redemption amount of \$26,411.68 by the Plaintiff the Defendants shall execute a quit claim deed unto the Plaintiff, further;

It is **ORDERED** that failure to pay the amount necessary to claim the right of equitable redemption will entitle Defendants to request sale of the property to satisfy such indebtedness, further;

It is **ORDERED** that this Court reserves jurisdiction to enforce the terms of this Order.

IT IS SO ORDERED!

Dale E. Van Slambrook
Master in Equity for Berkeley County

November 8, 2023
Moncks Corner, South Carolina

FORM 4

STATE OF SOUTH CAROLINA
COUNTY OF BERKELEY
IN THE COURT OF COMMON PLEAS

JUDGMENT IN A CIVIL CASE

CASE NO. 2021 -CP-08-1441

CHRIST FELLOWSHIP CHURCH d/b/a a Church in
St. Stephen, South Carolina

WILLIAM H. JOHNSON and DUSTIN KYLE
JOHNSON

PLAINTIFF(S)

DEFENDANT(S)

Ernie Mixon
107 Live Oak Drive
Moncks Corner, SC 29461

Attorney for : ☒ Plaintiff ☐ Defendant
or
☐ Self-Represented Litigant

DISPOSITION TYPE (CHECK ONE)

- ☐ **JURY VERDICT.** This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.
- ☒ **DECISION BY THE COURT.** This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered.
- ☐ **ACTION DISMISSED** (*CHECK REASON*): ☐ Rule 12(b), SCRPC; ☐ Rule 41(a), SCRPC (Vol. Nonsuit); ☐ Rule 43(k), SCRPC (Settled); ☐ Other _____
- ☐ **ACTION STRICKEN** (*CHECK REASON*): ☐ Rule 40(j), SCRPC; ☐ Bankruptcy; ☐ Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award; ☐ Other _____
- ☐ **DISPOSITION OF APPEAL TO THE CIRCUIT COURT** (*CHECK APPLICABLE BOX*):
☐ Affirmed; ☐ Reversed; ☐ Remanded; ☐ Other _____

NOTE: ATTORNEYS ARE RESPONSIBLE FOR NOTIFYING LOWER COURT, TRIBUNAL, OR ADMINISTRATIVE AGENCY OF THE CIRCUIT COURT RULING IN THIS APPEAL.

IT IS ORDERED AND ADJUDGED: ☐ See attached order (formal order to follow) ☒ Statement of Judgment by the Court: _____

ORDER INFORMATION

This order ☒ ends ☐ does not end the case.

Additional Information for the Clerk : _____

INFORMATION FOR THE PUBLIC INDEX

Complete this section below when the judgment affects title to real or personal property or if any amount should be enrolled. If there is no judgment information, indicate "N/A" in one of the boxes below.

Judgment in Favor of (List name(s) below)	Judgment Against (List name(s) below)	Judgment Amount To be Enrolled (List amount(s) below)
		\$
		\$
		\$

If applicable, describe the property, including tax map information and address, referenced in the

order:

The judgment information above has been provided by the submitting party. Disputes concerning the amounts contained in this form may be addressed by way of motion pursuant to the SC Rules of Civil Procedure. Amounts to be computed such as interest or additional taxable costs not available at the time the form and final order are submitted to the judge may be provided to the clerk. **Note: Title abstractors and researchers should refer to the official court order for judgment details.**

(Signature Page to Follow)

For Clerk of Court Office Use Only

This judgment was entered on the _____ day of _____, 20____ and a copy mailed first class or placed in the appropriate attorney's box on this _____ day of _____, 20____ to attorneys of record or to parties (when appearing pro se) as follows:

Ernie Mixon

107 Live Oak Drive

Moncks Corner, SC

29461

ATTORNEY(S) FOR THE PLAINTIFF(S)

Roman Vincent Hammes

215 W. 2ND South Street

Summerville, SC

29483

ATTORNEY(S) FOR THE DEFENDANT(S)

CLERK OF COURT

Court Reporter:



Berkeley Common Pleas

Case Caption: Christ Fellowship Church VS William H. Johnson , defendant, et al

Case Number: 2021CP0801441

Type: Master/Order/Other

AND IT SO ORDERED!

s/Dale E. Van Slambrook #3079

Electronically signed on 2023-12-04 09:29:01 page 8 of 8

ELECTRONICALLY FILED - 2023 Dec 04 9:50 AM - BERKELEY - COMMON PLEAS - CASE#2021CP0801441

STATE OF SOUTH CAROLINA	)	COURT OF COMMON PLEAS
	)	
COUNTY OF BERKELEY	)	
	)	
CHRIST FELLOWSHIP CHURCH d/b/a	)	
a Church in St. Stephen, South Carolina,	)	
	)	
Plaintiff,	)	
	)	
v.	)	SUMMONS
	)	
WILLIAM H. JOHNSON and	)	
DUSTIN KYLE JOHNSON,	)	
	)	
Defendants.	)	
_____	)	

TO: THE DEFENDANTS ABOVE-NAMED OR THEIR ATTORNEY(S):

YOU ARE HEREBY SUMMONED and required to Answer the Complaint in this Action, a copy of which is herewith served upon you, and to serve a copy of your Answer to the said Complaint on the Plaintiff or it's attorney, ERNIE L. MIXON at his office, 107 South Live Oak Drive, Moncks Corner, South Carolina, 29461, within thirty (30) days after the service thereof, exclusive of the day of such service.

DATED AT MONCK'S CORNER, SOUTH CAROLINA THIS THE 12TH DAY OF JULY, 2021.

s/ Ernie L. Mixon, SC Bar # 4014
 Attorney for Plaintiff
 107 South Live Oak Drive
 Moncks Corner, SC 29461
 T: 843.761.6475 | F: 843.899.6483
 E: erniemixon@hotmail.com

STATE OF SOUTH CAROLINA	)	COURT OF COMMON PLEAS
	)	
COUNTY OF BERKELEY	)	
	)	
CHRIST FELLOWSHIP CHURCH d/b/a	)	
a Church in St. Stephen, South Carolina,	)	
	)	
Plaintiff,	)	
	)	
v.	)	COMPLAINT
	)	
WILLIAM H. JOHNSON and	)	
DUSTIN KYLE JOHNSON,	)	
	)	
Defendants.	)	
	)	

The Plaintiff would show unto this Honorable Court as follows:

ONE: That the Plaintiff is doing business as a Church in the Town of St. Stephen,
County of Berkeley, State of South Carolina.

TWO: That upon information and belief the Defendants are citizens and residents of the
County of Berkeley, State of South Carolina.

THREE: That the real property involved is located in the Town of St. Stephen, County of
Berkeley, State of South Carolina and is described as follows:

ALL that certain piece, parcel or lot of land, together with any and all buildings and improvements thereon, situate, lying and being in or near the northern limits of the Town of St. Stephen, South Carolina, MEASURING AND CONTAINING and BUTTING AND BOUNDED generally as follows, to-wit: Beginning at the northwestern corner of said tract of land at the point at which said tract adjoins the right-of-way of U. S. Highway 52, and running south 43 ½ degrees west a distance of one hundred fifty (150') feet along lands now or formerly of Ruttenberg Corner; thence in an easterly direction a distance of seventy-five (75') feet along lands now or formerly of E. V. Stevens to a corner; thence north 43 ½ degrees west a distance of one hundred fifty (150') feet along lands now or formerly of E. V. Stevens to a corner located on the right-of-way of U. S. Highway 52; and thence following the edge of the right-of-way of said U. S. Highway 52 to the point of beginning.

- ALSO -

ALL that certain piece, parcel or tract of land, together with any and all buildings and improvements thereon, situate, lying and being in the southwest side of the

right-of-way of U. S. Highway 52 in or near the northern limits of the Town of St. Stephen, in First St. Stephen Tax District, Berkeley County, South Carolina, said lot **BUTTING AND BOUNDED** generally as follows, to wit: On the northeast by the right-of-way of U. S. Highway No. 52; On the Southeast by a paved street fifty (50') feet in width; on the Southwest by lands now or formerly of the Estate of E. W. Stevens, Sr., and on the Northwest by Tract; said tract of lands being in form and shape of a parallelogram measuring seventy-five (75') feet on its northeastern and southeastern and northwestern boundary lines.

BOTH TRACTS ABOVE HAVING BEEN

COMBINED UNDER TMS#: 026-06-02-033

- ALSO -

ALL that certain piece, parcel or lot of land, together with any and all buildings and improvements thereon, situate, lying and being on the northwest side of Graham Street, in the Town of St. Stephen in First St. Stephen Tax District, Berkeley County, South Carolina, **MEASURING AND CONTAINING** Eighty-Three Hundredths (0.83) of an acre, more or less, **BUTTING AND BOUNDED** generally as follows, to-wit: On the northeast by lands of Pack; On the southeast by the right-of-way of Graham Street; On the Southwest by lands of B-L-S Construction Company, Inc.; and on the northwest by lands of Albert Cooper; having such shape, form, courses, distances, buttings, boundaries, and delineations, as are more fully shown on a plat captioned "Plat of Survey Land Owned by B-L-S Construction Company, Inc., St. Stephen, Berkeley County, South Carolina, About to be Conveyed to L & M Building Supply", dated March 14, 1970, which was prepared by E. A. Dennis, R.L.S. and reference is hereby craved to said plat and same is made a part and parcel of this description.

TMS#: 026-06-02-034

FOUR: That on or about September 3, 2012 the Plaintiff entered into a contract with the Defendant William H. Johnson to purchase the above listed property for the sum of Two Hundred Fifty Thousand (\$250,000.00) Dollars. That a down payment of Twelve Thousand Five Hundred (\$12,500.00) Dollars was paid by the Plaintiff to the Defendant.

FIVE: That according to said contract the remaining Two Hundred Thirty Seven Thousand Five Hundred (\$237,500) Dollars was to be paid at 4 payments of One Thousand Six Hundred (\$1,600.00) Dollars per month starting October 1, 2012, then 55 equal payments of Two Thousand Four Hundred (\$2,400.00) Dollars a month with a final balloon payment of

Ninety Nine Thousand Nine Hundred (\$99,900) Dollars due and payable on or before October 1, 2017.

SIX: That upon information and belief the Plaintiff was unable to get a loan through a bank for the (\$99,9000.00) but continued to pay the Two Thousand Four Hundred (\$2,400.00) Dollars payments each month even during the pandemic.

SEVEN: That Plaintiff is informed and believes they have paid One Hundred Five Thousand Six Hundred (\$105,600.00) Dollars in additional funds since October 1, 2017 and that they have paid all together Two Hundred and Fifty Eight Thousand One Hundred (\$258,100.00) Dollars for the property.

EIGHT: That upon information and belief the Defendant William H. Johnson bought the parcels of land from a tax sale by Berkeley County and paid Nine Thousand (\$9,000.00) for TMS# 026-06-02-034 on March 25, 1999. Said deed is recorded in the Register of Deeds for Berkeley County at Book 1598, at Page 0217.

NINE: That upon information and belief the said Defendant William H. Johnson bought another parcel of land from a tax sale from Berkeley County and paid Two Thousand (\$2,000.00) for TMS# 026-06-02-032 on January 29, 1998. Said deed is recorded in the Register of Deeds for Berkeley County at Book 1259, at Page 0162.

TEN: That upon information and belief the said Defendant William H. Johnson bought another parcel of the land form a tax sale by Berkeley County and paid Three Thousand (\$3,000.00) Dollars for TMS # 026-06-02-033 on January 29, 1998. Said deed is recorded in the Register of Deeds for Berkeley County at Book 1259, at Page 0168.

ELEVEN: That Plaintiff is informed and believes that Defendant William H. Johnson paid approximately Fourteen Thousand (\$14,000.00) in total for the 3 parcels that he sold to the Plaintiff.

TWELVE: That upon information and belief the said William H. Johnson by deed dated September 16, 2010 signed over numerous real properties, including the 3 parcels sold to the Plaintiff, to his son, Defendant Dustin Kyle Johnson, reserving a life estate, by deed filed of record at the Register of Deeds for Berkeley County at Record Book 8612, at Page 53.

THIRTEEN: That Plaintiff is informed and believes when Defendant William H. Johnson sold them the real property, set out above, he only had a life estate.

FOURTEEN: That the Plaintiff is informed and believe the Defendants should be ordered to convey the real property, set out above, to the Plaintiff or return the Two Hundred and Fifty Eight Thousand and Eight One Hundred (\$258,100.00) to the Plaintiff.

WHEREFORE, the Plaintiff would pray unto this Honorable Court as follows:

- (A) That the Defendants be ordered to convey the above described real property to the Plaintiff.
- (B) In the alternative if the Defendants do not deed the Property to the Plaintiff then they be ordered to pay the Two Hundred Fifty Eight Thousand (\$258,100.00) back to Plaintiff.
- (C) For such other and further relief as this Honorable Court deems just and proper.

s/ ERNIE L. MIXON, SC Bar # 4014
Attorney for Plaintiff
107 South Live Oak Drive
Moncks Corner, South Carolina 29461
Tel # (843) 761-6475
Fax # (843) 899-6483
E-mail: erniemixon@hotmail.com

July 12, 2021
Moncks Corner, South Carolina

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	NINTH JUDICIAL CIRCUIT
COUNTY OF BERKELEY	)	CASE NO: 2021-CP-08-1441
	)	
CHRIST FELLOWSHIP CHURCH, d/b/a	)	
a Church in St. Stephen, South Carolina	)	
	)	
PLAINTIFF	)	
	)	ANSWER AND COUNTERCLAIM
vs.	)	(JURY TRIAL DEMANDED)
	)	
WILLIAM H. JOHNSON AND DUSTIN	)	
KYLE JOHNSON	)	
	)	
DEFENDANTS	)	
	)	
	/	

NOW COMES THE DEFENDANT, who, by way of Answer and Counterclaim,
respond to the allegations of the Complaint as follows:

PRELIMINARY STATEMENT

These Defendants deny the allegations contained in this Complaint not hereinafter specifically admitted or explained.

Herein answering the allegations of the Complaint, these Defendants states as follows:

FOR A FIRST DEFENSE

- 1 These Defendants admit, upon information and belief, the allegations contained in this Paragraph.
- 2 These Defendants admit the allegations contained in this paragraph.
- 3 These Defendants admit, upon information and belief, the allegations contained in this paragraph of the Complaint.
- 4 These Defendants crave reference to the contract identified as the best evidence of the obligations of the parties hereto. All other allegations contained in this

paragraph are denied.

- 5 These Defendants crave reference to the contract identified as the best evidence of the obligations of the parties hereto. All other allegations contained in this paragraph are denied.
- 6 These Defendants are without information sufficient to form a belief as to the allegations contained in this paragraph and therefore denies same.
- 7 These Defendants deny the allegations contained in this paragraph.
- 8 These Defendants deny the allegations contained in this paragraph.
- 9 These Defendants are without information sufficient to form a belief as to the allegations contained in this paragraph and therefore denies same.
- 10 These Defendants are without information sufficient to form a belief as to the allegations contained in this paragraph and therefore denies same.
- 11 These Defendants are without information sufficient to form a belief as to the allegations contained in this paragraph and therefore denies same.
- 12 These Defendants admit, upon information and belief, the allegations contained in this paragraph.
- 13 These Defendants deny the allegations contained in this paragraph of the Complaint.
- 14 These Defendants deny the allegations contained in this paragraph of the Complaint.

FOR A SECOND DEFENSE

- 15 The paragraphs of this Pleading are herein incorporated by reference.
- 16 The Complaint fails to state a cause of action against these Defendants and should therefore be dismissed pursuant to Rule 12 (b) (6) of the South Carolina Rules of Civil Procedure.

FOR A THIRD DEFENSE

- 17 The paragraphs of this Pleading are herein incorporated by reference.

- 18 The Agreement between the parties, identified as RENT WITH DELAYED
OPTION TO BUY, (herein marked as Exhibit "A" and by reference incorporated
herein) set forth certain financial obligations on the part of the Plaintiff.
- 19 The Plaintiffs breached the agreement by failing to pay those moneys due and
by failing to pay moneys paid in a timely fashion.
- 20 The transfer of ownership was contingent on the Plaintiff's compliance with the
Agreement.
- 21 The payment of moneys per the schedule set forth in "A" represents a condition
precedent to Defendant's obligation to convey the property.

FOR A FOURTH DEFENSE

- 22 The paragraphs of this Pleading are herein incorporated by reference.
- 23 The Complaint fails to join indispensable parties as required under Rule 19
SCRCP and the Complaint should therefore be dismissed pursuant to Rule 12
(b)(7) SCRCP.

FOR A FIFTH DEFENSE
BY WAY OF COUNTERCLAIM

- 24 The paragraphs of this Pleading are herein incorporated by reference.
- 25 As set forth hereinabove, the Plaintiff is in breach of the contract between the
parties.
- 26 As a direct and proximate cause of that breach, the Defendants have been
damaged in an amount to be determined by the trier of fact.

FOR A SIXTH DEFENSE
BY WAY OF COUNTERCLAIM

- 27 The paragraphs of this Pleading are herein incorporated by reference.
- 28 The Plaintiffs are in violation of the Agreement between the parties and as a
result, the Defendants pray that the Plaintiffs be immediately evicted from the
subject property.

WHEREFORE, this Defendant prays this Court inquire into the matters contained herein and that it issue an Order dismissing this Complaint and awarding this Defendant actual and punitive damages, attorney's fees and such other and further relief as this Court may deem just and proper or, in the alternative, an Order immediately evicting the Plaintiffs from the property.

Deluca and Maucher LLP

s/ Jay S. Masty

Jay S. Masty, Esquire
PO Box 9, 102 Marilyn St.
Goose Creek, South Carolina 29445
843.572.1711
843.572.1285 (fax)
jay@delucamaucher.com

Goose Creek, SC

This the 5th day of August, 2021

1 THE COURT: Okay. All right. And I've had the
2 opportunity to kind of go over generally what's
3 going on, as well as review the pleadings in the
4 matter. I don't feel any huge need for any opening
5 statements from everybody, because I think I pretty
6 much understand where we're at with the testimony
7 and each party's position.

8 If you feel the need, I'll be happy to
9 hear from you. Otherwise, we can go ahead and get
10 started. Mr. Nixon?

11 MR. MIXON: If I could call Ms. Brown to the stand,
12 Your Honor.

13 Whereupon,

14 EVON BROWN, having been called to the stand, duly
15 sworn, and cautioned to speak the truth, the whole
16 truth, and nothing but the truth, did testify as
17 follows:

18 THE COURT: Give your full name and your address for
19 the court reporter, please.

20 MS. BROWN: Evon Brown, 9345 Blue House Road,
21 Apartment 9202, Ladson, South Carolina 294506.

22 THE COURT: Mr. Nixon?

23 DIRECT EXAMINATION

24 BY MR. MIXON:

25 Q: Ms. Brown, are you a member of the Christ

1 Fellowship Church?

2 A: Yes, sir.

3 Q: Do you hold an office there

4 A: Currently, I'm the secretary.

5 Q: Okay. And where's the church located at?

6 A: It's located on ---

7 Q: St. Stephen?

8 A: Yes, it's in St. Stephen, South Carolina. I'm
9 trying to remember the address. I'm drawing a
10 blank.

11 Q: Okay. And are they currently holding services at
12 all?

13 A: Currently, yes.

14 Q: And to your knowledge the Defendants are citizens
15 and residents in the County of Berkeley?

16 A: Yes.

17 Q: Okay. Now, I've put in the complaint a legal
18 description of the property, and I'd like to
19 show you these deeds. Could you identify
20 them?

21 MR. HAMMES: The Defendants have no objections to any
22 of the title records.

23 THE COURT: All right. Have you got those all
24 marked, Mr. Nixon?

25 MR. MIXON: I will, Your Honor.

PLAINTIFF'S EXHIBIT NUMBERS

1, 2, 3, & 4

MARKED FOR IDENTIFICATION

THE COURT: Okay. And what are those documents that you have, Mr. Mixon?

MR. MIXON: Your Honor, these are, three of the deeds are deeds from the County to Mr. Johnson, and then there's a deed there on the top, Plaintiff's Exhibit 1, where Mr. Johnson conveyed the property along with some other property to his son Dustin Johnson, which is why we had to bring him into it, and kept a life estate on the properties. The deed to the son was 2010.

Your Honor, if I can introduce these into evidence as Plaintiff's Exhibit 1 through 4.

THE COURT: That's 1 through 4?

MR. MIXON: Yes, sir.

THE COURT: And that's without objection; is that correct?

MR. HAMMES: No objection.

THE COURT: Okay. All right, thank you.

PLAINTIFF'S EXHIBIT NUMBERS

1, 2, 3, & 4

ADMITTED INTO EVIDENCE

THE COURT: Go ahead, Mr. Mixon.

1 MR. MIXON: Thank you, Your Honor.

2 MR. MIXON CONTINUES:

3 Q: Are you familiar with the fact that Mr. Johnson got
4 some property from the County, three different
5 parcels from a tax sale, and then later on in 2010,
6 he signed the property along with some other
7 properties over to his son Dustin Johnson?

8 I told you that, but you've seen the
9 paperwork?

10 A: You told us that, yes.

11 MR. MIXON: Your Honor, if I could have this marked.

12 THE COURT: That'll be Number 5.

13 PLAINTIFF'S EXHIBIT NUMBER 5

14 MARKED FOR IDENTIFICATION

15 THE COURT: And what is that?

16 MR. MIXON: That is the rent with delayed option to
17 buy.

18 THE COURT: All right.

19 MR. MIXON: That's what we're here for today, Your
20 Honor.

21 MR. HAMMES: Actually, hang on, Mr. Mixon. Judge, if
22 I may, page three of what you have is kind of hard
23 to read. I have a better copy of it.

24 MR. MIXON: Okay.

25 MR. HAMMES: Do you want to use my copies?

1 MR. MIXON: Yeah, let's use yours.

2 THE COURT: And that's also without objection; is
3 that correct?

4 MR. HAMMES: That is correct.

5 THE COURT: Okay.

6 PLAINTIFF'S EXHIBIT NUMBER 5

7 ADMITTED INTO EVIDENCE

8 MR. MIXON: Your Honor, can I show this to my
9 client?

10 THE COURT: Certainly.

11 MR. MIXON CONTINUES:

12 Q: Have you seen this document before?

13 A: Yes.

14 Q: What does that document represent?

15 A: This was the rent with delayed option to buy, where
16 we were to purchase the property. That was the
17 whole idea behind it.

18 Q: Okay, so that's the contract?

19 A: Yes, sir.

20 Q: Between the church and Mr. Johnson?

21 A: Mr. Johnson, right.

22 Q: Now, you didn't sign that document, did you?

23 A: No, I don't think my signature was on it. I was
24 just there at the meeting.

25 Q: You were at the meeting?

1 A: Yes, right. The meeting when all the signatures
2 were there, I was there but I didn't sign.

3 MR. MIXON: Your Honor, if I could introduce this
4 into evidence as Plaintiff's Exhibit ---

5 THE COURT: I think we already got that in as
6 Plaintiff's Exhibit Number 5, without objection.

7 MR. MIXON CONTINUES:

8 Q: Now, according to this contract, what was the
9 church supposed to do?

10 A: I think we started out with a down payment of like
11 12,500.

12 Q: Refer to it.

13 A: I need another pair of glasses that I did not
14 bring. The purchase price was supposed to be
15 500,000. He wanted a tax deductible contribution
16 letter yearly for \$250,000, and when we spoke to
17 the accountants, we were told, advised that we
18 could not do that and I passed that information on
19 to him.

20 Q: When you said him, who'd you mean?

21 A: Mr. William. And then, so yeah, he wanted a tax
22 donation of a total of 250,000, so 50,000 each year
23 for five years. And then, we were supposed to put
24 a down payment of 12,500, which we did. And that
25 would leave a balance of 237,500. Then, our first

1 payment was supposed to be \$1600 per month,
2 beginning on October 1, 2012. We were supposed to
3 be paying that 1600, there was set times in there
4 for 1600, and we would begin paying \$2,400 March
5 1st, 2013.

6 Q: Is that to give you all time to make repairs?

7 A: Yes, because the church that we came from was a
8 huge church in St. Stephen and the church had a
9 split. So, Pastor started another ministry and
10 started out with 30 of us. So, we went from
11 hundreds of members to 30 members. So, he was
12 helping us out by letting us be the 1600 to get,
13 knee, hopefully get more members and get more funds
14 in.

15 So, we went to 2400 in 2013, and we were
16 supposed to pay that until we come to a balloon
17 payment of 97,500 by October 1st, 2017.

18 Q: Okay. And were y'all able to make that balloon
19 payment?

20 A: We were not. We went to the bank where we had our
21 account set up and we tried to get a loan from
22 them, but because we were never on the mortgage,
23 you know, the lien was never set up with us on it,
24 so we had no records. So, we tried to make, create
25 documents, you know, accounting documents, but it

1 just never went through. So, we couldn't get a
2 loan based on the church.

3 Q: Okay. You're saying because the church didn't have
4 a deed in their name?

5 A: No, we didn't have that.

6 Q: Okay, so you couldn't borrow the money from the
7 bank?

8 A: No.

9 Q: Did you keep paying payments?

10 A: We kept making payments. Yeah, we kept making
11 payments.

12 MR. MIXON: Your Honor, you say you've already got a
13 copy of this?

14 THE COURT: I do.

15 MR. MIXON CONTINUES:

16 Q: I have what purports to be a -- well, you tell me
17 what it is.

18 A: Okay. So, this is a spreadsheet that I created
19 because one of the things they wanted was copies of
20 all canceled checks.

21 We didn't have that and I don't know a
22 lot about this stuff, but what came through my mind
23 when you're asking me to show proof that I made
24 payments to you is you're saying maybe we didn't
25 make payments. And so, I went back and tried to

1 recreate from our records what we had, we went
2 through the bank, and because of time limitations,
3 there were some things we weren't able to get. But
4 I went back down to the down payment, which was
5 September of 2012, and started out with the 5,000
6 and I went and documented payments I think that
7 went up to December 21st. That's when we probably
8 came to you for some help and we went through with
9 the payments and came up -- and I missed some
10 payments in there, but we paid over 200, almost
11 \$250,000. And then on the side here, I put ---

12 Q: That's on the right, the part you're talking about,
13 the payments?

14 A: Right.

15 Q: On the left is the ---

16 A: On the left is the payments. On the right are the
17 improvements that we did to the building.

18 Q: How much do you have on your records that y'all
19 paid for materials and stuff?

20 A: On here, we only have like 55,000. We were missing
21 some of those.

22 Q: You think there was even more?

23 A: Oh, yeah, yeah.

24 MR. MIXON: Your Honor, if I can have this marked as
25 an exhibit.

PLAINTIFF'S EXHIBIT NUMBER 6

MARKED FOR IDENTIFICATION

1 THE COURT: Any objection?

2 MR. HAMMES: No objection.

3 THE COURT: So, that'll be Number 6, without
4 objection.

5 PLAINTIFF'S EXHIBIT NUMBER 6

6 ADMITTED INTO EVIDENCE

7 MR. MIXON CONTINUES:

8 Q: Now, there was a provision in the contract that
9 y'all have insurance on the property. Did y'all do
10 that?

11 A: Yes. We had the comprehensive and general
12 liability, so if someone got hurt on the property,
13 we can cover that.

14 Q: But you didn't have Mr. Johnson down as a loss
15 payee, did you?

16 A: No, I never put that on there. He did request it,
17 but I never did put it on there.

18 Q: But you did carry insurance?

19 A: We had insurance. We still have it now.

20 Q: Now, you didn't pay the taxes during this time
21 period, did you?

22 A: We did not pay the taxes. Tax bills came to him.

23 Q: Okay. And Mr. Johnson paid the taxes?

1 A: Yes, sir.

2 Q: Were the taxes really high on the church property?

3 A: I don't think they were that high, because at one
4 time he did show me a bill. I don't think they
5 were that expensive.

6 Q: Okay. So, what all did y'all do? And I know Mr.
7 Middleton probably can address this better.

8 A: He's the expert on that. Well, one of the things I
9 know, when we first -- the day that we met there,
10 when they all went with the paralegal and they did
11 the signatures, you could not even see through the
12 door. On the side when you come through the front
13 entrance?

14 Q: Yes, ma'am.

15 A: You could not even see because the stuff was
16 stacked up high. We couldn't open the door, so we
17 didn't even go inside the building. Everything was
18 done on the outside. And so, Deacon Middleton, he
19 and some of the members from the church, they just
20 started pulling stuff out and they did some of that
21 cleanup.

22 Q: Okay.

23 A: And then, like I said, he can break it down, but
24 then we started hiring contractors to come in and
25 help us because it was a lot of work.

1 Q: Okay. Now, Mr. Johnson did, to be fair, did do the
2 roof, right?

3 A: Yes. That was done before we got there, yes, sir.

4 Q: Okay. And this is an old building supply in St.
5 Stephen?

6 A: Yes, sir.

7 Q: It's been deserted for years?

8 A: It used to be L&M Building Supply, I believe, L&M
9 Building Supply.

10 Q: Okay, so it's a big building.

11 A: Yes, sir.

12 Q: How does it look now?

13 A: Pretty good.

14 Q: And y'all are holding church services there?

15 A: Yes, sir, on both sides, because it's like a little
16 division, a little parted area. That's where we
17 first started worship. We tackled the small area
18 first, and then eventually we did the big area.

19 Q: Okay. All right. So, you are using the whole
20 building now?

21 A: Yes, sir. So, the little piece is almost like a
22 fellowship area. We have tables set up in there
23 and we have events for the church, and then the
24 other part we have worship.

25 Q: Do you feel that the church has, that y'all have

1 complied with the contract?

2 A: We did up until the balloon. We weren't able to
3 make that, but then he worked with us and gave us
4 payments, you know, to make. So, he was working
5 with us, and we were under the assumption that we
6 were going to work until we got that paid off.

7 Q: Do you remember a letter from Peter DeLuca?

8 A: Yes, I got a letter from him.

9 Q: Something about that they were going to start
10 changing it to a lease agreement.

11 A: No, I never got that. I never got that letter. I
12 just, I got a call from Mr. Williams one day and he
13 said -- because on the checks, I would put
14 mortgage, September mortgage; October mortgage and
15 whatever year.

16 And then, he just called me one day and
17 he said, "My attorney said to stop putting mortgage
18 on the checks," that I had to put lease, but I
19 never got a letter to that effect.

20 The only letters I got from him was
21 demand letters that if you don't pay it off, you
22 know, they're going to take the building back. So,
23 threats like that, letters.

24 Q: Did the church ever enter into any other contract
25 with Mr. Johnson?

- 1 A: No, I don't have any other contracts. That's the
- 2 only one. Everything else was verbally.
- 3 Q: So, y'all go up there after 2017 and sign some
- 4 additional papers?
- 5 A: No.
- 6 Q: So, what just verbal, "Pay this. Pay that."
- 7 Q: So, what is y'all's conclusion?
- 8 A: Well, I feel that we were doing what he asked us to
- 9 do, and we were under the intention of doing that.
- 10 We would -- after we made those payments on the
- 11 property, when I called him one day and said,
- 12 "Okay, we want to outright buy this, purchase this
- 13 property. How much is it?" he wanted \$400,000.
- 14 That's when I said, "Now, this is a little too
- 15 much."
- 16 Q: This is after you've already paid ---
- 17 A: All that other money, yeah. To outright get it in
- 18 our name, he wanted \$400,000.
- 19 Q: You were trying to get the deed?
- 20 A: Yes.
- 21 Q: Okay. And you were told it's going to take how
- 22 much?
- 23 A: Yeah, 400,000, and I told him, "I know Pastor will
- 24 not agree with that," and I never took it to my
- 25 pastor because I knew he would not agree with that.

MR. MIXON: Okay. Please answer any questions the other side and the judge may have.

CROSS EXAMINATION

BY MR. HAMMES:

Q: Good morning, Ms. Brown. How are you?

A: I'm fine, how are you?

Q: Good. So, looking at Exhibit 5 that you have in front of you, that's a copy of the agreement. You'd agree with me that the church did not make the balloon payment of 97,500 before October 1st, 2017?

A: Yes. Yes.

Q: And you agree with me that the church did not provide any sort of contribution letter, 1099, or W-9 related to the \$250,000 tax donation to Mr. Johnson?

A: Right.

Q: And you would agree with me that the church did not pay property taxes for any of the years of this agreement?

A: Correct.

Q: Now, this lawsuit was filed in 2021, correct?

A: I believe that's the date, yeah.

Q: Has the church paid any taxes since this lawsuit's been filed?

1 A: No, we do not get any tax bills, sir.

2 Q: Do you know who's paid the taxes on the property?

3 A: I am under the assumption that Mr. William Johnson
4 is still doing that.

5 Q: Did you make any late payments on the payment
6 schedule under the agreement?

7 A: They may have been one or two that was a day or two
8 late, but I always went through Mr. Johnson and it
9 was okayed by him.

10 Q: Did you pay any late fees on those late payments?

11 A: He never charged us any late fees.

12 Q: Now, the insurance that you testified that you
13 maintained, was that fire and hazard insurance?

14 A: I believe it is. It covers all that.

15 Q: And Mr. Johnson was not listed as a lost payee on
16 that policy?

17 A: No, sir. No, sir.

18 Q: Was it a renter's policy that you obtained?

19 A: I guess it was, yes, because we didn't -- we were
20 never on the property, so yeah, it had to be
21 renter's.

22 Q: Do you have Exhibit 5 in front of you?

23 A: I do not.

24 MR. HAMMES: Judge, if I may approach?

25 THE COURT: Certainly.

1 MR. HAMMES CONTINUES:

2 Q: Will you read the title to that document for me?

3 A: Rent with delayed option to buy.

4 Q: So, you were paying Mr. Johnson rent?

5 A: We were under the assumption of mortgage. On the
6 first two years of checks, if you look on there,
7 it'll say mortgage.

8 Q: Is there anywhere in this agreement, this Exhibit
9 5, that uses the word mortgage?

10 A: No, just the word buy. It kind of ticked me off.
11 He said, "Yes, this is going to be a mortgage.
12 You're buying it."

13 Q: But the document itself doesn't state mortgage,
14 correct?

15 A: Okay, the balloon payment, you do a balloon payment
16 on a rent? I'm learning. The 97,500, that was a
17 balloon payment, so. I'm learning now. I don't
18 have a clue on my own. You see what I'm saying?

19 So, I understand what you're saying.
20 I'm just trying to understand. You're saying it
21 does not say mortgage, but they're asking me for
22 97,500 balloon payment.

23 Q: Correct, but my question is, is there anywhere on
24 this document that says ---

25 A: It does not say mortgage. It does not say

1 mortgage; no, sir.

2 Q: All right. And you were at the meeting where this
3 document was signed, right?

4 A: Yes, sir.

5 Q: Paragraph three of the exhibit states that in the
6 event purchaser becomes delinquent in payments over
7 90 days, the seller will have the right to cancel
8 this contract and all monies previously paid will
9 be kept by the seller as liquidated damages and
10 said monies will be considered as rent monies. Do
11 you see that?

12 A: I agree.

13 Q: Okay. And y'all missed that balloon payment on
14 October ---

15 A: We missed the balloon payment, but we were never 90
16 days late. We were not even five days late.

17 Q: Did you pay the 97,500 within 90 days ---

18 A: We did not pay the balloon payment on the lease,
19 like you said. No, sir, we did not pay it on the
20 lease.

21 Q: Okay. Did you ever make the balloon payment?

22 A: No. No. Earlier, I testified that we did not have
23 the funds. We went to the bank to try to get it.
24 Because they couldn't find where we were on a
25 mortgage, we could not get the loan as a church.

1 The bank couldn't finance Christ Fellowship,
2 because we didn't show up on any documents except
3 for this, and I took this to them.

4 Q: Paragraph seven states, the second sentence, "Be it
5 known to all parties that this is a rental contract
6 and the option to own is activated only when the
7 full length of rental contract has been fulfilled."
8 Do you see that?

9 A: Yes, sir.

10 Q: What does that mean to you?

11 A: If you don't pay it all, you lose it,

12 Q: You lose the option to buy it?

13 A: Yes, sir.

14 Q: What's the mailing address for the church?

15 A: PO Box 789, St. Stephen, South Carolina.

16 Q: Has it ever received mail at PO Box 543?

17 A: Yes, that's my address.

18 Q: And how long have you had that PO box?

19 A: Twenty or 25 years.

20 Q: Okay. And that's PO Box 543 Moncks Corner?

21 A: Mm-hmm.

22 Q: 29461?

23 A: Mm-hmm, yes, sir.

24 MR. HAMMES: Judge, if I may approach with what I'm
25 going to mark as Defendant's 1?

DEFENDANT'S EXHIBIT NUMBER 1

MARKED FOR IDENTIFICATION

THE COURT: Any objection to that one, Mr. Nixon?

MR. MIXON: I think I told him we'd stipulate that
that was a letter sent by Pete DeLuca, Your Honor.

THE COURT: Okay, so that'll be Defendant's Exhibit
Number 1, without objection. Thank you.

DEFENDANT'S EXHIBIT NUMBER 1

ADMITTED INTO EVIDENCE

MR. HAMMES CONTINUES:

Q: Ms. Brown, your prior name was Wigfall, correct?

A: Yes, sir.

Q: Okay. And this letter is addressed to you at PO
Box 543, Moncks Corner; is that correct?

A: Yes, sir.

Q: Do you recall receiving this letter?

A: Yes, sir.

Q: All right, this is dated December, 2017, you see
that?

A: Yes, sir.

Q: Did you ever contest the contents of this letter in
writing?

A: No.

Q: Do you know if anyone at the church wrote a
response to Pete DeLuca challenging this letter?

1 A: No, sir.

2 Q: Now, if you will, flip over to page two of the
3 letter. The first paragraph says, "As of this
4 date, Christ Fellowship is in default of this
5 contract because it missed the balloon payment of
6 \$97,500." Do you see that?

7 A: Yes, sir.

8 Q: And it has some other items underneath that. So,
9 you were aware that Mr. Johnson was declaring y'all
10 in default as of December, 2017?

11 A: Yes, sir.

12 Q: And the church never responded in writing to that
13 letter?

14 A: No

15 Q: Now, the last paragraph says, "Mr. Johnson would be
16 willing to discuss leasing the property for a
17 period of time at an agreed upon monthly rental."
18 Do you see that?

19 A: Yes, sir.

20 Q: Now, after you got this letter, how much in monthly
21 payments were you paying to Mr. Johnson after
22 December of 2017?

23 A: We paid up until I think about four to six months
24 after we filed the lawsuit. So, we paid up until
25 four to five months, because he kept extending

1 them, and I'm like, okay, I thought we would just
2 go to court and come to a conclusion. So, we paid
3 up until then. And I think this thing here says
4 December 21st, right? I think that's the last page
5 or payment on that document there.

6 Q: My question is from October of 2017 when the
7 balloon payment was due, through December when you
8 received this letter, how much were you paying
9 monthly during that period of time to Mr. Johnson?

10 A: I don't have the spreadsheet in front of me, but
11 it's on there.

12 Q: Well, looking at your spreadsheet, which is
13 Plaintiff's 6, it says \$1,600 a month.

14 A: Okay.

15 Q: Does that sound accurate?

16 A: It kept going up and down, 1600 and 2400, up and
17 down, if you look at that report.

18 Q: Well, before the balloon payment -- so, for
19 example, on your spreadsheet for September of 2017,
20 the payment was 2400.

21 A: Mm-hmm.

22 Q: And then it goes down to 1600.

23 A: Mm-hmm.

24 Q: Do you know why it went down to 1600?

25 A: He said he was trying to help us, because he knew

- 1 we was trying to get that \$97,000. So, he was
2 trying to help us.
- 3 Q: But he sent ---
- 4 A: He even offered to finance the building for us.
- 5 Q: Did y'all enter into a formal financing agreement
6 with Mr. Jonson?
- 7 A: No. No, just conversation, just conversation. We
8 never did any other agreement except that rent with
9 option lease, with buy option.
- 10 Q: So, Plaintiff's 5 is the only written agreement
11 between the parties?
- 12 A: Right, the only written agreement.
- 13 Q: This conversation that you had with Mr. Johnson
14 about him financing this building for you, when did
15 that occur?
- 16 A: It was after we missed the balloon. I cannot tell
17 you the exact date, but it was months after we
18 missed, missed it, because I told him we were
19 trying to finance it through the bank. So, it was
20 months after that.
- 21 Q: And you ultimately weren't able to finance it
22 through the bank?
- 23 A: No.
- 24 Q: And you received a letter from his lawyer, Pete
25 DeLuca, telling you that you were in default?

1 A: In 2017, right.

2 Q: And that he's claiming you're in breach of the -- --
3 agreement?

4 A: Right.

5 Q: And that he's willing to lease the property you at
6 that point.

7 A: Right. I saw that, yes, sir.

8 MR. HAMMES: Judge, if I may approach to mark this as
9 Defendant's 2?

10 DEFENDANT'S EXHIBIT NUMBER 2

11 MARKED FOR IDENTIFICATION

12 MR. MIXON: Judge, we can stipulate if it's another
13 Pete DeLuca letter.

14 THE COURT: All right. So, that's Number 2, without
15 objection. Thank you.

16 DEFENDANT'S EXHIBIT NUMBER 2

17 ADMITTED INTO EVIDENCE

18 MR. HAMMES CONTINUES:

19 Q: Now, Ms. Brown, again, this is PO box 543 Moncks
20 Corner, correct?

21 A: Yes, sir.

22 Q: And that's your address?

23 A: Yes, sir.

24 Q: And you received this letter in October, 2018?

25 A: Yes, sir.

1 Q: And in the second paragraph, Pete DeLuca states
2 that the rent with delayed option to buy agreement
3 was in default was no longer in effect. Do you see
4 that?

5 A: Yes.

6 Q: And then in paragraph three it says, "At the
7 present time, there's a month-to-month rental at
8 1600 a month, which Mr. Johnson advises he'll honor
9 through December of 2018."

10 And then down below, he says that he'll
11 extend it for one year beyond that at 1800 a month.
12 Do you see that?

13 A: Yes.

14 Q: Did you ever object in writing to this letter?

15 A: No, there were no objections.

16 Q: And if I look at your spreadsheet, which is on
17 Plaintiff's 6, starting in February 2019, it looks
18 like you, the payment increased from \$1600 to \$1800
19 a month.

20 A: Right.

21 MR. HAMMES: Judge, if I may approach? This is
22 Defense 3.

23 DEFENDANT'S EXHIBIT NUMBER 3

24 MARKED FOR IDENTIFICATION

25 MR. HAMMES: Judge, this is the third letter from

1 Pete DeLuca that we've stipulated to.

2 THE COURT: Defendant's Number 3, without objection.

3 Thank you.

4 DEFENDANT'S EXHIBIT NUMBER 3

5 ADMITTED INTO EVIDENCE

6 MR. HAMMES CONTINUES:

7 Q: Ms. Brown, the letter that I just handed to you
8 that's also from Pete DeLuca, is that your name and
9 address on top of that?

10 A: Yes. Yes, sir.

11 Q: And Christ Fellowship, PO Box 721, does the church
12 have a PO Box as well?

13 A: Yes, we do.

14 Q: Okay. Do you recall receiving this letter in
15 November of 2020?

16 A: Okay, yes, sir.

17 Q: Okay. So, you do recall receiving it?

18 A: Uh-huh.

19 Q: And on your spreadsheet as of November 2020, you
20 were paying \$1800 a month, and in the letter, he
21 states, "Beginning January 1st, 2021, the rent will
22 be raised to 2200." Do you see that?

23 A: Okay.

24 Q: And on your spreadsheet, which again is Plaintiff's
25 6, your payments starting January 2021 were 2200;

1 is that correct?

2 A: It should be on there. Is it?

3 Q: On your spreadsheet.

4 A: Yes.

5 Q: It's 2200?

6 A: Yes.

7 Q: Did y'all object in any way to this letter?

8 A: No, sir.

9 Q: Did y'all respond in writing to this letter?

10 A: No, sir.

11 MR. HAMMES: Judge, if I may approach?

12 THE COURT: Certainly.

13 MR. HAMMES: I want to have this marked as
14 Defendant's 4.

15 DEFENDANT'S EXHIBIT NUMBER 4

16 MARKED FOR IDENTIFICATION

17 MR. HAMMES CONTINUES:

18 Q: Now, Ms. Brown, I'm going to hand you what I just
19 marked as Defendant's 4. There are three checks on
20 that document. Can you tell me if those are checks
21 issued by the church?

22 A: Yes, sir.

23 MR. HAMMES: Judge, I'll move this in as Defendant's
24 4.

25 THE COURT: Defendant's 4, without objection?

1 MR. MIXON: No objection.

2 THE COURT: Thank you.

3 DEFENDANT'S EXHIBIT NUMBER 4

4 ADMITTED INTO EVIDENCE

5 MR. HAMMES CONTINUES:

6 Q: Ms. Brown, do you see the signature on the bottom
7 righthand of these three checks?

8 A: Yes, sir.

9 Q: Is that your signature?

10 A: Yes, sir.

11 Q: Okay. And who filled out the name William Johnson
12 on these checks?

13 A: That's the treasurer.

14 Q: And who is the treasurer?

15 A: Ilease Ravenell.

16 Q: And who filled out, you see the For section on the
17 bottom left of each check?

18 A: Mm-hmm.

19 Q: You see where it says "For," and then there's
20 writing after that?

21 A: Yes.

22 A: Did Ms. Ravenell also fill that out?

23 A: She filled out the first one. I did the second one
24 and the third one.

25 Q: Okay. And so, on the first one where it's a check

1 for \$2400 dated October 2017, it says lease. Do
2 you see that?

3 A: Yes. Yes.

4 Q: Okay. And then the second one, which is dated
5 January 2018, it states lease on there.

6 A: Mr-hmm.

7 Q: Okay. And you handwrote the second check where it
8 says lease?

9 A: Yes, sir.

10 Q: Now, on the bottom of the one, January 2018, it
11 does say mortgage?

12 A: Mm-hmm, yes.

13 Q: And you handwrote mortgage on that one?

14 A: Yes, sir.

15 Q: Okay. So, some checks are saying lease and some
16 checks are saying mortgage?

17 A: Yes, sir. At the beginning of this agreement, all
18 checks were saying mortgage until I got the call
19 that the attorney said to put lease on it.

20 Q: Now, you stated that Mr. Johnson put a roof on the
21 building?

22 A: Yeah, he told us he put a roof on the building.
23 When we got there, it was already there.

24 Q: Prior to the agreement?

25 A: Yes. It was prior to us getting it, yes.

1 Q: Prior to 2012?

2 A: Yes. And when you say building, is that the church
3 sanctuary or what are we talking about?

4 A: It's one building.

5 Q: It's one building.

6 A: It's all together, yes, sir.

7 Q: Was it like an open warehouse style?

8 A: Right. It was a building supply store. So, there
9 were offices up front and in the back is where they
10 kept the lumber and material.

11 Q: Did Mr. Johnson do any repairs to the roof after
12 2012?

13 A: Deacon Middleton will have to answer that; I don't
14 know.

15 Q: You don't know?

16 A: I don't know. I'm sorry.

17 Q: Okay, fair enough. All right, let's take a look at
18 Plaintiff's 6. Do you have Plaintiff's 6 in front
19 of you, the spreadsheet, ma'am?

20 A: I do not.

21 MR. HAMMES: Judge, do you have it?

22 THE COURT: I do.

23 MR. HAMMES: May I hand it to the witness?

24 THE COURT: Certainly.

25 MR. HAMMES: I'm looking for the scanned copy, the

1 one with the sticker.

2 THE COURT: I've got it.

3 MR. HAMMES CONTINUES:

4 Q: All right, Ms. Brown, I've handed you Plaintiff's
5 6. You testified that you created this
6 spreadsheet, correct?

7 A: Yes, sir.

8 Q: Now, let's start with the righthand side, where
9 you're listing out what appears to be improvements
10 to the property. Do you see that?

11 A: Yes, sir.

12 Q: Does the church have receipts for each one of these
13 items?

14 A: For most of them, yes, sir.

15 Q: For most of them, okay. And those total
16 \$54,570.47?

17 A: Yes, sir.

18 Q: So, from 2013 to 2019, the church spent \$54,000 on
19 improvements to the real property?

20 A: Yes, sir.

21 Q: Now, you testified earlier that when you created
22 this, you didn't have all the canceled checks.

23 A: Right.

24 Q: Are there any entries on here that you did not have
25 canceled checks for?

1 A: I think we have all -- for most of these we should
2 have the canceled checks.

3 Q: But not all of them?

4 A: Maybe one or two that I'm missing.

5 Q: Now, if you flip to the last page of the document,
6 what's the total at the bottom of the last page?

7 A: \$249,395.

8 Q: How much were you required to pay to Mr. Johnson
9 under the agreement?

10 A: 500,000 -- no, 250, 250, because he was going to do
11 a tax deduction for the 250.

12 Q: You never gave him the tax deduction, right?

13 A: No, sir.

14 Q: That was, "No, sir," I think you said?

15 A: No, we did not, sir, we did not.

16 Q: But you were going to pay him \$250,000 in cash,
17 correct?

18 A: Right, including the balloon, yes.

19 Q: So, as we sit here today, six years after the
20 balloon payment was due, you still have not paid
21 \$250,000 to him?

22 A: No, sir.

23 Q: Now, on page, the second page of the spreadsheet, I
24 want you to go down to September 1st, 2017. Do you
25 see that?

1 A: Yes, sir.

2 Q: Did you aggregate all of the payments made up
3 through September 2017? Do you have any idea how
4 much if you added all those payments together it
5 would be?

6 A: No, I didn't.

7 MR. HAMMES: I don't have any further questions, Your
8 Honor.

9 THE COURT: Any re-direct Mr. Nixon?

10 MR. MIXON: Yes, sir, Your Honor.

11 RE-DIRECT

12 BY MR. MIXON:

13 Q: Ms. Brown?

14 A: Yes, sir.

15 Q: I know y'all weren't able to pay it in a lump sum.
16 Do you think the church has paid the 97,000 in
17 payments?

18 A: Yes, sir.

19 Q: Okay. And how close did y'all come to 250,000?

20 A: Well, according to this, and like I said, all the
21 payments are not on there. We got to 249.

22 Q: You got to 249?

23 A: So, yeah, I feel we paid it excluding the
24 improvements, yes.

25 Q: Would you have paid it in a lump sum if you were

1 able to get that loan? .

2 A: If were able to get it, we would have. Yes, sir,
3 we would have.

4 Q: And I want to show you the contract again just to
5 look at it, because I think your testimony might've
6 been that everything was leased, and there was
7 nothing about a title. If you would look at page
8 four on the Contract for Sale.

9 A: Yes, sir.

10 Q: Number 10, what does that say?

11 A: "Upon fulfillment of the rental contract, the
12 seller will present deed and title to the purchaser
13 free of all liens and encumbrances.

14 Q: Okay. So, it wasn't just a lease payment, was it?

15 A: In our opinion, especially with the balloon
16 payment, the 97,500, that's why we thought it was a
17 mortgage.

18 Q: After you got these letters from Mr. DeLuca, did
19 you ever go to his office to sign a lease with him?

20 A: No, sir.

21 Q: Did anybody else in the church go up there and sign
22 a lease?

23 A: No, sir.

24 Q: Mr. DeLuca wasn't a judge, was he?

25 A: Not that I knew of. I thought he was just an

1 attorney. I mean, not just an attorney, I thought
2 he an attorney.

3 Q: Did Mr. Johnson ever move to evict the church from
4 the property?

5 A: No, sir.

6 Q: Now, the tax deduction, y'all weren't able to do
7 that?

8 A: No, sir.

9 Q: Did you try to do it?

10 A: We did, and the accountant said that if he wanted
11 to do that, that would be on him, but we could not
12 provide any document. That's what the accountant
13 told us.

14 Q: Okay.

15 A: Because it was going to be like a \$50,000 loss is
16 what we were going to give him, and she was like,
17 we could not do that.

18 MR. MIXON: All right, thank you, ma'am.

19 MS. BROWN: You're welcome.

20 THE COURT: All right, any re-direct or re-cross
21 rather?

22 MR. HAMMES: I just have one final question.

23 RE-CROSS

24 BY MR. HAMMES:

25 Q: Does the church receive tithes from its members?

1 A: Yes, sir.

2 Q: And at the end of the year, does the church issue
3 letters to those members saying, "Here's the amount
4 of money you tithed during the year"?

5 A: Yes, sir, we do.

6 Q: Could the church have issued a letter to Mr.
7 Johnson saying, "This was the amount that we
8 received"?

9 A: I guess, that's in a roundabout way, is how we look
10 at it, because literally, he did not give me any
11 monies literally. We did not, the church itself
12 did not do an appraisal on the property. So, the
13 property, you're saying that the property is worth
14 500,000. That's what I'm thinking he was saying.
15 The property is worth 500,000. I will sell it to
16 you for 250,000 with you giving me a contribution
17 letter saying it's a \$250,000 loss. I'm assuming
18 that was the assumption. But we never did an
19 appraisal. Everything was just done the way it was
20 done.

21 So, we do give members letters saying,
22 "You made a contribution to the church for this
23 amount," but we literally get monies from them, and
24 that's all I recorded.

25 Q: But you would agree that --- well, never mind.

1 Scratch that.

2 MR. HAMMES: I don't have any further questions.

3 THE COURT: All right, you can step down. Thank
4 you, ma'am.

5 MS. BROWN: Thank you.

6 MR. MIXON: Your Honor, one other -- I'm sorry, Your
7 Honor. I have a bunch of checks here from the bank
8 as far as they went back. They only had five
9 years. Do you want me to put those into
10 evidence?

11 THE COURT: Is there any objection to those?

12 MR. HAMMES: I don't have a problem with any of the
13 church's bank statements or checks coming into
14 evidence if we need them. There is some dispute
15 about what payments were made and what the
16 aggregate is, and I'm going to have an accountant
17 come testify later today.

18 MR. MIXON: The bank records only go back like five
19 years, I believe, or something like that.

20 MR. HAMMES: Yeah.

21 MR. MIXON: There are some missing. It's not all of
22 them.

23 THE COURT: All right, so are you asking to put all
24 of those in?

25 MR. MIXON: If the court wants them.

1 THE COURT: That's up to you.

2 MR. MIXON: I just wanted to see if she could
3 identify, Your Honor.

4 THE COURT: It doesn't sound like there's any
5 dispute, but if you want her to identify them,
6 that's fine.

7 MR. MIXON: Yes, sir, just so there is no dispute.

8 RE-DIRECT

9 BY MR. MIXON:

10 Q: Can you identify these documents right here? I
11 know there's a lot of them.

12 MR. HAMMES: We're happy to stipulate to the entry of
13 any bank statements for the church from First
14 Citizens Bank.

15 THE COURT: And you've had access to all of them?

16 MR. HAMMES: I mean, they were produced during
17 discovery.

18 THE COURT: Okay.

19 MR. HAMMES: What they had, they produced.

20 THE COURT: All right. So, Mr. Mixon, is that
21 satisfactory? They've stipulated that those will
22 all come in I guess as a group.

23 MR. MIXON: Just one exhibit, Your Honor?

24 THE COURT: One exhibit, which I'm not sure which
25 one that'll be.

PLAINTIFF'S EXHIBIT NUMBER 7

MARKED FOR IDENTIFICATION

MR. MIXON: Like I said, Your Honor, it only goes back a certain number of years, I think like five years.

THE COURT: And that's Plaintiff's Number 8; is that correct?

COURT REPORTER: Plaintiff's 7.

THE COURT: I'm sorry, Plaintiff's 7?

COURT REPORTER: Yes, sir.

PLAINTIFF'S EXHIBIT NUMBER 7

ADMITTED INTO EVIDENCE

THE COURT: And if there's any specific one you want me to refer to, I want you to make sure we flag it so I can find it please.

MR. MIXON: Thank you, Your Honor.

MR. MIXON CONTINUES:

Q: So, some of the records are not in that thing now, because they only go back so many years.

A: Mm-hmm.

Q: Five years, I believe?

A: I think it's five.

Q: This is all the records we could get?

A: Yes, sir.

MR. MIXON: Thank you, ma'am.

1 THE COURT: All right, you can step down. Thank
2 you.

3 MS. BROWN: You're welcome.

4 THE COURT: All right, Mr. Mixon?

5 MR. MIXON: Yes, sir, Your Honor, if I could call
6 Deacon Middleton to the stand.

7 Whereupon,

8 WILLIAM MIDDLETON, having been called to the stand,
9 duly sworn, and cautioned to speak the truth, the
10 whole truth, and nothing but the truth, did testify
11 as follows:

12 THE COURT: Give your full name and your address for
13 the court reporter, please.

14 MR. MIDDLETON: William Middleton, Jr., 1076 Blue Flame,
15 Bonneau, South Carolina 29431.

16 THE COURT: Mr. Mixon?

17 MR. MIXON: Thank you, Your Honor.

18 DIRECT EXAMINATION

19 BY MR. MIXON:

20 Q: Mr. Middleton, you actually signed the contract; is
21 that correct?

22 A: Yes, sir.

23 Q: And Reverend Jeremiah Ravenell signed it also?

24 A: Yes, sir.

25 Q: But he's not able to testify, is he?

1 A: No, sir.

2 Q: He's got some health problems.

3 A: Yes.

4 Q: Okay. But back on September the 3rd, 2012, you
5 signed it, too. What was the condition of the
6 building when y'all moved in?

7 A: The condition of building was horrible. It had the
8 aftereffects from Hurricane Hugo damages, and it
9 was stored as a warehouse with automobiles,
10 appliances, and furniture among other things. It
11 was, at the time, it was unusable for business or
12 services.

13 Q: Okay. And what was your role in all this?

14 A: My role in this was to help the church oversee the
15 work that needed to be done in order for us to have
16 service in that facility.

17 Q: Okay. What all did y'all do?

18 A: After Mr. Johnson and his crew removed most of the
19 stuff from the front part of the building, where we
20 agreed to have services at first, after they took
21 out what they had to take out, then we began to go
22 in and finish removing all the drywall and the
23 misplaced rafters or whatever that was inside that
24 front part of the building.

25 Then, we began to make repairs and

1 remodel that front section in order to have service
2 in it.

3 Q: Okay. Did y'all do the inside work basically?

4 A: The inside work.

5 Q: Okay. How long did it take y'all to do that?

6 A: Well, it took us the better part of two to three
7 weeks just to get in where we could start the work.
8 And the agreement was, I know I'm jumping ahead,
9 but the agreement was he would let us take that
10 time, the first months, four or five months, he
11 would charge us \$1600 a month until we can get the
12 building where we could have service in that part
13 of the building, the front part.

14 Q: Okay. It was a small church back then, right?

15 A: Yeah, that front part of the building is 30 by 50,
16 outside dimensions. That's the front part of the
17 building.

18 Q: And do you have skills to do this kind of work, as
19 far as ---

20 A: Yes, except for electrical.

21 Q: Okay. Everything except electrical?

22 A: Yes.

23 Q: Okay. Now, you've heard Ms. Brown testify that on
24 her spreadsheet it's around 50 or 60,000 that y'all
25 paid out for ---

1 A: That won't touch it, won't touch it. It won't even
2 come close.

3 Q: How much do you think y'all paid out in materials
4 at all?

5 A: I would say anywhere from 150 to \$200,000.

6 Q: Okay. How about labor costs?

7 A: Labor costs, I would say triple that.

8 Q: Okay. But now, y'all weren't getting paid, were
9 you?

10 A: No, sir.

11 Q: Y'all were doing this for the church?

12 A: The only people getting paid was the outside
13 contractors that we had to bring in for specialty.

14 Q: Okay. What kind of specialty contractors have you
15 brought in?

16 A: HVAC, we brought a contractor in to put in this
17 insulation in the ceiling of the main sanctuary
18 now.

19 Q: Yes, sir.

20 A: We brought in a crew to excavate the property
21 because it held water badly, and that was a crew
22 that did.

23 Q: It was a low-lying property?

24 A: Yes, sir. And electrical, we brought in an
25 electrician to oversee the electrical work.

1 Q: You had to pay all these people?

2 A: All these people we had to pay.

3 Q: Okay. What did you not have to pay? Your labor?

4 A: It was, in addition to myself, it was about 10 or
5 12 other brothers and sisters that donated time, if
6 they weren't there but just to give us or supply us
7 with fresh water or whatever. We had a crew from
8 the church, and some outside help to come in and
9 give us assistance.

10 Q: Okay. All right. How does it look on the inside
11 now?

12 A: It's beautiful.

13 Q: So, you don't think that building had been used
14 since Hurricane Hugo, and that was in 1989?

15 A: No, it was used, because he told us, and I seen
16 this myself, but he said he had a transmission man
17 use part of the building in the back to do
18 transmission repairs.

19 Q: Okay.

20 A: And the building was used for storage, mostly in
21 the back, for automobiles: cars, trucks, tractors,
22 whatever was in there.

23 Q: Okay. Now, did Mr. Johnson come back and do some
24 more work on the property? He put the roof on; is
25 that correct?

1 A: The roof was on it when I spotted the building.

2 Q: Yes, sir.

3 A: I realized he had a new roof on it, what appeared
4 to be a new roof. That's what drew my attention to
5 the building to start with and I told the pastor
6 about it.

7 But the only other work that he did was
8 to, after numerous attempts to stop the leak, the
9 leaks in the roof, we couldn't get nothing
10 resolved. So, I asked him, asked the secretary to
11 call him and ask him could he get ahold of the
12 contractor who originally did the roof to come back
13 and see what he can do with it.

14 Q: Because it was leaking?

15 A: It was still leaking. And he brought him in and he
16 told me he paid that guy \$2500.

17 Q: Okay.

18 A: That still didn't -- it stopped it for a while, but
19 it continued to leak. So, we had to go back in and
20 do whatever we could to remedy the situation. So,
21 what I did, I went inside and made a couple of
22 gullies where the water would get in the gully and
23 direct it to the soffit. So, it still leaks, but
24 we don't have a downpour inside.

25 Q: Okay. You understand the church was not able to

1 come up with the 97,000 when it was due?

2 A: Yes, sir.

3 Q: What is your position about, has that been paid?

4 A: I would think over the years after the time was up,
5 yes, I think it's paid.

6 Q: It's been payments, but it was still paid, right?

7 A: Yes, sir.

8 Q: Okay. Now, you don't actually sign the checks
9 yourself?

10 A: No, sir.

11 Q: But you have not been paid or any of these
12 volunteers that came out have not been paid by the
13 church or anyone else?

14 A: Maybe we got a sandwich or a soda every now and
15 then, but that was it.

16 MR. MIXON: Okay, thank you. Please answer any
17 questions the other side or the Judge may have.

18 THE COURT: Mr. Hammes?

19 MR. HAMMES: Thank you.

20 CROSS EXAMINATION

21 BY MR. HAMMES:

22 Q: Deacon Middleton, are you the bookkeeper for the
23 church?

24 A: No, sir.

25 Q: Okay. Who's the bookkeeper for the church?

1 A: Between the two, Sister Brown and Sister Ilease, to
2 my knowledge.

3 Q: Okay. Do you keep the financial records for the
4 church?

5 A: Other than -- no, sir. No permanent records, no,
6 sir.

7 Q: Okay. Do you keep the bank statements for the
8 church?

9 A: No, sir.

10 Q: Okay. Do you keep the receipts for the church?

11 A: When I make a purchase, the receipts that I obtain,
12 I pass it on to the secretary. I don't maintain
13 any.

14 Q: So, after you pass it on to the secretary, you
15 don't maintain it?

16 A: No, sir.

17 Q: Okay. So, Ms. Brown would be the one with those
18 receipts.

19 A: Yes, sir.

20 Q: Okay. And Ms. Brown, you saw Plaintiff's Exhibit 6
21 that was a spreadsheet that we put in and I'd be
22 happy to show it to you, but based on Ms. Brown's
23 spreadsheet, there was \$54,000 spent on labor and
24 materials for the property. Is that accurate?

25 A: That's not nowhere near accurate, sir.

1 Q: That's not accurate?

2 A: No, sir.

3 Q: So, your testimony is that Mrs. Brown's spreadsheet
4 is inaccurate?

5 A: No, no, sir. My testimony is that that amount is
6 not accurate.

7 Q: But Ms. Brown's the one who has the books and
8 records, right?

9 A: Yes.

10 Q: And when you testified that the labor cost was
11 triple of what your estimate it was on materials,
12 ---

13 A: I would say.

14 Q: --- is that based on the value of volunteer labor?

15 A: In addition to the numerous amount of hours that I
16 personally put in myself.

17 Q: And you're a volunteer?

18 A: Yes, sir.

19 Q: Did y'all pay anybody for their labor?

20 A: Outside contractors.

21 Q: The outside contractors, do you know how they were
22 paid? Were they paid with a check? Were they paid
23 with cash?

24 A: I would say checks.

25 Q: And the checks would be reflected on the bank

1 statements, correct?

2 A: Yes.

3 Q: Was all of the work that y'all did on the property
4 permitted by Berkeley County?

5 A: I was under the assumption that the only actual
6 permitting we had to get was the electrical. The
7 other stuff was, it was structural, but it was not
8 from the ground structure. So, all the partitions
9 we put in was attached to the walls that are
10 already there and the ceiling that was already
11 there.

12 Q: I want to ask you, you had mentioned that Lucky had
13 done some roof repairs, right?

14 A: Yes, sir.

15 Q: When did he do those roof repairs?

16 A: Correction, he had a contractor to come in and do
17 the roof repairs.

18 Q: And why did he have a contractor go out and do some
19 roof repairs?

20 A: As I stated earlier, we tried everything we could
21 possibly try. I'm not a roofer. So, once we
22 couldn't get the leak stopped after years, I asked
23 the secretary to call Mr. Johnson and ask him could
24 he get ahold to the contractor that put the roof on
25 the church. Maybe he could come by and rectify the

1 situation.

2 Q: And did Mr. Johnson do that?

3 A: Yes.

4 Q: Did Mr. Johnson pay that roofer to come?

5 A: He told me he paid him \$2500.

6 Q: And when approximately was this?

7 A: I can't be certain right now.

8 Q: Was it after 2017?

9 A: Somewhere in that timeframe, I would think.

10 Q: Was it at the beginning of this deal in 2012?

11 A: Oh, no, no, no. We tried, like I said, we tried
12 and tried and tried, and had some people come in
13 and try to make repairs to that roof. We just
14 couldn't get it done.

15 Q: So, you went to Mr. Johnson and asked him to get it
16 repaired?

17 A: To get his contractor, the original contractor, the
18 man that put the roof on, he might know what the
19 problem was exactly.

20 Q: Did Mr. Johnson do any other repairs to the
21 property?

22 A: No. The only other thing Mr. Johnson asked of us
23 when we made the agreement on the building, to
24 purchase it, was to let him have the metal garage
25 door, which was originally installed. It was a

1 fairly new door and he wanted that back. Nothing
2 else from us,

3 Q: Did he do any drywall improvements?

4 A: Mr. Johnson had that done along with the roof
5 repair.

6 Q: Got it, around the time that he did the roof
7 repair?

8 A: Right after, right after the roof, it was confirmed
9 that the leak was gone, then he had somebody come
10 and do the drywall.

11 Q: Did Mr. Johnson pay the drywall contractor?

12 A: Yes. To my knowledge he did, because he said he
13 was going to pay them.

14 Q: Did the church pay the drywall contractor?

15 A: No, sir.

16 Q: And again, this is in the last three to five years
17 when this occurred?

18 A: I would say within the last five years, because I
19 personally had another contractor come in and do
20 drywall within two years after that was done.

21 MR. HAMES: Thank you. I don't have any further
22 questions.

23 THE COURT: All right. Any re-direct?

24 MR. MIXON: No re-direct, Your Honor.

25 THE COURT: All right, you can step down. All

1 right. Mr. Nixon?

2 MR. MIXON: I think that concludes our case, Your
3 Honor.

4 THE COURT: Okay. All right, let's take about a 10-
5 minute break and then we can proceed. You're going
6 to have some testimony Mr. Hammes?

7 MR. HAMMES: Yes, Judge. I'm going to have Lucky
8 Johnson testify: probably, probably get him done in
9 an hour. Then, I'll have some brief testimony from
10 Dustin Johnson, and then I'll have some brief
11 testimony from an accountant who will be here at
12 one o'clock.

13 THE COURT: Okay. We will take about a 10-minute
14 break and go from there.

15 ****OFF THE RECORD****

16 (On the record.)

17 THE COURT: All right, we are back on the record.
18 Mr. Hammes?

19 MR. HAMMES: All right, I call Lucky Johnson.
20 Whereupon,

21 WILLIAM "LUCKY" JOHNSON, having been called to the
22 stand, duly sworn, and cautioned to speak the
23 truth, the whole truth, and nothing but the truth,
24 did testify as follows:

25 DIRECT EXAMINATION

1 BY MR. HAMMES:

2 Q: All right, Mr. Johnson, where do you live?

3 A: Saint ---

4 Q: Have you -- go ahead, sorry.

5 A: Pardon?

6 Q: I said where do you live?

7 A: St. Stephen.

8 Q: Have you been living in Berkeley County your whole
9 life?

10 A: Yes.

11 Q: Were you in the military?

12 A: Yes.

13 Q: What branch of the military?

14 A: Air Force.

15 Q: How long were you in the military?

16 A: Four years and six months.

17 Q: And what's your work background?

18 A: Construction worker.

19 Q: There's a property at 1055 Graham Street in St.
20 Stephen. Do you own that piece of property?

21 A: Yes.

22 Q: Okay. When did you acquire that?

23 A: Back around 1998, somewhere along here.

24 Q: What improvements were on the property when you
25 acquired it?

1 A: Pardon?

2 Q: What improvements were on the property when you
3 acquired it?

4 A: I put windows in, show windows, I reckon you call
5 them, and I had to put a whole new roof and
6 everything on it. And then storms come along and
7 kept breaking the windows out, so I just boarded
8 them up.

9 Q: How many buildings were on the property?

10 A: On the church property itself, there's only one.
11 Then the other building's on two other lots.

12 Q: Okay. And those other lots are adjacent to what
13 you refer to as the church property.

14 A: Uh-huh.

15 Q: Is that like a storage shed? What is that?

16 A: Storage.

17 Q: Now, in 2010, you did a life estate deed to your
18 son Dustin Johnson, correct?

19 A: Right.

20 Q: Why did you do that?

21 A: In case something happened to me.

22 Q: And this is Dustin Johnson sitting right here?

23 A: Yes, it is.

24 Q: And so, when you pass away, the property will go to
25 your son?

1 A: Right.

2 Q: Okay. Now, after you did that deed, did you
3 continue to treat the property as your own?

4 A: Well, yes, I did.

5 Q: When did you first have dealings with Christ
6 Fellowship Church?

7 A: They contacted me around about the first of
8 September '12, I reckon, and we discussed the
9 amount of the church and the rent and stuff like
10 that. And then, but I let know that it was as-is,
11 I wouldn't be doing any repairs on it.

12 Q: Okay. The church wanted to use the property?

13 A: Yes. The church wanted to use the property.

14 Q: And they approached you and asked you if they could
15 use it?

16 A: Right.

17 Q: Okay. All right.

18 MR. HAMMES: Where are our exhibits? Do you have a
19 stack of those exhibits. Judge, do you have all
20 the exhibits? I can try to just work off of ---

21 THE COURT: I have some, but not all.

22 COURT REPORTER: I don't have any.

23 MR. HAMMES: Are there any exhibits over here, Mr.
24 Johnson?

25 MR. JOHNSON: Huh?

1 MR. HAMMES: Any exhibits around near you?

2 THE COURT: Let me give you the ones that I have
3 stickers on. I'm not sure if I've got all of them.
4 Do you need the bank stuff?

5 MR. HAMMES: I don't need the bank stuff and I don't
6 need the title records.

7 THE COURT: All right. Here, come on around here
8 and take these and sort them out. I've got some of
9 the spare copies marked up here.

10 MR. HAMMES: You want these back, Judge, or do you
11 want me to leave them down here on the table?

12 THE COURT: Whatever you're referring to, I'd like
13 to have at least a copy of it while we're looking
14 at it, please.

15 MR. HAMMES: Okay, yeah. All right. I think I've
16 got extra copies.

17 THE COURT: I'm going to hand you those.

18 MR. HAMMES: Judge, do you have a copy of the rent
19 with delayed option to buy agreement?

20 THE COURT: I do.

21 MR. HAMMES: Okay.

22 MR. HAMMES CONTINUES:

23 Q: All right, Mr. Johnson, will you take a look at
24 what has been marked as Plaintiff's 5? It's the
25 first document you're holding.

- 1 A: Which is that?
- 2 Q: The first document you're holding.
- 3 A: The rent with delayed option to buy?
- 4 Q: Yes, sir. Can you tell me what that document is?
- 5 A: It's, this is the rent. They rent until after
- 6 everything, and they got an option to buy after the
- 7 rent's out.
- 8 Q: Tell me if I'm correct, your understanding of this
- 9 agreement was they would pay you rent for a period
- 10 of time and, if they honored the agreement, then
- 11 they would have the option to buy the property,
- 12 right?
- 13 A: Right. They had the option to buy the property.
- 14 Q: When this document was signed, was it your
- 15 intention that you were selling them the property
- 16 in 2012?
- 17 A: On, no. My intention was if they came through with
- 18 the contract, they had the option to buy.
- 19 Q: Was it your understanding that if they defaulted
- 20 under this agreement that they would not have an
- 21 option to buy the property?
- 22 A: If they defaulted on this agreement, they would not
- 23 have the option, no.
- 24 Q: Now, when you entered into this agreement, your son
- 25 Dustin owned a remainder interest in the property,

1 right?

2 A: Right.

3 Q: Were you trying to mislead the church in any way by
4 just you signing the agreement?

5 A: No. He had give me, he gave me a release on that,
6 on this part of the property, and I never did
7 record it, but I still got it.

8 Q: Okay. So, if the church honored the terms of the
9 agreement and elected to buy the property, you
10 would've been able to effectuate that transfer
11 happening?

12 A: Oh, yes.

13 Q: Okay. All right. Now, flip over to the second
14 page of Plaintiff's 5. Now, the first paragraph
15 says the sales price is \$500,000. Do you see that?

16 A: Yes.

17 Q: And that includes a tax deductible contribution of
18 \$250,000 deducted over five years. Do you see
19 that?

20 A: Yes.

21 Q: And did the church ever provide you any paperwork
22 that substantiated the \$250,000 tax deduction?

23 A: No. No, never did.

24 Q: Now, the second paragraph has a down payment of
25 \$12,500. Did the church pay that?

1 A: Yes.

2 Q: Did they pay it all at once or installments?

3 A: Well, I couldn't -- it's hard to say. I give them
4 from September -- let's see. Well, I waited on
5 them to finish the ceiling. They gave me all that
6 after that.

7 Q: Okay, so they did make the down payment?

8 A: Yeah, they made the down payment.

9 Q: Then we're dealing with the 237,500. They were
10 required to make five payments of \$1600 per month.
11 Did they make those payments?

12 A: Yes, they made those.

13 Q: And then they were going to make 55 payments of
14 \$2,400. Did they make those payments?

15 A: Yes, they made those.

16 Q: Were they ever late on any of those payments?

17 A: Well, a week or two sometimes. I'd have to call
18 Ms. Wigfall and ask about where the rent is, and
19 she would tell me.

20 Q: And when you say Ms. Wigfall, you're referring to
21 Ms. Brown who ---

22 A: Yeah, that's all I know her by.

23 Q: And then there's a balloon payment for \$97,500 and
24 the church did not make that, correct?

25 A: No, they did not make that.

1 Q: All right. Now, if you look at paragraph four, it
2 references fire and hazard insurance. Did the
3 church purchase fire and hazard insurance on the
4 property?

5 A: No.

6 Q: Did you ever see a copy of a policy of fire and
7 hazard insurance that the church had purchased
8 protecting the property?

9 A: No, not that I can recall.

10 Q: And were you ever named as a lost payee on any
11 insurance policy provided by the church?

12 A: No.

13 Q: During the time period from 2012 to present, have
14 you paid for insurance on the property?

15 A: Yes, I paid all the insurance.

16 Q: Okay. How much per year do you pay for insurance?

17 A: Pardon?

18 Q: How much per year do you pay for insurance?

19 A: It's approximately about 3200 a year.

20 Q: And as we sit here today, is the property insured?

21 A: It's insured today, yes.

22 Q: Now, the property taxes from 2012 to 2022, who paid
23 the property taxes?

24 A: I paid them.

25 Q: This lawsuit was filed in 2021, correct?

1 A: Yeah.

2 Q: Did you pay the taxes for 2021?

3 A: Yes.

4 Q: Did you pay the taxes for 2022?

5 A: Yes.

6 Q: Taxes for 2023 aren't due until November 1st,
7 correct?

8 A: Yeah, I got the bill for them though.

9 Q: Are you planning to pay the taxes for 2023?

10 A: I'm planning to pay the taxes.

11 Q: Has the church ever reached out to you and offered
12 to pay those property taxes?

13 A: No.

14 Q: Did the church ever reach out to you to offer to
15 reimburse you for paying for your insurance costs?

16 A: No.

17 Q: Do you believe the church is in default under this
18 agreement?

19 A: Oh, yes.

20 Q: Okay. How did they default?

21 A: When they -- the money, the 237,000, that's the
22 main reason and I tried -- I talked to Ms. Wigfall
23 about a month before, before the time was up and I
24 told her that I would finance it if they couldn't
25 get their money for the church from the bank. But

1 she told me she didn't need me; she'd get the money
2 from the bank.

3 Q: And the church, we've heard testimony earlier that
4 they never were able to get a bank loan.

5 A: No, huh-uh.

6 Q: And that conversation was before October 1st, 2017?

7 A: Yes.

8 Q: Now, after October 1st, 2017, did the church ever
9 come back to you and ask you to finance the balloon
10 payment for them?

11 A: No.

12 Q: Now, in paragraph three of Plaintiff's 5, there's a
13 90-day, if the purchaser becomes delinquent in
14 payments over 90 days, the seller has the right to
15 declare default. Do you see that?

16 A: They paid the bill before 90 days.

17 Q: Okay, but did they make the balloon payment within
18 90 days of ---

19 A: No, huh-uh.

20 Q: Okay. And did you declare them in default?

21 A: (No response.)

22 Q: Did you declare them in default, sir?

23 A: Yes.

24 Q: Now, behind that, there should be Defendant's 1, if
25 you look at the next document in your hand.

1 A: What now?

2 Q: Defendant's 1, which should be the next document in
3 your hand. Yeah, you can just put that one to the
4 side.

5 A: This one?

6 Q: Yes. It's a letter dated December 13th, 2017. Do
7 you see that?

8 A: Yes.

9 Q: Okay. Did you hire Pete DeLuca to draft this
10 letter?

11 A: Yes, Pete DeLuca.

12 Q: And in this letter on page two, he states that the
13 church is in default. Do you see that?

14 A: Yes.

15 Q: Did you authorize him to send this default letter
16 to the church?

17 A: Yes.

18 Q: Okay. And then it said you were willing to discuss
19 leasing the property to them for a period of time?

20 A: Yes.

21 Q: Did you authorize him to extend that offer?

22 A: Yes. Yeah.

23 Q: Did the church accept your offer to lease the
24 property?

25 A: No.

1 Q: Okay. Well, so the balloon payment was due October
2 1st, 2017, correct?

3 A: Yes.

4 Q: And they started paying \$1600 a month in rent?

5 A: Right. I let them go to \$1600 to let them try to
6 get ahead again. And then as they got ahead, I'd
7 raise the rent as they got ahead.

8 Q: Did the church ever respond to you in writing after
9 they received this letter from Pete DeLuca?

10 A: I didn't understand you.

11 Q: Did you ever get any written correspondence from
12 the church in response to this letter?

13 A: Oh, no. Huh-uh.

14 Q: Did you get a phone call from the church in
15 response to this letter from Pete DeLuca?

16 A: No.

17 Q: Did anyone from the church, after December 2017,
18 call you and say, "We don't think we're in default
19 under the agreement"?

20 A: No, that didn't happen.

21 Q: All right. Take a look at what's been marked as
22 Defendant's 2, which is the next document. This is
23 another letter from Pete DeLuca. Again, did you
24 ask Pete to draft and send this letter for you?

25 A: Yes.

1 Q: And did the church, did you receive any
2 correspondence from the church in response to this
3 letter?

4 A: No, I did not.

5 Q: Okay. Did you receive any phone call from any
6 member of the church ---

7 A: No.

8 Q: --- objecting to the contents of this letter?

9 A: No.

10 Q: Okay. Now, in this letter it says that rent is
11 currently 1600 a month, and starting in January
12 2019, it's going to go up to \$1800 a month. Do you
13 see that?

14 A: Say what now?

15 Q: In the letter, it references that the current rent
16 in October 2018 was \$1,600 a month. Do you see
17 that?

18 A: October the 1st, the one I got says.

19 Q: See at the top? It should be October 17th, 2018.

20 A: I've got the wrong thing. All right, I see it now,
21 "At the present time, there is a monthly rent of
22 1600 a month."

23 Q: Was the church paying you \$1600 a month ---

24 A: Yes.

25 Q: --- rent in October, 2018? Yes?

- 1 A: Yes.
- 2 Q: And then it says you were going to increase the
3 rent to \$1800 a month starting in 2019. Do you see
4 that?
- 5 A: Yes.
- 6 Q: Okay. Did they start paying you \$1800 a month in
7 rent starting in 2019?
- 8 A: Yes.
- 9 Q: During any of this period of time, did anyone from
10 the church ever reach out to you and tell you that
11 the \$1600 a month payments or the \$1800 a month
12 payments were payments towards the missed balloon
13 payment?
- 14 A: No.
- 15 Q: Did anyone at the church ever tell you that?
- 16 A: No.
- 17 Q: All right. You should have a letter that's dated
18 November 30th, 2020, with Pete DeLuca's letterhead
19 talk. Do you see that?
- 20 A: November 30th?
- 21 Q: November 30th, 2020.
- 22 A: Okay.
- 23 Q: It's got a sticker, Defendant's 3, on the bottom.
24 Do you see that?
- 25 A: Yes.

1 Q: Okay. Did you authorize Pete DeLuca to send this
2 letter?

3 A: Yes.

4 Q: And after you sent this letter, did anybody from
5 the church reach out to you and object to the
6 contents of this letter?

7 A: No.

8 Q: Did anyone from the church reach out to you and
9 tell you that they weren't making lease payments to
10 you, that they were making payments towards the
11 missed balloon payment?

12 A: No.

13 Q: At any time during these periods after October 1st,
14 2017, were you under the understanding that the
15 church was making payments to you on the missed
16 balloon payment?

17 A: Did I understand what?

18 Q: Did you understand at any time after October 1st,
19 2017, that the church was making payments to you on
20 the missed balloon payment?

21 A: Oh, no. They were paying rent.

22 Q: Okay. Did those rent payments apply towards the
23 balloon payment?

24 A: No, that contract was over October 1st.

25 Q: So, your testimony is that this agreement was

1 breached in October 2017, and you were no longer
2 operating under that agreement at that point with
3 the church?

4 A: I can't -- I'm hard of hearing.

5 Q: I understand; I'm sorry. I'll try to talk loud.
6 Is it your understanding that the church breached
7 the agreement in October 2017?

8 A: Yes, it was October 1st, 2017.

9 Q: Okay. And so, after that breach, is it your
10 testimony that the parties were no longer operating
11 under that agreement after October 2017?

12 A: Yeah, I told them, but I didn't hear anything from
13 them.

14 Q: Is the church currently paying you rent?

15 A: No.

16 Q: When did they stop?

17 A: September -- oh gosh, I forget the date. The last
18 time was in September, I think.

19 Q: September of what year?

20 A: 2021, something like that. I don't know.

21 Q: Is it true that the church hasn't paid ---

22 A: September the 3rd?

23 Q: Mr. Johnson, you don't need to look at any of those
24 documents. What I'm asking is when was the last
25 time the church made a rent payment to you?

- 1 A: It was -- I can't remember the year.
- 2 Q: Has it been more than a year?
- 3 A: Oh, yeah. It's been about three or four years,
- 4 five years, somewhere around there.
- 5 Q: Okay. Since you ---
- 6 A: I reckon, I don't know. I can't remember.
- 7 Q: Okay. All right. You heard Deacon Middleton
- 8 testify earlier today?
- 9 A: Yes.
- 10 Q: And he testified that you had paid a roofer \$2500
- 11 to work a repair on the roof, the church roof?
- 12 A: Yes.
- 13 MR. HAMMES: Judge, if I may approach?
- 14 THE COURT: Certainly.
- 15 MR. HAMMES: I'll mark this as Defendant's 5.
- 16 DEFENDANT'S EXHIBIT NUMBER 5
- 17 MARKED FOR IDENTIFICATION
- 18 MR. HAMMES CONTINUES:
- 19 Q: I'll hand you what I've marked as Defendant's 5.
- 20 Mr. Johnson, can you tell me what that is?
- 21 A: This is for the roofing contractor for \$2500 to fix
- 22 the church roof.
- 23 Q: What's the date of this check?
- 24 A: It was 12/15/2020.
- 25 Q: Why did you fix the roof on the church in December

1 2020?

2 A: It's still mine.

3 Q: Did the church ask you to fix the roof?

4 A: Yes.

5 Q: Who at the church asked you to fix the roof?

6 A: (Indicating.)

7 Q: You're pointing at Deacon Middleton?

8 A: Yeah.

9 Q: The gentleman who testified earlier to that?

10 A: Yeah.

11 Q: Okay. So, your testimony is Deacon Middleton asked
12 you to fix the roof on the church?

13 A: Yes.

14 Q: And you paid Matthew Litchfield \$2500 to come out
15 and repair the roof?

16 A: Yeah.

17 MR. HAMMES: Your Honor, if I may approach?

18 THE COURT: Certainly.

19 MR. HAMMES: I'll mark this as Defendant's 6.

20 DEFENDANT'S EXHIBIT NUMBER 6

21 MARKED FOR IDENTIFICATION

22 MR. HAMMES CONTINUES:

23 Q: Mr. Johnson, I'm going to hand you what I marked as
24 Defendant's 6. Can you tell me what that is?

25 A: That's a \$650 check to Keith Gaskin to fix the

1 drywall in the church.

2 Q: Okay. And you wrote that check?

3 A: Yes.

4 MR. HAMMES: Judge, I'll move this in as Defendant's
5 6.

6 THE COURT: Any objection on either one of those?
7 I'm not sure if I asked about 4.

8 MR. HAMMES: Yeah, Defendant's 3 and 6, I'll move
9 those in.

10 MR. MIXON: No objection to either one, Your Honor.

11 THE COURT: All right, admitted without objection.

12 MR. HAMMES: I did forget on 5.

13 DEFENDANT'S EXHIBIT NUMBERS 5 & 6
14 ADMITTED INTO EVIDENCE

15 MR. HAMMES CONTINUES:

16 Q: So, Mr. Johnson, you paid Keith Gaskin \$650 to fix
17 drywall in the church?

18 A: Yes.

19 Q: Okay, and the date of this is January 2021?

20 A: Yes.

21 Q: And why did you pay Keith Gaskin \$650 to fix
22 drywall in the church?

23 A: Well, they asked me to, and I figured it was my
24 church so I had to fix it.

25 Q: You own the property?

1 A: I own the property. Well, it's my building, not my
2 church but my building.

3 Q: Did the church give you any notice before they
4 filed this lawsuit?

5 A: No.

6 Q: Did the church ever tell you prior to filing this
7 lawsuit that they thought that they had met the
8 terms of the agreement?

9 A: No.

10 Q: Did the church prior to filing this lawsuit tender
11 you any kind of a check for the balloon payment?

12 A: No.

13 Q: This lawsuit was filed in July 2021. Did you
14 threaten to evict the church?

15 A: No.

16 Q: After the agreement was entered into in 2012, did
17 you store any personal items on the property?

18 A: No. The only thing of mine was probably some of
19 the equipment they was fixing the church with. I
20 let them use it to fix the church with. I moved
21 all the stuff out of the storage, and I didn't have
22 anything there until after the breach of contract.

23 Q: Okay. So, after the contract was breached, did you
24 move any of your personal stuff back onto the
25 property?

- 1 A: Yeah, I moved some back on there.
- 2 Q: Okay. When did you move back on the property?
- 3 A: Probably, probably five or six months after this
- 4 breach.
- 5 Q: So, early 2018? Does that sound correct, sir?
- 6 A: 2018, that's about right.
- 7 Q: As we sit here today, do you have personal property
- 8 that you store on the property we're talking about?
- 9 A: Today? Yes, I have personal property there. I'm
- 10 using that storage.
- 11 Q: Okay. The storage shed that's on the adjacent lot
- 12 to the church?
- 13 A: Yes.
- 14 Q: Both of those lots were included in the agreement,
- 15 right?
- 16 A: Yes.
- 17 Q: But you've been using that storage shed since 2018,
- 18 correct?
- 19 A: Yes.
- 20 Q: Has the church sent you any kind of notice, written
- 21 or verbal, to tell you to get your stuff off the
- 22 property?
- 23 A: No.
- 24 Q: And you've been using it continuously since 2018?
- 25 A: Yes.

- 1 Q: Did you ever speak with Ms. Brown during the course
- 2 of her making payments to you?
- 3 A: In the course of her making payments to me? Yeah,
- 4 we spoke a little bit.
- 5 Q: What would y'all speak about?
- 6 A: Mostly rent money, whether it late or not, or
- 7 something like that, you know.
- 8 Q: Would you call her if the rent was late?
- 9 A: Yeah, I would call her if the rent was late.
- 10 Q: Okay. Did she ever refer to the payments to you on
- 11 the phone as rent payments?
- 12 A: Do what?
- 13 Q: Did she ever refer to the payments as rent
- 14 payments?
- 15 A: Yes, I think she did. Yeah, she knew it was rent
- 16 payments.
- 17 Q: What do you want the court to do today?
- 18 A: Pardon? Did you ask me something?
- 19 Q: Oh, sorry, I didn't hear you. What do you want the
- 20 court to do today?
- 21 A: Well, give me my property back and I reckon let
- 22 them be evicted now, unless they want to sign a
- 23 lease on it or something.
- 24 Q: Do you want damages entered for breach of contract?
- 25 A: Yes.

1 Q: And that would be the rent for the past couple of
2 years that they haven't paid?

3 A: Yes, and I would like to get my taxes paid back on
4 it, and I would like to get the insurance paid.

5 MR. HAMMES: If I may approach, Judge? I'll mark
6 that as 7.

7 DEFENDANT'S EXHIBIT NUMBER 7

8 MARKED FOR IDENTIFICATION

9 MR. HAMMES CONTINUES:

10 Q: Mr. Johnson, I'm handing you what's been pre-marked
11 as Defendant's 7.

12 THE COURT: Any objection to that, Mr. Mixon?

13 MR. MIXON: I don't object to the county records,
14 Judge.

15 THE COURT: Okay. All right, without objection.

16 DEFENDANT'S EXHIBIT NUMBER 7

17 ADMITTED INTO EVIDENCE

18 MR. HAMMES CONTINUES:

19 Q: Mr. Johnson, I've handed you a Berkeley County
20 property card for the property. Does this
21 accurately reflect the property taxes that you've
22 paid on the property from 2013 to 2022?

23 A: I didn't understand.

24 Q: I'm sorry. At the bottom of the document that I
25 just handed to you, Defendant's 7, it lists out the

1 property taxes for the property from 2013 to 2022.

2 Do you see that?

3 A: Yes, uh-huh.

4 Q: Okay. Are these payments that you made to the
5 county for property taxes during that period of
6 time?

7 A: Yes.

8 Q: Okay. So, when you said that you wanted to be
9 reimbursed for property taxes as damages, is this
10 what you're referring to?

11 A: Yes.

12 MR. HAMMES: Judge, I don't have any further
13 questions for Mr. Johnson.

14 THE COURT: All right, Mr. Nixon?

15 MR. MIXON: I have a few, Your Honor.

16 CROSS EXAMINATION

17 BY MR. MIXON:

18 Q: Mr. Johnson, when you entered into this contract,
19 you only had a life estate; is that correct? You
20 didn't own the property, you just had a right to
21 live there and use it, right?

22 A: No, I bought the property, that was my property.

23 Q: Right, but you had signed it -- two years before
24 you entered into this contract, you had signed it
25 over to your son, didn't you?

1 A: No, I just -- I signed it over, over to him, but I
2 signed it in case something happened to me, and he
3 give me, I reckon you call it a contract to get, to
4 give me back all my interest in it.

5 Q: Okay, but he didn't sign this lease, did he?

6 A: No.

7 Q: Would you agree that he should have?

8 A: No.

9 Q: No? Okay. How much did you pay for this property?

10 A: That's kind of immaterial, but I think I paid
11 12,000 for it."

12 Q: Okay.

13 A: Which it wasn't worth that then.

14 Q: Okay. But you've made a lot of money off that
15 property since then, have you not?

16 A: Well, I make money any time I sell something.

17 Q: You must be an amazing business man.

18 A: That's what it's supposed to be. If I couldn't
19 make money on it, what would I mess with it for?

20 Q: Okay. All right. Now, this option to buy
21 property, I think you testified that if they paid
22 all the payments and did everything they were
23 supposed to, that all they had to do then is they
24 would have to come to you and buy it from you. Was
25 there going to be an additional amount charged?

1 A: Say that again now.

2 Q: Well, the contract has it set out that they're to
3 do certain things, pay 250,000 and give you some
4 tax deductions from the church, but I think I heard
5 you say at the end, no matter what they did, at the
6 end, they would have to come to you to purchase it.

7 A: What do you mean purchase it?

8 Q: Well, ---

9 A: Oh, if everything was paid by October the 1st,
10 2017?

11 Q: Yes, sir.

12 A: Well, I'd definitely had to sign it over to them.

13 Q: Okay, but you'd have to get your son to do that,
14 wouldn't you?

15 A: No.

16 Q: You wouldn't have ---

17 A: No, no, he'd already give it back to me then.

18 Q: Okay. Well, the county records say you only have a
19 life estate.

20 A: Well, I didn't record it.

21 Q: Oh, okay.

22 A: Well, yeah, I got a life estate on it.

23 Q: Yes, sir. How much is the -- you say the insurance
24 is running you 3200 a year. Did you have insurance
25 before the church did all these improvements?

1 A: No, not that kind of insurance. I had a small
2 insurance, say like a hundred thousand dollars or
3 something.

4 Q: But after they put all these improvements ---

5 A: Yes, they improved the church. They did.

6 Q: It made it a lot more valuable.

7 A: Yeah. The building, yes, they improved it, but
8 they was improving it for their self, not for me.

9 Q: Yes, sir. Now, in 2017, they were supposed to give
10 you a balloon payment.

11 A: On or before.

12 Q: On or before, right. And they weren't able to do
13 that, were they?

14 A: I know they didn't do it.

15 Q: Okay. Now, this property was also tax property,
16 right?

17 A: Everything was tax sale.

18 Q: Okay. So, did you ever bring an action to quiet
19 title on the tax sale?

20 A: A what?

21 Q: An action to quiet title?

22 A: An action to quiet? What you mean?

23 Q: Well, you had a tax deed from the county but
24 didn't ever bring an action to quiet title to
25 straighten out the title, to take any clouds off

1 the title.

2 A: All I know is I had a title to it and I didn't have
3 to pay nothing.

4 Q: Now, is it true that you -- I think your attorney
5 was trying to bring out the fact that you put that
6 they've paid lease payment since the time, since
7 2000, but didn't you consider all the payments
8 lease?

9 A: Consider what?

10 Q: Even before, didn't you consider the payments the
11 church was making to you as lease payments?

12 A: It was rent to own ---

13 Q: Right.

14 A: --- with a delayed option to buy.

15 Q: Didn't they put mortgage payments on it to start
16 with, on the first payments, and you told them no,
17 to put lease payments on it?

18 A: No, I told them put rent payment on it.

19 Q: Put rent, okay. So, you considered it rent all
20 along?

21 A: Yeah.

22 Q: Well, after 2017, when they owed the 97,000 and
23 they couldn't come up with the balloon payment, did
24 you still take payments from them?

25 A: No, not after -- no, I did not take payments.

1 After that, I rented it to them.

2 Q: But you took payments?

3 A: It wasn't payments for that. It wasn't payments
4 for the 97,000 because that contract was dead and
5 gone.

6 Q: Did you ever take it to court to have a judge say
7 that, that the contract was gone?

8 A: I didn't have to. I had a contract. Like the
9 contract says, the money they paid on it, it would
10 be considered as rent if they, they defaulted the
11 contract.

12 Q: Now, when Deacon Middleton called you about the
13 roof, didn't he call you to get the contractor that
14 put the roof on? Because you put the original roof
15 on, didn't you, or you had somebody do it?

16 A: I had somebody do it.

17 Q: Mr. Litchfield?

18 A: Yep.

19 Q: And so, he went out there to try to correct
20 whatever he messed up, correct?

21 A: I don't understand what you're saying.

22 Q: I mean, the church was having a leaking problem for
23 years after the roof was built.

24 A: It wasn't leaking all that time. Every now and
25 then when we'd get a hard wind or something, it'll

1 blow up under the tin and the contractor fixed
 2 that.
 3 Q: Okay. And that ---
 4 A: It's a metal roof.
 5 Q: Yes, sir. Oh, okay. How about Mr. Gaskin, what
 6 was he working on?
 7 A: He was right on the drywall inside the church where
 8 the leak was.
 9 Q: It had messed up the drywall?
 10 A: Well, it had a stain on it.
 11 Q: Okay, so he came in and straightened that up?
 12 A: Yeah.
 13 Q: So, it all came from the -- forget that.
 14 Now, you don't have any personal
 15 property inside the church, do you? I think you've
 16 testified you ---
 17 A: No, I let them use some equipment. I never seen it
 18 again, but I don't know if was there or if somebody
 19 took it out or what. I don't know. I asked Ms.
 20 Wigfall about it one time. She said she'd find
 21 out.
 22 Q: Okay.
 23 A: The scaffolding and warehouse ladders and stuff
 24 that they was using to fix the ceiling with, I let
 25 them use.

1 MR. MIXON: No further questions, Your Honor.

2 THE COURT: Okay. Any re-direct?

3 MR. HAMMES: Judge, I got just two quick things.

4 RE-DIRECT

5 BY MR. HAMMES:

6 Q: Mr. Johnson, has anyone challenged your ownership
7 of the property since 1998?

8 A: No.

9 Q: Other than this current lawsuit?

10 A: Right.

11 Q: And again, just so we're clear, if the church had
12 met the conditions of the agreement, you would've
13 been in a position to deed title to the property to
14 them in 2017?

15 A: Of course, that was our contract. That was our
16 deal. I wasn't out to, I wasn't out to mess them
17 up. Matter of fact, I helped them anytime they
18 needed help.

19 Q: Deacon Middleton testified that the condition of
20 the property in 2012 was horrible and unusable for
21 business or services. Do you recall that?

22 A: Yes, it was. There was ---

23 Q: Do you agree with that?

24 A: The roof had to become dropped. The leak on the
25 small part of the building, it made all the ceiling

1 drop. The drywall dropped, but that was only on
2 that part of the building.

3 Q: Did you put a new roof on the building at that
4 time?

5 A: Yeah, I put the new roof that was on there. The
6 contractor didn't fix part of the way coming up the
7 other roof to that roof, but he come back and he
8 fixed that. And I don't know whether it ever
9 leaked again after that, I don't know.

10 MR. HAMMES: I don't have any further anything
11 further, Judge.

12 THE COURT: All right. You can step down, Mr.
13 Johnson, thank you. Mr. Hammes?

14 MR. HAMMES: All right, I call Dustin Johnson.
15 Whereupon,

16 DUSTIN JOHNSON, having been called to the stand,
17 duly sworn, and cautioned to speak the truth, the
18 whole truth, and nothing but the truth, did testify
19 as follows:

20 THE COURT: Give your full name and your address for
21 the court reporter.

22 MR. JOHNSON: Dustin Johnson, I live in 757 Ponteamy
23 Branch Road in St. Stephen.

24 DIRECT EXAMINATION

25 BY MR. HAMMES:

1 Q: Mr. Johnson, you heard your father testify that he
2 had given you a life estate deed to the property in
3 2010?

4 A: Yes, sir.

5 Q: Did you sign a quick claim deed back to your father
6 subsequent to that?

7 A: I gave him power of attorney is what I signed, over
8 everything, I believe.

9 Q: And did the power of attorney authorize him to do
10 anything with the property?

11 A: Yes, it was his.

12 Q: Okay. So, he could transfer the property if he
13 needed to?

14 A: Yes, sir.

15 Q: Okay. Out of your name?

16 A: Yes, sir.

17 Q: Are you familiar with the agreement that we've been
18 talking about today?

19 A: Yes, sir.

20 Q: Did you ever have any discussions with anybody at
21 the church about the agreement?

22 A: I only had one discussion and that was with Ms.
23 Brown at the time. I was at my house in Moncks
24 Corner at the time. She was dropping off a
25 payment. I just happened to be there and I took it

1 from her.

2 I knew at the time we were or DeLuca was
3 putting these letters out. We didn't know if they
4 were getting them or not; ~~no one~~ ever responded. I
5 asked her, I'm like, "Hey, did y'all ever get the
6 letter," I'm like, "just saying that it was in
7 default, that it was now rent payments?"

8 She said, "Yes," and that's the only
9 conversation me and her has ever had.

10 Q: Okay. So, when you told her that the agreement was
11 in default, did she object to that?

12 A: No, she said she knew it was rent. She was very
13 polite; she was nice.

14 Q: Okay. Did she challenge the default in any way?

15 A: No. She gave me the check and we went about our
16 separate ways.

17 Q: What kind of car was Ms. Brown driving?

18 A: If memory serves, it was like either a gold or a
19 pewter color Honda Accord.

20 MR. HAMMES: Judge, I don't have any further
21 questions for Mr. Johnson.

22 THE COURT: Mr. Nixon?

23 CROSS EXAMINATION

24 BY MR. MIXON:

25 Q: I hear what you're saying about the rent payments,

1 but didn't your dad just testify that he told them
2 to put rent payment on all the payments?

3 A: I mean, I can't tell you what him and her talked
4 about. I can only tell you what me and her talked
5 about.

6 Q: Well, you heard your dad testify, didn't you?

7 A: Mm-hmm.

8 MR. MIXON: No other questions, Your Honor.

9 THE COURT: All right. Did you have anything
10 further?

11 MR. HAMMES: Nothing further.

12 THE COURT: Okay. All right, you can step down.

13 MR. HAMMES: I've got one more witness. He should
14 take five to 10 minutes.

15 THE COURT: Okay.

16 MR. HAMMES: And I believe Mr. Wall just talked to
17 him and he should be here in five minutes.

18 THE COURT: Okay. All right. So, do you anticipate
19 any reply?

20 MR. MIXON: I don't think so, Your Honor.

21 THE COURT: Okay. All right, well, let's stand at
22 ease. Just let us know when we get your witness
23 gets here.

24 ****OFF THE RECORD****

25 (On the record.)

1 THE COURT: All right, Mr. Hammes?

2 MR. HAMMES: I call Andrew Duggan.

3 Whereupon,

4 ADREW DUGGAN, having been called to the stand, duly
5 sworn, and cautioned to speak the truth, the whole
6 truth, and nothing but the truth, did testify as
7 follows:

8 THE COURT: Give us your full name, and spell your
9 last name for the court reporter please.

10 MR. DUGGAN: Andrew Joseph Duggan, Duggan is
11 D-U-G-G-A-N.

12 VOIR DIRE

13 BY MR. HAMMES:

14 Q: All right, Mr. Duggan, where'd you go to
15 college?

16 A: The Citadel.

17 Q: Okay. What degree did you get from there?

18 A: Business administration.

19 Q: Did you get any postgraduate education?

20 A: Yes, sir.

21 Q: Okay, where'd you go?

22 A: College of Charleston.

23 Q: Okay. What degree did you get from College of
24 Charleston?

25 A: Master's in Accountancy.

- 1 Q: Okay.
- 2 Q: Do you have any professional accounting
- 3 qualifications?
- 4 A: Yes, sir.
- 5 Q: Okay. Can you tell me about those?
- 6 A: I have a CPA license.
- 7 Q: Okay. You're licensed in the State of South
- 8 Carolina?
- 9 A: Yes, sir.
- 10 Q: Okay. Do you provide accounting services to the
- 11 general public?
- 12 A: Yes, sir.
- 13 Q: Okay. Can you tell me, have you provided
- 14 accounting to businesses?
- 15 A: Yes, sir.
- 16 Q: Okay. Small businesses?
- 17 A: Small businesses? Yes, sir.
- 18 Q: Individuals?
- 19 A: Yes, sir.
- 20 Q: Churches?
- 21 A: Yes, sir.
- 22 MR. HAMMES: Judge, I would move to qualify Mr.
- 23 Duggan as an expert in the area of accounting.
- 24 MR. MIXON: No objection, Your Honor.
- 25 THE COURT: All right, so moved without objection.

DIRECT EXAMINATION

BY MR. HAMMES:

Q: Now, Mr. Duggan, you were hired to review certain documents related to this case, correct?

A: Yes, sir.

Q: What documents did you review?

A: I reviewed the payment ledger for Mr. Johnson, and I reviewed the bank statements from First Citizens Bank.

Q: And the bank statements were from First Citizens Bank, those were for the church?

A: Yes, sir.

Q: Okay. And the payment ledger from Mr. Johnson, was that something that he had created?

A: Yes, sir.

Q: Okay. The bank statements that you reviewed, were they complete?

A: No, sir.

Q: Okay. There were some missing bank statements?

A: Correct.

Q: Did you lined up Mr. Johnson's ledger with the bank statements?

A: (Nods.)

Q: To do what?

A: I used the payment ledger and the bank statements

1 together to find the most likely summary of all the
2 payments made during the term in question.

3 MR. HAMMES: Judge, if I may approach?

4 THE COURT: Certainly.

5 MR. HAMMES: Mark this as Defendant's 8, please.

6 DEFENDANT'S EXHIBIT NUMBER 8

7 MARKED FOR IDENTIFICATION

8 MR. HAMMES CONTINUES:

9 Q: Mr. Duggan, if you'll take a look at the four-page
10 document I just handed you and tell me what that
11 is.

12 A: This is the report and the letter that we
13 produced.

14 Q: Okay. And what does this report tell us?

15 A: It gives a summary of the evidence that we reviewed
16 and what payments were made during the time in
17 question.

18 Q: Okay.

19 MR. HAMMES: Judge, I'll move this in as Defendant's
20 8.

21 THE COURT: Any objection, Mr. Nixon?

22 MR. MIXON: Well, other than some cross-examination,
23 Your Honor, but we have no objection to the
24 document coming in. That's his testimony.

25 THE COURT: All right, thank you.

DEFENDANT'S EXHIBIT NUMBER 8

ADMITTED INTO EVIDENCE

MR. HAMMES CONTINUES:

Q: All right, Mr. Duggan, based on your report, can you tell me how much money was paid by the church to Mr. Johnson through October 1st, 2017?

A: \$150,100.

Q: And can you tell me how much was paid by the church to Mr. Johnson through September 1st, 2021.

A: \$232,745.

Q: Okay. And the last two pages of your document there, that shows all of the payment credits that they received?

A: Yes, sir.

Q: Okay. Now, early in the report, there's an entry for 10/1/2012 and 11/1/2012. Do you see those?

A: Yes, sir.

Q: And both of those amounts were for \$6,250. Do you see that?

A: Yes, sir.

Q: And if you add \$6,250 to \$6,250, what do you get?

A: 12,500.

Q: Now, when you did your review and analysis, did you analyze any late fees that should have been charged under the agreement?

1 A: Yes, sir.

2 Q: Okay. And what was your conclusion on that?

3 A: The agreement provided for a late fee of \$15 per
4 occurrence, and the payment was late 30 times.

5 Q: Okay.

6 A: So, the total fine would've been \$450 for late
7 fees.

8 Q: And on the last two pages of your report where it
9 has Date on Check, that's the actual date that was
10 written on the check?

11 A: Yes, sir.

12 Q: So, it's not done by month, it's just done by the
13 actual date that the check was written.

14 A: I'll qualify that. If there was a check image
15 provided by First Citizens Bank -- for some months,
16 we only received the check images, and for those
17 payments, the date would be the check [sic] that
18 was on the check image.

19 If we did not have the check image, I
20 used the date on the bank statement itself for when
21 the check was paid.

22 Q: Got it.

23 MR. HAMMES: Mr. Duggan, I appreciate it. I don't
24 have any further questions for you.

25 THE COURT: Mr. Duggan, where it says, "Pulled from

1 General Ledger," that's the general ledger that was
2 provided by Mr. Johnson; is that correct?

3 MR. DUGGAN: Yes, sir.

4 THE COURT: All right. So, basically three
5 categories: general ledger, check image, or bank
6 statement.

7 MR. DUGGAN: Yes, sir.

8 THE COURT: Okay. All right, thank you. Mr. Mixon,
9 cross examination?

10 MR. MIXON: Just a couple questions, Your Honor.

11 CROSS EXAMINATION

12 BY MR. MIXON:

13 Q: Now, the bank statements didn't go back all the
14 way, did they?

15 A: No, sir.

16 Q: They only went back like five years?

17 A: They went back to 2017.

18 Q: Okay. And so, there could have been some others
19 that you just didn't, didn't see, right?

20 A: Correct.

21 Q: And you're relying on Mr. Johnson's ledger, right?

22 A: For the period before the bank statements start,
23 yes, sir.

24 Q: All right. You didn't see anything from the church
25 at that time, right?

1 A: No, sir.

2 Q: Okay. Still a substantial amount of money was paid
3 though, even under your calculations, right?

4 A: Yes, sir, the 232,745?

5 MR. MIXON: Thank you, sir. No other questions.

6 MR. HAMMES: Just quickly, one quick follow-up,
7 Judge.

8 RE-DIRECT

9 BY MR. HAMMES:

10 Q: Mr. Duggan, on your report, you have August 15th,
11 2014, you have a payment for \$2,400 and it says,
12 "Check image from FCB statement."

13 Did you have access to FCB statements
14 back to 2014? Does that sound accurate?

15 A: 2014, yes. August 15th, 2014 is when we started
16 having some of the statements from First Citizens.

17 Q: Got it, okay. You had said 2017 and I just was
18 asking to be sure.

19 A: My mistake.

20 Q: That's fine.

21 MR. HAMMES: No further questions.

22 THE COURT: Mr. Mixon?

23 MR. MIXON: No questions, Your Honor.

24 THE COURT: All right, Mr. Duggan, you can step
25 down. Thank you. Any objection to him being

1 excused?

2 MR. MIXON: No objection, Judge.

3 MR. HAMMES: No objection.

4 THE COURT: All right, you are excused, Mr. Duggan.

5 Thank you.

6 MR. DUGGAN: Thank you, sir.

7 THE COURT: All right, Ms. Hammes, anything further?

8 MR. HAMMES: I have nothing further, Judge.

9 THE COURT: Okay. All right. Any reply?

10 MR. MIXON: No, sir, Your Honor.

11 THE COURT: Okay. All right, I'm not looking for an
12 exhaustive closing statement, but if you want to
13 share with me just some highlights. Mr. Mixon?

14 MR. MIXON: I'll try not to exhaust Your Honor any
15 more than we already have.

16 Your Honor, my clients feel they entered
17 into this contract and they couldn't come up with a
18 balloon payment, but I'm wondering if maybe the
19 status of the title had something to do with it.
20 If you go into a bank loan office trying to get a
21 loan and you've got tax deed, you got a problem
22 unless you bring an action to quiet title. Plus,
23 you got this life estate and you've got this
24 remainder interest, I mean, that's out there, but
25 the church kept paying. They kept paying.

1 Now, they're going to say it's because
2 it was rent. Well, they told them it was rent on
3 all of them, but if you add it all together, Your
4 Honor, my client says they paid 249,000, right at
5 250, and put major improvements in the property
6 from Deacon Middleton's statement.

7 So, I mean, this is an equity court and
8 we think equity should be done. We think that the
9 church has really tried very hard for a small
10 congregation to purchase this property, and we just
11 think it would just be unjust enrichment if Mr.
12 Johnson just gets to keep the whole thing.

13 Now, if the Court said, "Well, you need
14 to come up with another couple of thousand," you
15 know, the church could probably do that. If they
16 need to pay the late payments, okay. They might
17 need some time on the taxes. We just think in
18 fairness, Your Honor, that the church shouldn't be
19 taken advantage of.

20 We appreciate this Court's time for
21 listening to us. Thank you.

22 THE COURT: Thank you, Mr. Nixon. Mr. Hammes?

23 MR. HAMMES: Judge, we view this agreement as a lease
24 with an option to buy. The agreement is entered
25 into in September 2012. There are effectively six

1 things that it requires the church to do. The
2 first is to make monthly payments; they did that.
3 The second was provide him with a tax letter for
4 \$250,000; they didn't do that. The third was
5 insure the property; our testimony is that was not
6 done. The fourth was pay property taxes; the
7 church did not do that either. The fifth was pay
8 late fees on monthly payments; they did not do
9 that. The sixth was make a balloon payment by
10 October 1st, 2017, and they did not do that.

11 And so, out of the six things that they
12 were required to do, four of them are admitted that
13 they never did. One of them, the insurance, we
14 believe they never did, and we have testimony to
15 that. So, they meet one of those options.

16 We immediately put them on default
17 notice. Pete DeLuca sends letters December 2017,
18 October 2018, December 2020, I believe, or November
19 2020, saying, "Hey, y'all breached the agreement.
20 We're not operating under that agreement anymore.
21 We're willing to rent to you moving forward."

22 That's what Mr. Johnson was testifying
23 about is once they breached on October 1st, 2017,
24 missed that balloon, that agreement is, is no --
25 they no longer have the right to buy the property,

1 and now he's agreeing to rent to them.

2 Then we fast forward. We get to 2021,
3 they file this lawsuit, and they say, "All those
4 rent payments we were paying you, no, those were
5 really going towards this balloon payment that we
6 never made to you," even though we didn't agree on
7 that. There's no -- they admit there's no writing,
8 there's no meeting of the minds, there's no
9 modification, there's no amendment.

10 If the court is inclined to find that
11 this is an installment contract, this case is
12 clearly distinguishable from Lewis v.
13 Premium Investment, right? In that case, it was
14 vacant land. The tenant came in and built a house
15 on it. They paid for 15 years. They thought they
16 had paid everything. In fact, they had paid like
17 85 percent. The landlord didn't do anything for
18 four years. When the landlord shows up and sends
19 them a letter that says, "You're in default, you
20 didn't pay the final 15 percent," they immediately
21 tendered the 15 percent to the landlord and the
22 landlord refused to accept it, right?

23 In that case, the South Carolina Supreme
24 Court said under those circumstances, this is an
25 installment contract, and we're finding that the

1 tenant has the right to do it.

2 That case is totally different than our
3 case, right? There's already buildings on this
4 property with roofs. Yes, they did do some
5 improvements. Under their own spreadsheet by their
6 own bookkeeper, they did \$51,000 worth of
7 improvements over 10 years.

8 But the breaches are substantial and the
9 breaches can't be ignored. And I don't think Lewis
10 can be interpreted to say if we have an installment
11 contract, it allows the tenant to basically pay
12 whenever they get around to it. Even as we sit
13 here today, they still have not gotten to the
14 number that's owed.

15 We don't think it's an installment
16 contract; we think it's a lease with option to buy.
17 We ask the Court to deny their relief, find they
18 breached the contract, enter damages for unpaid
19 rent for the past two years, and failure to pay
20 property taxes, and evict them from the property.

21 If the court is inclined to find that
22 it's an installment contract, we would also ask the
23 Court to deny their relief, because I don't think
24 it rises to that Lewis v. Premium Investment
25 standard which is extremely fact specific, every

1 case is different is what the Supreme Court
2 standard says and, if necessary, conform the
3 pleadings to the evidence under Rule 15B and
4 foreclose any interest they have in the property.

5 THE COURT: Thank you, Mr. Hammes.

6 MR. HAMMES: Thanks.

7 THE COURT: All right, gentlemen, thank y'all very
8 much. Y'all are very efficient and did a good job
9 presenting information and testimony today, and I
10 appreciate that. Obviously, y'all have worked well
11 together on this, and I hope your clients
12 appreciate that. Again, good job in presenting it.

13 I want to take a look at all the
14 documents. I'm going to review the case law. Some
15 of it, I'm going to go back and reread it,
16 specifically the Lewis versus Premium Investments,
17 and others in the same vein. I think it's
18 appropriate to review all of that. I want to make
19 a correct decision, so I'm going to take a little
20 bit of time to do it.

21 I doubt if there'll be any follow-up
22 questions. What I may do is once I've come to a
23 resolution, I may reach out to one or both to
24 prepare a proposed order. If I do that, I'll just
25 send you a note with a general outline and then go

Plaintiffs 5

RENT WITH DELAYED OPTION TO BUY

STATE OF SOUTH CAROLINA

COUNTY OF BERKELEY

THIS AGREEMENT made and concluded at Moncks Corner in the State aforesaid by and between WILLIAM H. JOHNSON, as Party of the First Part (Seller) and CHRIST FELLOWSHIP, BY JEREMIAH RAVENELL, PASTOR, WILLIAM MIDDLETON, TRUSTEE AND JACOB JOHNSON, TRUSTEE, as Party of the Second Part (Purchaser).

WITNESSETH: That the Party of the First Part agrees to sell and the Party of the Second Part agrees to buy, subject to the right of tenants, the real estate described as follows, upon the conditions as set forth below.

DESCRIPTION OF PROPERTY

ALL that certain piece, parcel or lot of land, together with any and all buildings and improvements thereon, situate, lying and being in or near the northern limits of the Town of St. Stephen in First St. Stephen Tax District, Berkeley County, South Carolina, MEASURING AND CONTAINING and BUTTING AND BOUNDED generally as follows, to-wit: Beginning at the northwestern corner of said tract of land at the point at which said tract adjoins the right-of-way of U. S. Highway No. 52, and running south $43\frac{1}{2}$ degrees west a distance of one hundred fifty (150') feet along lands now or formerly of Ruttenberg Corner; thence in an easterly direction a distance of seventy-five (75') feet along lands now or formerly of E. V. Stevens to a corner; thence north $43\frac{1}{2}$ degrees west a distance of one hundred fifty (150') feet along lands or formerly of E. V. Stevens to a corner located on the right-of-way of U. S. Highway No. 52; and thence following the edge of the right-of-way of said U.S. Highway 52 to the point of beginning.

-ALSO-

ALL that certain piece, parcel or tract of land, together with any and all buildings and improvements thereon, situate, lying and being in the southwest side of the right-of-way of U.S. Highway 52 in or near the northern limits of the Town of St. Stephen in First St. Stephen Tax District, Berkeley County, South Carolina, said lot BUTTING AND BOUNDED generally as follows, to-wit: On the northeast by the right-of-way of U. S. Highway No. 52; On the southeast by a paved street fifty (50') feet in width; On the Southwest by lands now or formerly of the Estate of E.W. Stevens, Sr.; and on the northwest by Tract; said tract of lands being in form and shape of a parallelogram measuring seventy-five (75') feet on its northeastern and southwestern boundary lines and one hundred fifty (150') feet on its southeastern and northwestern boundary lines.

Page 1 of 5 Pages

BOTH TRACTS ABOVE HAVING BEEN

COMBINED UNDER TMS#: 026-06-02-033

-ALSO-

ALL that certain piece, parcel or lot of land, together with any and all buildings and improvements thereon, situate, lying and being on the northwest side of Graham Street, in the Town of St. Stephen in First St. Stephen Tax District, Berkeley County, South Carolina, MEASURING AND CONTAINING Eighty-Three Hundredths (0.83) of an acre, more or less, BUTTING AND BOUNDED generally as follows, to-wit: On the northeast by lands of Pack; On the southeast by the right-of-way of Graham Street; On the Southwest by lands of B-L-S Construction Company, Inc.; and on the northwest by lands of Albert Cooper; having such shape, form, courses, distances, buttings, boundaries, and delineations, as are more fully shown on a plat captioned "Plat of Survey Land Owned by B-L-S Construction Company, Inc., St. Stephen, Berkeley County, South Carolina, About to be Conveyed to L & M Building Supply", dated March 14, 1970, which was prepared by E. A. Dennis, R.L.S., and reference is hereby craved to said plat and same is made a part and parcel of this description.

TMS#: 026-06-02-034

TERMS OF SALE

SALES PRICE: FIVE HUNDRED THOUSAND AND NO/100 (\$500,000.00) which is inclusive of a tax deductible contribution of TWO HUNDRED FIFTY THOUSAND AND NO/100 (\$250,000.00) DOLLARS BEING DEDUCTED IN INCREMENTS OF FIFTY THOUSAND AND NO/100 (\$50,000.00) DOLLARS PER YEAR FOR FIVE YEARS.

Less Down Payment: TWELVE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$ 12,500.00)

Unpaid Balance: TWO HUNDRED THIRTY-SEVEN THOUSAND FIVE HUNDRED AND NO/100 (\$237,500.00) DOLLARS.

1. The unpaid balance of TWO HUNDRED THIRTY-SEVEN THOUSAND FIVE HUNDRED AND NO/100 (\$237,500.00) DOLLARS will be financed by the seller at ZERO (0%) percent interest per annum, and will be repaid as follows: FIVE (5) equal installments of ONE THOUSAND SIX HUNDRED AND NO/100 (\$1,600.00) per month beginning on October 1, 2012, or upon completion of

the construction of the ceilings in the building on the property known as 1055 Graham Street, St. Stephen, South Carolina, 29479 OR on or before March 1, 2013, FIFTY-FIVE (55) equal installments of TWO THOUSAND FOUR HUNDRED AND NO/100 (\$2,400.00) DOLLARS with a final balloon payment of \$97,500.00 due and payable on or before October 1, 2017.

2. The purchaser will have from the First (1st) of each month to the Fifteenth (15th) of each month to make the monthly payment. If the payments are not made within this tolerance a Fifteen (\$15.00) Dollar late penalty will be added to the monthly payment.

3. In the event the Purchaser becomes delinquent in payments over Ninety (90) days, the seller will have the right to cancel this contract and all monies previously paid to the seller will be kept by the seller as liquidated damages and said monies will be considered as rent monies.

4. The Purchaser will be required to purchase fire and hazard insurance on the property in the amount of TWO HUNDRED THIRTY-SEVEN THOUSAND FIVE HUNDRED AND NO/100 (\$237,500.00) Dollars, with an entry on the policy that William H. Johnson is the first lien holder and listed as loss payee.

5. The Purchaser will be required to pay property taxes on the property each year prior to December 31, unless they are found to be exempt due to the status with the County Treasurer. The Purchaser understands that the property is being purchased in an "AS IS" condition and "NO FURTHER" improvements will be made by Seller.

6. Be it known to all parties that the Purchaser shall assume full responsibilities for "ALL" liabilities to the property, including damages and personal injuries and the Purchaser shall hold the Seller harmless from all claims arising from such damages or injuries, and the Purchaser shall indemnify the Seller for any and all costs, in all cases, should such costs arise.

7. All rent monies will be accepted as monthly payments towards the "OPTION TO BUY" provided the "OPTIONEE" complies with all provisions as outlined under the "TERMS OF SALE", However, be it known to all parties that this is a rental contract and the option to own is activated only when the full length of rental contract has been fulfilled.

8. The "OPTIONEE" waives all rights to include this property in a bankruptcy declaration and in an effort to do so this option will become null and void and all monies previously paid will be kept by the "OPTIONOR-SELLER".

9. This Rental Agreement with delayed option is binding upon the Heirs of both the Purchaser and the Seller.

10. Upon fulfillment of this Rental Contract, the Seller will present deed and titles to the Purchaser, free of all liens and encumbrances.

11. The Purchaser will not be allowed to sub-lease property to a 3rd party.

WITNESS our hands and seals this 3rd day of September, 2012.

William R. Metts
Witness

Margaret Whaley
Witness

CHRIST FELLOWSHIP, BUYER

BY: Jeremiah Ravenell
JEREMIAH RAVENELL, PASTOR

BY: William Middleton
WILLIAM MIDDLETON, TRUSTEE

BY: Jacob Johnson
JACOB JOHNSON, TRUSTEE

William H. Johnson
WILLIAM H. JOHNSON, Seller

STATE OF SOUTH CAROLINA

COUNTY OF BERKELEY

ACKNOWLEDGEMENT

I, Myra S. Whaley, a Notary Public for the State of South Carolina, do hereby certify that WILLIAM H. JOHNSON, as Seller, and CHRIST FELLOWSHIP, BY Jeremiah Ravenell, Pastor, William Middleton, Trustee and Jacob Johnson, Trustee, as Purchaser, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and seal this 3rd day of September, 2012.

 (L.S.)
Notary Public for South Carolina
My Commission Expires: 4/20/2016.