

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

ORIGINAL

James C. Williams, Circuit Court Judge

Appellate Case No. 2014-000118

John T. Lucas, Sr. as Trustee of the John T. Lucas Revocable Trust and Carolyn C. Lucas
Revocable Trust, Appellant,

v.

The Bristol Condominium Property Owners Association, Respondent,

and

The Bristol Condominium Property Owners Association, Plaintiff,

v.

John T. Lucas St. as Trustee of the John T. Lucas Revocable Trust Dated November 10,
2004, and Carolyn C. Lucas Revocable Trust Dated November 10, 2004,
Defendants/Counterclaim Plaintiffs,

v.

The Bristol Condominium Property Owners Association, Counterclaim Defendant.

RECORD ON APPEAL
Volume Two

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1 Q Okay.

2 A But we did escrow, and as a matter of
3 fact, I had kept the amount of money they say I owed
4 them in my own attorney's escrow account, because
5 they didn't want the escrow -- the money.

6 Q Okay.

7 A And so I did the best I could. That's
8 all.

9 Q Okay.

10 A And is that what we were supposed --

11 Q You're fine.

12 A Okay.

13 Q All right. Now, you mentioned a moment
14 ago about the bathrooms.

15 A Oh, yeah.

16 Q You wanted to talk about the bathrooms.
17 Talk about the bathroom situation.

18 A I forgot what I was -- the bathrooms.
19 Well, basically, I found out that the bathrooms were
20 theoretically part of it, but that was also
21 something that Judge Newman said no on. And anyway,
22 they were handing out \$2,000 to the people who did
23 sue to keep them quiet.

24 Q Okay.

25 A And so we asked for it, and they said, no,

1 you weren't part of the suit. I said fine.

2 Q Let me back up just a little bit. You're
3 talking about the suit that had individuals named on
4 it?

5 A Well, it was the -- I don't know which
6 suit it was.

7 Q Okay.

8 A It was the suit -- initially, it was just
9 for the windows --

10 Q Okay.

11 A -- and doors. I don't even think it was
12 for the doors, but that was by the property owners.
13 Then they -- the judge told them they couldn't do
14 that. So they filed another suit is my
15 understanding.

16 Q That you never joined?

17 A That I never joined, and I honestly didn't
18 know about --

19 Q Okay.

20 A -- at the time. Now, I know about it, it
21 was Landry, but people referred to it as the Landry
22 suit.

23 Q Right.

24 A And that included the windows and doors
25 and everything, and Mr. -- who's the little guy that

1 talked to on the table -- the DVD, Rosen's partner.
2 Hagood. Mr. Hagood even sent me a picture of the
3 bathroom asking if I wanted to be part of it, and I
4 said no -- or I never signed it.

5 Q Okay.

6 A And to my knowledge, my bathroom doesn't,
7 leak but I'm on the bottom floor. And that's part
8 of the reason I didn't do it. Oh, this is another
9 good story. I'm on the bottom floor. My bathroom
10 is on the bottom floor. Below me are, you know,
11 Volvos, Fords, Cadillacs, whatever. That's the
12 second floor of the garage.

13 Well, what they did, and this is
14 really cool, they started talking about bathrooms.
15 They ran around and plugged every little hole where
16 the sewage drain or any water pipe comes through.
17 Well, remember, column, horizontal regime. Well,
18 they got around plugging all of them.

19 Well, before they did, and this was
20 mentioned by Warner in his deposition, that they
21 voted to do this so they -- well, I don't know what
22 the word was. He said it just leaked too much, and
23 what they were doing was plugging these holes where
24 the water was coming out from the bathrooms above
25 and hide them so they could sell their condos.

1 And they -- well, then the water quit
2 coming down, and it was also involved in that
3 sewer -- not sewer, that drain on the floor doesn't
4 work. I think it goes uphill, and they decided they
5 couldn't fix that. And -- but they plugged all the
6 holes up. You can see them where they plugged the
7 holes up where the pipes came down, and water was
8 coming down there.

9 And under the one that it was a
10 worst, I think which was 16, you could see where the
11 cement is cracked where the water is kind of settled
12 into it and with the free soft cycle on the third
13 floor. But what that does with the water, spreads
14 it out from one condo to another, and doesn't give
15 it a way to drain.

16 But in addition to that it, every
17 blankety blank hot water heater in that building
18 doesn't have a drain. So that's a disaster waiting
19 to happen. Then they built the door bottoms, jams
20 up, I'd say an inch and three quarters where if you
21 did have a disaster, water would run out the door.

22 Well, now, they got a dam. So
23 instead of going out the door, it's going to go in
24 the hall or somebody else's condo, which has
25 increased the liability for me if something

1 happened.

2 Q Okay.

3 A Or my insurance company, really.

4 Q Just a moment ago, you mentioned \$2,000
5 going to the property owners. I'm going to show you
6 what is behind tab 57 in plaintiffs' trial brief --

7 A Oh.

8 Q -- that is marked tab 57 on Plaintiffs'
9 Exhibit 1. Let me make sure I'm making that clear
10 for the record. Now, this is a two-page letter, and
11 I'm going to put that in front of you. Tell me what
12 this is.

13 MS. POPE: Go ahead.

14 (Off-the-record discussion.)

15 THE COURT: All right.

16 MR. BARFIELD: You were on tab 57 I
17 believe.

18 MS. POPE: Yes.

19 THE COURT: Yes. 57.

20 BY MS. POPE:

21 Q All right. Dr. Lucas, you have got a
22 two-page letter here in front of you. Tell me what
23 this letter is, or when did you receive this letter?

24 A I don't know when I received it but --

25 Q Well, what is it dated?

1 A It's dated April 15th.

2 Q Of what year?

3 A 2013.

4 Q Okay. And what is this -- the letter's
5 from the --

6 A BPO.

7 Q Okay. To the homeowners?

8 A Yeah.

9 Q All right. And what is this letter
10 discussing? Is it the bathrooms?

11 A Yeah. It's bathrooms, mold and water.

12 Q And drainage issues?

13 A Yes. Drainage issues.

14 Q Okay. Related to possible construction
15 defects with the bathrooms?

16 A Yeah.

17 Q Okay. That people may or may not have.

18 Some people knew that they had bathroom problems and
19 had them fixed?

20 A And they sued for them.

21 Q Okay. And some people didn't and didn't
22 sue?

23 A Right.

24 Q Okay. Now, on the second page, you had
25 mentioned \$2,000 earlier, and it states in this

1 letter, and I'm just going to read straight from it.
2 Property owners have been notified of the potential
3 problem through legal action on this issue, and to
4 set aside \$2,000 for eligible owners based on the
5 lawsuit that provided a level of funding to complete
6 the recommended repairs. And this is referencing
7 \$2,000 for potential bathroom repairs?

8 A Yeah. They gave them \$2,000 to repair
9 their bathroom, because they didn't do it with the
10 original suit. The guys above me, their bathrooms
11 may leak. I don't know.

12 Q Okay.

13 A Well, one of them I think probably does,
14 but they didn't fix them.

15 Q Okay.

16 A And -- but they gave them \$2,000 to find
17 out if they need to fix them or fix them.

18 Q All right.

19 A And that was their settlement.

20 Q This talks about eligibility for the
21 \$2,000. What is your understanding as to your
22 eligibility to get --

23 A I wasn't eligible.

24 Q Why not?

25 A Because I wasn't part of the suit.

1 Q Okay. However, you testified earlier that
2 you were -- that money was being used from different
3 accounts?

4 A Oh, yeah. Well, in Primus' deposition,
5 Johan Primus (phonetic), he said that they took
6 money out of the general -- budgeted money from the
7 general budget to pay these guys 2,000 so they
8 wouldn't sue.

9 MR. BARFIELD: I want to object to the
10 hearsay there.

11 A Well, it's in Johan --

12 MS. POPE: Hold on. Hold on. I'm sorry.
13 Yes, sir.

14 THE COURT: He can answer. I noted the
15 objection.

16 MS. POPE: Go ahead.

17 THE COURT: He was probably an agent of
18 the defendants if he was speaking this type of
19 thing. But anyway, I'm going to let him answer
20 the question.

21 A Well, Johan testified about it. In his
22 deposition, he said that. That's how I found out
23 about it.

24 BY MS. POPE:

25 Q Okay.

1 A I didn't know about it till Johan said,
2 and Johan is on the board. So he would have known.

3 Q Do you know if -- strike that.

4 To your knowledge, do you have any
5 leak issues with your bathroom?

6 A To my knowledge, no, you know, my
7 bathrooms. But there's a question of a bathroom
8 that they initially said wasn't a problem. There's
9 signs of water damage above the shower in my guest
10 bathroom that occurred at some point, and you can
11 see the head of a nail where it's worked its way
12 out.

13 And I don't know whether that --
14 honestly, whether it's the bathroom above we hadn't
15 investigated, or if it's while they had the
16 sheetrock torn -- or not sheetrock, stucco torn off
17 the building and it rained and messed up my
18 sheetrock. I'm not sure.

19 But in and around that time is when
20 it occurred, and there's also a question of the
21 vents in my guest bedroom, but hadn't had that
22 looked at either. It was either due to my son
23 closing the air conditioning vents, as I mentioned
24 earlier, or it's rundown from the owners' closet
25 above me.

1 Q Okay. Either way, if you want to know
2 whether you --

3 A It's going to cost me.

4 Q Okay. Hypothetically, if you wanted to
5 put your condo on the market --

6 A It's going to -- I'd have to reduce the
7 price.

8 Q Why?

9 A Not only because of this letter, but --
10 you know, because the guy above me may leak at some
11 point.

12 Q Okay.

13 A See, they plugged all those little pipes
14 that go through the floor between the third floor
15 and the second floor and the garage, but they didn't
16 plug in the holes where it went through above. So
17 any time water gets in -- you know, somebody spilled

18 a bucket of water, or their washing machine runs
19 over or hot water heater, it's going to run down
20 that same pipe because they got it blocked off the
21 high thing to my condo. I mean water goes down.
22 Fire goes up. I got both insurances.

23 Q Okay. What did you pay for your condo?
24 When you bought it, what was the purchase price?

25 A 460 something I think.

1 Q Okay.

2 A 460,000.

3 Q And did you pay for that? Is there a
4 mortgage on it, or did you pay for it in full?

5 A Took money out of my retirement so that I
6 wouldn't have to take a loan, because I was disabled
7 still, but I wasn't working.

8 Q Right.

9 A So I had to get money somewhere to help my
10 son, and so I bought that figuring I could sell it
11 for the same price I had paid for it. And so, you
12 know, that's part of my retirement money.

13 Q Okay. Do you know what the current value
14 of your property is?

15 A Well, the tax value --

16 Q Tax value.

17 A -- is the only thing I know. At its
18 highest point, it was 600,000, and I tried to sell
19 mine for 525. That's when all the lawsuit stuff was
20 going on. Now, the current tax value is I think
21 379.

22 Q Okay.

23 A I think that was the last year's tax.

24 Q Okay. So is --

25 A That's the tax value.

1 Q The tax value?

2 A I paid more tax because I'm out of town,
3 and it's Charleston.

4 Q Okay. Right. So the tax value shows that
5 it's decreased in value over time?

6 A Oh, God, yeah.

7 Q Based upon what you paid?

8 A Yeah. Not only that, all this other work
9 that's got to be done.

10 Q Okay. Then now you have got the issue of
11 the bathrooms and disclosure issues when you go to
12 sell, if you sell?

13 A Yeah. And the rug's messed up.

14 Q Okay. Tell me about the rug.

15 A Well, they said I had to change the
16 windows with the transom.

17 Q You're talking about when they put the new
18 windows in?

19 A Yeah.

20 Q Okay.

21 A And they moved the whole wall out about an
22 inch. You know, if you want to see it, I can show
23 it to you. I haven't done nothing with it. On the
24 carpet -- and there's a gap there. It runs
25 diagonally back. At one end, it's okay, but at the

1 other end, it's out. And the other end it's out is
2 because the doors is there. So moved it out a bit.

3 Q So you're saying the carpet used to be
4 flush?

5 A Yeah.

6 Q And once the windows were replaced, it's
7 no longer flush?

8 A No.

9 Q Okay. Any other issues with your condo
10 since the windows being replaced and the
11 reconstruction took place?

12 A Well, I gave Lona a punch list way back
13 right afterwards, and I think on that, there were
14 handprints where they were lifting to pull the
15 windows up. And we got some of that, and there was
16 a crack in the master bedroom where the stud goes
17 upside the window. You know, the window sits like
18 that, and the stud comes down. And there's a crack
19 below the window where it -- when they yanked the
20 window.

21 To get windows out, they use some
22 kind of vacuum thing and then cut the -- around the
23 window and just pulled it back into my condo, and
24 they must have pulled a little hard there, because
25 they got a little crack in the wall. And my

1 bathrooms are okay.

2 There is a huge -- well, several
3 cracks, but a big one in the stucco that they redid
4 on my condo. Before, it had no cracks. But there's
5 one big crack that runs all the way from the floor
6 up to the -- I'm sorry, gentleman, the lawyer,
7 flashing between condos. But it runs all the way up
8 to that, and then it ran up to the oval window in
9 the condo above me.

10 Well, they repaired his, didn't touch
11 mine, but now he's got -- last time I was there,
12 which was November, he has a huge crack running up
13 from the other side. So there's some kind of
14 problem besides drying that they seen, and then
15 there's another place in the stucco that's cracked
16 where there was no stucco. It just -- I mean
17 there's a -- it's just stucco there.

18 And then there's a crack on the
19 column, and that's all the stucco I can see, and I
20 can't get out on the ladder so -- but that's from my
21 porch, the stucco.

22 Q Okay. And issues from getting from inside
23 your condo out onto your porch, your balcony?

24 A Yeah. Not my bathroom.

25 Q I'm sorry?

1 A From my kitchen to the deck, which is the
2 room I use, because it's tiled, and, you know, you
3 don't track, and that's where the mat is. And I
4 used to take my scooter and scoot right out, and
5 there was a metal flashing there. Now, this is the
6 same door the rubber was blown back, but they got
7 this high -- I don't know how it is, but they got
8 this threshold there to keep -- the reason I say
9 that rubber is connected to the high threshold is I
10 think they put the high threshold there so the
11 pressure washing wouldn't come in under the door,
12 which they did pressure wash my place.

13 So that's there to act as a block
14 instead of the rubber just being pushed off on the
15 bottom of the door. And I can't get over it with my
16 scooter. So every time I get ready to go outside, I
17 have to stop to look, go out, and, you know, in the
18 morning, it's -- it's okay. In the afternoon is
19 when I really get tired and need my scooter.

20 Q Was it like that before the windows were
21 changed, before the reconstruction?

22 A No, no, no, no, no.

23 Q Okay.

24 A As a matter of fact, down in the Bristol
25 room --

1 Q Talking about the meeting room?

2 A Big meeting room that's common property.
3 On one side, they got the big high -- last time I
4 was there, they got the big high threshold, but I'm
5 sure that City told them that they had to have a
6 flatter threshold so handicapped people --

7 Q Which doors are you referring to?

8 A The ones that go from the Bristol room to
9 the pool.

10 Q Okay.

11 A So one side -- it's a double door. One
12 side has got it so, and the other side has got the
13 low metal flashing that you go out. And I'm sure
14 somebody told them that for handicapped people, they
15 had to do that, but my condo is -- all of them are
16 that way. I can't get out my door. Can't get out
17 of some of my windows, because they painted them
18 plum shut.

19 And the screens on the master bedroom
20 never were reinstalled, and I can't get the window
21 up, because it might cause damage to the seal. And
22 I'm not going to bang on the window if I could to
23 get it open, and I didn't even let what's his name,
24 Mike, do that to put my screens on. So they
25 probably need to be put on from the outside if they

1 need to be put on.

2 And then this -- I don't know. It
3 didn't have anything to do with the reconstruction.
4 But while all of this was going on, I noticed that
5 there are big, huge cracks in the floor of the
6 cement that my condo sits on, which I would say is
7 common property. But I think there's two. I showed
8 them to you, but they've been getting bigger.

9 And nobody has ever bothered to put a
10 little pressure -- you make little copper wedges and
11 put them in there and drive them in, and then if it
12 spreads, then they drop down. But it has spread
13 since they painted the floor in there, and I didn't
14 know they done this either. But they painted the
15 floor in there and built little cabinets for renters
16 to put their stuff, you know, not in the owner's
17 cabinet, but in those little cabinets.

18 And one of the things you said, they
19 were a business exemption from being sued. She had
20 to go to court about it.

21 Q Okay. All right.

22 A But they were making money off -- they
23 rent those things for \$50 a month, and I didn't even
24 know it. And they're right next to me. I heard a
25 lot of banging over there, but I -- that's what they

1 do. For renters, they charge them \$50 a month. I
2 don't use them.

3 Q Okay.

4 A That's where the cracks go under my
5 bathroom, and I got the feeling they run all across
6 my condo there where the cracks are in the stucco
7 but --

8 Q You're talking about --

9 A -- I'm not going to tear it up to see it.

10 Q I'm sorry. I didn't mean to interrupt
11 you. You're talking about the cracks are in the
12 concrete area beside your condo that's used for
13 storage? Is that what you're referring to?

14 A Here's my condo.

15 Q Right.

16 A There's a little storage area here. It's
17 not a full, because there's a porch back there.

18 There's a little storage area here, and there are
19 big cracks in the concrete that run under my
20 bathroom.

21 Q Okay. I just wanted to clarify. I
22 thought I understood what you were talking about. I
23 wanted to make sure that we had it clear for the
24 record.

25 A And God knows how far down do they run,

1 but, see, those would be little channels. If water
2 came from somewhere else, it would run under my
3 condo.

4 Q Okay.

5 A And that's why I was referring to those
6 big cracks around the pipes in stack 16. It's a
7 model crack around -- I think what's happening is
8 the crack is getting larger, because the freeze thaw
9 cycle between the garage and the condo and spread.
10 They said something about settling, but I'm not so
11 sure that's what it is.

12 Q Okay. We talked earlier about attorneys'
13 fees and costs.

14 A Uh-huh.

15 Q Since the foreclosure was filed in March
16 of 2011, is it fair to say that you incurred
17 attorneys' fees and costs in excess of 100 -- or
18 approximately 100, not in excess. I'm sorry.
19 Approximately \$100,000?

20 A I would say probably in excess, because --
21 but anyway, you -- but anyway --

22 Q But would that be a fair assessment?

23 A Yeah. And initially, like I said, I was
24 willing to settle if they pay for my windows and
25 forget the whole thing, because they had taken my

1 windows. But anyway, they didn't want to do that.
2 So they have done -- the business exemptions were
3 pursued, they have done foreclosure, they have
4 done -- what else? It was something else they
5 tried. I forgot. Darn it, but all that costs me
6 money.

7 MS. POPE: Okay. 'If I could have just a
8 one-minute recess, Your Honor, to confer with
9 co-counsel, and I think I may be ready to turn
10 him over to you, and we can break for lunch and
11 then I can turn him over to you, however you
12 would like.

13 THE COURT: Sure.

14 (Off-the-record discussion.)

15 THE COURT: Yes, ma'am?

16 BY MS. POPE:

17 Q I just have a couple of follow-up
18 questions. You've taken a lot of time to talk about
19 and explain your feelings about the construction
20 litigation, your feelings about the board. I'm
21 going to ask you something a little bit more
22 specific, and what -- and you've touched on this a
23 lot, but in what ways do you feel -- or do you even
24 feel that you were misled by the board or the
25 homeowners association?

1 A Yes.

2 Q Okay. Explain.

3 A Well, one, is we found out they sued
4 saying all of the homeowners, and that's what the
5 judge said they couldn't do, the Judge Newman. And
6 they didn't let us know anything about that, but
7 they led us to believe that everybody had to pay
8 since they took the windows and -- well, took
9 everything in that ruling. I think it's Article 3.

10 Q Okay.

11 A And that's how we got to paying for
12 everything equally, and that kind of bothered me
13 too. Because during all of this time, when I read
14 the letter of Mr. Mooneyham's, which I asked him to
15 write about I wasn't going to pay for it, they said
16 I -- it was running a rebellion, but anyway, I
17 wasn't. I was paying attention to my property.

18 But that same Christmas, they were
19 trying to foreclose on seven or eight people while
20 they were having -- that May, while they were having
21 a pool party to open up the pool. And I don't know.
22 I get a little upset by those things when people on
23 top are having pool parties, and the people on the
24 bottom are losing their property.

25 That's why I have been so obstinate

1 about this from the beginning, and they worked with
2 them, I understand, where they had a lot of
3 special -- what was it, special sales or with the
4 bank and whatnot. I mean, you know, I don't know
5 many people there on the whole condo, and that's why
6 I'm a thorn in their side. But they were having --
7 what do you call it?

8 Q Short sales?

9 A Short sales. They were having short sales
10 instead of foreclosure. Now, they did close on
11 Bishop, because from the beginning, he never paid,
12 but --

13 Q Okay.

14 A -- you know.

15 Q All right.

16 A But I have been paying them, all except
17 for that.

18 Q Okay.

19 A What I'm contesting.

20 Q Do you ever feel that you as a homeowner
21 were misled by the board as to why funds from the
22 operating and reserve accounts were used?

23 A Oh, Lord, yes. And I mean the most recent
24 example was Johan Primus saying they were taking
25 money out of the general. They budgeted money to

1 pay the people, because they never fixed any of the
2 bathrooms except the board's, to my knowledge. They
3 may have fixed somebody else's, but they fixed a lot
4 of floors and, you know, that sort of thing. I mean
5 if you really trace that money out, it was -- in my
6 opinion, it was abused and misused.

7 Q Not just for the bathroom situation?

8 A No. Not just for the bathroom. They ran
9 out of money on the bathrooms.

10 Q Okay.

11 A They were important people while they had
12 that 3.6. They spent it so fast.

13 Q Well, how else do you think they misused
14 the money besides the bathrooms?

15 A Well, the windows and doors.

16 Q Anything else?

17 A Because that was why it ran over. If they
18 were just going to do it, they just stuck to the
19 common area downstairs that I've already mentioned,
20 and fixed that --

21 Q Okay.

22 A -- and just kept the money in the escrow,
23 and they could have lived off of it for years. But
24 they said the stucco was bad, and the stucco may
25 have been bad because of water. And I think this is

1 why they wanted to do the stucco, because the water.
2 Water goes downhill. They don't get that, but the
3 water was going in the closet and going down in the
4 walls. So they had to tear all the stucco off.

5 They also -- bathroom, they never
6 even looked at my condo, to my knowledge, to assess
7 if there was a problem with it. Ms. Vest is the
8 only one that said there was, and there was a little
9 streak on the window. And I think she has some
10 pictures of that, and the oval window. It's the two
11 little places where water either came in or sweated.

12 Q Okay. I'm going to show you -- you made
13 reference to a letter that came from the insurance
14 agent about coverages. I'm going to show you what
15 is behind tab 8 in plaintiffs' trial brief. Okay?
16 Is this the letter -- this is a letter from --

17 A Cindy Mulcare.

18 Q Is this the letter you were referring to?

19 A Yes. I got a copy of this in the mail.

20 Q Okay.

21 A And it was something you had been
22 requesting that I review the master deed of the
23 Bristol Property Owners in an attempt to ascertain
24 if the language used in the property rights and
25 descriptions in units 3.2 -- yeah. I remember that.

1 Basically this was where they were
2 saying, well, our insurance may not cover the
3 windows. So we need to change the master deed so
4 that it -- mine -- the condo insurance will take
5 care of it. Well, I already had insurance on mine.

6 Q Okay. Do you feel that this letter was
7 misleading to the homeowners as to the reason why --

8 A It was done.

9 Q Okay. Why was it to you?

10 A Because I had my own insurance, and nobody
11 ever asked me if I had insurance.

12 Q Okay.

13 A But just said we can change in the master
14 deed. Your -- and see, the problem with that is it
15 does create an insurance problem, because now, it's
16 hard to say who owns the windows. And if I apply it
17 on my insurance, then my insurance will reference
18 back, well, they took your windows. And if I apply
19 it on their insurance, it don't cover the window if
20 I fall against it and break it out from the inside.

21 Q All right.

22 A So, you know, I don't know what to do. I
23 guess I own the inside of the window from a
24 liability standpoint, and they own the outside is
25 the only legal way I can look at it after they took

1 them. But before, I owned both sides of that
2 window, and I owned the window. And that window
3 gave me a specific view. It may not have been a
4 pretty view, but it was a view that was consistent
5 with what I paid for my condo.

6 The people that had water views paid
7 for it. People who had parking views paid more.
8 I'm a cheap son of a gun in some respects, and I
9 wasn't going to buy the most expensive condo. So I
10 got one looking at the parking lot, because I
11 figured if my son looked at the parking lot, he'd
12 see the elevators -- the helicopters coming into the
13 Med U. Might remind him he needs to pay attention
14 to what he's doing.

15 Q Okay. What do you feel is the -- you
16 referenced the insurance letter that was behind tab
17 8. What do you believe, or what do you feel is the
18 real reason why they -- the board wanted to change
19 the master deed?

20 A So they could sue.

21 Q Okay.

22 A They took my property so they could sue
23 for it, and they -- Newcomb -- Judge Newcomb caught
24 them.

25 Q Newman?

1 A Newman. Judge Newman caught them, said
2 they couldn't.

3 Q Okay.

4 A But then, they kept that secret and told
5 me I own the same things as the guy with the big
6 condo on the waterfront. And it's a horizontal
7 property regime. I think they're supposed to be
8 separate for the size or for the tax value. Here I
9 am paying tax value for it, and they got twice the
10 tax value, and I pay the same thing.

11 If you compare the pieces of
12 property, I'm paying to support their property, and
13 they're going to be able to sell it for more.
14 Proportionately speaking, I'm paying the same --
15 well, I'm paying more proportionately speaking based
16 on tax value, and tax value is based on resale
17 value, in Charleston at least.

18 Q Okay. I'm going to do something that my
19 co-counsel may throw a pen at me for it in just a
20 second here. But I'm going to ask a loaded
21 question. Is there anything that I have not covered
22 in asking you questions today that you would like to
23 say for the record?

24 A In my opinion?

25 Q This is your opportunity.

1 A In my opinion, they knew they were doing
2 this, and the judge had told them that each person
3 had to sue for their own property, that they could
4 not retrogradely change the deed just so they could
5 sue, and they charged me for the suit. And then
6 they tried to charge me for the reconstruction, and
7 I told them I had my own insurance. And it was my
8 condo, and I would be responsible for my condo, and
9 that's why I have insurance.

10 But now, they're trying to say my
11 bathroom leaks. They took my stucco and made it
12 crack. They took my windows. They still get
13 moisture on them. They messed up my condo, and not
14 only that, they made it a place I don't want to go
15 to, because I get upset every time I go there.

16 And I ain't been there since
17 November, and the only reason I stayed there was I
18 didn't want to go to a hotel. And I got to where
19 now -- well, I had come for a doctor I think, and I
20 got a hotel room. And I got a hotel room last
21 night, and -- I'm sorry.

22 And they treat a lot of people
23 besides me -- they only had 40 people total to the
24 records that sued. That's not 75 percent, which the
25 master deed requires. So they couldn't. Of those,

1 48 of them didn't trust the attorney that was hired,
2 and they sued separately. And then there was 14 of
3 us that didn't sue.

4 And things do happen and things, over
5 a period of time,,and I realize that with my condo.
6 But daggone it, they don't own it. I paid for it.

7 MS. POPE: Okay. That's all I have, Your
8 Honor.

9 THE COURT: All right. Cross-examine?
10 (Off-the-record discussion.)

11 THE COURT: All right. I believe it's
12 cross-examination time?

13 MR. BARFIELD: Yes, sir.

14 CROSS-EXAMINATION

15 BY MS. POPE:

16 Q Dr. Lucas, are you doing all right?

17 A Uh-huh. Yes. I'm here.

18 Q Are you good to get rolling again?

19 A Yeah. Might as well.

20 Q All right. I'm going to be very brief.

21 Your deposition is already part of the record. So
22 there's no sense plowing old ground. So forgive me
23 if a jump around in some discrete topics that I want
24 to kind of flesh out a little bit based on your --

25 A My mind don't jump as fast as yours. So

1 let's go.

2 Q Fair enough. The first question I have
3 for you is sort of a philosophical question. Would
4 you agree with the proposition that a board in a
5 homeowners association has the right, if not the
6 obligation, to rely on the advice and consultation
7 of professionals that they hire?

8 A That depends on what I hired them for. I
9 mean if you're talking about SKS, I don't think they
10 were that professional personally, but yeah. I
11 mean, you know, you hire a professional, but you get
12 what you pay for.

13 Q Okay. So if the board hired an attorney
14 that gave them legal advice, it would be incumbent
15 upon the board to consider that advice, and if
16 appropriate, act on that advice, correct?

17 A Well, yeah, I suppose. There was a
18 question of attorneys and that advice throughout
19 this, because there was a connection between the
20 homeowners and the attorney representing them as --
21 against the builder. There was a connection there,
22 and one of the groups, the Hunger Group -- Hanger
23 Group had some things to say, which would be hearsay
24 if I repeated it. But -- and that's why I chose not
25 to use that group.

1 One of the many reasons I didn't sue
2 was nothing was wrong. Number 2, they were --
3 wasn't messing with my property, or at least I
4 thought not, and the third thing, there was some
5 question about the representation. So -- and there
6 was a fourth thing. If you sued, you had to give
7 your proceeds to the board, which I thought was kind
8 of peculiar.

9 So in a case such as that, when I
10 hire an attorney, I prefer to hire my own attorney,
11 listen to my own advice, which is what I have done.

12 Q All right. Now, the connection that you
13 were referring to between the association and the
14 counsel they hired, you're referring to the fact
15 that the --

16 A One of them was a property owner in that
17 group.

18 Q You're referring to the agent now,
19 unfortunately, deceased, Morris Rosen?

20 A Oh, I didn't know that.

21 Q Yes. Within the last year. Mr. Rosen was
22 in his 90s when he passed. He had a good long life,
23 but that's the individual who owned the unit that --

24 A Well, I hate when anybody dies,
25 including -- but, yeah. Yeah. To answer your

1 question, it was affirmative. I did not think that
2 an attorney that represented all of us should be
3 part of us.

4 Q Okay. Now, but Mr. Rosen, the senior,
5 Morris Rosen, was not actively involved in
6 representing the board, was he?

7 A I don't know whether he was or not, but he
8 sure did come up with some legal opinions and so
9 forth in some of the meetings. And he was there
10 when I voiced my opinion about the windows.

11 Q Okay.

12 A Of course, he didn't say anything, but it
13 was peculiar at that meeting for Mr. Rosen. They
14 didn't start the meeting until they went and got him
15 and he arrived, and they took him up there and set
16 him at the table. It was two seats at the table as
17 I remember. Mr. Rosen, the older gentleman, was
18 there, and the reason I remember that is he had his
19 black cane with a silver tip, and then Mr. --

20 Q Hagood?

21 A No. He was president. And that was the
22 meeting right after Mr. Mooneyham had mailed the
23 letter that said I wasn't going to pay for those
24 windows that belonged to me. And that was Warner.
25 That was Warner who was sitting there, and he

1 wouldn't start the meeting. And then after the
2 meeting -- I mean, you know, you got a respected
3 attorney who has a stick with a silver knob on it.

4 I set specifically up front so
5 that -- at that particular meeting and asked
6 questions of Mr. Warner, and he would keep looking
7 at Mr. Rosen before he would answer. And one of the
8 questions, he didn't even answer. He said, well,
9 we've gone past this, and we're -- you know, we can
10 talk after the meeting.

11 Well, I thought my questions were
12 appropriate for the whole meeting -- for all people
13 involved and not just the people who had sued, and
14 that's the reason I read my letter. But no. I
15 assumed Mr. Rosen was part of it, and that's the
16 reason Hanger sued one of the people in their suit,
17 and that's hearsay. But they got kind of a
18 threatening remark from the board, because they made
19 that remark. It was a lady Realtor.

20 Q All right.

21 A Give me a minute, I can come up with her
22 name.

23 Q Not important.

24 A All right.

25 Q Would you not agree with me though that

1 all of the direct communication, at least in
2 writing, regarding the association's litigation came
3 from Brew Hagood, Morris Rosen's law partner, and
4 that Mr. Hagood was, in fact, the lead counsel on
5 the case?

6 A The only thing I got from Mr. Hagood that
7 I remember was a note saying you want to join the
8 suit that's in progress, and I think in that
9 setting -- he said in that letter, it's part of the
10 record, I know you don't like to sue, but the
11 bathrooms had -- and it had a picture of somebody's
12 bathroom tore out down to the cement, and he wrote
13 that letter to me, and you should have a copy of it.
14 And I didn't respond to it, because I wasn't going
15 to sue. Hadn't planned on it, hadn't done it.

16 Q Right.

17 A Now, I had no lawyer during this time
18 until after the September -- the meeting of the year
19 where it did everything at once, before anybody had
20 any -- and we'd asked for information. I didn't
21 have my lawyer until the day after that I think
22 September meeting.

23 Q All right. I don't want to get bogged
24 down on this issue, but to wrap it up, if the board
25 hired professional engineers, professional

1 contractors, so forth, to advise it on particular
2 courses of action, you would agree with me that it
3 would be prudent for the board to --

4 A Well --

5 Q Let me finish the question. To consider
6 their advice, and if they deem it prudent, to act on
7 that advice?

8 A Well, I'm a scientist by trade. Okay?
9 And if I think something has happened, I form a
10 hypothesis, and then I test the hypothesis. I don't
11 rely on my partner's opinion about a medical case.
12 I may listen to it, granted. Okay? But I don't
13 rely on it, because it comes down to me, and the
14 property in question was mine.

15 So I relied on my own opinion but
16 kept an eye on the situation until it became a point
17 to where my personal space I felt was intruded upon.
18 Now, to my knowledge, the only professional that
19 went in to look at the -- my condo was Ms. Vest, and
20 she saw stains, and the only other professional that
21 I know that went into my condo was one I hired.

22 Q Uh-huh.

23 A So, you know. ✓

24 Q And I'm glad you bring that up, because
25 the professional you hired was present when they

1 removed your windows ultimately, correct?

2 A I assume so. I was not there.

3 Q All right. And --

4 A My attorney was.

5 Q And he actually took possession of your
6 windows?

7 A No. I think I still own those windows.
8 They were defective, not being in the wall, which is
9 what a window is supposed to do.

10 Q Right.

11 A The only other place I know a window
12 should be would be in a museum or in some
13 professional's office who's trying to test the
14 window.

15 Q All right.

16 A I have no use of those windows. They were
17 taken out. As a matter of fact, you know, because
18 my attorneys were conversing with you against my
19 wishes.

20 Q I understand that.

21 A All right.

22 Q But out of deference to you, the Bristol
23 actually turned -- the windows had been removed out
24 of the condo over to you --

25 A I don't know how they can turn what's mine

1 over to me.

2 Q I understand there's a difference of
3 opinion on that, but follow me here.

4 A Okay.

5 Q This will go a lot faster if we don't
6 argue over every term or phrase.

7 A Well, that's why we're here. Go ahead.

8 Q Okay. So the windows were removed from
9 the wall?

10 A Yes.

11 Q The Bristol allowed you to do what you
12 wanted with those windows that were removed?

13 A My attorney was there, as I said.

14 Q Okay.

15 A And she took possession of them, and
16 whoever I had -- I don't even remember her name.

17 Q Right.

18 A To look at them, and they took possession.

19 Q Precisely. So the expert that -- the
20 expert that you hired through your attorney took
21 possession of the windows that were removed?

22 A Yeah. And they're still my windows.

23 Q And they --

24 A I can probably pay them rent for them to
25 be where they are.

1 Q Took those windows off site to another
2 facility?

3 A Yeah.

4 Q And performed some tests on them, did he
5 not?

6 A Right.

7 Q All right. And the outcome of that test
8 or those tests was that some of those windows
9 leaked?

10 A Yeah.

11 Q Okay.

12 A That's exactly right. But he also -- and
13 the contractor who works with the Bristol was in
14 agreement in his deposition that those windows were
15 probably damaged by water, pressure washing.

16 Q Okay.

17 A So before they were taken out, if that's
18 the case, my windows were damaged in situ. And they
19 were my windows then, and I think they're still
20 mine, damaged that they are.

21 Q Uh-huh. And you would concede that the
22 damaged window should be -- is a problem that needs
23 to be addressed, would you not?

24 A Yeah. And I would expect them to address
25 it with a window, which they did. Okay? It wasn't

1 my choice. I would have chose the same window, and
2 probably hung out the window with a little bit of
3 that silicone paste, which I do at home, and go
4 pssss. And it'd probably cost me \$5 in silicone
5 paste to fix it.

6 And as a matter of fact, it was
7 attempted to be fixed that way before by the
8 builder -- before homeowners ever took it over, but
9 they charged the homeowners association. And that's
10 part of the record.

11 Q All right. So let me just confirm
12 something about your background. You are a man of
13 --

14 A Science.

15 Q -- science?

16 A Religion.

17 Q Tremendous amount of education and --

18 A Religion, philosophy.

19 Q Okay. You're a neurosurgeon?

20 A Yeah.

21 Q By trade?

22 A Yeah.

23 Q Okay.

24 A I've got a few minors but --

25 Q All right. So out of extreme respect for

1 the profession you chose, I will now ask you to
2 confirm, however, that you are not an engineer or a
3 construction professional?

4 A No. I'm not, but I have built about five
5 churches. Greenville County code, I don't think,
6 with the exception of the hurricane thing, is any
7 different from Charleston, and my construction
8 passed that. And I was not the contractor, because
9 I don't have a contractor's license, which you're
10 referring to.

11 Q Right.

12 A But I was only an on-site contractor.

13 Q Okay.

14 A And I built from the foundation to the tip
15 of the steeple, and my son's name is inside the
16 steeple. So I do know a little bit.

17 Q Okay.

18 A And I built three, I think, of my own
19 houses.

20 Q All right. Will you at least --

21 A And the contractor worked under me.

22 Q All right. Will you at least concede that
23 your knowledge and experience in construction in the
24 lowcountry is not equal to that of an engineer or a
25 builder who specializes on construction in the

1 lowcountry?

2 A No. It's not the same, absolutely not.

3 Q Okay.

4 A But, you know, I have a -- when you look
5 at a building, you have to have a history of the
6 building too and a history of what's happened to the
7 building, and I think I had that much more expertise
8 in that than the expert that did not examine my
9 condo.

10 Q Okay.

11 A He just examined -- I think they chose
12 four or five condos, and SKS came up with their
13 solution. And as a matter of fact, the windows, I
14 think, when they did test the windows on the water
15 side, which would get the most pressure washing from
16 nature, I think only 30 percent of them had a
17 problem. I may be wrong, but the records will show
18 that, and the other 70 percent didn't.

19 I think they wanted to -- I'm not
20 sure of this, make a deal and sue Anderson windows
21 at the same time to replace those windows, and the
22 ones that -- they still were under warranty at the
23 time the builders' suit occurred.

24 Q Uh-huh.

25 A And my windows were under warranty, and

1 I'm not so much complaining about them destroying my
2 windows, which they did, but the fact that they
3 destroyed my warranty so I couldn't go to Anderson
4 windows and get new windows.

5 Now, the reason for that was they
6 changed the windows. They didn't even use the
7 original windows that were put in the building.
8 They said, oh, we're going to change them and put up
9 an upgrade. Well, the upgrade wasn't any -- you
10 know.

11 Q All right. I want to parse out a point of
12 potential confusion. There were three lawsuits
13 going on simultaneously when this thing was --

14 A Well, actually, there were more, because
15 they were suing the bannister guy. They were suing
16 the pool guy. They were suing the stucco guy. They
17 were suing the builder or whoever. I don't know if
18 they sued the architect, but I got a feeling they
19 did too. So there were more than three that I know
20 of going on, and that's part of the reasons I washed
21 my hands and said it's my place.

22 Q All right. I took -- one of those suits
23 that was pending, however, was the suit that was
24 brought by the association itself, correct? We
25 commonly -- in this case, we've commonly referred to

1 it was the board suit or the association suit.

2 A Well, there were a couple board suits.

3 The board actually even changed their letters there
4 at some point. There was a suit with the original
5 Bristol Properties Homeowners Association. I think
6 that's the way it was. That's the way it originally
7 was, but then that got changed to I think the
8 Bristol Property Owners under Landry. And then
9 there was a Hanger lawsuit, and, honestly, other
10 than being somewhat confused by the number of
11 lawsuits and who got sued, I was just thankful I
12 wasn't in it, and I stayed out.

13 Q All right. To the extent that one of
14 those -- at least one of those suits was brought by
15 the association itself --

16 A I don't know which one.

17 Q All right.

18 A But they -- yeah. I see. They did bring
19 one, and they named all the homeowners.

20 Q Right.

21 A Okay? But I never gave them permission to
22 do that, and that suit I think did not involve the
23 windows and doors and bathrooms and --

24 Q But that's what I'm getting to, is the
25 question of your permission. Okay?

1 A I said they sent me some letter. . Okay?
2 And that letter said, can we sue, and it came with a
3 DVD.

4 Q Uh-huh.

5 A And somebody ought to review it, but in
6 that DVD, Ms. Landry, who I think is sitting over
7 there, said, the doors and windows are your
8 responsibility.

9 Q Okay.

10 A And you -- I mean we're going to sue about
11 the common stuff. Well, that was all right with me.
12 So I didn't sign up for it, but I said that was all
13 right with me. Well, it wasn't long after that that
14 I found out my doors and windows weren't a part of
15 that.

16 And the funny thing that upsets me is
17 it was in the short time I got that letter from the
18 new -- from the insurance lady saying there's a
19 question about the insurance, and then there was
20 another thing signed off by -- well, in the DVD, the
21 little guy at the end who said we'll worry about the
22 windows and doors later, and you can watch it, was
23 Hagood.

24 Q Hagood?

25 A Yeah. He was one of the ones suing the

1 builder, and then in a couple of weeks, I got this
2 thing about they took my windows and doors because
3 of the insurance. But then they were asking if I
4 had insurance, and to be honest with you, I knew or
5 most everybody knew they were taking the windows and
6 doors so Brew Hagood could sue for them, which is
7 what he did, and I didn't join that lawsuit.

8 Q All right.

9 A Or he represented those experts and the
10 board.

11 Q All right. In the interest of time, can
12 we make a deal as we sit here?

13 A Well, I mean when I -- I know what you're
14 saying. I talk too much.

15 Q Well, no, no. And actually, you just
16 proved the reason why I'm going to make this
17 proposition to you now. I'm setting up questions.

18 A Oh, for later.

19 Q And you're -- no, no. I'm setting up a
20 question, but you're answering the setup.

21 A Okay. Well, I'm doing your job.

22 Q Well, if you just let me get to the
23 question.

24 A Well, if I give you the answer, you don't
25 need to ask the question, but go ahead.

1 Q Because I don't even remember the last
2 question I asked.

3 A Well, I don't either so --

4 Q All right.

5 A Don't you love this?

6 Q I will submit to you that the association
7 filed a lawsuit in the name of the association.
8 Okay? That's the setup. You don't need to answer
9 that.

10 A Uh-huh.

11 Q Will you -- do you not agree with the
12 notion that the association has the right to file
13 litigation --

14 A For common property, yeah.

15 Q For common property?

16 A Yeah.

17 Q Okay. To the extent that you are a
18 owner -- a unit owner at the Bristol, and,

19 therefore, an undivided owner -- that you had an
20 undivided ownership share of the common elements?

21 A Yeah, yeah.

22 Q Right?

23 A Yeah. But I didn't give them permission.

24 Q That if following the procedure set forth
25 in the governing documents of the association, the

1 association filed suit for damage or defects to
2 those common elements, that they could do that, and
3 in doing so, in part, represent you?

4 A They actually -- here's the way it went.
5 Okay? Hagood had one group. Hanger had another
6 group.

7 Q Right.

8 A God only knows what else. But those two
9 were vying for members to join their suit, and I
10 would assume if I joined somebody's suit, that I
11 would have made a deal with the attorney. I did not
12 sign anything with the attorney to pay him. Okay?
13 I'm sorry. And I didn't sign anything with the
14 attorney to turn my money over to a board, who I
15 think was overextending their power, shall we say.

16 And I didn't do anything with the
17 attorney that represented the Hunger lawsuit --
18 Hanger lawsuit. And I didn't sign any money over to
19 them, but I know the Hanger lawsuit paid for their
20 lawyer.

21 Q Uh-huh.

22 A And I do know that the people that sued
23 for the doors and windows and, quote/unquote, common
24 element, didn't pay for their lawsuit. Okay? That
25 came out of my pocket, and I didn't agree to pay it.

1 All right? Now, I mean you want an answer. Do you?

2 Q What question are you answering right now?

3 A I'm answering the fact that who was suing
4 for who.

5 Q Okay.

6 A The Hanger group was eight people. They
7 sued the builder. The other group was 32. That's
8 by the notes that I've been able to look at. That
9 adds up to 40. That ain't even 70 percent, much
10 less 75 percent, which was in the homeowners
11 association that you had to have 75 percent to sue
12 the builder.

13 Now, I guess you could sue the tub
14 guy, and you could sue the stucco guy, but to sue
15 the builder, I think, and maybe I'll be wrong, but
16 in the original, it had to be 70 or 75 percent,
17 which most homeowners associations have, and they
18 ~~changed it from whatever it was down to 68 percent.~~
19 At another time they changed the deed. They change
20 the deed faster than I can read it.

21 But anyway, it's my understanding
22 they couldn't legitimately bring suit, and there
23 were 14 people who didn't sue or 14 units. Now,
24 that's my understanding of the way it went down, and
25 I consider myself in one of those people that didn't

1 sue.

2 Q And I will agree with you that you did not
3 file suit in your individual capacity.

4 A No.

5 Q Okay. But will you agree with me that to
6 the extent the association filed suit through
7 Hagood --

8 A I never agreed to paying that lawyer.
9 Okay? A lawyer, if he's going to represent me, he
10 should have a contract with me, not a contract with
11 the board. He did not have a contract with me. The
12 board had a contract with him, and by virtue of
13 that, they said it was for me. I never had a
14 contract with him. And the things he sued about,
15 the board really didn't have a contract with me
16 about either.

17 Q Okay. All right. Let's move forward --

18 A I mean that's my answer really.

19 Q All right. Let's look at some documents,
20 shall we?

21 A All right.

22 Q All right. And --

23 A I can't remember them. You have been
24 through this before.

25 Q Well, I'm going to look at my notebook,

1 and let's see if we can get one of the exhibit
2 notebooks in front of you.

3 MS. POPE: This one starts with 64.

4 MR. BARFIELD: All right.

5 MS. POPE: Well, wait. I'm sorry. Give
6 me just a second.

7 (Off-the-record discussion.)

8 THE COURT: What tab are you looking at?

9 MR. BARFIELD: I'm going to go to
10 defendants' tab 16.

11 THE COURT: You want me to let him look at
12 my copy? Is that what we're trying to do, find
13 something for him to look at?

14 MR. BARFIELD: Yes, sir.

15 MS. POPE: Yeah. Because I'm not even
16 seeing --

17 THE COURT: Now, that's mine. You give it
18 back to me. Okay?

19 THE WITNESS: Yes, sir.

20 (Off-the-record discussion.)

21 BY MR. BARFIELD:

22 Q If you would turn to tab 16. Should be --
23 that's it.

24 A That says 15.

25 MS. POPE: No. But we're tab 16, correct?

1 MR. BARFIELD: Right.

2 BY MR. BARFIELD:

3 Q That was Deposition Exhibit Number 15.

4 A Well, this is the --

5 Q All right.

6 (Off-the-record discussion.)

7 BY MR. BARFIELD:

8 Q Now, part of your testimony earlier, and
9 as I understand it, part of your issue with the way
10 this association has been run is the way they have
11 communicated or not communicated with the
12 homeowners?

13 A Uh-huh.

14 Q All right. But you've also talked today
15 about certain notices that you have received?

16 A Under the door, yeah.

17 Q All right.

18 A And I have some gotten some in the mail,
19 but the main one I got in the mail was when they
20 changed the -- and that wasn't even Hagood. That
21 was another attorney.

22 Q All right.

23 A I think it's the same one that's
24 foreclosed --

25 Q We're going to talk about that document in

1 a moment, but the reason I'm having you look at this
2 exhibit is because this is a letter addressed to the
3 owners from the board of directors dated September
4 13th, 2007.

5 A Uh-huh.

6 Q That talks about them setting up the
7 website.

8 A Uh-huh.

9 Q Is that a yes?

10 A Yes.

11 Q All right. And it even says about midway
12 down, there's a section on the construction defect
13 litigation which will be updated as our attorneys
14 approve the distribution of information on the case.
15 You see that?

16 A Yes.

17 Q All right.

18 ~~A But I wasn't part of the lawsuit, and I~~
19 didn't get a lot of the information, nor did I go to
20 the meetings on the lawsuit.

21 Q Okay. And --

22 A So that -- I mean I -- the only document I
23 got from Hagood and that group --

24 Q All right.

25 A -- was the one about the bathroom. I

1 remember the picture, and -- wait a minute. I
2 don't -- because the other document on changing the
3 master deed was from another attorney I think that
4 Hagood said --

5 THE COURT: All right. Let's just talk
6 about this one right now.

7 THE WITNESS: Okay. Yes, sir. I'm sorry.

8 BY MR. BARFIELD:

9 Q All right. Now, all I'm trying to ask you
10 on this one is you were aware they had set up a
11 website, were you not?

12 A Yes. And my wife asked how to get on it
13 at one of the meetings we were at, but by the time
14 we got home, we didn't remember. And there's a
15 password I think for it.

16 Q Okay.

17 A And so we never really went on it.

18 Q All right.

19 A We're --

20 Q You're not --

21 A I'm in a different era, and I prefer paper
22 as we're using today.

23 Q And despite that preference, however, you
24 do, albeit infrequently, use -- you have a computer
25 at home with internet access, correct?

1 A Yes.

2 Q And occasionally, you do communicate by
3 e-mail, do you not?

4 A Yes. With my attorney I do.

5 Q Okay. We can leave that document behind
6 then.

7 A Because that's the only way she
8 communicated with me.

9 Q Let's turn then to tab 17, and this is a
10 one-page, rather auspicious looking, what appears to
11 be a flier that says a very important announcement
12 for all Bristol owners. Says, our construction
13 litigation attorney, Brew Hagood -- there's that
14 name again -- of Rosen, Rosen & Hagood, has advised
15 the board that he will be available on February 10th
16 to attend the owners special meeting to give an
17 update on our legal proceedings.

18 ~~This update will be given after the~~
19 close of the official meeting that has been called
20 to approve the amendments to the master deed.
21 Please plan to attend. The changes to the master
22 deed are critical to the association. The update is
23 something we have all been waiting for. Did you
24 attend that meeting on February 10th?

25 A No. And I'm not sure of this meeting,

1 because we changed the master deed so many times.
2 They got one now to vote on. It -- to be honest
3 with you, I knew they were changing the master deed,
4 because I got that thing in the mail from I think
5 it's Moore -- Allen -- Moore Van Allen.

6 Q Moore & VanAllen?

7 A Okay. I got it from them, which was a
8 final document, and if I didn't sign it, I agreed.
9 And if I signed it, I agreed. And I thought that
10 was kind of peculiar. So I didn't do anything.

11 Q All right. But --

12 A I didn't understand.

13 Q -- you'll agree that in all likelihood,
14 this master deed change referenced in this document
15 is a reference to the change of ownership of the
16 doors and windows?

17 A It's simply by the lawyer's name.

18 Q But that was the issue that was on the
19 table at the time, the change related to the doors
20 and windows ownership?

21 A Yeah. I guess so. That's what it says.

22 Q All right. Let's go to --

23 A I never saw the minutes for that meeting.

24 Q Okay. Let's go to tab 44 of the
25 plaintiffs' notebook if we can.

1 MS. POPE: I'm sorry, which one?

2 MR. BARFIELD: Your exhibits, tab 44.

3 MS. POPE: Okay.

4 BY MR. BARFIELD:

5 Q And this is the document that we already
6 talked about a bit during your direct examination.

7 A Yes. This -- yeah.

8 Q Letter from Cindy Mulcare. Now, Cindy
9 Mulcare was an insurance professional who was
10 working with the board, was she not?

11 A Wait a minute. This is not Cindy Mulcare.

12 THE COURT: My 44 is not that either. 44
13 in the plaintiffs'?

14 MR. BARFIELD: Yes, sir.

15 THE COURT: That's October 16th board
16 comments on --

17 MS. POPE: The letter from Cindy Mulcare
18 is tab 8.

19 MR. BARFIELD: Tab 8?

20 MS. POPE: Yes.

21 MR. BARFIELD: Okay. Well, let's go to
22 tab 8 then. I apologize.

23 THE COURT: Yep.

24 BY MR. BARFIELD:

25 Q All right. Now, Ms. Mulcare was an

1 insurance professional working with the board,
2 correct?

3 A I guess. I mean I thought the board had
4 hired her to get the cheapest insurance, but I mean
5 whether or not that's --

6 Q Well --

7 A That --

8 Q -- obtaining affordable insurance is a
9 laudable goal, is it not?

10 A Yes. And I tried to do that.

11 Q Okay. So --

12 A -- when I chose my own insurance.

13 Q So Ms. Mulcare wrote this letter to the
14 insurance committee, which is a subcommittee of the
15 board, informing them of some problems with
16 insurability based on the ownership of the doors and
17 windows, correct?

18 A I'm trying to read it. And yeah. I had
19 my own insurance, so --

20 Q Okay.

21 A -- I owned the windows, to be specific.
22 Owned the doors, to be specific. I don't think the
23 board had insurance on those, but I did.

24 Q Okay.

25 A And so at that point in time, I think, you

1 know, if I had insurance, that would be the people
2 they would pay. Now, they might balk at me, but
3 then I'd hire Joe, and they often do that.

4 Q Are you certain that all your neighbors
5 and co-owners had insurance the same nature that you
6 had?

7 A I didn't ask them any more than they did.

8 Q Okay.

9 A But the person I bought my condo from, who
10 was representative of the company that built them,
11 said, you need to get your own insurance.

12 Q Okay.

13 A And that's why I did. I don't go out and
14 throw money away on insurance. I mean if I practice
15 medicine, I get malpractice insurance. If I own a
16 condo, I get the condo insurance.

17 Q Okay. You'll agree with me though that
18 ~~not everyone is as conscientious as all that?~~

19 A Well, I know some of the board members
20 weren't, specifically the president. They didn't
21 have insurance, by deposition.

22 Q Right.

23 A I don't think Mr. Warner had insurance,
24 and I don't think the head of the insurance
25 committee -- what was his name? Harold Campbell, I

1 think. I think his insurance had been canceled,
2 too, by AllState, and he was the dealer. And I
3 think he notified those people that they needed
4 insurance.

5 And I don't know whether he did or
6 not, but I would assume. My insurance company
7 notified me that they were getting out of the
8 market. Go find another. So I went down and got
9 another one.

10 Q So in light of all that, in that context
11 --

12 A Yeah.

13 Q -- let me ask you this, if there had been
14 a major storm to hit you-all --

15 A I was insured.

16 Q -- you were insured.

17 A Uh-huh.

18 Q But you just said some of your neighbors
19 and co-owners were not.

20 A Well, then they'd have to lay the cash
21 out. That's why I get insurance. So I don't have
22 to lay the cash out.

23 Q Okay. But what if damage to or through
24 their exterior doors and windows resulted in
25 catastrophic damage to the common elements at the

1 Bristol?

2 A Well, now, the common elements, they were
3 supposed to have insurance on that. Now, whether
4 they did or not, I don't know, but I paid that
5 insurance fee every year. And I thought that was
6 what it was for, for the generator, which was flood
7 insurance, the elevator insurance, yeah.

8 They were supposed to have insurance
9 on that, and I think they did. I know they didn't
10 have it on the condos, because I bought my policy as
11 a supplemental policy from the same people they had.

12 Q Okay.

13 A Which I think was AllState, and I don't
14 think -- now, I may be wrong, but -- and I told
15 them. I said, the reason I'm getting my insurance
16 with you originally was I don't want to pay for
17 insurance that I don't need. So I bought the
18 AllState policy.

19 It is the same policy, because when I
20 moved to Lloyds of London, I said, give me the same
21 policy.

22 Q Okay.

23 A It cost me more.

24 Q Assuming you're correct, that the
25 insurance that covers the common elements of the

1 Bristol would kick in and cover damage caused by
2 damage to or through someone's individual doors and
3 windows -- you follow me?

4 A If it was because of their negligence and
5 not having insurance, I think that we could agree on
6 the fact that they would have to pay for the damage
7 resulting.

8 Q Okay. To the common elements?

9 A And that would require a lawsuit.

10 Q Okay. Is that an efficient way to handle
11 that sort of situation?

12 A Well, let's put it this way, same
13 scenario. They didn't fix the bathrooms from their
14 builder lawsuit. So in their last letter to me that
15 I referred to my attorney, said that we were a
16 horizontal regime, and that if somebody below you
17 messes up your -- I mean somebody above you messes
18 up your apartment from water, then you're going to
19 have to sue them.

20 Q Uh-huh.

21 A And that was what I assumed was the
22 regular normal way to do things. That's why I had
23 insurance on my condo, to protect me against
24 somebody falling in my condo and against the
25 liability of affecting someone else's condo. And I

1 have that insurance.

2 Q Do you have any evidence -- opinions
3 aside, do you have any evidence that the
4 representations made by Ms. Mulcare in this letter
5 regarding the difficulty with obtaining new
6 insurance or renewing insurance for the Bristol
7 because of the status of the doors and windows --

8 A Well, I don't know what --

9 Q -- were not true?

10 A Okay. To answer your first part.
11 Difficulty, I had no difficulty getting other
12 insurance. I just called the guy I had insurance
13 with down in Charleston. He -- now, granted,
14 because that was current Katrina time, I think, and
15 everybody was upset because of what happened with
16 Katrina. But -- and my policy is with Lloyds of
17 London, but they insured people all over the world,
18 ~~and they insured me, and I paid the fees.~~

19 Now, that is being a good neighbor.
20 Now, expecting my neighbor to pay for my lawyer,
21 that's not a good neighbor, and that's not meaning
22 my neighbor pays for my condo damage either. That's
23 not a good neighbor.

24 MR. BARFIELD: I had this noted as tab 4
25 in the plaintiffs' book.

1 THE WITNESS: I just need a little piece
2 of sugar.

3 THE COURT: Tab 4 in plaintiffs' is --

4 MR. BARFIELD: Yes, sir. I want to make
5 sure I'm talking about the right thing. I'm
6 getting a little turned around on my own
7 notebook. It's one of your exhibits, but it's
8 in my notebook. It's tab 4 in the defendants'
9 book.

10 MS. POPE: Okay.

11 MR. BARFIELD: Plaintiffs' Exhibit 34 from
12 the deposition.

13 BY MR. BARFIELD:

14 Q The document in front of you is some
15 meeting minutes from Wednesday, March 4th, 2009,
16 pertaining to the Bristol informal owners meeting.

17 A I did not go to any informal. They were
18 never really advertised ahead of time. The main
19 meetings were something that -- like a flyer that
20 went under the door you showed me a minute ago.

21 Q Right.

22 A That was the main thing or that something
23 came in the mail with the bill.

24 Q Okay.

25 A If this was in mine, I apparently saw it,

1 but I don't remember.

2 Q All right. And if you were to look at
3 this, I think you'd agree that the substance of this
4 meeting was largely dealing with the litigation.
5 And it appears that trial was imminent at this
6 point, because it says Mr. Haywood distributed lists
7 of potential jurors. Would you agree with that?

8 A That's what it says. I don't know what he
9 did.

10 Q Okay.

11 A I know that a guy came around serving
12 subpoenas for the trial, and I happened to be there
13 when he was there. And I told him I wasn't suing,
14 and he didn't have a subpoena for me.

15 Q Okay. And I'll represent to you that
16 lawyers generally don't serve trial subpoenas until
17 right up to the time of trial, so --

18 A Well, I would represent to you that I
19 wasn't part of the suit. So I didn't --

20 Q Okay. Now, if you look at the fourth
21 paragraph on that first page of the document, it
22 says, Mr. Hagood provided an overview about issues
23 relating to the windows and doors arguments. He
24 reminded owners that when the suit was filed, the
25 master deed provided the owners owned all windows

1 and doors individually, even though the beach
2 company had let owners -- I believe that's a typo,
3 but had led owners to believe that they would
4 provide for repairs.

5 When the regime purchased insurance
6 in 2007, the agents raised the issue of ownership
7 and replacement of the windows. Master deed
8 provisions created ambiguity in the insurance
9 policy. The agents encouraged the board to assume
10 ownership of the windows and doors.

11 The board passed an emergency
12 amendment for the regime to take over ownership of
13 them. Notice was sent to all owners of the proposed
14 change.

15 Owners were given an opportunity to
16 object, per the master deed. No objections were
17 received and the master deed was amended and
18 recorded. Do you disagree with any of that?

19 A Yeah. Here is what my side of -- my side
20 of it was I got the letter from Mulcare, and she had
21 on a DVD that I had gotten from a short time before
22 said --

23 Q Ms. Landry?

24 A Ms. Landry.

25 Q Okay.

1 A You're responsible for your own windows
2 and doors. Okay? Fine. I didn't have a problem.
3 So, you know, I'm not part of this. I never
4 intended or wanted or was ever signed to be part of
5 that. Now, getting to the document that took my
6 windows and doors, this was sent by the board. I
7 remember Ms. Landry's signature on it, I think.

8 But I got that. We have been on
9 vacation or something, and I got that. Well, we
10 live out in the country, T.R. And as I remember, we
11 got a little note, pink slip in the mail company,
12 that said you got a document. And, you know, when
13 you get home, you're not going to run down three or
14 four miles to the mailbox. And I testified to this
15 in my deposition.

16 Q Uh-huh.

17 A And as I remember, my wife went down and
18 picked it up, and it got set on my table, because it
19 was a stack of this legal mumbo jumbo. When I got
20 around to reading it, I found out that I only had 20
21 days to respond to it, and that 20 days had -- were
22 gone with the exception of a day or so. And the
23 statement said, if you agree with this, sign here.
24 And if you don't agree with it, send a written
25 letter.

1 And I didn't have an attorney to send
2 a written letter. So it was gone. And their
3 unanimous part of acceptance was this had flaws,
4 meaning they didn't get a response. So they counted
5 it as a positive. I never responded in a positive
6 manner. Okay?

7 So that is a misinterpretation of --
8 when Dave Warner said that the board is in full
9 agreement, no. That was repair committee. Where
10 were we? I had forgot what we were talking about.

11 Q That fourth paragraph. I asked you to
12 look at that fourth paragraph on page 1 and tell me
13 specifically what about Mr. Hagood's chronology of
14 events you disagree with.

15 A Mr. Haywood reported that the attorney for
16 the architect challenged the --

17 Q Paragraph above that.

18 A Paragraph above?

19 Q The one I read aloud.

20 A Well, see I challenged that too, because I
21 said, you don't own my windows and doors, and I
22 don't want you to change them.

23 Q Uh-huh.

24 A Okay? So agreeing with the architect.
25 Mr. Hagood provided an overview about issues

1 relating to the windows and doors argument. He
2 reminded owners that when suit was filed, the master
3 deed provided the owner shall own all their windows
4 and doors individually, even though the beach
5 company had led owners to believe that they would --
6 I don't understand that.

7 But my windows were under warranty,
8 and they would have been repaired by Anderson. When
9 the regime purchased insurance in 2007, the agents
10 raised the question of ownership in replacement of
11 windows and doors.

12 The master deed provisions created
13 ambiguity in the insurance policy. The agents
14 encouraged the Bristol to assume ownership of the
15 windows and doors. No one asked me if I had
16 insurance.

17 Q Okay.

18 A Okay. And I had insurance.

19 Q I don't --

20 A The board passed an emergency amendment
21 for the purpose of proposed change. The owners were
22 given an opportunity to object for the master deed.
23 No objections were received, and the master deed was
24 amended and recorded.

25 Now, that was the DVD that had

1 occurred earlier where Ms. Landry, who signed that,
2 changed the master deed as an emergency. It said on
3 the DVD that -- I don't know if you've looked at it
4 or not, but she said the windows and doors are your
5 responsibility. And she was talking about the suit,
6 and at that point, Brew Hagood brought up the fact,
7 we'll worry about that later.

8 And I think this is what that's
9 referring to it. They worry about it later so they
10 can sue for my windows and doors, which I did not
11 give them permission to do, and the judge didn't
12 give them permission to do that, either, is my
13 understanding, Judge Newman. He didn't agree with
14 it either, and because they had done it after the
15 suit had been filed --

16 Q Uh-huh.

17 A -- is my understanding. And that's also
18 my standing in the fact that I still own my windows
19 and doors, but the regime seems to think the
20 replacement windows for damages belong to them. But
21 it is my opinion that those windows and doors belong
22 to me, even though they're not the ones I want.
23 Because they change the decor of my living room, the
24 first windows you see.

25 And there were some damages done

1 changing them. They -- I told them I didn't want
2 it. They proceeded to do it anyway. They did not
3 want to make any compromise about it, and they
4 figured they'd do it and ask forgiveness later.
5 Well, all fine and good.

6 So later, instead of asking
7 forgiveness, they kept sending me a bill for the
8 windows and doors that they put in against my
9 desires. And in addition to that, they charged me
10 interest on it. So I said, I'm not going to pay for
11 it.

12 Q Now, I think that kind of clears it. All
13 right. Can I get you to go to tab 13?

14 A Tab 13?

15 Q In the same notebook.

16 A Same notebook, please report this -- yeah.
17 This communication from your -- and I remember the
18 windows, but I don't remember the rest.

19 Q Okay. So this is a flyer that's dated
20 down at the bottom in the corner March 26, 2007?

21 A Yeah.

22 Q Okay. And it says number 1, that Bristol
23 master deed defines the windows and doors as the
24 responsibility of the unit owners, and our insurance
25 policies only cover the common areas.

1 A Well, that was the general understanding,
2 but see, my contention is they changed the master
3 deed so they could sue for my property.

4 Q All right. That's -- we're getting to
5 that a couple paragraphs from now.

6 A All right.

7 Q Number 2, insurance company potentially
8 used this as a loophole in addressing claims in the
9 event of a storm or other externally-caused damage.

10 A Right.

11 Q That's kind of the point that I was making
12 a little while ago.

13 A Be here's the point I'm making in return.

14 Q Okay.

15 A One, asked me if I had insurance. I had
16 insurance. I continued to pay my insurance because
17 they were mine, and I wouldn't have paid the
18 insurance if I didn't think they were mine.

19 Q Okay.

20 A And the judge agreed that they were mine
21 at that point.

22 Q Okay. Number 3, let's follow.

23 A All right.

24 Q Our insurers have written recommending the
25 board immediately act to correct this definition in

1 the master deed.

2 A Yeah.

3 Q Okay. That was the Cindy Mulcare letter,
4 correct?

5 A I guess. I don't know. It doesn't -- but
6 I would assume. That's what I would assume.

7 Q Number 4, since none of us wants surprises
8 when it comes to repairing external windows and
9 doors, the board voted to amend the master deed and
10 changed the definition of the windows and doors from
11 individual property to limited common property.

12 A And that's what I disagree with.

13 Q Okay. You disagree that the board voted
14 to do that?

15 A No. I agree the motivation of the
16 board -- I disagree with the motivation, which I
17 think was to sue.

18 Q Okay.

19 A And that way, they could sue for my
20 property and call it common property, and I did not
21 sue. And I owned that, and as far as I'm concerned,
22 I still own that, with the replacements being what I
23 own.

24 Q Okay. This is simply what I want to ask
25 about that and the document I showed you just a

1 moment ago.

2 A Uh-huh.

3 Q Okay. You had testified on direct
4 examination that it was concealed from the members
5 of the association that the master deed had been
6 amended to convert ownership of the external window
7 and doors from the property --

8 A No. The reason it was concealed, I got
9 this thing in the mail that took my windows and
10 doors. I didn't agree with it, but they decided
11 that it was unanimous. There was no response from
12 me, and I bet if you check the records, there
13 weren't many responses from anybody else. So that's
14 what we need to look at is what responses you got.

15 Q All right.

16 A And that was really -- that 100 percent
17 thing was presented after the suit was settled. It
18 was presented in September. Landry came out at a
19 meeting and verbally presented it. Landry came out
20 at a meeting and said it's -- maybe that was it, the
21 August meeting, but he came out and said it was
22 unanimous, the vote on the windows and doors. And I
23 knew darn well that wasn't the truth, because I
24 didn't vote for it.

25 Q All right. You --

1 A Not Landry. It was Wiener, I'm sorry.

2 Q Wheeler -- Warner. Wheeler was the
3 attorney for the --

4 A Warner.

5 Q Okay.

6 A It was the president.

7 Q You did, however, testify that it was
8 concealed from the members of the association by the
9 board that the judge had ruled that the association
10 did not have standing?

11 A I didn't know that.

12 Q Okay. Let's turn back then to the
13 document we were looking at just a moment ago, tab
14 4.

15 A Tab 4.

16 Q Okay.

17 A All right.

18 Q Flip to the second page, please.

19 A It says pending approval. I don't know
20 that it was ever approved by the board.

21 Q Okay. But these are meeting minutes and
22 --

23 A Well --

24 Q -- you don't have any reason to believe
25 that a meeting didn't take place, do you?

1 A No. But I have a reason to doubt the
2 minutes on the meetings, yes. Because I voiced
3 opinions, and they were not recorded. And sometimes
4 the meetings did not reflect the meeting minutes,
5 and I also know that the board went over the minutes
6 before they were sent out.

7 Q Okay.

8 A Okay?

9 Q But that notwithstanding, if you look at
10 the top of page 2, please.

11 A Pending approval minutes.

12 Q No. Page 2.

13 A Oh, page 2. All right. Well, I got to
14 start on page 1 --

15 Q Sentence that starts on the first line.
16 It says the judge.

17 A The judge.

18 Q The judge heard the argument and agreed
19 that the regime did not have the right to sue for
20 the windows and doors.

21 A Yeah.

22 Q Mr. Hagood stated that he is taking
23 exception to the judge's decision and will continue
24 to appeal it.

25 A I didn't know that.

1 Q Okay.

2 A And I didn't know that he was appealing
3 it, and I don't know honestly if he did appeal it,
4 and if the appeal was in his favor.

5 Q If these meeting minutes are accurate,
6 then you would agree with me that that information
7 was conveyed to the members of the association at an
8 open meeting, would you not?

9 A It may have been conveyed to the
10 association, but it wasn't conveyed to me.

11 Q Okay.

12 A Pure and simple, because I know where I
13 got the information.

14 Q Because you didn't attend the meeting?

15 A Well, this was a -- wasn't a regular
16 meeting I don't think.

17 Q Okay.

18 A 27 owners were there, and those -- I think
19 it was -- how many? 32 of them sued. They would be
20 the ones that would go to a meeting such as this.

21 Q Uh-huh.

22 A And not even all of them went to the
23 meeting. I didn't go, because I wasn't suing.

24 Q Okay.

25 A Once again, I didn't hire him directly or

1 indirectly.

2 MR. BARFIELD: Give me a moment to consult
3 with Mr. Cook, if you will. I think I'm about
4 done.

5 THE COURT: Well, let me ask you a
6 question. Behind tab 4 in your notebook is the
7 minutes of March the 4th?

8 MS. POPE: Yes, sir.

9 THE COURT: All right. I got page 2, page
10 3. That's all I got.

11 MR. BARFIELD: Yes, sir. You don't have
12 page 1?

13 THE COURT: I got page 1.

14 MR. BARFIELD: Yes, sir.

15 THE COURT: Oh, which it was on my page 6
16 a minute ago that I missed some --

17 MR. BARFIELD: We were talking about tab 6
18 a moment ago.

19 THE COURT: All right.

20 MR. BARFIELD: No. This exhibit is only a
21 three-page exhibit.

22 THE COURT: All right. I got you. Okay.
23 Go ahead and take your time.

24 (Off-the-record discussion.)

25 MR. BARFIELD: I don't think anything

1 further.

2 THE WITNESS: Could I ask you a question?
3 I mean I don't know if that's legally correct.

4 THE COURT: You can ask him. He doesn't
5 have to answer you.

6 MR. BARFIELD: If the judge says you can
7 ask me, I'm happy to answer.

8 THE COURT: We're off the record.

9 (Off-the-record discussion.)

10 MR. BARFIELD: I don't have anything.

11 THE COURT: Do you have any more
12 questions?

13 MS. POPE: No, sir. I do not.

14 THE COURT: Okay. Who is your next
15 witness?

16 MS. POPE: Our next witness actually will
17 be Jan Landry we will call, but before we move
18 on, I wanted to put on the record -- and I

19 didn't see it in the notebooks. The DVD that
20 keeps getting referred to as an exhibit at one
21 of the depositions, and I got a copy of it, but
22 the original that we used was an exhibit, but I
23 don't see it here. Do you have it? It should
24 have come with the stuff. I have a copy of it.

25 MR. BARFIELD: Okay.

1 MS. POPE: We'd like to enter that in as
2 an exhibit to be reviewed later, but it's the
3 DVD that was mailed out to everyone. And all I
4 have is a copy. Are you okay with that?

5 MR. BARFIELD: Of course, yeah.

6 MS. POPE: And we'll just submit that to
7 you at a later date. The other matter that I
8 wanted to address it since we're here in
9 Charleston, several parts of Dr. Lucas'
10 deposition referred to his specific condo, and
11 there's been -- and the lip going out onto the
12 balcony and so forth.

13 I thought that maybe if we finished up in
14 today, or either tomorrow, go to the condo
15 itself and let Judge Williams, if he wants to
16 do that, look at his condo to see the lip, see
17 the crack in the stucco and so forth. And just
18 for those purposes, if he would like to do
19 that.

20 THE COURT: That's up to you-all. If you
21 want me to go, I'll go.

22 MS. POPE: I think it might be beneficial,
23 if you don't have any objection to that.

24 MR. BARFIELD: That would be fine.

25 MS. POPE: I think that that was -- that

1 was all I had for him and we can move onto the
2 next witness, Your Honor.

3 THE COURT: All right. I wanted -- if we
4 could just slide those -- I hate to ask the
5 doctor to move, but we really need the witness
6 over here closer to the court reporter and me.
7 Could you slide down one chair? Just roll your
8 chair down, Doctor. If you'll just roll your
9 chair, we got another chair. We're just roll
10 it right here. That's good.

11 (Off-the-record discussion.)

12 JANICE LANDRY,
13 having been first duly sworn, was examined and testified as
14 follows:

15 THE WITNESS: I do.

16 THE COURT: State your full name, please.

17 THE WITNESS: Janice Leonard Landry.

18 THE COURT: L-A-N-D-R-Y?

19 THE WITNESS: That's correct.

20 THE COURT: All right, counsel.

21 MS. POPE: Your Honor, before I move
22 forward with this witness, she's actually an
23 agent of the Bristol Property Homeowners
24 Association. We are calling her in our case in
25 chief, but would like to be able to treat her,

1 since she is a party to it, with
2 cross-examination and leading questions as far
3 as taking her testimony here today per Rule
4 611.

5 THE COURT: No objections?

6 MR. BARFIELD: No objection.

7 MS. POPE: Thank you. It might move us
8 along faster.

9 THE COURT: It's just a legal status that
10 allows her to ask you leading questions.

11 THE WITNESS: Okay.

12 THE COURT: A leading question is the sun
13 is shining today, isn't it. A direct question
14 would be, is the sun shining today. So that's
15 the only difference. It makes things flow a
16 little bit smoother and quicker usually.

17 MS. POPE: Yes.

18 THE COURT: Go ahead.

19 MS. POPE: Thank you, Your Honor.

20 DIRECT-EXAMINATION

21 BY MS. POPE:

22 Q Ms. Landry, I'm going to move quickly
23 through your background and get to the heart of the
24 matter, which deals with Bristol and litigation and
25 your time there on the board and as president. Just

1 by way of background, you're originally from
2 Charlotte, North Carolina?

3 A That's correct.

4 Q Okay. And you moved to Charleston I
5 believe in 1998?

6 A That's correct.

7 Q Okay. And when you moved to Charleston, I
8 believe you didn't work for a little bit, but then
9 you went to work for Wild Dunes?

10 A Wild Dunes Community Association.

11 Q Community Association. Okay. And you
12 were at the Wild Dunes Community Association until
13 2008?

14 A Till September 2008, yes.

15 Q Then you went to work for the --

16 A ACLU of South Carolina, yes.

17 Q And is that where you currently work
18 today?

19 A Yes.

20 Q Okay. Now, at Wild Dunes, your
21 responsibility or your title was financing
22 communications manager?

23 A That's correct.

24 Q Okay. And you worked with the -- strike
25 that.

1 The Community Association, did they
2 oversee the different homeowners associations for
3 the different condominiums?

4 A No. They didn't.

5 Q How did that work?

6 A The condominiums operated separately, but
7 they were members. People that were individually
8 were also members of the Wild Dunes Community
9 Association. We managed all the condo properties.

10 Q Okay. So there were dues paid into the
11 community association for the common properties
12 from --

13 A Yes. All owners.

14 Q -- all owners?

15 A All property owners, yes.

16 Q Okay. And you were in charge of working
17 with the different boards from the homeowners
18 association?

19 A Yes. I was.

20 Q And you would also attend meetings and
21 present financial reports at some of those meetings?

22 A Yes. I did that and did the minutes as
23 well.

24 Q Okay. You worked on creating newsletters
25 and -- were you also responsible for disbursing

1 those newsletters?

2 A By disbursing, from overseeing the mailing
3 out of them?

4 Q Or making sure that they got to the
5 homeowners.

6 A Yes.

7 Q Okay. And as part of your financial
8 responsibilities with the community associations at
9 Wild Dunes, you were responsible for making sure
10 that all the dues were paid?

11 A Yes. All the annual assessments were
12 paid.

13 Q And the assessments and keeping in --
14 basically, keeping tabs on any money coming in and
15 going out?

16 A That's correct.

17 Q Okay. You dealt with annual budgets?

18 A Yes.

19 Q You dealt with the reserve funds?

20 A Yes.

21 Q Okay. And I believe that there were
22 special trainings that you attended?

23 A That's correct.

24 Q Okay. And those were with the Community
25 Association Institute?

1 A Called the Community Association
2 Institute, yes. It's a national institute.

3 Q And you attended the programs at the
4 national office in Virginia?

5 A I attended them in Charleston.

6 Q Okay.

7 A They would go on the road and have them,
8 and I also attended them in Columbia. And they
9 would do area trainings, and I did them in finance
10 and covenants and community affairs.

11 Q About how many did you do?

12 A I probably done -- I don't remember
13 exactly, but I think I did at least five. I took a
14 whole course for certification in community
15 management.

16 Q And while you were working at Wild Dunes,
17 that's where you first met Lona Vest?

18 A That's correct.

19 Q Okay. And Lona was working for?

20 A She managed properties, condominiums, in
21 Wild Dunes, yes.

22 Q Okay. So by the time you left Wild Dunes
23 in September of 2008, it's fair to say you were
24 pretty well versed in how homeowners associations'
25 finances within homeowners associations worked?

1 A Yes.

2 Q Okay. Do you still do accounting -- I
3 mean for the ACLU, are you doing accounting, or are
4 you doing something else?

5 A I'm doing accounting, communications,
6 program management.

7 Q Is that a full time or a --

8 A Full time.

9 Q Okay.

10 A Yes.

11 Q And you currently still -- strike that.

12 You owned a property in the Bristol.
13 When did you purchase that?

14 A We bought it in January of 199- -- wait a
15 minute, 2005.

16 Q 2005?

17 A Yes. Sorry.

18 Q You say we, that was the property you
19 bought with your husband, Dave Landry?

20 A That's correct.

21 Q Was the purchase price on your condominium
22 at the Bristol approximately 650,000?

23 A In that range I believe, yeah.

24 Q I'm sorry. Go ahead.

25 A No. That's fine.

1 Q And you if you said this, I apologize if I
2 missed it. It was condo 4015?

3 A Yes.

4 Q Correct. Does that face Lockwood? Does
5 it face --

6 A It's on the corner of Lockwood and 17. It
7 actually faces 17, but there were windows that
8 overlooked the Lockwood side as well.

9 Q Okay. Was it two bedroom?

10 A It was -- yes. Two bedrooms.

11 Q Okay. Two bedroom, two-and-a-half bath or
12 two bedroom, two bath?

13 A It's two bedrooms, two-and-a-half bath.

14 Q Okay. But you and your husband sold that
15 property in 2011?

16 A That's correct.

17 Q Okay. For approximately 500,000?

18 A That's right.

19 Q So you-all took a loss of approximately
20 150,000?

21 A That's correct.

22 Q Okay. And you currently still live in the
23 Charleston area?

24 A That's correct.

25 Q Okay. When you moved into your condo 4015

1 in 2005, were you having water leakage problems or
2 any problems with your condo at all when you moved
3 in?

4 A No water leakage. I don't recall any
5 problems.

6 Q Okay. Were you experiencing any problems
7 at all?

8 A No.

9 Q When did you start having problems?

10 A Well, I started having problems -- I think
11 we were -- there was -- when they started doing
12 testing, like water intrusion testing, things like
13 that. But I can't -- I don't remember the -- when
14 we exactly started having problems.

15 THE COURT: Ms. Landry, you remember
16 giving your deposition?

17 THE WITNESS: I do.

18 THE COURT: Okay. And after that
19 deposition, it was typed up.

20 THE WITNESS: Yes.

21 THE COURT: And you might have had a
22 chance to look at it after that. I don't know.

23 THE WITNESS: I didn't look at it.

24 THE COURT: Normally, people don't.

25 THE WITNESS: Right.

1 THE COURT: But anyhow. That's what she's
2 looking at now, I'm sure, is a copy of that
3 transcript. So she might ask you some
4 questions about what you said then at that
5 deposition. So that's what she's looking at.

6 THE WITNESS: Okay. Thank you.

7 MS. POPE: And we have the original also

8 --

9 THE COURT: Sure.

10 MS. POPE: With us if we get to that
11 point.

12 BY MS. POPE:

13 Q Okay. You said there were -- you noticed
14 water leakage problems when they started doing the
15 testing?

16 A Yes.

17 Q Okay.

18 A I think -- I start losing what the timing
19 is on things. A lot of things have happened since
20 then, but one of the things that has -- I do recall
21 is that we would have -- we actually had water --
22 what I would -- like water on the balcony or
23 something, you know, to put plants or something like
24 that. It would run into our condo. The water would
25 come in that way, or it went out. But yes, there

1 was -- there was a water problem underneath the
2 windows in the living room.

3 Q Okay. Didn't you have a problem with
4 water in your daughter's bedroom?

5 A Yes. There was a problem there.

6 Q Okay. In your living area?

7 A Well, that's where that water was --

8 Q Is that what you were talking about the
9 balcony --

10 A Yes. That's what I was talking about,
11 yeah. And then there was some buckling in the
12 floors in the living area too.

13 Q Okay. Some of that developed over time.
14 It wasn't right when you first moved in?

15 A Yeah. And we had some water damage in the
16 ceiling in the master bedroom that came in, as we
17 were told, from the condo above us.

18 Q Okay. Now, you-all volunteered to have
19 your bathroom be part of the destructive testing?

20 A Yes. We did.

21 Q Okay. Were you having problems with your
22 bathroom?

23 A Not that I knew of, but no.

24 Q Okay. If you weren't having problems with
25 your bathroom, why did you allow yours to be part of

1 the destructive testing?

2 A I was on the board at the time, and they
3 had discovered problems in some of the bathrooms.
4 In order to reach the -- you know, anytime you do
5 any type of destructive testing with an engineer,
6 they want a certain number of tests to be done in
7 bathrooms, and people had to volunteer those. Many
8 people did not want to do it, and we only -- I guess
9 I was the only good citizen and said they could tear
10 mine up.

11 Q Was this before or after August of 2006?

12 A Was after 2006.

13 Q So it was after the homeowners took
14 responsibility for managing the Bristol?

15 A That's correct.

16 Q Okay. Was it before or after the lawsuit
17 was filed in 20-- -- February 2007?

18 A It was after.

19 Q Okay. In 2005, when you first moved into
20 your property, there was a group of homeowners that
21 would meet informally; is that correct?

22 A Yes.

23 Q Okay. And because of your experiences at
24 Wild Dunes, you attended those meetings and were
25 kind of involved in what was going on from an

1 informal standpoint?

2 A Right. I think I attended maybe two,
3 three.

4 Q Okay. And at some point prior to the
5 homeowners taking over management of the Bristol in
6 August of 2006, you were the one kind of selected by
7 the group to find an engineer or a list of engineers
8 to do an initial study?

9 A That was correct.

10 Q Okay. And you provided several names,
11 with one of them being Sutton-Kennerly?

12 A That's correct.

13 Q And by all the documents that we see here
14 today, Sutton-Kennerly was eventually one of the
15 experts used on the Bristol litigation and the
16 individual lawsuit litigation against the builders?

17 A Yes.

18 Q Prior to the homeowners taking over in
19 2006 and then shortly thereafter in 2006 -- strike
20 that.

21 When the homeowners took over the
22 responsibility and management of the Bristol in
23 August of 2006, were you elected to the board?

24 A Yes.

25 Q Okay. What was your position on the

1 board?

2 A I was vice president.

3 Q Okay. Who else was on the board with you?

4 Who was president at that time?

5 A Bob Zeisler (phonetic).

6 Q Okay. And was David Warner on the board?

7 A Yes. He was.

8 Q Ken Hanger, was he on the board?

9 A No.

10 Q Okay. It was you --

11 A Ray Johnson.

12 Q That's it.

13 A And Charles --

14 Q Yes. Okay.

15 A And someone else.

16 Q Following being voted onto the board, did
17 the board initially try to work with the beach
18 company in trying to resolve some of the issues with
19 the Bristol?

20 A Yes.

21 Q At that point, in the beginning of the
22 management of the Bristol, shortly after August of
23 2006, is it fair to say that the board knew of some
24 of the issues with the Bristol, construction
25 defects, but not the full effect?

1 A That's correct.

2 Q Okay. There was also an issue that the
3 reserve fund had not been properly funded by the
4 beach company?

5 A It was underfunded, yes.

6 Q And that was actually something that the
7 informal group knew of prior to the homeowners
8 taking responsibility in August of 2006?

9 A I believe that's correct, yes.

10 Q And then when the board took over in 2006,
11 did more by formal reserve study of the accounting
12 from the beach company as from the transition over
13 to the homeowners?

14 A Yes.

15 Q And that's when you-all realized that it
16 was a much more grave situation than you thought
17 with the reserve fund issue?

18 A What we did is we had a reserve study
19 formed. None had been done.

20 Q Right.

21 A So once the reserve study was done and the
22 numbers were given to us as to it should be funded
23 at that time at that point, then, yes, we could say,
24 specifically, here's the problem.

25 Q Okay. It eventually came to the knowledge

1 of the board that it wasn't a small amount that was
2 underfunded. It was in excess of \$100,000, if not
3 more?

4 A I believe that's correct, yes.

5 Q Okay. And the board approached the beach
6 company to try to resolve that issue and get some of
7 that money paid back to the homeowners association?

8 A Yes. That was a topic that was addressed,
9 yes.

10 Q Okay. And I believe the beach company
11 actually paid about \$50,000. That was all they
12 agreed to pay?

13 A They paid 50,000, yes.

14 Q Okay. Was that for the reserve fund, or
15 was that to go towards -- help with cost of doing
16 tests?

17 A I believe that was to help with cost of
18 doing testing. It was a generalized sort of here's
19 \$50,000. You know, you're having this problem. I
20 think we sort of quoted it as good will, but,
21 however, that -- \$50,000 worth of good will, I don't
22 know.

23 Q Okay. Did the beach company pay an
24 additional 65,000 later on towards the reserve fund,
25 or was that 50 it?

1 A That was it, I believe.

2 Q Okay. And that money wasn't, as you just
3 said, put in the reserve fund. It was used towards
4 testing and in anticipation of litigation?

5 A I don't recall that being the decision of
6 anticipation of that, but we had incurred cost of,
7 you know, for the destructive testing.

8 Q There were outstanding bills from
9 Sutton-Kennerly that needed to be paid?

10 A Yes. And we did ask for that to be paid.

11 Q But it didn't all get -- by the -- you
12 asked the beach company, and they didn't pay that?

13 A That's correct.

14 Q Prior to August of 2006, was there a
15 request by the informal smaller group of homeowners
16 for money to be donated towards trying to do
17 testing? It wasn't an assessment, because there
18 couldn't be a formal assessment, but --

19 A Right.

20 Q -- there was a request to have money paid
21 in?

22 A Here is what I recall what had happened,
23 is that actually before we moved to Bristol, my
24 husband and I bought there, there was this group
25 that existed, and that they had collected some money

1 to do some testing. And so there was somebody in
2 accounting, and I believe they did come back -- yes.
3 They did come back at one point and say, would
4 people be willing to contribute some money.

5 Q After you moved in?

6 A After I moved in, yes.

7 Q Okay.

8 A And I think they asked for a couple
9 hundred dollars. I don't recall exactly.

10 Q Okay.

11 (Off-the-record discussion.)

12 BY MS. POPE:

13 Q There's been discussion today of different
14 lawsuits that were filed, and they've got different
15 names -- or were given different names I think by
16 the homeowners and some of them just kind of stuck.

17 A Uh-huh.

18 Q The Hanger lawsuit was a lawsuit where Dr.
19 Ken Hanger was a plaintiff along with some other
20 people, correct?

21 A That's correct.

22 Q That was filed in 2005?

23 A Yes.

24 Q That was the first lawsuit filed against
25 the builders by a homeowner or a group of

1 homeowners?

2 A Yes.

3 Q Then when the board -- or, excuse me, when
4 the homeowners took over responsibility in August of
5 2006, elected a board, one of the first pieces of
6 business conducted by the board was to look to see
7 whether the board or homeowners association needed
8 to file suit?

9 A Yes.

10 Q Okay. And about the fall of 2006,
11 October-November, started looking at hiring a law
12 firm to represent the homeowners association?

13 A That's correct.

14 Q Because the board made the decision not to
15 join in the Hanger lawsuit that was already
16 existing?

17 A That's correct.

18 Q Okay. Then the law firm of Rosen, Rosen &
19 Hagood was hired by October-November of 2006 to
20 represent the homeowners association?

21 A That's correct.

22 Q And a lawsuit against the beach company,
23 Gulfstream, and multiple subcontractors?

24 A Yes.

25 Q Okay. And as we know later on, other

1 subcontractors were added as discovery --

2 A Uh-huh.

3 Q -- led the attorneys to believe that they
4 needed to be added as parties; is that correct?

5 A That's correct.

6 Q Okay. In February of 2007, beginning of
7 February 2007, the homeowners association lawsuit
8 was filed, and the individual lawsuit was also filed
9 where your name was listed first on the list of
10 plaintiffs. And that's been referred to as the
11 Landry lawsuit?

12 A Yes.

13 Q Okay. Both of those were filed by the law
14 firm of Rosen, Rosen & Hagood?

15 A Yes.

16 Q Okay. And Rosen, Rosen & Hagood worked on
17 both of those cases continually until they settled
18 in 2009?

19 A Yes.

20 Q Okay. The lawsuit that was for the
21 homeowners association, that was a lawsuit to cover
22 common areas and limited common areas?

23 A Uh-huh.

24 Q Correct? Is that a yes?

25 A Yes. Sorry. Yes.

1 Q No. That's okay. I'm doing that so she
2 can get it on the record. The individual lawsuit,
3 wherein nicknamed the Landry lawsuit, because your
4 name was listed first, that one was to cover any
5 personal property damaged maybe on the inside of the
6 condos and any property owned by the individuals?

7 A Yes.

8 Q Okay. When the investigations or when
9 Sutton-Kennerly started doing more extensive testing
10 in 2006, after -- almost immediately after the
11 board -- homeowners took over responsibility and the
12 board started looking more in depth at the builders,
13 when Sutton-Kennerly started doing more extensive
14 testing, one of the biggest issues they were looking
15 at were the windows?

16 A Yes.

17 Q Okay. And then when the lawsuits were
18 filed in February, the homeowners association made
19 the attempt to recover for any damage to the windows
20 and doors of each unit; is that correct?

21 A I don't know that was what was stated, was
22 they were trying to recover for the individual? I'm
23 sorry. I'm not following.

24 Q Well, what they were trying to --
25 (Off-the-record discussion.)

1 BY MS. POPE:

2 Q The board meetings that started after
3 August of 2006, those were not held out at the
4 Bristol. The majority of them were not held at the
5 Bristol?

6 A No.

7 Q Okay. They were held actually at the
8 Medical Society Building?

9 A It's the Medical University, Medical
10 something society.

11 Q Okay.

12 A Yes. On -- right off Calhoun.

13 Q Okay. And you believed that that was a
14 better place to have them than at the Bristol,
15 because -- instead of the conference room and
16 conference table?

17 A Yes.

18 Q Okay. But the Bristol has a huge room --

19 A Right.

20 Q -- where the board could have met but
21 chose not to meet?

22 A That's correct. The room is a common
23 room where people come and go. There's a kitchen,
24 and there's a swimming pool outside. We were there
25 to conduct business and needed a conference room.

1 Q Okay. The homeowners that were not
2 members of the board, they complained about those
3 board meetings being off campus basically?

4 A They did talk about it, yes. Some did.
5 Not all.

6 Q And some homeowners tried to attend the
7 board meetings?

8 A They did attend the board meetings.

9 Q But there were also times when they
10 weren't allowed to stay in the board meetings?

11 A That's not correct. They were not always
12 allowed to if we called for executive session, but
13 they were always allowed to come.

14 Q They were allowed to come, but they
15 couldn't stay if you went into executive session?

16 A No. That's what executive session is.

17 Q And during your executive session is when
18 you would discuss the lawsuit and issues with the
19 lawsuit pending -- or the pending lawsuit and issues
20 with the lawsuit once it got going?

21 A Right. The executive session, by
22 definition, is to discuss lawsuits, personnel
23 issues, and things of a confidential nature like
24 that, and we would only call executive sessions for
25 those things which were allowed to meet.

1 Q Now, is that your opinion, that that's the
2 only time to discuss lawsuits, in a executive
3 session? That's by definition --

4 A Which you may call -- by definition, we
5 can have executive session to discuss lawsuits, yes.

6 Q Okay. And that's your opinion as to what
7 executive session is?

8 A No. That is what's stated in the master
9 deed.

10 Q Okay. The homeowners were funding the
11 lawsuit, were they not?

12 A That's correct.

13 Q Okay. But it's still your position that
14 there was certain information about the lawsuit that
15 they should not be privy to?

16 A That's correct. There are confidentiality
17 issues. I mean attorneys would ask for it too.

18 Q When you purchased your condo in 2005, you
19 read the master deed, correct?

20 A Yes.

21 Q And you understood that the ownership of
22 the windows and doors was your responsibility as a
23 homeowner?

24 A I guess I did. I don't know. Like all
25 master deeds, I don't know that that really was a --

1 you know, I mean really I think that was -- I think
2 a lot of people were surprised. I think we all
3 looked at it -- just made an assumption that the
4 outside of the building is not owned by the owner.

5 Q Ms. Landry, I know that Judge Williams
6 asked you earlier that -- about taking -- having
7 your deposition taken. You remember having your
8 deposition taken?

9 A Yes.

10 Q And you remember being under oath --

11 A Yes.

12 Q -- and answering the questions?

13 A Uh-huh.

14 Q Is that a yes?

15 A I'm sorry. Yes.

16 Q All right. I'm going to show you your
17 deposition, and we did your deposition in two parts,
18 to be fair.

19 A Uh-huh.

20 Q We started on July 16th, 2012, at 10:00,
21 and then it actually recommenced I believe on July
22 31st, which was Monday, 2012. I'm going to show you
23 what was your deposition testimony taken on July
24 16th, to 2012, and I'm referring to page 77,
25 beginning with line 2. Actually, we'll start with

1 page 76, beginning with line 24.

2 Question. Okay. When you and your
3 husband purchased your condo at the Bristol, did you
4 read over the master deed? Continues on page 77,
5 line. Answer, yes. Question, did you understand
6 that the windows and doors are the responsibility of
7 the homeowner? Answer, I did.

8 Okay. So at that time I took your
9 deposition, you said that you understood that you
10 were responsible as a homeowner for the windows and
11 doors?

12 A And I'll stick with that.

13 Q Okay. At the time that you purchased your
14 condo, did your insurance policy cover any damage to
15 your windows and doors?

16 A I didn't purchase the insurance policy.
17 My husband was in charge of that, but I will
18 certainly go with the idea that he made sure that
19 was covered.

20 Q Okay. Sorry. Give me just a moment. You
21 were here just a moment ago during Dr. Lucas' --
22 some of Dr. Lucas' testimony. I'm going to refer to
23 I believe it is tab 8 in the plaintiffs' trial
24 brief, which is the Cindy Mulcare letter. Okay.

25 I'm going to have that out in just a

1 moment, and we're going to discuss that in a little
2 bit more detail. In February of 2007, after the
3 lawsuits were filed, I believe that the board
4 started making movements to change the master deed
5 in regard to ownership of the windows and doors?

6 A Yes.

7 Q Okay. And there has been much debate over
8 the reason for the change of the windows and doors,
9 but isn't it true that at the time that the lawyers
10 were looking at bringing a lawsuit against the
11 builders and their evaluation of the master deed
12 that they were concerned there was an issue that the
13 homeowners association did not have ownership of the
14 windows and doors, that those were not common
15 properties?

16 A That was discussed, yes.

17 Q Okay. So that was a concern by the --

18 A Right.

19 Q Okay. And since it was a concern of the
20 attorneys, it was a concern of the board in moving
21 forward with the litigation against the builder?

22 A I'm -- if the attorneys were concerned
23 about it, they had an issue with it, and they would
24 discuss it with us. And I'll just have to say -- am
25 able to say that, yes, we would reflect their

1 concern. We would follow whatever they asked us to
2 do or they advised us to check into. Whatever they
3 might have said you need to do or we need to look
4 at, we would have looked at that and how to proceed.
5 But I don't recall specifically what the discussions
6 were.

7 Q Okay. Around the same time that the
8 attorneys were raising a concern about the windows
9 and doors and the ownership issue as it relates to
10 litigation, the board goes to the agent at the time,
11 Cindy Mulcare, about the master deed and insurance
12 coverage; is that correct?

13 A Well, the insurance coverage always comes
14 up for renewal in March, renewal. So we always
15 would do that.

16 Q But you would agree with me that there's
17 some board members that approached Cindy Mulcare and
18 asked her to look at the master deed specifically
19 for the windows and doors?

20 A I did not do that, but, yes. They would.

21 Q Okay.

22 A I was not a part of that discussion.

23 Q But you were on the executive committee of
24 the board at the time?

25 A Well, the board is the board. Yeah.

1 There was no executive committee.

2 Q Well, you-all didn't have homeowners that
3 set on the board at the time that weren't officers?

4 A Well, I'm sorry. Executive committee is
5 usually a defined. There isn't an executive
6 committee. There was no defined executive
7 committee. There were officers and board members.

8 Q You were vice president at this time?

9 A Yes. That's correct.

10 Q Okay. So as vice president of the board,
11 isn't it fair to say that you were pretty
12 well-versed in what the board is and isn't doing?

13 A Well, yes. But there was also an
14 insurance committee. If I recall correctly, there
15 were also members of the community that were on
16 there, I believe. Brad Sherlock (phonetic) was on
17 that committee, and they did go because we were
18 having -- there was a lot of trouble at that time
19 about insurance and insurance rates, all the things
20 that were happening, and, of course, they did have
21 an in-depth discussion, and the insurance committee,
22 along with whatever property owners were sitting on
23 it, along with whatever board members were on it,
24 would, of course, go and talk with the insurance
25 company.

1 Q Okay. This letter from Cindy Mulcare
2 doesn't say that the Bristol is not insurable
3 because of what is perceived as ambiguities in the
4 master deed, does it?

5 A No.

6 Q Okay. All right. Following --

7 A It does say it would be quite difficult to
8 determine.

9 Q In regards to claims, not insurability,
10 but claims it filed.

11 A Okay.

12 Q Well, no. I want to be clear for the
13 record.

14 A No. That's fine. That's fine.

15 Q This is not saying that the Bristol is not
16 insurable, correct?

17 A No. It does not say that.

18 Q It just says that there could be
19 difficulty with claims --

20 A Right.

21 Q -- because of the master deed?

22 A Yes. Okay.

23 Q If individuals didn't have proper
24 insurance?

25 A Yeah. As I'm just reading what you're

1 reading, yes.

2 Q Okay. Let's see. Now, the board did make
3 a change to the master deed. I think it was the
4 fourth amendment that changed the windows and doors
5 from individual ownership to limited common
6 properties?

7 A That's correct.

8 Q Okay. And when the board made that
9 change, there was information sent out to the
10 homeowners that gave them I believe 20 days to
11 object to the change in the master deed?

12 A I don't recall. Yeah. I don't recall the
13 exact number of days, but --

14 Q But they were given a set number of days
15 to object?

16 A Yeah.

17 Q And if they didn't object, the board could
18 make the change to the master deed without the vote?

19 A That's correct.

20 Q Okay. So when they're -- because it was
21 considered -- based on Cindy Mulcare's letter that
22 we just looked at, it was considered an emergency?

23 A Right.

24 Q Okay.

25 A And our attorney agreed with that, our

1 general counsel. I'm not talking about Rosen, Rosen
2 & Hagood. I'm talking about David Wheeler, Moore &
3 VanAllen. We followed his advice on this.

4 Q Okay. Which also just happened to
5 coincide with the same time that you're filing a
6 lawsuit against the builder where your attorneys for
7 that litigation had concerns about ownership of
8 windows and doors?

9 A As I said, we renew the insurance in March
10 of every year. So that discussion would be held,
11 yes.

12 Q You also testified earlier that your
13 litigations attorneys for the construction lawsuit
14 has concerns about the --

15 A Yes. We did --

16 Q -- association. Let me finish. About the
17 association not having ownership of the windows and
18 doors?

19 A Right. That was discussed from the very
20 beginning.

21 Q Okay. When the board made the change to
22 the master deed without vote, there was no
23 compensation given to the homeowners for that change
24 in ownership, taking that property, correct?

25 A That's correct.

1 MR. BARFIELD: Objection.

2 THE COURT: What was the question?

3 MS. POPE: I said when the board made --
4 and this might not be actually verbatim, but
5 when the board made the change to the master
6 deed, changing the ownership of the windows and
7 doors from the homeowners to the board -- I
8 don't know if I used limited common property.
9 I can't remember. You might want to read it
10 back.

11 MR. BARFIELD: My objection was the use of
12 the phrase taking the property.

13 MS. POPE: Oh, okay. I guess maybe --

14 THE COURT: All right. I note your
15 objection. Go ahead.

16 BY MS. POPE:

17 Q I think you answered it. Okay. Prior to
18 the board making the decision to file a lawsuit

19 against the builder and developer, were there any
20 investigations made into filing a claim with the
21 insurance for the person covered at the time?

22 A I don't recall.

23 Q Okay. And I don't believe that there were
24 any investigations made into warranties that may
25 have covered some of the properties with the

1 Bristol, for example, on the windows?

2 A I don't recall.

3 Q Okay. Whose responsibility would it have
4 been to make those inquiries to the insurance
5 company? Would that have been the board's
6 responsibility?

7 A As I said, I don't recall. It may have
8 been that. We had different committees. I just
9 honestly don't remember at this point what all the
10 ins and outs were, and who did what.

11 Q Would it have been the responsibility of
12 the board to check on any warranties, say, for
13 instance, with the windows, that they could replace
14 the windows through a warranty or used it as an
15 avenue instead of filing suit?

16 A You know, as I recall, and I cannot tell
17 you precisely, you know, each point of all the
18 discussions that were held both with the beach
19 company before 2006, after 2006. There was a
20 tremendous amount that was discussed about the
21 windows, about whether the windows themselves were
22 the problem or the installations were the problems,
23 whatever was going on with the windows. There was
24 a -- and there were tests that were being done all
25 along.

1 So when we go to the point where
2 we're saying -- there was also suggestions of how
3 we're going to do this, and there were things that
4 the beach company proposed. And I think that what
5 the board did, and I stand by 100 percent, is to
6 review all of the information that was given, to
7 review the -- what people said the solutions were,
8 it was ADS or whatever. We were talking too much
9 here. And to simply say, okay, we need legal
10 counsel. We need to get an attorney on this.

11 Q Right.

12 A And so after we get an attorney, and we
13 get two attorneys, our general counsel and the
14 construction attorney, then at that point, you know,
15 we followed the advice of our counsel.

16 Q Okay. The individual lawsuit that was
17 filed where -- named the Landry suit, and case
18 number -- let's see if it's on here. Okay. I am

19 actually referring to what has been marked --

20 MS. POPE: The lawsuit that the Landry --
21 the individual lawsuit, is that one of your
22 defense exhibits?

23 MR. BARFIELD: I don't think so. I think
24 it was one of yours though.

25 MS. POPE: I don't think that one --

1 MR. BARFIELD: It was the --

2 MS. POPE: I think I just included the --
3 I'm going to show her just so she can see the
4 case caption, and I apologize, Your Honor, I
5 don't think this has been made an exhibit by --

6 MR. MOONEYHAM: Try tab 31.

7 BY MS. POPE:

8 Q I'm going to show you what is tab 31 in
9 plaintiffs' trial brief, and I'm showing it to you
10 just so you can have reference when I refer to it.
11 At the top right-hand corner here is the case
12 number, and the last three digits are handwritten
13 there 607. Do you see --

14 A Yes.

15 Q -- that? Okay. And this is the one that
16 has been referred to for the past several years as
17 the Landry lawsuit, because your name is listed here
18 first in the plaintiffs. But there were numerous
19 homeowners that joined this suit?

20 A Correct.

21 Q Okay. But it just gets for shortened
22 title the Landry lawsuit. And then this is the
23 lawsuit that was filed by your attorney or the
24 attorney for the homeowners association and the
25 individuals through Hagood. Right behind that on

1 tab 32 is another action filed that same day by Brew
2 Hagood, and plaintiff listed is the Bristol
3 Condominiums Property Owners association. And the
4 case number on it to the right, last three digits
5 612, do you see that?

6 A Yes.

7 Q Okay. I'm laying these out, because I'm
8 going to be referring to the last two numbers.
9 These two suits, 607 and 612, both filed by Brew
10 Hagood or Rosen, Rosen & Hagood?

11 A Yes.

12 Q Okay. The lawsuit for 607, which is the
13 individual lawsuit entitled Landry, the individuals
14 named as plaintiffs in the 607 lawsuit never paid
15 any extra money to the Bristol for attorneys' fees
16 and costs in relation to their suit, correct?

17 A Correct.

18 Q Okay. Whenever a bill came from Rosen,
19 Rosen & Hagood for legal services, it would come for
20 legal services and costs performed on 607 and 612?

21 A Correct. I don't know that they were
22 referenced in the bill but -- I mean I don't know if
23 both cases were referenced in the bills but there
24 would be a bill.

25 Q But there would be one bill from Rosen,

1 Rosen & Hagood?

2 A Correct.

3 Q Okay. And the Bristol would pay that
4 bill?

5 A Yes.

6 Q Okay. And Rosen, Rosen & Hagood was
7 working on both 607 and 612?

8 A Yes.

9 Q And individual property owners that were
10 named as 607 were benefiting from the work that
11 Rosen, Rosen & Hagood was doing?

12 A Right. As did the Hangers.

13 Q Okay. Yes. And I'm going to get to that
14 in just a moment. And the individual plaintiffs
15 that were named in 607 were benefiting from the
16 experts that were retained and working on the cases
17 and were paid by the Bristol?

18 A Yes. As did all owners, yes.

19 Q Okay. Now, and you just made a point just
20 a moment ago about as -- you said so did the Hangers
21 or something to that effect.

22 A Yes.

23 Q It's my understanding that at some point,
24 the judge combined the Hanger lawsuit, which was
25 filed in 2005, the suit 607 and 612, combined those

1 for discovery purposes?

2 A I do -- that's what I understood too.

3 Q The Hanger suit would have been tried with
4 607 and 612, but they would all be put together as
5 far as discovery purposes so that there wasn't
6 repeat depositions done and --

7 A Correct.

8 Q Okay. Now, it's -- and you made this
9 reference a moment ago. The Hangers basically --
10 the Hanger lawsuit basically piggy-backed off of the
11 Bristol lawsuit. Is that a fair assessment?

12 A Well, I'm not quite sure what you mean by
13 piggy-back, but whatever was discovered and
14 destructive testing was open for everyone, all
15 owners to see.

16 Q Okay. The Hanger lawsuit -- strike that.
17 The experts that were retained by
18 Rosen, Rosen & Hagood and paid for by the Bristol,
19 the information that those experts received during
20 their testing, during their investigations, that was
21 used by the Hanger lawsuit, correct?

22 A As I understand it. I was not part of
23 that suit so --

24 Q And the Hangers -- the members of that
25 group never reimbursed the Bristol any costs towards

1 those expert fees?

2 A No.

3 Q Okay.

4 A No.

5 Q No. I know that that was debated quite a
6 bit.

7 A Yeah. That may have been after my time.

8 Q I believe that that was after your time on
9 the board, because you stepped down in 2009, early
10 2009 I believe; is that right?

11 A Was it April of 2009?

12 Q Maybe. May have even been before that.

13 A It may have been. I was in job changing,
14 job transition and stuff, and so I did, yes.

15 Q Okay. And at that point, and being fair,
16 once you stepped down, you really didn't have a
17 whole lot to do with any --

18 A No. I didn't.

19 Q Your husband stepped in and took the spot,
20 but following your resigning in early 2009, you
21 really didn't have a whole lot of involvement with
22 the board, the homeowners association --

23 A No.

24 Q -- at all?

25 A No. I didn't -- no. I mean I could read

1 whatever was handed out, but I --

2 Q You weren't very active?

3 A I was no longer on the board.

4 Q Right. During the time that -- I believe
5 you became president in June of 2007? In the summer
6 of 2007, would that be fair to say that you took the
7 position as president?

8 A I guess, yes. That was -- it was after
9 Zeisler resigned so --

10 Q So sometime in 2007? Would that be
11 better?

12 A Yeah.

13 Q After the lawsuit was filed. Would that
14 help?

15 A Yes.

16 Q Okay. During the time that you were
17 president of the board, the litigation was starting
18 to heat up, a lot was going on, the law firm of

19 Rosen, Rosen & Hagood was actually be paid on an
20 hourly rate, correct?

21 A That's correct.

22 Q And any costs or expenses were to be paid
23 for directly by the homeowners, by the Bristol?

24 A They were, yes.

25 Q So those bills were coming in fairly

1 quickly after the litigation was filed in 2007,
2 especially the expert fees and so forth?

3 A Yes.

4 Q Okay. And we've already discussed that
5 the reserve fund was underfunded when it was
6 transferred over from the beach company --

7 A Yes.

8 Q -- to the homeowners?

9 A Uh-huh.

10 Q Is that a yes?

11 A I'm sorry. Yes. I was just thinking --
12 I'm thinking maybe some of the timing when I became
13 president is off, but I don't know if that's
14 material, so --

15 Q And if it is, please correct me.

16 A Okay.

17 Q Because I may have the dates wrong, but I
18 believe it was sometime in 2007. When the board was
19 deciding what to do, how to fund the litigation,
20 isn't it fair to say that bills were getting paid
21 out of the operating account to fund the litigation?

22 A I believe the bills were paid out of --
23 some may have been out of the operating account, but
24 some were being paid out of the reserves. Because
25 we did have the -- I'm trying to think back, because

1 I remember doing -- actually doing a spread sheet on
2 what monies were going in, and I think that we had
3 a -- we had an effusion of money from -- an
4 overpayment on insurance.

5 I mean there were monies that were
6 put into reserves. So I think that some of the
7 money was being borrowed from reserves to pay for
8 the --

9 Q Okay.

10 A That's how I recall. They were being
11 borrowed from reserves with the anticipation that
12 perhaps they could be paid back from settlement
13 fees.

14 Q Which they weren't?

15 A Yeah. No.

16 Q Okay. And the operating fund, the money
17 that was borrowed from the operating fund was never
18 fully refunded either?

19 A Once out of the board, I really don't -- I
20 don't recall that.

21 Q While you were on the board --

22 A No. Because that was still ongoing at
23 that time. The case was still was ongoing.

24 Q And you mentioned about a flood insurance
25 refund. At some point, I'm -- I can find it within

1 the exhibits, but you made reference to the Bristol
2 got a refund from overpayment of an insurance
3 premium?

4 A Right.

5 Q Because the flood zone was marked
6 incorrectly?

7 A The flood zone was marked -- was
8 incorrect, that's correct.

9 Q The amount of that refund was
10 approximately 171,000; is that right?

11 A I don't recall it being that much.

12 Q Okay.

13 A But --

14 Q Let me --

15 THE COURT: That's about right, isn't it?

16 MS. VEST: Yes. It was 171.

17 BY MS. POPE:

18 Q When that money came in, did the board
19 make the decision to deposit that into the reserve
20 fund --

21 A Yes.

22 Q -- towards the construction and litigation
23 costs?

24 A They put it in the reserve fund, yes.

25 Q Which was --

1 A We had a construction and litigation fund,
2 but it was not put into that, if I recall correctly,
3 which we had a regular reserve fund, and we had a
4 litigation fund.

5 Q Right. But the litigation fund kept
6 tapping into the reserve fund?

7 A Borrowed, yes.

8 Q Okay. And --

9 A I mean that was in keeping entry where it
10 was due to --

11 Q And that was -- what to do with that
12 refund was never discussed with the homeowners as a
13 whole?

14 A No.

15 Q Okay. It was just a unilateral decision
16 on what to do with that money?

17 A By the board with the advice of our
18 attorney, yes.

19 Q Was there an opinion letter from your
20 attorney on what to do with that?

21 A I don't recall.

22 Q Because I have never seen it.

23 A I don't recall. I remember the
24 discussions as to whether that could come -- but I
25 don't recall whether there was an opinion letter or

1 not.

2 Q Okay. Communications, or the lack
3 thereof, communication was a common complaint for
4 the first few years from homeowners to the board.
5 Is that fair to say?

6 A They did complain, yes. Lack thereof is
7 not fair, but I will say they complained.

8 Q Okay. There was complaints that they
9 weren't getting communications from the board?

10 A But they were. There were complaints. I
11 will disagree that they were not getting them.

12 Q And, in fact, there were homeowners that
13 would speak up at meetings that would say we think
14 there's a problem with communication?

15 A That's correct.

16 Q Okay.

17 A They did.

18 Q All right. And there were times when some
19 things got e-mailed to homeowners in regards to
20 we're having a meeting or any type of information
21 about the Bristol. There was no set uniform way to
22 communicate with the homeowners initially?

23 A We had a newsletter, and we had a website;
24 and we put information under the door. We mailed.
25 We e-mailed. We called. We had meetings. I think

1 we went back and did assessment of the types of
2 communication that were done during when I was on
3 the board, and it was numerous, really, really
4 numerous.

5 Q Well, there may have been numerous
6 communications, but there was never a set way as to
7 how things were going to be communicated. The board
8 never knew specifically is this going to get
9 e-mailed, or is this going to get shoved under the
10 door, right?

11 A We did newsletters, and I said, we had --
12 we did newsletters. We did e-mails. We hired Lona
13 as our property manager to manage these things, and
14 she sent them out. She put them under the door.
15 She e-mailed them. We put them in newsletters. We
16 put notices on the bulletin boards. You know, I
17 think that there was just widespread communication.

18 Q Okay. So in your opinion, even though
19 numerous homeowners were complaining about the lack
20 of communication or the untimeliness of
21 communication, you still think that the board was
22 doing their job?

23 A I absolutely think that the board was
24 doing their job, and the people who thought that
25 they were not was the people who have the other

1 lawsuit. I mean the complaints were consistently
2 from the same people.

3 Q Was --

4 A And they were addressed.

5 Q John Primus wasn't a part of that Hanger
6 lawsuit, correct?

7 A No.

8 Q John Lucas and Carolyn Lucas were not part
9 of that --

10 A I never received any complaints from the
11 Lucases about communication.

12 Q You weren't at the board meetings when he
13 stood up and spoke and said that he had problems
14 with communications?

15 A I just simply disagree. We communicated.
16 I mean I believe that we heard that he didn't read
17 some of those communications. There's nothing I can
18 do about that.

19 Q Behind tab 9 of the plaintiffs' trial
20 brief, I'm going to show you what's marked as
21 Plaintiffs' Exhibit -- it was marked Plaintiffs'
22 Exhibit 24 from depositions, but it's behind tab 9.

23 A Yes.

24 Q This is an e-mail communication from you
25 to Lona Vest, and I point here. It's dated June

1 28th, 2007, one, two, three, four, five -- the fifth
2 paragraph. It's kind of -- there's some paragraphs
3 and some lines, but where it starts, would you also
4 mind posting the letter on the bulletin board? And
5 then it says, what do you usually do about
6 mailings/delivering paper copies? I don't want to
7 put more on you. So perhaps I can handle that part,
8 or we could ask security to put copies under the
9 doors.

10 Some of these people who don't live
11 there all the time probably have about 100 pieces of
12 paper under the doors by now. Let me know how you
13 want to handle that part.

14 So according to this, there were
15 sometimes communications by paper, sometimes
16 communications other ways. It was kind of a, I
17 guess, play by play on how you-all were going to
18 communicate with the homeowners, correct?

19 A Once again, I disagree. What I'm saying
20 here is they probably have a lot under there. Where
21 they were also mailed, they were also e-mailed. We
22 also put up notices. You know, so I'm not saying
23 that we -- that was hither or thither. I was saying
24 we covered it on several different bases over and
25 over again.

1 Q Okay. In 2007, there was a special
2 assessment done, \$1,896 per unit. Does that sound
3 familiar? Sound right?

4 A 2007, yes.

5 Q Yes. In 2007. Was that the only special
6 assessment in 2007 for the litigation?

7 A Yes.

8 Q Okay.

9 A As I recall, yes.

10 Q Okay.

11 A Yes. Because we did it under the master
12 deed.

13 Q For the 20 percent.

14 A Right. Once a year.

15 Q And another one in 2008?

16 A I believe there was one in 2008.

17 Q Okay. Close to the same amount?

18 A I cannot remember, honestly. I'm sorry.

19 Q No. That's okay.

20 MS. VEST: Kelly, I don't know if this is
21 appropriate to say to you, but we only had one
22 assessment in for 1,896.

23 MS. POPE: Okay.

24 THE WITNESS: That's what I thought the 20
25 percent rule was.

1 BY MS. POPE:

2 Q And you heard some discussion earlier
3 during Dr. Lucas' testimony about a CD being mailed
4 out?

5 A Yes.

6 Q Okay. That was a CD mailed out in -- was
7 it 2006 or 2007? It was an informational piece
8 about the litigation.

9 A I believe that was late 2006.

10 Q Okay.

11 A Which is why I'm saying I think we had a
12 problem. I think that I took over as president in
13 2006 because that's when -- I think it was in like
14 December.

15 Q Okay. And that was informational to the
16 homeowners about the lawsuit, what could be coming?

17 A Right. We did a presentation --

18 Q Okay.

19 A -- on what was being done at that point
20 from the destructive testing, that kind of thing.

21 Q Okay. And then in -- I believe it was
22 2010, you were no longer a member of the board, and
23 actually I think by that point, almost an entirely
24 new board had come on?

25 A I think that's true.

1 Q And you wrote a letter to them, to the
2 board, cautioning them about being so transparent;
3 is that correct?

4 A About being transparent or not being
5 transparent?

6 Q About trying to be so transparent or
7 warning them about being transparent or trying to be
8 transparent.

9 A Do you have the letter?

10 Q Uh-huh. I do. However, I do not -- hold
11 on. Sorry. Let me find it. It's not been marked
12 as a trial exhibit. It is actually an exhibit to
13 the depositions. It's actually Plaintiffs' Exhibit
14 56 from the deposition, and I will show you this
15 copy.

16 MS. POPE: And, Your Honor, I'll hand you
17 my copy if you'd like that.

18 BY MS. POPE:

19 Q And during your deposition testimony, I
20 believe that you testified that this was written in
21 2010, and you put this memo together to the board.
22 Do you recall putting this memo together?

23 A I do. I do.

24 Q Okay. And that the purpose was that you
25 were wanting to -- basically, kind of a warning to

1 the people running the board that some people had
2 been stating that they were -- that were running for
3 the board that they didn't want to go into executive
4 session, and --

5 A What they were saying is that they were
6 going to eliminate executive session. They were
7 never going to have an executive session, and I said
8 from what I knew and from my experience is that was
9 a dangerous thing to do. Because executive session
10 serves its purpose, and in many cases is necessary
11 and required. And you don't want to make the
12 statement you'll never have executive session.

13 Q I believe you called it utter foolishness.

14 A Well, it is utter foolishness. I'll agree
15 with that.

16 Q And that you warned them against being
17 transparent, and that that was a lofty ideal?

18 A What I'm saying and what I said before,
19 where executive sessions have served is that there
20 are things that boards must do in executive
21 sessions, whether it's litigation, whether it's
22 personnel, whether it's confidential property owner
23 information. And to make the statement that you
24 would not ever have executive session is
25 foolishness. That's dangerous business, in my

1 opinion.

2 Q Well, isn't it true in your deposition,
3 where you were under oath, and you were making the
4 statement about they were saying everything would be
5 transparent, that you thought that that was a lofty
6 idea?

7 A Well, it is -- lofty idea, I mean I don't
8 really -- I'm not quite sure where we're going with
9 this. What I'm saying is that to say that you're
10 never going to have executive session, that you're
11 not going to have things that are done in private,
12 and -- I mean, you know, there are times when you're
13 discussing what's going on with the property owner,
14 or you're discussing what's going on with an
15 employee, or you're discussing something that's
16 incredibly important in a lawsuit that cannot get
17 out on the street.

18 And so when people say they're going
19 to be transparent, lofty idea might not have been
20 the best choice of words, but what I'm saying is
21 that executive sessions serves a purpose. It's
22 necessary and it should not be taken -- it shouldn't
23 be gone into lightly, but no one should say they're
24 not going to have one.

25 Q And in your opinion, you don't think a

1 board should be transparent?

2 A I do believe a board should be
3 transparent, but I also do believe there are times
4 when the board has to conduct its business in
5 private.

6 Q Okay. I'll go back to your deposition.

7 A I don't think I said anything different
8 from that.

9 Q I take you to page 70, which is from the
10 continued deposition held on July 31st, I believe,
11 for identification -- no, July 30th, for
12 identification purposes. I take you to page 70 and
13 down to beginning line 16, and your answer. There's
14 a lengthy answer, and I'm going to pick up with line
15 16 where it states, and so that was a concern of
16 mine, you know, having left the board or having a
17 new board in place.

18 Some of the things that were being
19 said, that we will never hold an executive session.
20 Everything will be transparent. All meetings will
21 be opened, and while that's kind of a lofty ideal --
22 I believe that's a typo. Idea, in many cases, it's
23 also incorrect and can cause problems for the
24 community association.

25 A Yes.

1 Q Is that not what you said?

2 A That is exactly what I said.

3 MS. POPE: Okay. Could I have just a
4 moment to confer with counsel?

5 THE COURT: Sure.

6 MS. POPE: I believe if there's no
7 objection that we'll mark this.

8 MR. BARFIELD: No. That's fine.

9 MS. POPE: I'm not sure what number it
10 would be. I think it would be Defendants' 2.

11 MR. BARFIELD: It'll be Plaintiffs' 2.

12 (Plaintiffs' Deposition Exhibit No. 2
13 was marked for identification.)

14 MS. POPE: I have no further questions at
15 this time, Your Honor.

16 THE COURT: Cross-examination?

17 MR. BARFIELD: Thank you, Your Honor.

18 CROSS-EXAMINATION

19 BY MR. BARFIELD:

20 Q Ms. Landry, I'm going to try to be very
21 brief. Famous last words from a lawyer but -- based
22 on your experience on the Bristol board --

23 A Uh-huh.

24 Q -- did the board, in your opinion, ever
25 act counter to what it believed to be the best

1 interest of the association?

2 A No. Well, we always acted in the best
3 interest. I felt very strongly about that.

4 Q Okay. Did the board ever intentionally
5 keep important information from the members of the
6 association at large?

7 A No. We did not. We would -- but we
8 did -- we would release information when it came to
9 the lawsuit when our attorneys told us it can be
10 released. We would never have released it at a time
11 that would harm. If it harms the case, it harms the
12 owners. So we had to be very clear on that.

13 Q So you relied on the advice of counsel for
14 those decisions?

15 A Always, yes.

16 Q Okay. Did you also rely on the advice and
17 recommendations of the various experts that the
18 association retained to work on its behalf in the
19 construction litigation?

20 A Yes.

21 Q As we sit here today, do you believe that
22 the board acted appropriately in processing that
23 advice and acting on it?

24 A Yes. I do. I do.

25 Q Do you believe, now that we're several

1 years down the road, that the Bristol needed to be
2 fixed?

3 A Oh, yes.

4 Q And we're going to ask some others about
5 the details of this, but if you can, what -- in a
6 nutshell, what was wrong with the building?

7 A What was wrong with the building were the
8 windows, the installation of the windows. The
9 building leaked. The window leaked. The windows
10 themselves may have been okay as a window, but they
11 leaked. I can't -- I'm not an engineer, but we
12 certainly had so many studies done, but the windows
13 did leak and the damage was pervasive.

14 Q All right. And did the exterior
15 cladding -- and what I mean by that is the stucco --
16 did that have to be pulled off and replaced?

17 A It did. It did. And one of the things
18 that I think is important -- I mean it hasn't really
19 been brought out, but 40 percent of that building is
20 glass -- is windows. So you start messing with a
21 window, or you take a window out, or you move this,
22 you do that, when you start to correct that, you're
23 cutting into that cladding. So you can't put damage
24 on top of damage. The whole thing had to be
25 repaired and repaired so that it would be good for

1 the future.

2 Q Okay. Was there plywood sheathing
3 underneath the stucco on the exterior of that
4 building?

5 A I honestly don't recall that.

6 Q Okay. There may be some other
7 witnesses --

8 A Yeah. There may be some other witness who
9 can tell you.

10 Q -- that can speak to that more
11 specifically. Do you believe that the decision to
12 fix the building was the right decision?

13 A Yes. Yes.

14 Q We have heard a lot of testimony about the
15 expense associated with pursuing the litigation.

16 A Right.

17 Q You had to pay attorneys?

18 A Yes.

19 Q Okay. And actually, the decision was made
20 to pay the attorneys hourly as opposed to on a
21 contingency fee basis?

22 A That's correct.

23 Q Were you on the board when that decision
24 was considered and made?

25 A Yes.

1 Q Why, to the best of your recollection, was
2 it decided that the attorney should be paid hourly
3 as opposed to a contingency-fee basis?

4 A The board wanted that, because it was in
5 their consideration that that would be the most
6 economical route to take. And it was discussed. It
7 was discussed with the attorneys, and we felt that
8 that was in the best interest of the owners and
9 would be, like I said, the most economical -- would
10 be the cost-effective way.

11 And we had talked to a number of
12 people who have been involved in lawsuits and felt
13 that this was -- that financially, that was the best
14 decision for the owners. And I think it's
15 important -- I mean I will point out -- I don't know
16 if it was asked of me, but I'm going to point this
17 out if I can. Is that everyone who is on the board
18 owns one of those condominium, and I certainly would
19 never vote against my own best, you know, financial
20 interest or the interest of what I wanted, you know,
21 for me and my family for it to be -- for it to stop
22 leaking and to get it fixed.

23 Q Okay. After all of the attorneys and
24 experts were paid and the other incidental costs of
25 the litigation were satisfied --

1 A Uh-huh.

2 Q -- did the association still come out
3 ahead monetarily at the end of the litigation such
4 that, in your opinion, it was worth it to get the
5 building fixed?

6 A I believe it was worth it to get the
7 building fixed. Yes. I do.

8 Q Okay. And when I say came out ahead
9 monetarily, I don't mean that you -- we've heard
10 testimony there was a shortfall.

11 A Right. I was going to say that kind of
12 confused me there for a moment.

13 Q You didn't profit?

14 A We did not profit. I believe that we got
15 the best settlement that we could get.

16 Q Okay. What I meant by that, and I'll ask
17 you to answer it after I clarify, having pursued the
18 litigation --

19 A Uh-huh.

20 Q -- paid for the litigation, accepted the
21 settlement that you ultimately accepted --

22 A Right.

23 Q -- did that -- was that, in your opinion,
24 worth it as opposed to the association simply
25 sucking it up, not pursuing litigation and paying

1 out of pocket on its own to fix the building?

2 A Yes. We had -- it's -- we had to do what
3 we had to do. We had to know what we know. You
4 know, we had to go through that process, absolutely.
5 That was the right thing to do.

6 Q This may sound like a silly question, but
7 it bears asking. Did the association have any
8 source of income other than the assessments and
9 regime fees it collected from its members?

10 A No.

11 Q Okay.

12 A No other sources.

13 Q There's no Bristol endowment out there?

14 A No. There's no Bristol endowment. There
15 are -- you know, we went through all that with the
16 owners. There are funded -- they're very limited
17 funding ways is what you meant, yes.

18 Q So if money is being taken from the
19 capital reserve fund --

20 A Uh-huh.

21 Q -- or from the litigation fund or from
22 some other account held by the Bristol, it's all
23 the -- ultimately, the funds paid to the association
24 by members of the association?

25 A That's correct.

1 Q All right.

2 A That's correct.

3 Q The capital reserve fund, is it safe to
4 say that that was a rainy-day fund?

5 A Yes. Yes.

6 Q That's the --

7 A Well, capital reserve, they can be
8 rainy-day funds. They can also be funds for, you
9 know, future repairs. But reserve funds -- I think
10 we talked about we borrowed from them. We used a
11 litigation fund. We did -- they're -- as you
12 pointed out, there are certain ways that a
13 business -- that the associations can run and
14 they're funded. That's assessments -- monthly
15 assessment, dues, special assessments.

16 Q To the --

17 A We don't have bake sales, for example.

18 Q To the extent that the ultimate goal of
19 the litigation was to insure that the building was
20 repaired --

21 A Right.

22 Q -- do you believe that it was prudent then
23 to tap into the capital reserve fund at times to
24 fund the litigation?

25 A Yes. And the way that we did it when I

1 was on the board and was, you know, it was we
2 borrowed from them, and then there was also a set
3 up -- a set litigation fund that came from when we
4 did the litigation -- when we did the one-time
5 assessment. That was designated specifically for
6 that, and then we did borrow from that. That is not
7 atypical. That is done.

8 Q You were asked some questions awhile ago
9 about transparency.

10 A Uh-huh.

11 Q And also about the communication between
12 the board and the homeowners.

13 A Uh-huh.

14 Q With regard to the master deed amendment
15 --

16 A Uh-huh.

17 Q -- do you believe that the information
18 pertaining to that issue was sufficiently conveyed
19 to the membership at large for them to make an
20 informed decision on voting to change the master
21 deed?

22 A Yes. I do, yes.

23 Q And were there any dissenters on changing
24 the master deed?

25 A No. There were no dissenters. I think

1 that I would add to that, and I think the property
2 owners, some were a little bit surprised to find out
3 that they didn't own the windows. They were a
4 common property. I think most people wanted that --
5 well, they proved it out, they didn't. But they
6 were fine with it.

7 Q Just to be clear, you said some people
8 were surprised to find out that they actually owned
9 their windows --

10 A Oh, stunned.

11 Q -- unto themselves?

12 A Stunned when we first started this. They
13 were just totally taken aback, and yes. So -- but I
14 think that it was -- that was a desired effect, that
15 40 percent of the building that's out there be
16 common property.

17 Q Okay.

18 A That was what the owners wanted, yes.

19 Q Okay. If amending the master deed to
20 change the status of the doors and windows in some
21 regard facilitated or furthered the cause of the
22 association in its litigation, okay -- I may be long
23 winded. So if I need to clarify, let me know. But
24 if, in fact, the litigation was helped by that
25 amendment, does that, in your opinion, undercut the

1 need to amend the master deed for the insurance
2 reasons set forth in Ms. Mulcare's letter?

3 A No. I think we did absolutely the right
4 thing to have -- for this taken, yes, by the -- for
5 that -- it's the building, you know, that needs to
6 operate collectively. It's a condominium. People
7 don't have stand-alone properties.

8 Q Right. And the master deed as it was
9 originally drafted was something that was prepared
10 by the developer?

11 A Exactly. Exactly, which is why you review
12 the master deed frequently when you first come and
13 take over. When it first transitions, that's -- you
14 go through it very carefully to see what issues may
15 be there that need to be addressed.

16 Q Ms. Pope asked you about off-site meetings
17 --

18 A Yes.

19 Q -- of the board.

20 A Right.

21 Q Can you tell me why meetings were held off
22 site?

23 A And I had said this earlier, the room,
24 which is referred to as the Bristol room, the common
25 area room, is a room of common traffic. There's the

1 swimming pool. There's -- you know, there's a lot
2 of traffic out there. And although it's a large
3 room, it does not have a conference table. It did
4 not have telephone conferencing capabilities like we
5 have here.

6 One of your board members are one of
7 the -- the treasurer offered his conference room,
8 because it had this type of a set up, which they
9 offered to us for free. We could use it so that we
10 could conference in anyone who wished to participate
11 in the meeting.

12 And also, as I said before, a board
13 meeting is a business meeting. It's a place to
14 discuss finances. It's a place to discuss
15 maintenance. It's a place to discuss many, many
16 things that had to do with the business of running
17 the condominium.

18 So as a business meeting, we wanted
19 to hold it in a business setting, but we did have
20 chairs set up for people to come. Property owners
21 did attend, and they were there. We had property
22 owners who were there -- sat through entire budget
23 discussions.

24 Q You mentioned the telecommunications
25 capabilities.

1 A Uh-huh.

2 Q The Lucases live in Greenville most of the
3 time.

4 A Right.

5 Q If they had wanted to call in to a board
6 meeting in the Bristol room, could they have done
7 that?

8 A Not at that time.

9 Q Okay. If they had wanted to call into a
10 board meeting at the off-site location, could they
11 have done that?

12 A Yes.

13 Q Okay. And the off-site location was where
14 in proximity to the Bristol?

15 A It was probably a half a mile. I mean
16 some of the people walked or bicycled there.

17 Q Okay. Was it in -- it was part of -- it's
18 an MUSC facility?

19 A It's MUSC. It's the Medical Society of
20 South Carolina..

21 Q Okay.

22 A Right there at Jonathan Lucas Street.

23 Q Okay. I asked you a moment ago about the
24 decision to pay the attorney hourly as opposed to on
25 a contingency fee.

1 A Uh-huh.

2 Q And this may -- the ultimate resolution of
3 the case may have come after your tenure on the
4 board, and so if you don't know, that's fine. But
5 do you know whether or not the association
6 ultimately came out ahead financially by taking that
7 hourly-rate option as opposed to a one-third
8 contingency fee or 40 percent --

9 A Based on what I know of the fees, we came
10 out ahead. It was the right decision.

11 Q Okay.

12 A It cost us less to go that way.

13 Q Okay. Do you know how much less?

14 A I don't know. I'm sure it was maybe -- I
15 really don't know. I'm guessing in the neighborhood
16 of 100, \$200,000 maybe, but I'm trying to think in
17 terms of what the one-third would have been. And
18 also, once it -- there are also things that I don't

19 know would have kicked in, because it went to the
20 trial level, then the percentages went up. So at
21 that point, we were really, really doing the right
22 thing.

23 Q So that the contingency fee arrangement --

24 A Contingency would have gone up as it does
25 with -- you know, get 30 percent and then it's like

1 40 if you get -- so yeah. We were good to have done
2 what we did.

3 Q I just want to make sure that this is
4 clear on the record. The decision to file suit in
5 the name of the association --

6 A Yes.

7 Q -- was that put to a vote of the
8 association?

9 A Yes. It had to be, yes.

10 Q And so the association voted and approved
11 --

12 A They did.

13 Q -- that step?

14 A They did.

15 Q All right. Was the association asked to
16 vote in and approve the replacement of -- or the
17 replacement windows that were put in?

18 A Yes.

19 Q And did the association vote on and
20 approve the special assessment that was levied to
21 fund the shortfall between the settlement funds and
22 the cost of the repair?

23 A Yes. They did.

24 MR. BARFIELD: I think that's all I have.

25 Thank you.

1 THE COURT: Redirect?

2 MS. POPE: Briefly, Your Honor.

3 REDIRECT EXAMINATION

4 BY MS. POPE:

5 Q Just a moment ago, Mr. Barfield made
6 reference to the reserve being a rainy-day account.
7 Isn't the purpose of the reserve fund to have money
8 there to make repairs to the building as needed?

9 A Yes. And I added that when he asked me
10 that.

11 Q Right. So it's not a rainy-day, fun-day
12 account. It's there to do things to the building as
13 needed to keep it in good shape?

14 A That's correct. But if something does
15 happen, it's -- for example, if you said, okay. I'm
16 going to do a roof repair. We're expecting 20 years
17 out, but the roof -- something happens and it
18 becomes an emergency, then you go ahead and pull
19 from those funds then.

20 Q Because the money should be there?

21 A The money should be there, and so you
22 build it up on reserves. But part of a reserve fund
23 is also understanding, you know, that you need money
24 for emergencies too, because your operating fund is
25 not necessarily going to carry that as well. You

1 know, you have got to have --

2 Q And a reserve fund should be properly
3 funded?

4 A Yes. It should be.

5 Q And the goal is for it to be properly
6 funded at all times?

7 A The goal is for it to be properly funded
8 at all times, but I will say that when you talk
9 about how you fund something, you pay for
10 litigation, or you pay for a repair that may be more
11 than is in the funds at that point, or some other
12 expense. It is totally okay to borrow from the fund
13 as long as you have a -- you know, there's a borrow
14 mechanism in place to borrow from a reserve fund to
15 fund something you need.

16 And it is reflected on the books. It
17 is something that's auditable. It's out there. It
18 has to be paid back, but you can -- the community
19 association can determine at what point it's paid
20 back.

21 Q But it should be paid back?

22 A Yes. It should be.

23 Q And if an entity -- so, for instance, the
24 beach company had underfunded, and I believe I have
25 seen the figure somewhere in close proximity of

1 \$300,000 that it was underfunded when the beach
2 company turned over ownership to the homeowners
3 association?

4 A Uh-huh.

5 Q Is it the responsibility of the board to
6 go after the beach company or that entity that owes
7 that money and --

8 A Which I do believe we did. Now, there's
9 one thing. There's an issue on reserve funds that I
10 think needs to be brought out. Is that you can say
11 from a reserve study this is what needs to be
12 funded. In South Carolina, at least on the time
13 that I was on the board, as I understand it now,
14 there is no law that says it has to be precisely
15 this amount. It's a best practice to have funded at
16 60, 70 or 80 percent. There are states where it's
17 the law, but I do not think it's a law here.

18 Q So you think the board did the best job
19 that they could do in taking \$50,000 when they were
20 owed an extreme amount more than that from the beach
21 company for the underfunding of the --

22 A The \$50,000 was not part of the settlement
23 that was given at the beginning, and that wasn't
24 something that we actually --

25 Q So it's your understanding that the money

1 that the beach company paid in settlement at the end
2 of 2009, that some of that was for the reserve fund?

3 A No. I don't -- I don't know that. What
4 I'm saying is that the \$50,000 that you referred to
5 was -- beach company just wrote a check for \$50,000.
6 That wasn't part of a -- we told them we thought it
7 was underfunded. We also said that we have this
8 problem with paying for, you know, more destructive
9 testing than we said.

10 And they said, well to help you
11 along, we'll write you a check for \$50,000. That
12 wasn't part of a -- it wasn't part of settlement.
13 It wasn't even anything anybody said, or that's
14 enough. Thank you very much. It wasn't like that
15 at all.

16 Q So it really wasn't an issue that was
17 pushed?

18 A Well, it was pushed when we filed the
19 lawsuit, but at that time, that money was basically
20 in a discussion given. This was early on.

21 Q So I'm going to ask you again, your
22 understanding is that when the settlement came from
23 the beach company, when they paid into the
24 settlement in 2009, it's your understanding that the
25 portion they paid in would also cover some of the

1 reserve fund?

2 A No. I don't know. That's why I'm saying
3 that.

4 Q You don't know?

5 A No. I don't know.

6 Q Okay.

7 A I was not part of the settlement. What I
8 know was that the settlement was voted on by the
9 owners to be accepted. It had to be. They voted to
10 accept it.

11 MS. POPE: Okay. I have no further
12 questions.

13 THE COURT: All right. Recross?

14 RE-CROSS-EXAMINATION

15 BY MR. BARFIELD:

16 Q The board -- the association's attorneys
17 were aware of the issue whereby the -- that the
18 beach company had underfunded the reserve fund
19 initially?

20 A Right.

21 Q Right. The attorneys knew that?

22 A Yeah.

23 Q And they pursued that as part of their
24 claims --

25 A Right.

1 Q -- against the appropriate defendants?

2 A Right. I think what -- I'm sorry. I
3 thought what I was being asked at the end, was this
4 was all supposed to be divided a certain way. I
5 just can't address that, because I don't know.

6 Q Right.

7 A It was a settlement that was accepted.

8 Q I just wanted to make sure that we're
9 clear that that was one of the issues that was
10 turned over to the attorneys.

11 A Yes.

12 Q Who pursued it on behalf of the
13 association?

14 A Right, right. We did not pursue it
15 individually after that, yeah, once the lawsuit was
16 filed.

17 Q And as we all know, the litigation
18 resulted in a settlement?

19 A That's correct.

20 Q So all claims --

21 A Yes.

22 Q -- in the litigation --

23 A Yes.

24 Q -- were resolved in exchange for the
25 settlement that was reached?

1 A Precisely, okay, yes. I see.

2 MS. POPE: Okay. That's all I have.

3 Thank you.

4 THE COURT: All right. Thank you, ma'am.

5 You can be excused, or you can stay with us if

6 you'd like. Do you have another witness at

7 this time?

8 MS. POPE: No, sir. Not at this time.

9 THE COURT: So we want to recess for
10 today?

11 MS. POPE: Yes, sir.

12 (Proceeding was adjourned at 4:38
13 p.m.)

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REPORTER'S CERTIFICATE

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I, TRISHA G. RARICK, Court Reporter and Notary Public in and for the State of South Carolina at large, do hereby certify that I correctly reported the within-entitled matter and that the foregoing is a full, true and correct transcription of my shorthand notes of the testimony and/or other oral proceedings had in the said matter.

I further certify that I am neither related to nor counsel for any party to the cause pending or interested in the events thereof.

Witness my hand, I have hereunto affixed my seal this ____ day of _____, 2013, at Charleston, Charleston County, South Carolina.

TRISHA G. RARICK
Court Reporter
My Commission Expires
APRIL 19, 2019

1 STATE OF SOUTH CAROLINA)
2 COUNTY OF CHARLESTON) : IN THE COURT OF COMMON PLEAS
CASE NO. 10-CP-10-3240

3 JOHN T. LUCAS, SR. AS)
4 TRUSTEE OF THE JOHN T.)
5 LUCAS REVOCABLE TRUST)
AND CAROLYN C. LUCAS)
REVOCABLE TRUST,)

6 Plaintiff(s),)

7 -vs)

8 THE BRISTOL CONDOMINIUM)
9 PROPERTY OWNERS')
ASSOCIATION,)
Defendant(s),)

EXHIBITS TO THE
DEPOSITION OF:

Cindy Mulcare

10 -----)
11 STATE OF SOUTH CAROLINA) : IN THE COURT OF COMMON PLEAS
12 COUNTY OF CHARLESTON) CASE NO. 11-CP-10-2232

13 THE BRISTOL CONDOMINIUM)
14 PROPERTY OWNERS')
ASSOCIATION,)

15 Plaintiff(s),)

16 JOHN T. LUCAS, SR. AS)
17 TRUSTEE OF THE JOHN T.)
18 LUCAS REVOCABLE TRUST)
DATED NOVEMBER 10,)
2004, AND CAROLYN C.)
19 LUCAS REVOCABLE TRUST)
DATED NOVEMBER 10, 2004)

20 Defendant(s),)

21 Counterclaim)
Plaintiffs,)

22 -vs)

23 THE BRISTOL CONDOMINIUM)
24 PROPERTY OWNERS')
ASSOCIATION,)

25 Counterclaim)
Defendants.)

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Given before Stacey L. Scoggan, Court Reporter and
Notary Public, in the law offices of Barnwell, Whaley,
Patterson, and Helms, 885 Island Park Drive, Charleston,
South Carolina on Monday, April the 9, 2011, commencing at
2:00 o'clock p.m.

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1 (Cindy Mulcare, having been duly sworn, testifies
2 as follows:)

3 DIRECT EXAMINATION BY MS. POPE:

4 Q If you would, state your full name for the record
5 please.

6 A Cynthia Bar Mulcare.

7 Q Ms. Mulcare, my name is Kelly Pope. And we talked off
8 the record and we've met off the record. As you know I've
9 subpoenaed you here today for your deposition in a case
10 where I represent Dr. John Lucas in an action that he's
11 filed against the Bristol Property Owners Association. Have
12 you ever had your deposition taken before?

13 A Yes. Over the telephone.

14 Q All right. I'm going to kind of go over some of the
15 South Carolina rules in regards to depositions. First, if
16 you need a break at any point in time please let me know.
17 You don't have to tell me why. It doesn't matter. If you
18 just need to get out and get some fresh air, just please
19 let me know and we'll take a break.

20 I will tell you that now that you're sworn under
21 oath and we've begun, if you take a break you can't discuss
22 this case with anyone. If you do I'm allowed to ask you
23 questions about what was discussed during the breaks. Okay?

24 A Okay.

25 Q Also, make sure that you give verbal answers. So if

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1 A No.

2 Q So you've been an employee at all of these places?

3 A Yes.

4 Q Have you ever been sued individually?

5 A No.

6 Q Been a party to a lawsuit either as a plaintiff or
7 defendant?

8 A No.

9 Q Have you ever been a witness in a case where one of the
10 companies you've worked for has been sued?

11 A No. Well --

12 Q You said earlier you gave a deposition by phone.

13 A I gave a deposition by phone. Is that included?

14 Q Well, tell me what it was about or what --

15 A It was during Hurricane Hugo. And a roof blew off of a
16 building. And it was just about the value of the building.

17 Q So you were just a witness in regards to the value of
18 the building?

19 A Yes.

20 Q Tell me when you got involved with the Bristol
21 property.

22 A I believe it's been five years.

23 Q Okay. So that would have been 2007; does that sound
24 about right?

25 A Do you have my summaries?

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- 1 Q Okay. I don't know any other way that I can ask it.
2 Either you did or didn't make recommendations that they
3 needed to change things on the master deed?
4 A I didn't make recommendations.
5 Q Did you make suggestions?
6 A There was a discussion.
7 Q Tell me about the discussion.
8 A There was a discussion about the doors and the windows,
9 whether the doors and the windows should be included by the
10 unit owner under their policy or by the condominium
11 association's policy.
12 Q Okay. Who did you have the conversation with?
13 A I think it was Johnny Jordan and Charles DeRose.
14 Q Was it by phone, in person; do you remember?
15 A In person.
16 Q Did they come to you or did you go over to the Bristol?
17 A They called me.
18 Q Okay. So it was by phone and not in person?
19 A No. It was in person.
20 Q Okay. Did you go to the Bristol or did they come to
21 your office?
22 A I went to the Bristol.
23 Q And they were the only ones there at the meeting?
24 A I don't remember.
25 Q Okay.

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- 1 A It's been such a long time ago.
- 2 Q Was this in 2007?
- 3 A I don't remember.
- 4 Q Had you already secured insurance coverage for them?
- 5 A Yes.
- 6 Q Okay. So you had already brokered them coverage?
- 7 A Yes.
- 8 Q And it was in place, intact?
- 9 A Yes, yes, yes.
- 10 Q Okay. Do you remember why they were approaching you
- 11 about the doors and windows?
- 12 A Because they were considering a lawsuit with the
- 13 previous -- with the developer. And I can't remember who
- 14 else. The developer, contractor, over the existing doors
- 15 and windows.
- 16 Q Okay. Do you remember anything else about the
- 17 discussion? Just that they were considering a lawsuit that
- 18 would involve the doors and windows?
- 19 A Yes, because they were leaky.
- 20 Q Okay. When you had this conversation with them what is
- 21 your recollection as to the coverage in regards to the doors
- 22 and windows for the policy that was in existence?
- 23 A Well, our policy would not cover the leaky doors and
- 24 windows because it was prior to our insurance going into
- 25 place. So the leaky doors and windows would have been

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1 Q Because they were having issues with the lawsuit?

2 A Yes, or they were contemplating a lawsuit. I can't
3 remember whether there were in the middle of the lawsuit or
4 whether they were contemplating a lawsuit.

5 Q You just know it had something to do with a lawsuit?

6 A Yes.

7 Q And questions about the windows and doors?

8 A Yes. And they were trying to -- they were trying to
9 improve the overall situation.

10 Q What do you mean by that?

11 A Well, they were trying to make sure that for -- going
12 down the road that my policy was going to cover the doors
13 and the windows.

14 Q Okay.

15 A That the condominium association was going to cover the
16 doors and the windows.

17 Q Why wasn't it covered at that point?

18 A I don't believe that's the way it read in the master
19 deed.

20 Q Okay. So it was your understanding that each property
21 owner, at that point in time when you were approached, that
22 each property owner was responsible for insurance coverage
23 on their own windows and doors?

24 A I believe so, yes.

25 Q Pursuant to the master deed?

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1 A Yes.

2 Q So in your experiences was there an issue with the
3 individual property owners insuring their own windows and
4 doors?

5 A Well, it's hard -- yes, because it is hard to define --
6 if the doors and the windows are attached to the building it
7 is hard to define -- if the building is valued at
8 \$25 million and it includes the windows and doors, then
9 everything is encompassing. And if the windows and doors
10 are not included, they're part of the building, so it's hard
11 to -- it's hard for the insurance company to wrap their arms
12 around what exactly is covered and what is not covered
13 unless it's specific in the master deed and then our policy
14 follows that.

15 Q Okay.

16 A Okay? So the definition of building -- it's very
17 important as to what the definition of building covers.

18 Q And when you first started working with the Bristol, I
19 believe your testimony earlier indicated that it was done by
20 the master deed, the coverage. And the master deed did not
21 provide coverage for the windows and doors so therefore, the
22 policy did not cover the windows and doors?

23 A I believe that's correct, yes.

24 Q So if something happened to a property owner's windows
25 or doors their own insurance should be responsible for it?

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1 outside?

2 A Yes.

3 Q And the pool?

4 A Yes.

5 (Whereupon an off the record discussion took
6 place.)

7 Q Okay. So basically based upon this policy if something
8 happened to someone's condo and there was damage to the
9 condo, and this is in 2007 when you first started working
10 with them when the windows and doors were the responsibility
11 of the property owner, and something happened to the windows
12 and doors, how would it be determined? I guess at that
13 pointed in time if anything happened to the windows and
14 doors it --

15 A It was the responsibility of the unit owner.

16 Q To take care of it?

17 A Yes.

18 Q Were there any complaints that you received from
19 homeowners that they had a problem with that, having that
20 responsibility?

21 A Yes.

22 Q Which homeowners?

23 A I don't, I don't remember. It was within the Board of
24 Directors.

25 Q So it was someone on the Board of Directors?

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1 A It was a conversation at one of the Board of Directors
2 meeting that they were going to have a conversation with all
3 the unit owners.

4 Q Was this at that same conversation that you had with
5 Johnny and Charles?

6 A No.

7 Q It was a different one?

8 A This is a different. I had so many meetings.

9 Q With them?

10 A Yes.

11 Q When they're having conversations about the windows and
12 doors and wanting to meet with the property owners, that was
13 during the same time that they were contemplating the
14 lawsuit --

15 A Yes.

16 Q -- or were involved in the lawsuit?

17 A Yes.

18 Q Okay. Were you familiar with what was going on with
19 the lawsuit at all?

20 A I was not.

21 Q Okay. Were you aware that there were concerns with the
22 lawsuit moving forward because the homeowners association
23 didn't own the windows and doors?

24 A No.

25 MR. BARFIELD: Object to the form.

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1 Q Okay. I'll just put it this way, did you write this
2 before or after you had meetings with the Insurance
3 Committee?

4 A After.

5 Q Okay. Now, it talks about ambiguity in the master
6 deed. And earlier we looked at the section of the master
7 deed that described what was considered a unit.

8 A Right.

9 Q And the property owners' responsibility.

10 A Right.

11 Q And doesn't it clearly lay out there that they're
12 responsible for their windows and doors?

13 A When I went to the insurance marketplace, when we
14 picked up this -- when we picked up -- when we were
15 appointed the broker, I went to the insurance marketplace.
16 And our top property insurance carriers, I have to send a
17 copy of the master deed to the insurance carriers for them
18 to read it. This is what I was told by the insurance
19 carriers, that it was -- that there -- it was not clear
20 because normally in the insurance marketplace the windows
21 and doors are insured as part of the building.

22 Q Right.

23 A And if it got down to the unit owners versus the
24 condominium association -- say one person had a leak and the
25 other person didn't, or one person on one floor had a leak

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1 but this person didn't, there was going to be some
2 ambiguity. So that's what I was told. And that's what I
3 portrayed to the board.

4 Q In the letter?

5 A Yes.

6 Q All right. And prior --

7 A Well, and they asked me to write a letter.

8 Q The board did?

9 A Yes. I provided that to them verbally and they
10 asked me to provide them with a letter.

11 Q But this was after the policy had been written and the
12 policy was in place? Because it says --

13 A Was this policy in --

14 Q We don't have the '07 policy.

15 A And what was the date of that letter?

16 Q February 27th, 2007. And it says, "You have requested
17 that I review the master deed of the Bristol Property
18 Owner's Association and attempt to ascertain if the language
19 used to describe property rights and description of units

20 section 3.2C conforms to coverage in the insurance contracts
21 we have recently secured on behalf of the association."

22 So based on the letter it would appear that the
23 policies were already secured and in place when they asked
24 you to write the letter?

25 A All right. And you know what, that wasn't just about

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1 A But see, nobody asked me to review the rough draft or
2 the, you know, the --

3 Q I understand. I understand.

4 A And no matter how many times you change this, not
5 everybody's going to be happy with it.

6 Q I understand that, too. All right. I'm going to show
7 you what's marked as Exhibit Twenty again. This was the
8 letter that we were just referring to a moment ago.

9 A Okay.

10 Q So you're saying that you wrote this letter to the
11 board or the Insurance Committee after y'all spoke about the
12 windows and doors issue?

13 A We spoke about that whole paragraph, the unit owners.
14 We spoke about what was described as a unit.

15 Q Right. And they were specifically focussing on the
16 windows and doors?

17 A That was one thing they were focussing on.

18 Q And this letter was written after you met with the
19 committee?

20 A I met with them verbally. And they asked me to put a
21 letter into place so they could take it to the board, or the
22 unit owners, or whoever. Yeah.

23 Q But this letter just states that there's ambiguity in
24 that specific section as to what is responsibility of the
25 unit owners?

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1 A Uh-huh. And that's true.

2 Q It doesn't specifically address the windows and doors?

3 A Correct.

4 Q Okay. Because a moment ago you said the windows and
5 doors issue had been discussed?

6 A Uh-huh. That was one thing that was discussed.

7 Q And then they came back and talked about the ambiguity,
8 and then you did the letter?

9 A Yes.

10 Q Okay. I think that's all I have.

11 (DOCUMENT MARKED AS PLAINTIFF'S EXHIBIT NUMBER
12 NINETY-NINE FOR I.D.)

13 (Deposition concluded at 4:10 o'clock p.m.)

14

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1 STATE OF SOUTH CAROLINA)
2 COUNTY OF CHARLESTON) : IN THE COURT OF COMMON PLEAS
CASE NO. 10-CP-10-3240

3 JOHN T. LUCAS, SR. AS)
4 TRUSTEE OF THE JOHN T.)
5 LUCAS REVOCABLE TRUST)
6 AND CAROLYN C. LUCAS)
7 REVOCABLE TRUST,)
8 Plaintiff(s),)
9 -vs)
10)
11 THE BRISTOL CONDOMINIUM)
12 PROPERTY OWNERS')
13 ASSOCIATION,)
14 Defendant(s),)
15 -----)
16 STATE OF SOUTH CAROLINA)
17 COUNTY OF CHARLESTON) : IN THE COURT OF COMMON PLEAS
18 CASE NO. 11-CP-10-2232

19 THE BRISTOL CONDOMINIUM)
20 PROPERTY OWNERS')
21 ASSOCIATION,)
22 Plaintiff(s),)
23)
24 JOHN T. LUCAS, SR. AS)
25 TRUSTEE OF THE JOHN T.)
LUCAS REVOCABLE TRUST)
DATED NOVEMBER 10,)
2004, AND CAROLYN C.)
LUCAS REVOCABLE TRUST)
DATED NOVEMBER 10, 2004)
Defendant(s),)
Counterclaim)
Plaintiffs,)
-vvs)
THE BRISTOL CONDOMINIUM)
PROPERTY OWNERS')
ASSOCIATION,)
Counterclaim)
Defendants.)
-----)

DEPOSITION OF:

Jan Landry

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4 Given before Stacey L. Scoggan, Court Reporter and
5 Notary Public, in the law offices of Barnwell, Whaley,
6 Patterson, and Helms, 885 Island Park Drive, Charleston,
7 South Carolina on Monday, July the 16, 2012, commencing at
8 10:00 o'clock a.m.
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A-P-P-E-A-R-A-N-C-E-S

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1 (Jan Landry, having been duly sworn,
2 testifies as follows:)

3 DIRECT EXAMINATION BY MS. POPE:

4 Q If you would, state your full name for the record
5 please.

6 A It's Janice Leonard Landry.

7 Q Have you ever had your deposition taken before?

8 A Yes, I have.

9 Q So you are kind of familiar with the rules and how
10 those go. I'm just going to kind of hit a couple of the
11 rules just kind of as a reminder. If at any point in time
12 you need a break, please let me know, for any reason, as
13 long as you need, we'll do that. We'll probably be here for
14 a while today, so please just let me know at any point in
15 time.

16 A Okay.

17 Q Now that you have been sworn in, if you take a break
18 and you speak with your attorney during the deposition I can
19 ask you what you've talked about, even if it relates to the
20 case.

21 A Okay.

22 Q Once the deposition is over, then you can talk to your
23 attorney about the case. And of course, I can't question
24 you then. If you shake your head yes or no, the court
25 reporter's not going to be able to get it on the record. So

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- 1 A We married in 1988.
- 2 Q Okay. Was that your first marriage?
- 3 A No.
- 4 Q Who was your previous husband?
- 5 A His name was Chauncey Munger Lane.
- 6 Q Munger?
- 7 A M-U-N-G-E-R.
- 8 Q How long were you married?
- 9 A Thirteen years.
- 10 Q Okay. Was Lucas Travel Schools already in existence?
- 11 A Yes, it was.
- 12 Q Okay. You bought that travel school in 1988?
- 13 A That's correct.
- 14 Q What was the purchase price?
- 15 A I think it was 350,000.
- 16 Q What did you do there?
- 17 A Well, I ran the schools. I was President of the
- 18 schools. And I also wrote and designed curriculum.
- 19 Q I know, but what did you teach?
- 20 A We prepared people to go into the travel business, be
- 21 it travel agencies, hotels, tour management, that type of
- 22 thing.
- 23 Q Do you have to have a special certification to be a
- 24 travel agent?
- 25 A No.

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1 money to contribute?

2 A Yes, yes.

3 Q Okay. At the time that the Beach Company had been
4 approached you said you had done some work on putting some
5 engineering information together?

6 A Right. That's correct.

7 Q All right. Was the Beach Company approached before or
8 after that list had been narrowed down to a few engineering
9 groups?

10 A I believe it was after.

11 Q Okay. Which engineering group was actually used for
12 the condo study?

13 A Sutton Kennerly.

14 Q Okay. I'll refer to them as SKA.

15 A SKA.

16 Q And that was in combination with input from the Beach
17 Company or not?

18 A That was -- the Beach Company had the list. And they
19 said Sutton Kennerly.

20 Q ~~And all of this is still prior to the condo becoming~~
21 responsibility of the homeowners?

22 A That's correct, which is why that board had to approve
23 work or expenses.

24 Q Okay. How much did the Beach Company contribute to
25 SKA?

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1 A I don't recall the amount of that. I'll give you a
2 general range. We went to them asking for -- we thought
3 that we could have an overview of the building done for
4 maybe in the neighborhood of \$5,000. And they agreed to
5 that, but that number is not specific.

6 Q Who was responsible for organizing Sutton Kennerly
7 coming and doing the project, was that you?

8 A No. I did not organize it.

9 Q Who contacted them?

10 A I believe the Beach Company contacted them. Who
11 contacted them to -- let me clarify that. Contacted Sutton
12 Kennerly to give a quote or contacted them to ask them to
13 say, you will be doing the work?

14 Q First the quote. Was that you?

15 A I did, yes.

16 Q And your recollection was they gave you a quote of
17 approximately 5,000?

18 A For an overview, yes.

19 Q And then to actually do the overview, who contacted
20 them, the Beach Company?

21 A I believe that's correct.

22 Q Okay. The Sutton Kennerly report, did that come back
23 to the Beach Company, their findings?

24 A As I recall the time -- how the, you know, the timeline
25 that Sutton Kennerly did make a report. Did the overview

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1 period of time.)

2 Q We were talking about some meetings that were taking
3 place in 2005 that the Beach Company controlled the board
4 was having and some homeowners were attending. Do you
5 remember if Craig Tolberg attended any of those meetings?

6 A I don't recall.

7 Q Do you recall if Craig Tolberg every attended any of
8 the informal meetings that the ad hoc group had?

9 A I don't recall, but I was -- I didn't know all of the
10 members that well. We were fairly new when the ad hoc
11 groups were being ---

12 Q All right. So in 2005, beginning of 2006 we have the
13 report from ABS and the Sutton Kennerly reports. Did either
14 of those reports address the bathroom situation?

15 A No.

16 Q Okay. When was a report done that the bathroom
17 situations were addressed?

18 A I don't remember the day of the report, but it was when
19 Sutton Kennerly was doing their in depth study of the
20 building.

21 Q Okay. This is the one that the Beach Company said, go
22 ahead and do?

23 A No. That was the overview. The Beach Company -- the
24 one that the Beach Company agreed to was the overview.
25 That's correct.

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- 1 remember his name. He's on the board now.
- 2 Q Tolberg?
- 3 A The Dutch couple. The Tolbergs, yes.
- 4 Q Prins.
- 5 A Yeah. Johan Prins and his wife. I'm sorry. Johan
- 6 Prins and Maria Sindrom (ph), his wife. Yeah. She
- 7 attended. And yes, I believe the Tolberg -- Craig Tolberg
- 8 did attend. And Chris Harmon. There may have been others,
- 9 but those I definitely know were there. Marilyn Durke had
- 10 also attended some.
- 11 Q Now, during the board meetings, these homeowners that
- 12 attended, were they able to ask questions?
- 13 A Yes.
- 14 Q During the board meetings themselves?
- 15 A During the board meetings, no. That didn't mean they
- 16 didn't, but we asked to reserve a time for questions at the
- 17 end.
- 18 Q At the end of the board meeting?
- 19 A Yes. Uh-huh.
- 20 Q And at any point in time in 2006 would the board go
- 21 into executive session?
- 22 A Yes.
- 23 Q Tell me what your interpretation or definition is of
- 24 executive session.
- 25 A Executive session is for legal matters and personnel.

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1 Q What do you mean by legal matters?

2 A If you're anticipating any type of a lawsuit or you're
3 discussing any kind of lawsuit.

4 Q Okay. Would the particulars of what the lawsuit would
5 include, was that discussed during executive session?

6 A I think it had -- I think it was discussed in -- it was
7 discussed in both. We had open sessions and we -- there
8 were open sessions where the attorney was there. I can't
9 tell you specifically which ones, but there were open
10 sessions. And then if there was something discussed about,
11 you know, relationships between the attorneys, anything that
12 had to do with privileged information, then we would call
13 for executive session.

14 Q In selection of the attorney, Brew Haygood, was that
15 done in executive session or open? Discussions on which
16 attorney to hire.

17 A I don't recall, but I believe it was open. I don't
18 think we started using executive session until we actually
19 had a lawsuit. But the minutes would reflect that.

20 Q What kind of personnel issues would be discussed?

21 A We didn't have personnel issues, but you asked me what
22 I understood executive session could be used for.

23 Q Right. Okay. To your recollection were personnel
24 discussions ever taking place during executive session?

25 A Yes. I'm sorry. There were personnel, because we did

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1 have discussions about the change over. By personnel, the
2 Bristol itself does not -- did not hire anyone. But in the
3 change over for hiring another property owner, we did call
4 for executive session because the property manager at the
5 time does attend those meetings. So we talked about their
6 performance. It was like a performance review of the
7 company.

8 Q Okay. Was it Debra Pratt?

9 A That's correct. And she was employee of the Beach
10 Company.

11 Q Okay. It appears from the records at the courthouse
12 that the Hanger suit was filed July 26th, 2005. Does that
13 sound about right?

14 A Yes.

15 Q Okay. At any point in time was it ever discussed by
16 the board about joining the Hanger lawsuit?

17 A Yes.

18 Q Okay. What was your understanding as to what the
19 Hanger lawsuit was actually covering?

20 A And this is would simply be an understanding, because I
21 never discussed the lawsuit with the Hangers or with their
22 attorneys. But it was about windows, water intrusion.

23 Q Water intrusion on the windows and doors?

24 A I knew for certain that that was a discussion point.

25 Any other ones, I do not know.

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1 Q After the transition did their attorneys attend any
2 events?

3 A I don't recall. I would say -- I mean, I think as
4 representatives of their -- there was four owners. I
5 believe that Michael Seeings was at meetings afterwards.
6 That would be my recollection.

7 Q Did the board entertain them as a possibility of a law
8 firm to handle the lawsuit?

9 A As I said, we did discuss it in the board meetings, but
10 they were not interviewed.

11 Q Why not?

12 A For one, the lawsuit had already begun, had already
13 been filed. It was filed on -- the lawsuit for the Hangers
14 had already begun. They had their issues. I mean, they
15 were suing on whatever issues, you know, the windows, doors.
16 And we, in interviewing -- the reason I'm pausing, I'm
17 trying to recollect exactly what happened.

18 Q That's okay. Take your time.

19 A They had already agreed, I guess on the terms of the
20 lawsuit, the Hangers. I believe it was the Derricks. I

21 mean, obviously you know this was an existing lawsuit. And
22 they had already agreed on, you know, their terms,
23 contingencies, whatever. And it was our opinion that the
24 board really had to interview, you know, attorneys and
25 determine how we wish for the lawsuit to go, not to latch on

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1 STATE OF SOUTH CAROLINA)
2 COUNTY OF CHARLESTON) : IN THE COURT OF COMMON PLEAS
CASE NO. 10-CP-10-3240
3 JOHN T. LUCAS, SR. AS)
4 TRUSTEE OF THE JOHN T.)
5 LUCAS REVOCABLE TRUST)
6 AND CAROLYN C. LUCAS)
7 REVOCABLE TRUST,)
8 Plaintiff(s),)
9 -vs)
10 THE BRISTOL CONDOMINIUM)
11 PROPERTY OWNERS')
12 ASSOCIATION,)
13 Defendant(s),)
14 -----)
15 STATE OF SOUTH CAROLINA)
16 COUNTY OF CHARLESTON) : IN THE COURT OF COMMON PLEAS
CASE NO. 11-CP-10-2232
17 THE BRISTOL CONDOMINIUM)
18 PROPERTY OWNERS')
19 ASSOCIATION,)
20 Plaintiff(s),)
21 JOHN T. LUCAS, SR. AS)
22 TRUSTEE OF THE JOHN T.)
23 LUCAS REVOCABLE TRUST)
24 DATED NOVEMBER 10,)
25 2004, AND CAROLYN C.)
LUCAS REVOCABLE TRUST)
DATED NOVEMBER 10, 2004)
Defendant(s),)
Counterclaim)
Plaintiffs,)
-vs)
THE BRISTOL CONDOMINIUM)
PROPERTY OWNERS')
ASSOCIATION,)
Counterclaim)
Defendants.)
-----)

DEPOSITION OF:

Dave Landry

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4 Given before Stacey L. Scoggan, Court Reporter and
5 Notary Public, in the law offices of Barnwell, Whaley,
6 Patterson, and Helms, 885 Island Park Drive, Charleston,
7 South Carolina on Tuesday, November the 15, 2011, commencing
8 at 10:00 o'clock a.m.
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A-P-P-E-A-R-A-N-C-E-S

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1 (Dave Landry, having been duly sworn, testifies
2 as follows:)

3 DIRECT EXAMINATION BY MS. POPE:

4 Q If you would, state your full name for the record.

5 A David Barton Landry, Senior.

6 Q And it's my understanding that you no longer live at
7 the Bristol?

8 A We sold it and closed last Thursday, so I am no longer
9 on the Bristol board.

10 Q What is your current address?

11 A It's 911 High Nest Lane.

12 Q Is that two words, High Nest?

13 A It is. Sorry.

14 Q That's okay.

15 A High Nest Lane, Charleston, 29412.

16 Q Okay. Where is that located?

17 A That's on James Island, off Fort Johnson Road.

18 Q Is it a house or a condo?

19 A It's a house.

20 ~~(Whereupon an off the record discussion took~~
21 place.)

22 Q Okay. I'm just going to kind of go over some of the
23 preliminary rules that deal with depositions. If at any
24 point in time you need a break, just let me know.

25 A Okay.

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1 STATE OF SOUTH CAROLINA)
2 COUNTY OF CHARLESTON) : IN THE COURT OF COMMON PLEAS
3 JOHN T. LUCAS, SR. AS) CASE NO. 10-CP-10-3240
4 TRUSTEE OF THE JOHN T.)
5 LUCAS REVOCABLE TRUST)
6 AND CAROLYN C. LUCAS)
7 REVOCABLE TRUST,)
8 Plaintiff(s),)
9 -vs)
10 THE BRISTOL CONDOMINIUM)
11 PROPERTY OWNERS')
12 ASSOCIATION,)
13 Defendant(s),)
14 -----)
15 STATE OF SOUTH CAROLINA)
16 COUNTY OF CHARLESTON) : IN THE COURT OF COMMON PLEAS
17 THE BRISTOL CONDOMINIUM) CASE NO. 11-CP-10-2232
18 PROPERTY OWNERS')
19 ASSOCIATION,)
20 Plaintiff(s),)
21 JOHN T. LUCAS, SR. AS)
22 TRUSTEE OF THE JOHN T.)
23 LUCAS REVOCABLE TRUST)
24 DATED NOVEMBER 10,)
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Defendant(s),)
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THE BRISTOL CONDOMINIUM)
PROPERTY OWNERS')
ASSOCIATION,)
Counterclaim)
Defendants.)
-----)

VOLUME II
DEPOSITION OF:
Dave Landry

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4 Given before Stacey L. Scoggan, Court Reporter and
5 Notary Public, in the law offices of Barnwell, Whaley,
6 Patterson, and Helms, 885 Island Park Drive, Charleston,
7 South Carolina on Monday, December the 12, 2011, commencing
8 at 10:00 o'clock a.m.
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1 DIRECT EXAMINATION BY MS. POPE:

2 Q Mr. Landry, thank you for coming back today. We're
3 doing a continuation of your deposition that we started on
4 November 15th. And we started it that day, didn't get
5 finished, so we're reconvening today.

6 A Fine.

7 Q From that time, from November 15th until today, have
8 you talked to anyone about your deposition?

9 A No.

10 Q Have you talked to anyone about the contents of the
11 case?

12 A No.

13 Q Okay. I'm going to try my best not to ask you things
14 that I previously asked. I reviewed your deposition so that
15 I wouldn't do that and we could save time and get going.
16 But if I do I apologize. Just bear with me.

17 A That's fine.

18 Q I'll remind you that when I ask a question, give a
19 verbal answer, yes or no. If you shake your head, I'll just
20 remind you. And that's for the purposes of the Court

21 Reporter.

22 A Please do.

23 Q And if you need a break, let me know.

24 A Uh-huh.

25 Q In 2009 you were on the board of the homeowners

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1 there were more than just this one done?

2 A You know, it could have been David Warner.

3 Q Okay.

4 A We were -- I remember we did make a case for hourly as
5 opposed to --

6 Q Contingency?

7 A Contingency period, yeah.

8 Q Do you know if these cost projections here were ever
9 presented to the homeowners? Not the board, but all of the
10 homeowners.

11 A Probably -- no, I don't know.

12 Q Okay. Were they supposed to be, or is this something
13 that the board kept among themselves?

14 A Because it's an early day I expect -- I would
15 anticipate that this is early on and the board probably did
16 keep it to themselves. They -- there's too much
17 information.

18 Q Until they knew for sure kind of what --

19 A Yeah, yeah.

20 Q -- the costs were going to be? Okay. On the page
21 that's labeled actually as page one, at the bottom there
22 it's labeled, Alternative Methods for Legal Services. And
23 the date on this one says, draft 2-8-2008. The reason why
24 they're stapled together is that when the documents were
25 provided to me in discovery they were together like that.

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1 STATE OF SOUTH CAROLINA)
2 COUNTY OF CHARLESTON) IN THE COURT OF COMMON PLEAS
CASE NO. 10-CP-10-3240
3 JOHN T. LUCAS, SR. AS)
4 TRUSTEE OF THE JOHN T.)
5 LUCAS REVOCABLE TRUST)
6 AND CAROLYN C. LUCAS)
7 REVOCABLE TRUST,)
8 Plaintiff(s),)
9 -vs)
10 THE BRISTOL CONDOMINIUM)
11 PROPERTY OWNERS')
12 ASSOCIATION,)
13 Defendant(s),)
14 -----)
15 STATE OF SOUTH CAROLINA)
16 COUNTY OF CHARLESTON) IN THE COURT OF COMMON PLEAS
CASE NO. 11-CP-10-2232
17 THE BRISTOL CONDOMINIUM)
18 PROPERTY OWNERS')
19 ASSOCIATION,)
20 Plaintiff(s),)
21 JOHN T. LUCAS, SR. AS)
22 TRUSTEE OF THE JOHN T.)
23 LUCAS REVOCABLE TRUST)
24 DATED NOVEMBER 10,)
25 2004, AND CAROLYN C.)
LUCAS REVOCABLE TRUST)
DATED NOVEMBER 10, 2004)
Defendant(s),)
Counterclaim)
Plaintiffs,)
-vs)
THE BRISTOL CONDOMINIUM)
PROPERTY OWNERS')
ASSOCIATION,)
Counterclaim)
Defendants.)
-----)

DEPOSITION OF:

Johan Prins

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1
2
3
4 Given before Stacey L. Scoggan, Court Reporter and
5 Notary Public, in the law offices of Barnwell, Whaley,
6 Patterson, and Helms, 885 Island Park Drive, Charleston,
7 South Carolina on Tuesday, April the 10, 2012, commencing at
8 3:00 o'clock p.m.
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A-P-P-E-A-R-A-N-C-E-S

For the Plaintiff : Mooneyham Berry & Pope
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Charleston, SC 29492

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(None were marked.)

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1 (Johan Prins, having been duly sworn,
2 testifies as follows:)

3 DIRECT EXAMINATION BY MS. POPE:

4 Q State your full name for the record please.

5 A My official name is Joannes Prins, J-O-A-N-N-E-S, but
6 they call me Johan.

7 Q And say your last name again for me.

8 A Prins, P-R-I-N-S.

9 Q Mr. Prins, my name is Kelly Pope. And we've met off
10 the record. As you know I represent Dr. Lucas and his wife
11 in an action that they have brought against the Bristol
12 Property Owner's Association. Have you ever had your
13 deposition taken before?

14 A Once.

15 Q Okay. So you're kind of familiar with how things will
16 go. I just want to kind of go over some of the South
17 Carolina rules regarding depositions. If you need a break
18 at any point in time, please let me know. We can take
19 however long a break you need for whatever reason. You
20 don't have to tell me. You just tell me you want a break
21 and we're good to go. And we'll start back when you're
22 ready.

23 If you don't understand a question that I ask,
24 please ask me to repeat it. Let me know that you don't
25 understand it. If you answer the question I will assume

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1 invoices for them, you had concerns about how much it was
2 costing and raised those concerns at homeowners meetings,
3 correct?

4 A No, I was more concerned about the operating expenses,
5 yeah. So I was -- I looked at the operating expenses of the
6 Bristol and compare that with other condominiums in
7 Charleston some -- well, let's say key performance
8 indicators, what they had at the Vendue Range and the
9 Renaissance compared to ours. And then I said that we were
10 far too expensive as far as operating expenses are
11 concerned, yeah.

12 When you talk about the legal expenses, I honestly
13 could not judge that because I was not aware of number of
14 hours spent by the law office and what the hourly rates
15 were. And so I think that on one of the homeowners meeting
16 maybe I raised a question of how are we going to pay those
17 legal expenses. And then I also might have asked if it was
18 not appropriate to have a special assessment for those legal
19 expenses instead of using the money from the reserve fund to
20 ~~pay the legal expenses. And I had a --- yeah, I had an~~
21 uncomfortable feeling with that.

22 Q Why were you uncomfortable with taking money out of the
23 reserve fund to pay the attorney's fees and costs?

24 A Uncomfortable?

25 Q Yes.

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1 A Because you have money in reserve fund in order to be
2 ready for repairs in the future, yeah. And if you don't
3 have your cash anymore, yeah, then you can have all your
4 balance sheet, the picture that operating fund still owes
5 the reserve fund, but if the operating fund doesn't have
6 reserves, yeah, then it is paper money. And then, yeah, so
7 I was not impressed by that strategy.

8 Q And you raised that concern at a homeowners meeting?

9 A I think so, yeah.

10 Q And what was the response that you got from the board?

11 A Well, it was at that time the lawsuit will be over in
12 six months or so, and then we have the money. And then we
13 can take look at the picture again.

14 Q But it wasn't over in six months?

15 A It wasn't over in six months, no. But yeah, the
16 lawsuit took longer. It was more expensive than we thought,
17 yeah. And then -- and the boards had make the decision that
18 it was appropriate to pay the legal expenses with the money
19 that was in the reserve fund, yeah. And then there were not
20 that many homeowners who were concerned about it. So I
21 think that that -- most of the people, most of the
22 homeowners thought, okay, we can do that. And when we get
23 some money out of the lawsuit then we can fund the reserve
24 fund again with the money that we get out of lawsuit.

25 Q But that didn't happen?

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1 issue was discussed with the people who need the mortgage
2 for the unit, yeah. And then specifically the flood
3 insurance, but we didn't need a mortgage so it was never --
4 the insurance was never an issue that was discussed with us.

5 Q Okay. Did you ever have concerns that there were board
6 meetings off Bristol property?

7 A Yes. I was very much in favor to have the board
8 meetings at the Bristol. We have room, as you know, yeah.
9 And so keep the board meetings there. And so -- but the
10 former board had preference to have the board meetings
11 elsewhere, yeah.

12 Q Do you know why they were doing that?

13 A Well, I think it was -- they thought it was
14 convenience. It was more convenient to have the meeting
15 over there, yeah. It was -- and then one of the MUSC
16 buildings. And Johnny Jordan was the President of the
17 association. And then he could get the board meeting with
18 comfortable seats, and a big table, and telephones, and
19 whatever, yeah.

20 Q ~~Were the board meetings open?~~

21 A The board meetings -- well, you could -- I been there
22 twice, but you had to make an announcement before.

23 Q You had to let them know you were coming to the board
24 meeting?

25 A Yeah, you had to let them know that you were coming.

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1 Q Okay. Prior to any meetings that were held with all of
2 the homeowners or once the board meetings became open, were
3 the homeowners properly informed of what the agenda was
4 going to be at the meetings?

5 A I would say with the annual meeting and the special
6 meeting, yeah. But with the regular board meeting the
7 homeowners got the agenda when they entered the room. And
8 then -- so there was -- that was the way the meeting were
9 held.

10 Q Okay. I know that whenever there's going to be a vote
11 that if a homeowner is not able to be there that they can
12 assign their vote by proxy to someone?

13 A Uh-huh.

14 Q Is that a yes?

15 A Yes.

16 Q Okay. Do you feel like that any time in the past that
17 maybe board members solicited proxy votes before some of the
18 meetings in order to push through their agenda?

19 A Well, I have communicated a couple of times that there
20 is a need to change our master deed and bylaws because I
21 don't think it is appropriate that the proxy gives the
22 authority to the board to give their vote to whomever they
23 want, yeah. And then -- and I have strongly recommended
24 that we have to change it in such a way that the individual
25 homeowner can specify the person that they want to elect for

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1	STATE OF SOUTH CAROLINA)	
2	COUNTY OF CHARLESTON)	IN THE COURT OF COMMON PLEAS CASE NO. 10-CP-10-3240
3	JOHN T. LUCAS, SR. AS)	
4	TRUSTEE OF THE JOHN T.)	
5	LUCAS REVOCABLE TRUST)	
6	AND CAROLYN C. LUCAS)	
7	REVOCABLE TRUST,)	
8	Plaintiff(s),)	VOLUME I
9	-vs)	DEPOSITION OF:
10	THE BRISTOL CONDOMINIUM)	David Warner
11	PROPERTY OWNERS')	
12	ASSOCIATION,)	
13	Defendant(s),)	
14	-----)	
15	STATE OF SOUTH CAROLINA)	
16	COUNTY OF CHARLESTON)	IN THE COURT OF COMMON PLEAS CASE NO. 11-CP-10-2232
17	THE BRISTOL CONDOMINIUM)	
18	PROPERTY OWNERS')	
19	ASSOCIATION,)	
20	Plaintiff(s),)	
21	JOHN T. LUCAS, SR. AS)	
22	TRUSTEE OF THE JOHN T.)	
23	LUCAS REVOCABLE TRUST)	
24	DATED NOVEMBER 10,)	
25	2004, AND CAROLYN C.)	
26	LUCAS REVOCABLE TRUST)	
27	DATED NOVEMBER 10, 2004)	
28	Defendant(s),)	
29	Counterclaim)	
30	Plaintiffs,)	
31	-vs)	
32	THE BRISTOL CONDOMINIUM)	
33	PROPERTY OWNERS')	
34	ASSOCIATION,)	
35	Counterclaim)	
36	Defendants.)	
37	-----)	

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4 Given before Stacey L. Scoggan, Court Reporter and
5 Notary Public, in the law offices of Barnwell, Whaley,
6 Patterson, and Helms, 885 Island Park Drive, Charleston,
7 South Carolina on Monday, November the 14, 2011, commencing
8 at 10:00 o'clock a.m.
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A-P-P-E-A-R-A-N-C-E-S

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1 (David Warner, having been duly sworn, testifies
2 as follows:)

3 DIRECT EXAMINATION BY MS. POPE:

4 Q Mr. Warner, if you would, state your full name for the
5 record.

6 A David W. Warner.

7 Q And what does the W stand for?

8 A Warlick, W-A-R-L-I-C-K.

9 Q Okay. And I know you've probably spoken with
10 Mr. Barfield about this, but I'm just going to kind of go
11 over some of the ground rules about the deposition. It's
12 not an endurance contest, so if at any point in time you
13 need a break for any reason just let me know. We'll be glad
14 to do that.

15 During the deposition I'm going to ask you
16 questions. And you may have a tendency to shake your head
17 yes or no instead of verbally giving a response. When you
18 do that I'm just going to ask you for a verbal response just
19 so that the court reporter can get it down. I'm not being
20 rude. ~~It's just for her purposes. Is that fair?~~

21 A Yes.

22 Q Okay. If at any point in time I ask a question you do
23 not understand or you didn't hear it all, just please ask me
24 to repeat it, or please let me know that you didn't
25 understand it. If you answer a question I'll assume you

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1 STATE OF SOUTH CAROLINA)
2 COUNTY OF CHARLESTON) : IN THE COURT OF COMMON PLEAS
CASE NO. 10-CP-10-3240

3 JOHN T. LUCAS, SR. AS)
4 TRUSTEE OF THE JOHN T.)
5 LUCAS REVOCABLE TRUST)
AND CAROLYN C. LUCAS)
6 REVOCABLE TRUST,)
Plaintiff(s),)
7 -vs)
8 THE BRISTOL CONDOMINIUM)
9 PROPERTY OWNERS')
ASSOCIATION,)
10 Defendant(s),)
-----)

11 STATE OF SOUTH CAROLINA)
12 COUNTY OF CHARLESTON) : IN THE COURT OF COMMON PLEAS
CASE NO. 11-CP-10-2232

13 THE BRISTOL CONDOMINIUM)
14 PROPERTY OWNERS')
ASSOCIATION,)
15 Plaintiff(s),)
16 JOHN T. LUCAS, SR. AS)
17 TRUSTEE OF THE JOHN T.)
18 LUCAS REVOCABLE TRUST)
19 DATED NOVEMBER 10,)
2004, AND CAROLYN C.)
21 LUCAS REVOCABLE TRUST)
22 DATED NOVEMBER 10, 2004)
23 Defendant(s),)
24 Counterclaim)
25 Plaintiffs,)
- vs)
THE BRISTOL CONDOMINIUM)
PROPERTY OWNERS')
ASSOCIATION,)
Counterclaim)
Defendants.)
-----)

VOLUME II
DEPOSITION OF:

David Warner

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1 Q And the Miller Dodson firm was hired after the
2 homeowners took over responsibility?

3 A That would be a logical conclusion, because the Beach
4 Company wouldn't have paid for that. But I'd have to look
5 at the date when they hired.

6 Q And what did the Miller Dodson study show?

7 A Well, at the bottom of that page -- basically it was
8 under funded and we needed to raise some funds one way or
9 another to supplement and bring the reserve study up to
10 where it should be to actuarial and sound financial
11 principals.

12 Q Okay. Because the under funding of the reserve study
13 has been a continuous problem at the Bristol?

14 A It has.

15 Q Were any steps ever taken against the Beach Company,
16 legal steps taken against the Beach Company to fund the
17 reserve study or recoup the amounts that were owed?

18 A There were no -- I don't remember any legal steps being
19 taken.

20 Q Okay. Do you know why any legal steps were not taken
21 against the Beach Company for moneys that were owed?

22 A Well, I think we wanted to get the Miller Dodson report
23 in our hands before we could make those all -- substantiate
24 those allegations.

25 Q So you get the Miller Dodson report. And at the time

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- 1 A Shows that there was --
- 2 Q -- windows that were tested that didn't leak.
- 3 A That's correct, but there was also problems with the
- 4 flashing, the caulking around some windows. The individual
- 5 window may not have leaked, but the casing around it, all
- 6 the stucco covered up the insufficient vapor barriers that
- 7 weren't there, not at all. So there were a number of issues
- 8 again, to a system approach could not be addressed -- you
- 9 could not pick and choose between what you would repair and
- 10 not and save the integrity of the entire building.
- 11 Q Is that your opinion?
- 12 A That's my opinion.
- 13 Q Okay. And the other board members had that same
- 14 opinion, correct?
- 15 A They voted for it. I assume they did.
- 16 Q And all of those board members who voted for that had
- 17 problems, construction issues with their own condos?
- 18 A Yes, one way or another.
- 19 Q How often was the building power washed?
- 20 A Since it's inception.
- 21 Q Since you've been there?
- 22 A I think once that I can remember, seems we had it done.
- 23 Q Do you remember, was that before or after the board
- 24 took over, the homeowners took over the board?
- 25 A I don't remember the date.

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1 meeting, of the board meeting.

2 Q Right. And Number Twenty-Six has at the top background
3 discussion paper for confidential use of Bristol Board of
4 Directors?

5 A Yes.

6 Q Okay. So when was this discussed by the board if all
7 the board meetings were open but this was supposed to be
8 confidential? Meaning that it was only supposed to be seen
9 by the board members.

10 A This was.

11 Q Number Twenty-Six?

12 A Yes, that was for discussion purposes at the next board
13 meeting.

14 Q So the board would have meetings that homeowners would
15 not be involved in?

16 A If it was an open board meeting they were entitled and
17 invited to come.

18 Q But the board chose which ones were open and which ones
19 weren't?

20 A Certain subjects were privileged to executive, you
21 know, session, but this was not one of them.

22 Q So the board would meet and the homeowners would not be
23 made aware that there was going to be a board meeting?

24 A No. The board meetings were announced. I prepared
25 this one so we would have something substantiative to

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1 replacement of windows can be argued, but may not be
2 warranted. Mr. Haygood stated that approximately 80 windows
3 out of a total of 400 windows showed signs of water
4 intrusion. Only 80 out of 400 that were tested showed
5 issues with water intrusion?

6 A That's what he said.

7 Q Okay. And y'all still, as the board thought that it
8 would be best to replace all of the windows and doors?

9 A Yes.

10 Q The next paragraph, the legal fees and forensic
11 engineering fees alone were approximately a million dollars,
12 correct?

13 A That's what it says.

14 Q All right. Then we go on to the next paragraph where
15 he states that, in the third sentence, he, meaning
16 Mr. Haygood, stated that a 40 DP kit can be used to strength
17 the windows that do not meet codes. All of the leaking
18 windows would still need to be replaced, but this reduces
19 the number of windows to be replaced by about 300 windows.
20 Every window will need to be flashed. Isn't that a much
21 cheaper option for the homeowners to still get the same
22 result of fixing the leaking issues and the DP issues on
23 some of them and not have to replace every window and door?

24 A You'd have to do a cost benefit analysis to determine
25 and ---

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1 Q Well, not replacing every window is a whole lot cheaper
2 than replacing every window?

3 A Well, I keep coming back to, it is a system wide
4 approach. You cannot just pick and choose the windows. You
5 must do the entire thing, even though the windows are a
6 major portion of the expense.

7 Q This is the regime's attorney telling y'all of an
8 alternative solution.

9 A And that was not considered, in the board's opinion, a
10 cost effective way of doing it.

11 Q Okay. So settling a lawsuit for less than any of the
12 reconstruction assessments is cost effective to the
13 homeowners?

14 A Well, we could have lost the lawsuit.

15 Q Then you take out of that it's settled for less than
16 what the lowest reconstruction assessment was, and you've
17 got back out million dollars in attorneys' fees and costs,
18 correct?

19 A That's correct but ---

20 Q Okay. And instead of taking another approach to fix
21 the windows issue that would have been cheaper for the
22 homeowners, which would result in a lesser assessment, the
23 board votes that it's best for every homeowner's interest to
24 replace all the windows and hit them with an assessment of
25 approximately 32 to 36,000 dollars?

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1 A That's correct.

2 Q Because that's what's in the best interest of the
3 homeowners?

4 A In the board's opinion. It was a business decision.
5 And cost benefit was in their opinion --

6 Q How was that a cost benefit to the homeowners? You
7 could fix the problem cheaper and a lower assessment, if any
8 assessment to the homeowners, that option's presented by
9 your attorney and you don't take it?

10 A Because of the -- who -- what kind of windows were
11 they? Who was the quality of the contractor?

12 Q That has nothing --

13 A There were a number of factor -- no, but it has
14 something to do with how do you choose what is the most cost
15 effective way to do it overall.

16 Q Okay. The information that your attorney is presenting
17 to you is a more cost effective way to cure one of the most
18 expensive problems with the building?

19 A But that wasn't what the engineer said. He might have
20 said that, but we had engineering quotations and
21 construction prices that spelled out what they were going to
22 do.

23 Q How do you know that this information didn't come from
24 an engineer?

25 A I don't know. I only know what we received from the

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1 bids.

2 Q Not the bids to reconstruct it. I'm talking about from
3 the professional opinions of the experts during the
4 litigation. This was presented as a possibility as a way to
5 fix the problem but at a cheaper cost to the homeowners?

6 A It was presented, but we didn't agree with that.

7 Q It was presented to you by your attorney but you didn't
8 agree with it? Did y'all ever let the homeowners vote on
9 this, this particular issue?

10 A No. They got to vote on the settlement, of which 80
11 percent agreed.

12 Q Well, I understand that. But don't you think that it
13 would be important for a homeowner to be able to have an
14 input on how the problems are going to be fixed if there's a
15 cheaper solution?

16 A They're certainly entitled to their opinion, but the
17 board had the responsibility to make the decision.

18 Q Didn't the board have the responsibility to make the
19 decision on whether to accept the lawsuit or not?

20 A It did have the responsibility.

21 Q But you gave that responsibility to the homeowners and
22 let them vote?

23 A We were required to do that. Had no choice.

24 Q That's in your bylaws?

25 A Yes. We considered it was the best thing to do.

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- 1 I think it was '08 but ---
- 2 Q It was after the litigation had started?
- 3 A Yeah, after.
- 4 Q And do you know what years that refund represented
- 5 premiums that had been paid?
- 6 A I don't recall the number of years.
- 7 Q Okay. The board made a decision to put that refund
- 8 into the reserve fund, correct?
- 9 A Some of it. I think some of it we managed to keep the
- 10 dues down, too, was enabling -- I think that was -- some of
- 11 it went into the reserve and some of it into the operating
- 12 fund.
- 13 Q Well, didn't most of it get sucked up in the
- 14 construction litigation?
- 15 A Yes. Yeah.
- 16 Q Did y'all ever give the homeowners the right to vote on
- 17 whether that got refunded back to the homeowners who had
- 18 over paid the premiums, or whether it went to the
- 19 construction litigation?
- 20 A I don't recall a vote on that, no.
- 21 Q Okay. Don't you think that would have been important
- 22 for those homeowners to have that choice?
- 23 A Perhaps.
- 24 Q They over paid the premiums. You being one of them.
- 25 A Well, we may have over paid, but we tried to correct

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1 STATE OF SOUTH CAROLINA)
2 COUNTY OF CHARLESTON) : IN THE COURT OF COMMON PLEAS
3 JOHN T. LUCAS, SR. AS) CASE NO. 10-CP-10-3240
4 TRUSTEE OF THE JOHN T.)
5 LUCAS REVOCABLE TRUST)
6 AND CAROLYN C. LUCAS)
7 REVOCABLE TRUST,)
8 Plaintiff(s),) EXHIBITS TO THE
9 -vs) DEPOSITION OF:
10 THE BRISTOL CONDOMINIUM)
11 PROPERTY OWNERS')
12 ASSOCIATION,)
13 Defendant(s),)
14 -----)
15 STATE OF SOUTH CAROLINA)
16 COUNTY OF CHARLESTON) : IN THE COURT OF COMMON PLEAS
17 THE BRISTOL CONDOMINIUM) CASE NO. 11-CP-10-2232
18 PROPERTY OWNERS')
19 ASSOCIATION,)
20 Plaintiff(s),)
21 JOHN T. LUCAS, SR. AS)
22 TRUSTEE OF THE JOHN T.)
23 LUCAS REVOCABLE TRUST)
24 DATED NOVEMBER 10,)
25 2004, AND CAROLYN C.)
LUCAS REVOCABLE TRUST)
DATED NOVEMBER 10, 2004)
Defendant(s),)
Counterclaim)
Plaintiffs,)
-vs)
THE BRISTOL CONDOMINIUM)
PROPERTY OWNERS')
ASSOCIATION,)
Counterclaim)
Defendants.)
-----)

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Given before Stacey L. Scoggan, Court Reporter and
Notary Public, in the law offices of Barnwell, Whaley,
Patterson, and Helms, 885 Island Park Drive, Charleston,
South Carolina on Monday, April the 9, 2011, commencing at
5:00 o'clock p.m.

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A-P-P-E-A-R-A-N-C-E-S

For the Plaintiff : Mooneyham Berry & Pope
 By: Kelly Pope, Esq.,
 PO Box 8359
 Greenville, SC 29604

For the Defendant : Barnwell Whaley Patterson
 By: Michael Barfield, Esq.,
 885 Island Park Drive
 Charleston, SC 29492

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100. Document 19

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1 (Dr. Kenneth Hanger, having been duly sworn,
2 testifies as follows:)

3 DIRECT EXAMINATION BY MS. POPE:

4 Q If you would, state your full name for the record.

5 A Kenneth Hall Hanger, Junior.

6 Q And your date of birth?

7 A 7-17-51.

8 Q Have you ever had your deposition taken before or given
9 a deposition before?

10 A Yes.

11 Q So you're somewhat familiar with the rules. I'll
12 quickly go over them, and I'm sure that Mr. Barfield did as
13 well. If you need to take a break at any time, please let
14 me know. You don't have to tell me why. Just let me know
15 you need a break, and we'll take as long as you need.

16 If I ask a question, if you could give a verbal
17 yes or no. If you nod your head I'll remind you. And I'm
18 not being rude, but she just needs to get it on the record.

19 A Right.

20 Q And now that we've started the deposition, you've been
21 sworn in, anything that you discuss during breaks with your
22 attorney I can ask you questions about those. If you don't
23 understand a question I've asked or need me to repeat it,
24 just please let me know. And I will do my best to do that,
25 because sometimes my questions can get very long.

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- 1 A Correct.
- 2 Q Did y'all have to pay any money up front towards
3 expenses or costs?
- 4 A No.
- 5 Q Okay. Was your wife, Robin ever a member of the board?
- 6 A No.
- 7 Q Any advisory committees?
- 8 A No.
- 9 Q Okay. Were you more involved in the whole litigation
10 process than she was?
- 11 A I mean, the Seeking lawsuit or --
- 12 Q Once you got involved --
- 13 A Well, we were all kind of involved together.
- 14 Q Okay. So you file the lawsuit 2005. And I think in
15 that same year it gets turned over from the Beach Company to
16 the homeowners or something --
- 17 A It actually says August, '06 on the timeline.
- 18 Q So August of '06 the control of the property owner's
19 association switches?
- 20 A Right.
- 21 Q And your lawsuit has been ongoing for several months,
22 at least?
- 23 A Yeah. We started before then.
- 24 Q Okay. When your lawsuit first got started, by the time
25 that the control from the property owner's association

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1 Q Okay. How did you, I guess get interested in the
2 Bristol properties?

3 A I went to a boat show. And I liked the Bristol and I
4 said --

5 Q The boat show there at the marina?

6 A Uh-huh.

7 Q Is that yes?

8 A Yes. Sorry.

9 Q All right. At the boat show, did you meet Craig
10 Tolberg there?

11 A No.

12 Q You got to know him later from owning property at the
13 Bristol?

14 A Correct.

15 Q Who sold you your properties at the Bristol?

16 A Somebody at the Beach Company, an agent.

17 Q Okay. Are you aware of any board meetings that were
18 held at MUSC?

19 A They had some kind of meetings, wasn't MUSC. No, I
20 don't know of any at MUSC.

21 Q Were you aware that there were board meetings being
22 held at locations other than the Bristol?

23 A That was actually at a Roper building. I think it was
24 at a Roper building. I think that's what it was. It was
25 off Calhoun Street.

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1 Q Okay. Do you know why they weren't having the meetings
2 at the Bristol?

3 A No.

4 Q Did you ever question it or raise questions?

5 A Yes.

6 Q Who did you raise the questions to?

7 A The board.

8 Q During like a homeowner's association meeting?

9 A Yeah.

10 Q And what was their response?

11 A I guess they wanted to get away from the property and I
12 don't know, just be away from it.

13 Q Why did it bother you that they weren't having the
14 meetings at the Bristol?

15 A It was a pain to get to and go away. I mean, why not
16 have your meeting at your own place?

17 Q And this was before you were on the board?

18 A Correct.

19 Q Were the meetings open to the homeowners?

20 A Yeah.

21 Q Or were they closed?

22 A I think there -- those meetings were open. And whether
23 they had closed meetings also, I just don't know. I'm sure
24 they had some other meetings.

25 Q So some of the meetings that were held at the Roper

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1 STATE OF SOUTH CAROLINA)
 2 COUNTY OF CHARLESTON) IN THE COURT OF COMMON PLEAS
 CASE NO. 10-CP-10-3240

3 JOHN T. LUCAS, SR. AS)
 4 TRUSTEE OF THE JOHN T.)
 5 LUCAS REVOCABLE TRUST)
 AND CAROLYN C. LUCAS)
 REVOCABLE TRUST,)

6 Plaintiff(s),)

7 -vs)

DEPOSITION OF:

Harold Campbell

8 THE BRISTOL CONDOMINIUM)
 9 PROPERTY OWNERS')
 ASSOCIATION,)
 Defendant(s),)

10 -----)
 11 STATE OF SOUTH CAROLINA)
 12 COUNTY OF CHARLESTON)

IN THE COURT OF COMMON PLEAS
 CASE NO. 11-CP-10-2232

13 THE BRISTOL CONDOMINIUM)
 14 PROPERTY OWNERS')
 ASSOCIATION,)

15 Plaintiff(s),)

16 JOHN T. LUCAS, SR. AS)
 17 TRUSTEE OF THE JOHN T.)
 18 LUCAS REVOCABLE TRUST)
 DATED NOVEMBER 10,)
 2004, AND CAROLYN C.)
 LUCAS REVOCABLE TRUST)
 DATED NOVEMBER 10, 2004)

19 Defendant(s),)
 20 Counterclaim)
 Plaintiffs,)

21 -vs)

22 THE BRISTOL CONDOMINIUM)
 23 PROPERTY OWNERS')
 24 ASSOCIATION,)
 Counterclaim)
 Defendants.)

25 -----)

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4 Given before Stacey L. Scoggan, Court Reporter and
5 Notary Public, in the law offices of Barnwell, Whaley,
6 Patterson, and Helms, 885 Island Park Drive, Charleston,
7 South Carolina on Thursday, July the 12, 2012, commencing at
8 1:00 o'clock p.m.
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A-P-P-E-A-R-A-N-C-E-S

For the Plaintiff : Mooneyham Berry & Pope
By: Kelly Pope, Esq.,
PO Box 8359
Greenville, SC 29604

For the Defendant : Barnwell Whaley Patterson
By: Jeremy Bowers, Esq.,
885 Island Park Drive
Charleston, SC 29492

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1 (Harold Campbell, having been duly sworn,
2 testifies as follows:)

3 **DIRECT EXAMINATION BY MS. POPE:**

4 Q State your full name for the record please.

5 A Harold B. Campbell.

6 Q And what does the B stand for?

7 A Blakey

8 Q Is it B-L-A-K-E-L-Y?

9 A B-L-A-K-E-Y.

10 Q Okay. Mr. Campbell, my name's Kelly Pope. We met off
11 the record just a moment ago. As you know I represent
12 Dr. Lucas in a lawsuit that he's brought against the Bristol
13 Property Owners Association. Have you ever had your
14 deposition taken before in any type of case?

15 A Yes.

16 Q So you're somewhat familiar with how the procedure will
17 go?

18 A Yes.

19 Q If at any point in time you need a break for any
20 reason, please just say so, and we'll take a break. I would
21 just advise you that under the rules of South Carolina once
22 we take that break if you discuss anything with your
23 attorney regarding the case during the deposition I can ask
24 you about the contents of that discussion.

25 A Okay.

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1 windows and doors?

2 A Yeah.

3 Q Okay. Do you ever recall there being a homeowners
4 association meeting where individuals were asked to sign up
5 for a lawsuit if they wanted to pursue any damages that they
6 may or may not have to their condo?

7 A I don't remember that.

8 Q Do you remember Jan Landry sending out a memo to all of
9 the homeowners asking them to sign over their right to
10 pursue a claim for their windows and doors over to the
11 homeowners association?

12 A I don't remember. I don't.

13 Q Okay. So it's your understanding that the change to
14 the master deed for the windows and doors was because of the
15 judge's order?

16 A The lawsuit as we presented it would not have worked
17 unless there were 54 lawsuits for each unit, which made it
18 to be harder to work for the association. And that's why
19 the master deed was amended to allow us to be collective in
20 our attempt to seek the repairs with the lawsuit.

21 Kelly, knowing what I know now about this Section
22 3.2 I agree that as I read it now it is clear in my mind
23 that it's saying that the windows and doors are part of the
24 units as opposed to the property of the regime. Where
25 confusion on this comes in is when you are reading this and

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1 Wachovia policy would not have paid for those windows and
2 doors.

3 Q Okay. Isn't it quite clear here that she is saying
4 that the windows and doors are not part of the association's
5 responsibility?

6 A What paragraph are you reading from?

7 Q I'm talking about the letter in general. Her intent is
8 is to say that the association you doesn't own the windows
9 and doors?

10 A I'm sorry. I'm not reading windows and doors in this
11 letter anywhere. She's referring to -- she's mentioning the
12 confusion that's exists in the interpretation of the master
13 deed.

14 Q Just in general?

15 A Okay.

16 Q No, I'm asking you. Is that your interpretation that
17 she's stating that the master deed is confusing in general?

18 A Yes, I think so.

19 (DOCUMENT MARKED AS PLAINTIFF'S EXHIBIT NUMBER

20 ~~105-FOR I.D.)~~

21 Q Okay. I'm going to show what you's been marked as
22 Plaintiff's Exhibit 105. It's the fourth amendment to the
23 master deed, which has been filed at the Registrar of Deeds
24 Office. If you would, flip to that last page for me. And
25 it appears from that last page that that was signed and

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1 money was.

2 Q And you hit on that before that you thought the
3 homeowners association had taken responsibility for that.
4 That's right. You hit on that before.

5 Okay. If you would, turn to Exhibit Sixteen. On
6 the back page there to your left down where it says,
7 insurance committee report.

8 A Okay.

9 Q It states, "Mr. DeRose read a letter from Cindy
10 Mulcare, agent for Wachovia Insurance. Ms. Mulcare reviewed
11 the ambiguities in the master deed over windows and doors.
12 She stated that based on some of the wording in the master
13 deed coverage may be denied for windows and doors in the
14 event a catastrophe" but I'm sure it probably meant to say
15 in the event of a catastrophe. And it says, "A letter from
16 flood insurance agent Harold Campbell expressing the same
17 information was also reviewed."

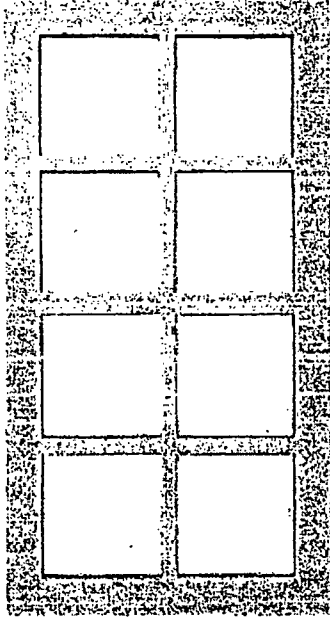
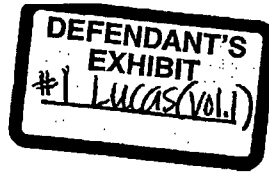
18 This is from the minutes from the board meeting on
19 March 15th, 2007. And according to the insurance report
20 given by Mr. DeRose it specifically links Cindy Mulcare's
21 letter to window and door coverage, does it not?

22 A It does.

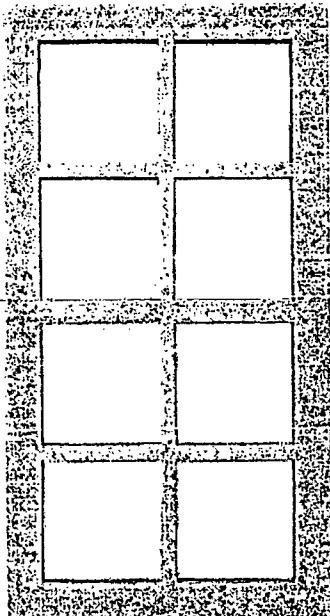
23 Q But her letter never mentioned windows and doors?

24 A I don't think it did. When we read it it didn't say
25 windows and doors. It just referred to ambiguities in the

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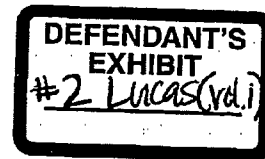


Please Read
This Important
Communication
From Your
Board of Directors
Concerning Your
Windows & Doors!



1. The Bristol Master Deed defines the windows and doors as the responsibility of the unit owners, and our insurance policies only cover the common areas.
2. Insurance companies could potentially use this as a "loophole" in addressing claims in the event of storm or other externally caused damage.
3. Our insurers have written to us recommending the Board immediately act to correct this definition in the Master Deed.
4. Since none of us wants surprises when it comes to repairing external windows and doors, the Board voted to amend the Master Deed and change the definition of the windows and doors from individual property to *limited common property*.
5. Full details and legal wording can be found in the attached documents

March 26, 2007



March 26, 2007

Dear Fellow Bristol Homeowner:

As you know, the Association has recently secured ongoing common area casualty and liability insurance for the Regime at a minimum increase over last year's premiums. As a result of the diligent efforts of the Insurance Committee in obtaining this coverage and the Board in researching coverage limitations, a potential problem has been identified.

Under existing definitions in Sections 1 and 3.2(c) of the Master Deed, exterior windows and doors could be construed as being included within the definition of each individual "Unit", as opposed to being included in the Common Area. Our insurance brokers advise that our coverage is intended to include all exterior portions of the building. However, excluding exterior windows and doors from the Common Areas could pose an "out" for the insurer in limiting or denying coverage on a claim such as one that might occur after a major storm. We have all heard about the struggles the Katrina victims faced when "loopholes" were discovered in coverage, and the Board is anxious to eliminate any potential problems for Bristol owners should a similar situation befall us!

Based on these concerns, your Board believes it is necessary to include exterior doors and windows within the definition of the building's "Limited Common Area" to conform with existing insurance coverage and to assure the most comprehensive insurance coverage for the Bristol building possible. This change will mitigate the potential risk that existed under previous policies, eliminate possible ambiguity in the new policy and save individual unit owners the cost of additional premiums for window and exterior door coverage.

The most expedient means of putting this amendment into effect is by the Board taking the extraordinary action to amend the Master Deed pursuant to Section 17.2(d), "Necessary Amendments". Because the subject matter of this amendment falls under the limited terms of this provision, the Board is authorized to enact the amendment without a special meeting or referendum, provided that more than 51% of the Owners do not object in writing within twenty (20) days of this letter.

Under these terms, the Board approved the amendment, a copy of which is enclosed, with the intent of formally putting it into effect immediately upon the expiration of the objection period. For your convenience, I have also enclosed a comparison of the existing Master Deed provisions at issue and the provisions as amended.

The Board recognizes that its actions in this matter are extraordinary but views it as essential to protecting and preserving comprehensive insurance coverage. I trust you will agree. If, however, you do not agree with the action the Board is taking, you must send your objection in writing to:

**The Bristol Board of Directors
c/o Property Management Services
The Bristol – 3000 Old Bridgeview Lane
Charleston, SC 29403**

Objections must be received by Property Management Services within 20 days of this letter. If you have any questions, do not hesitate to call me, Johnny Jordan or Lona Vest, our regime manager.

Very truly yours,

Jan Landry

Jan Landry, President – Bristol Property Owners Association

Enclosures

3/26/2007

**Amendment to the Master Deed
Comparison of Existing Provisions to Proposed Provisions**

CURRENT PROVISION:

Section 1 Definitions. "Limited Common Area" means that portion of the Common Area set aside and allocated for the exclusive use of the Owner of the Unit to which attached or assigned, and will include that portion of any Common Area that is pierced by the Unit's interior stairs, if any; a Unit's chimney structure and flue, if any; air conditioner units and condensers and hot water heaters located outside of the Unit, and the spaces occupied by same; assigned storage lockers or spaces in the first and second floors of the Building; assigned parking in the first and second floors of the Building; and the balcony adjacent to the Unit. Exhibit "C" hereto incorporates a schedule of the storage space and the two parking spaces appurtenant to each Unit as Limited Common Areas thereof.

INTENT: The Board wishes for exterior doors and windows to be included as a limited common area in order to conform to the requirements of its insurance coverage.

AMENDED PROVISION:

1.0 Definitions. "Limited Common Area" means that portion of the Common Area set aside and allocated for the exclusive use of the Owner of the Unit to which it is attached or assigned, and will include that portion of any Common Area that is pierced by the Unit's interior stairs, if any; a Unit's exterior doors, exterior windows and screens; a Unit's chimney structure and flue, if any; air conditioner units and condensers and hot water heaters located outside of the Unit, and the spaces occupied by same; assigned storage lockers or spaces in the first and second floors of the Building; assigned parking in the first and second floors of the Building; and the balcony adjacent to the Unit. Exhibit "C" hereto incorporates a schedule of the storage space and the two parking spaces appurtenant to each Unit as Limited Common Areas thereof.

CURRENT PROVISION:

Section 3.2 Description of Units.

(c) Units Deemed to Include. Notwithstanding the description of the boundaries set forth above, the Units shall be deemed to include the following: all portions of the plumbing, heating, electrical, and air conditioning systems (including furnaces, compressors, components, pipes, wires, conduits, ducts, and the like) serving only that Unit even if partially outside the boundaries of the Unit; all windows, glass surfaces, and doors (including window and door frames and the hardware thereof) serving the Unit; all window screens and screens on any screened balcony; and any fireplace or stone hearth, facing brick, tile or firebox; provided, however, that a Unit shall not include any of the structural components of the Building or utility or service lines within the Unit but serving more than one Unit. In interpreting deeds and plans, the existing physical boundaries of a Unit as originally constructed or of a Unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in any deed or plan, regardless of settling lateral movement of the Building, and regardless of minor variance between the boundaries shown on the plans or in a deed and those of the Unit.

INTENT: The Board wishes for exterior doors and windows to be included as a limited common area for the reasons stated above.

CHARLESTON\262997v1

AMENDED PROVISION:

Section 3.2 Description of Units.

(c) Units Deemed to Include. Notwithstanding the description of the boundaries set forth above, the Units shall be deemed to include the following: all portions of the plumbing, heating, electrical, and air conditioning systems (including furnaces, compressors, components, pipes, wires, conduits, ducts, and the like) serving only that Unit even if partially outside the boundaries of the Unit; and any fireplace or stone hearth, facing brick, tile or firebox; provided, however, that a Unit shall not include any of the structural components of the Building or utility or service lines within the Unit but serving more than one Unit. In interpreting deeds and plans, the existing physical boundaries of a Unit as originally constructed or of a Unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in any deed or plan, regardless of settling lateral movement of the Building, and regardless of minor variance between the boundaries shown on the plans or in a deed and those of the Unit.

CURRENT PROVISION:

8.3 Responsibility of Owner

In the event that the Board of Directors should determine that the need for maintenance or repairs by the Association as provided for in this Section 8.3 is caused through the willful or negligent act of an Owner or the lessee of an Owner, their families, invitees or guests, or the Owner's pets, the cost of which is not covered or paid for by insurance, then the cost, both direct and indirect, of such maintenance or repairs will be added to and become a part of the Assessment to which such Owner and his Unit are subject. Each Owner will maintain, repair or replace at his own expense all portions of his Unit which may become in need thereof, including the heating and air-conditioning system for such Unit, all bathroom and kitchen fixtures and appliances, light fixtures, interior non-load-bearing walls, carpeting, drapes, doors, windows, screens window and door hardware, and other items within the Unit. Further, each Owner will, at his own expense, maintain, repair and replace, when necessary, that portion of the heating and air-conditioning system exclusively servicing his Unit, which is located outside his Unit. Each Owner will, at his own expense, keep the Limited Common Area to which his Unit has exclusive access and to which he has exclusive use clean and neat, and will conduct maintenance and repair thereto as necessary. If the Owner does not make those repairs required to be made by him within thirty (30) days from the date of receipt of written demand from the Association, the same may be repaired by the Association and the cost thereof will be assessed against the Owner and Unit owned by such Owner.

INTENT: To make the references to "Unit" consistent with the other provisions being amended and to clarify that the repair and maintenance responsibilities of a Unit Owner are limited to routine and day-to-day repair and maintenance.

AMENDED PROVISION:

In the event that the Board of Directors should determine that the need for maintenance or repairs by the Association as provided for in this Section 8.3 is caused through the willful or negligent act of an Owner or the lessee of an Owner, their families, invitees or guests, or the Owner's pets, the cost of which is not covered or paid for by insurance, then the cost, both direct and indirect, of such maintenance or repairs will be added to and become a part of the Assessment to which such Owner and his Unit are subject. Each Owner will maintain, repair or replace at his own expense all portions of his Unit which may become in need thereof, including the heating and air-conditioning system for such Unit, all bathroom and kitchen fixtures and appliances, light fixtures, interior non-load-bearing walls, carpeting, drapes, interior doors and door hardware, and other items within the Unit. Further, each Owner will, at his own expense, maintain, repair and replace, when necessary, that portion of the heating and air-conditioning system exclusively servicing his Unit, which is located outside

his Unit. Each Owner will, at his own expense, keep the Limited Common Area to which his Unit has exclusive access and to which he has exclusive use clean and neat, and will conduct routine maintenance and routine repair thereto as necessary. If the Owner does not make those repairs required to be made by him within thirty (30) days from the date of receipt of written demand from the Association, the same may be repaired by the Association and the cost thereof will be assessed against the Owner and Unit owned by such Owner.

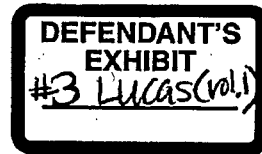
CURRENT PROVISION OF PARAGRAPH 3, PAGE (ii), EXHIBIT B:

As to each Unit: All built-in kitchen appliances, the refrigerator, air conditioner units and condensers, and hot water heater located in each Unit are part of the Unit to which they are located and are not Common Areas. Each balcony adjacent to and accessible solely through a Unit, including the railing thereof, is a Limited Common Area of that Unit and is subject to restrictions as set forth elsewhere in this Master Deed.

INTENT: The Board wishes to change this paragraph to include exterior windows and doors so as to make this provision consistent with the proposed modifications to the definitions of "Limited Common Area" and Section 3.2 of the Master Deed.

AMENDED PROVISION:

As to each Unit: All built-in kitchen appliances, the refrigerator, air conditioner units and condensers, and hot water heater located in each Unit are part of the Unit to which they are located and are not Common Areas. Each balcony adjacent to and accessible solely through a Unit, including the railing thereof, including the exterior doors, windows, and screens located on or adjacent to a Unit, is a Limited Common Area of the Unit and is subject to restrictions as set forth elsewhere in this Master Deed.



Bristol POA Insurance Committee & Board
attn: John Jordan

VIA E-MAIL – Monday, March 12, 2007 5:17PM

RE: Master Deed Interpretation for Insurance Coverage
Unit-owner versus Regime Responsibility

John,

For your general information, I am attaching pages from a State Farm Condo brochure. I believe the referenced information would be found to be consistent in interpretation within the insurance industry. Please refer to the coverage discussion regarding areas of responsibility for building coverage.

There are three scenarios the typical condo regime approaches to separate responsibility of rebuilding the real property. The master deed will always be the reference. After a major loss, the areas of responsibility will be strictly adhered to by the insurance company.

I am very concerned that our master deed places the windows and door responsibility at the Bristol on the individual unit-owner, as opposed to the Regime for the following reasons:

- 1) I believe our exterior glass area would comprise a considerable cost factor of the total exterior of the building. If we assume the rebuilding cost of the Bristol to be \$25M, what amount of this cost relates to exterior windows and doors?
- 2) As our current Regime policy is being purchased for an amount of coverage based on including the entire exterior and glass areas, then we are paying for an insurance coverage benefit we will never be entitled after a loss. I believe our present agent has expressed this same concern in recent correspondence. When our master deed is followed, the insurance company will pay up to the total amount of coverage on the policy; but will stop short for any costs associated with the real property which is determined to be the unit-owners responsibility. That cost will be paid by the individual unit-owners.

The unit-owner would then seek reimbursement from their respective individual condo policy insurance company. Since this amount of building coverage need is not yet firmly established, I doubt if most unit-owners are properly covered within their policies. An estimate of the premium charge associated with a unit-owner policy that provides extra building coverage would be approx \$180 to \$200 per \$100,000 of coverage. This rate would vary greatly between companies and their respective unit-owners.

I will be happy to provide any other information; however, I believe it is most important the board take action to correct this very serious error in insurance responsibility imposed by our master deed, before we are hit with an insurance claim. We need to insure as much of the building real property under the regime policy. By doing so, it is my opinion that claim handling will be simplified, it will reduce our overall insurance costs, and the possibility of a unit-owner being in a position of not being able to pay their responsibility to the regime will be greatly minimized.

In closing, I would also like to thank the board for allowing my office to provide the State Farm Flood policy for the Bristol. The policy was issued as applied for, but with a different annual premium than quoted. The building coverage was issued at \$13,500,000 subject to a \$5,000 deductible, and contents coverage at \$100,000 also subject to a \$5,000 deductible.

The final premium was \$5,000 annually therefore a refund will be included with the delivered policy in the amount of \$126.00 - mailed to 3000 Old Bridgeview Ln. Please let me know if it has not yet been received. I also need the names and address of the individual unit-owners in order to send them their annual insurance certificate.

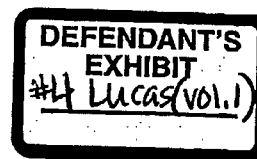
Please note that if any individual unit owner is separately purchasing building coverage from NFIP, they should check with their agent regarding cancellation for reason of duplicate building coverage. The Regime policy is maximizing the building coverage, and at this time the NFIP will not pay any additional benefit through a separate unit owner flood policy for building coverage. Present law limits that benefit to \$250,000 (building only) per unit under a residential condo association policy and/or a separate unit owner policy.

Please remember that I am not able to provide excess flood coverage at this time. I suggest the board take action to price and secure coverage for full replacement cost relating to the flood peril. The peril of concern would be a total loss exceeding our present limits in force related to flood damage caused by rising water.

Thanks again,
Harold Campbell
State Farm Agent
cell: 843-343-8684
office: 843-797-1300
www.haroldcampbell.net

176 Creighton Spur Road, Suite 300
Post Office Box 887 (29402-0887)
Charleston, SC 29407

Tel 843 573-2600
Fax 843 556-1009
800 475-2256



WACHOVIA INSURANCE SERVICES

February 27, 2007

The Bristol Property Owners Association
Attn: Insurance Committee
3000 Old Bridgeview Lane
Charleston, SC 29403

Re: Master Deed of the Bristol Horizontal Regime

To the Insurance Committee:

You have requested that I review the Master Deed of The Bristol Property Owners Association and attempt to ascertain if the language used to describe Property Rights and descriptions of units, Section 3.2 (c), conforms to coverage in the insurance contracts we have recently secured on behalf of the Association.

Needless to say, we are delighted to have the opportunity to be of service in this regard, and look forward to a long and mutually beneficial relationship. To this end, the review of the Master Deed reveals a distinct ambiguity in the language used to describe Property Rights, Section 3.2 (c). This is an issue that at a minimum will cause confusion in the event of a claim and might in fact prove to be the cause for a denial of claim.

As currently stated, in the event of a property loss it would be quite difficult to determine which part of the damaged property is the responsibility of the Regime and which would be the responsibility of the unit owner.

Although I'm certain this was not the intent when the Master Deed was originated, the end result is language that again is ambiguous, and could easily negate the coverage property owners have come to believe they possess.

In conclusion, I would strongly recommend that that the Committee bring this matter to the attention of the Association's legal counsel and strongly advise that this be done sooner rather than later so that there is no confusion in the event of a claim.

Hopefully these thoughts will prove constructive.

Sincerely,

Cynthia B. Mulcare

Cynthia B. Mulcare
Client Executive

Insurance Products:

Not Insured by FDIC or Any Federal Government Agency | May Lose Value | Not a Deposit or Guaranteed by a Bank or Any Bank Affiliate



February 8, 2010

Dr. and Mrs. John Lucas
100 Upcountry Lane
Traverlers Rest, SC 29690

Dear Dr. and Mrs. Lucas:

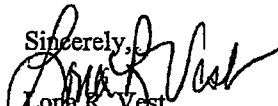
Enclosed please find your current official account history for your unit at the Bristol. Our records indicate we have not received payment from you toward the special construction assessment formally approved by the ownership at the November 1, 2009 special meeting. Notwithstanding, the Board's allowing unit owners to pay the special assessment in even installments over a 15 month period, no payments have been made by you for the first three monthly installments.

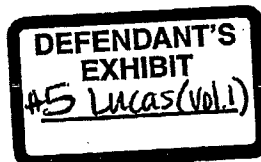
The Board has offered full payment incentives and payment plans to facilitate owners but we have not heard from you regarding your outstanding balance. These funds are needed from all Unit Owners to complete the reconstruction project in a timely manner.

Please remit payment of the assessment in full within 15 days. If payment is not received by then, the regime will move forward with filing a lien against your unit and further reserves the right to thereafter foreclose the lien in accordance with the terms of the Master Deed and applicable South Carolina law. In addition to the foreclosure upon your unit, the regime is entitled to recover the amount of attorney's fees incurred in the collection of this assessment, interest during the course of the delinquency, as well as a personal judgment against you.

Thank you for your immediate attention to this matter. Please contact my office immediately if you take exception to the balance as it is listed on your account history.

Sincerely,


Lori K. Vest
Regime Manager



regime & association management

1340-G Ben Sawyer Boulevard, Mt. Pleasant, SC 29464
Phone: (843) 881-5459 Fax: (843) 881-5616

10:43 AM
02/08/10
Accrual Basis

Bristol Condominium Property Owners Association
Custom Transaction Detail Report
All Transactions

Type	Date	Num	Name	Memo	Account	Class	Split	Debit	Credit	Balance
Invoice	1/31/2007	31	3013-John & Caroly...		1201 - A/R-Regime ...		3000 - Openin...	50.00		50.00
Invoice	2/1/2007	61	3013-John & Caroly...		1201 - A/R-Regime ...		41100 - Regim...	790.00		840.00
Invoice	3/1/2007	115	3013-John & Caroly...		1201 - A/R-Regime ...		41100 - Regim...	790.00		1,630.00
Invoice	3/1/2007	223	3013-John & Caroly...		1201 - A/R-Regime ...		41160 - Insura...	3,385.56		5,015.56
Payment	3/12/2007	1295	3013-John & Caroly...		1201 - A/R-Regime ...		12000 - Undep...		12,865.56	-7,850.00
General Jou...	3/31/2007	8-JA	3013-John & Caroly...	To recla...	1201 - A/R-Regime ...		2205 - Prepaid...	7,850.00		0.00
Invoice	4/1/2007	277	3013-John & Caroly...		1201 - A/R-Regime ...		41100 - Regim...	790.00		790.00
General Jou...	4/1/2007	8-JAR	3013-John & Caroly...	Reverse ...	1201 - A/R-Regime ...		2205 - Prepaid...		7,850.00	-7,060.00
General Jou...	4/30/2007	29-JA	3013-John & Caroly...	Prepaid f...	1201 - A/R-Regime ...		2205 - Prepaid...	7,060.00		0.00
Invoice	5/1/2007	362	3013-John & Caroly...		1201 - A/R-Regime ...		41100 - Regim...	790.00		790.00
General Jou...	5/1/2007	29-JAR	3013-John & Caroly...	Reverse ...	1201 - A/R-Regime ...		2205 - Prepaid...		7,060.00	-6,270.00
General Jou...	5/31/2007	47-JA	3013-John & Caroly...	Prepaid f...	1201 - A/R-Regime ...		2205 - Prepaid...	6,270.00		0.00
Invoice	6/1/2007	440	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	790.00		790.00
General Jou...	6/1/2007	47-JAR	3013-John & Caroly...	Reverse ...	1201 - A/R-Regime ...		2205 - Prepaid...		6,270.00	-5,480.00
Payment	6/29/2007	1426	3013-John & Caroly...		1205 - A/R-Special ...		12000 - Undep...		1,896.00	-7,376.00
General Jou...	6/30/2007	61-JA	3013-John & Caroly...	To recla...	1201 - A/R-Regime ...		2205 - Prepaid...	5,480.00		-1,896.00
General Jou...	6/30/2007	60-JA	3013-John & Caroly...	To recla...	1205 - A/R-Special ...		2205 - Prepaid...	1,896.00		0.00
Invoice	7/1/2007	518	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	790.00		790.00
General Jou...	7/1/2007	61-JAR	3013-John & Caroly...	Reverse ...	1201 - A/R-Regime ...		2205 - Prepaid...		5,480.00	-4,690.00
General Jou...	7/1/2007	60-JAR	3013-John & Caroly...	Reverse ...	1205 - A/R-Special ...		2205 - Prepaid...		1,896.00	-6,586.00
Invoice	7/1/2007	596	3013-John & Caroly...		1205 - A/R-Special ...		41103 - Spec...	1,896.00		-4,690.00
Invoice	8/1/2007	629	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	790.00		-3,900.00
Invoice	9/1/2007	709	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	790.00		-3,110.00
Invoice	10/1/2007	785	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	790.00		-2,320.00
Invoice	11/1/2007	861	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	790.00		-1,530.00
Invoice	12/1/2007	937	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	790.00		-740.00
Invoice	1/1/2008	1067	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	890.00		150.00
Payment	1/11/2008	1646	3013-John & Caroly...		1201 - A/R-Regime ...		12000 - Undep...		150.00	0.00
Invoice	2/1/2008	1143	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	890.00		890.00
Payment	2/11/2008	1679	3013-John & Caroly...		1201 - A/R-Regime ...		12000 - Undep...		890.00	0.00
Invoice	3/1/2008	1219	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	890.00		890.00
Invoice	3/12/2008	1295	3013-John & Caroly...		1201 - A/R-Regime ...		41160 - Insura...	3,169.58		4,059.58
Payment	3/12/2008	1714	3013-John & Caroly...		1201 - A/R-Regime ...		12000 - Undep...		890.00	3,169.58
Payment	3/17/2008	1724	3013-John & Caroly...		1201 - A/R-Regime ...		12000 - Undep...		3,169.58	0.00
Invoice	4/1/2008	1350	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	890.00		890.00
Payment	4/10/2008	1751	3013-John & Caroly...		1201 - A/R-Regime ...		12000 - Undep...		890.00	0.00
Invoice	5/1/2008	1426	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	890.00		890.00
Payment	5/9/2008	1779	3013-John & Caroly...		1201 - A/R-Regime ...		12000 - Undep...		890.00	0.00
Invoice	6/1/2008	1502	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	890.00		890.00
Payment	6/9/2008	1820	3013-John & Caroly...		1201 - A/R-Regime ...		12000 - Undep...		890.00	0.00
Invoice	7/1/2008	1578	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	890.00		890.00
Payment	7/9/2008	1862	3013-John & Caroly...		1201 - A/R-Regime ...		12000 - Undep...		890.00	0.00
Invoice	8/1/2008	1654	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	890.00		890.00
Payment	8/11/2008	1905	3013-John & Caroly...		1201 - A/R-Regime ...		12000 - Undep...		890.00	0.00
Invoice	9/1/2008	1731	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	890.00		890.00
Payment	9/16/2008	1949	3013-John & Caroly...		1201 - A/R-Regime ...		12000 - Undep...		890.00	0.00
Invoice	10/1/2008	1807	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	890.00		890.00
Payment	10/8/2008	1971	3013-John & Caroly...		1201 - A/R-Regime ...		12000 - Undep...		890.00	0.00
Invoice	11/1/2008	1884	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	890.00		890.00
Payment	11/12/2008	2015	3013-John & Caroly...		1201 - A/R-Regime ...		12000 - Undep...		890.00	0.00
Invoice	12/1/2008	1959	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	890.00		890.00
Payment	12/8/2008	2058	3013-John & Caroly...		1201 - A/R-Regime ...		12000 - Undep...		890.00	0.00

10:43 AM

02/08/10

Accrual Basis

Bristol Condominium Property Owners Association
Custom Transaction Detail Report
All Transactions

Type	Date	Num	Name	Memo	Account	Class	Split	Debit	Credit	Balance
Invoice	1/1/2009	2035	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	890.00		890.00
Payment	1/12/2009	2109	3013-John & Caroly...		1201 - A/R-Regime ...		12000 - Undep...		890.00	0.00
Invoice	2/1/2009	2111	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	890.00		890.00
Payment	2/11/2009	2151	3013-John & Caroly...		1201 - A/R-Regime ...		12000 - Undep...		890.00	0.00
Invoice	3/1/2009	2186	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	890.00		890.00
Invoice	3/1/2009	2261	3013-John & Caroly...		1201 - A/R-Regime ...		41160 - Insura...	2,831.58		3,721.58
Payment	3/9/2009	2182	3013-John & Caroly...		1201 - A/R-Regime ...		12000 - Undep...		3,721.58	0.00
Invoice	4/1/2009	2318	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	890.00		890.00
Payment	4/9/2009	2219	3013-John & Caroly...		1201 - A/R-Regime ...		12000 - Undep...		890.00	0.00
Invoice	5/1/2009	2395	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	890.00		890.00
Payment	5/11/2009	2256	3013-John & Caroly...		1201 - A/R-Regime ...		12000 - Undep...		890.00	0.00
Invoice	6/1/2009	47	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	890.00		890.00
Payment	6/8/2009	2293	3013-John & Caroly...		1201 - A/R-Regime ...		12000 - Undep...		890.00	0.00
Invoice	7/1/2009	121	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	890.00		890.00
Payment	7/10/2009	2329	3013-John & Caroly...		1201 - A/R-Regime ...		12000 - Undep...		890.00	0.00
Invoice	8/1/2009	195	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	890.00		890.00
Payment	8/10/2009	2369	3013-John & Caroly...		1201 - A/R-Regime ...		12000 - Undep...		890.00	0.00
Invoice	9/1/2009	269	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	890.00		890.00
Payment	9/8/2009	2407	3013-John & Caroly...		1201 - A/R-Regime ...		12000 - Undep...		890.00	0.00
Invoice	10/1/2009	343	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	890.00		890.00
Payment	10/8/2009	2446	3013-John & Caroly...		1201 - A/R-Regime ...		12000 - Undep...		890.00	0.00
Invoice	11/1/2009	419	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	890.00		890.00
Payment	11/11/2009	2489	3013-John & Caroly...		1201 - A/R-Regime ...		12000 - Undep...		890.00	0.00
Invoice	12/1/2009	491	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	890.00		890.00
Invoice	12/1/2009	563	3013-John & Caroly...		1201 - A/R-Regime ...		41103 - Speci...	2,111.66		3,001.66
Invoice	12/31/2009	FC 287	3013-John & Caroly...	Finance ...	1201 - A/R-Regime ...	Opera...	-SPLIT-	44.41		3,046.07
Invoice	1/1/2010	620	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	825.00		3,871.07
Invoice	1/1/2010	670	3013-John & Caroly...		1201 - A/R-Regime ...		41103 - Speci...	2,111.66		5,982.73
Payment	1/12/2010	2563	3013-John & Caroly...		1201 - A/R-Regime ...		12000 - Undep...		778.15	5,204.58
Invoice	1/31/2010	FC 342	3013-John & Caroly...	Finance ...	1201 - A/R-Regime ...		-SPLIT-	77.44		5,282.02
Invoice	2/1/2010	737	3013-John & Caroly...		1201 - A/R-Regime ...		-SPLIT-	825.00		6,107.02
Invoice	2/1/2010	787	3013-John & Caroly...		1201 - A/R-Regime ...		41103 - Speci...	2,111.66		8,218.68
Total								78,045.55	69,826.87	8,218.68

709

**DEFENDANT'S
EXHIBIT**

12:25 PM

10/31/11

**Bristol Condominium Property Owners Association
Customer Balance Detail
All Transactions**

Type	Date	Num	Amount	Balance
3013-John & Carolyn Lucas				
Invoice	1/31/2007	31	50.00	50.00
Invoice	2/1/2007	61	790.00	840.00
Invoice	3/1/2007	115	790.00	1,630.00
Invoice	3/1/2007	223	3,385.56	5,015.56
Payment	3/12/2007	1295	-12,865.56	-7,850.00
General Journal	3/31/2007	8-JA	7,850.00	0.00
Invoice	4/1/2007	277	790.00	790.00
General Journal	4/1/2007	8-JAR	-7,850.00	-7,060.00
General Journal	4/30/2007	29-JA	7,060.00	0.00
Invoice	5/1/2007	362	790.00	790.00
General Journal	5/1/2007	29-JAR	-7,060.00	-6,270.00
General Journal	5/31/2007	47-JA	6,270.00	0.00
Invoice	6/1/2007	440	790.00	790.00
General Journal	6/1/2007	47-JAR	-6,270.00	-5,480.00
Payment	6/29/2007	1426	-1,896.00	-7,376.00
General Journal	6/30/2007	60-JA	1,896.00	-5,480.00
General Journal	6/30/2007	61-JA	5,480.00	0.00
Invoice	7/1/2007	518	790.00	790.00
General Journal	7/1/2007	60-JAR	-1,896.00	-1,106.00
General Journal	7/1/2007	61-JAR	-5,480.00	-6,586.00
Invoice	7/1/2007	596	1,896.00	-4,690.00
Invoice	8/1/2007	629	790.00	-3,900.00
Invoice	9/1/2007	709	790.00	-3,110.00
Invoice	10/1/2007	785	790.00	-2,320.00
Invoice	11/1/2007	861	790.00	-1,530.00
Invoice	12/1/2007	937	790.00	-740.00
Invoice	1/1/2008	1067	890.00	150.00
Payment	1/11/2008	1648	-150.00	0.00
Invoice	2/1/2008	1143	890.00	890.00
Payment	2/11/2008	1679	-890.00	0.00
Invoice	3/1/2008	1219	890.00	890.00
Invoice	3/12/2008	1295	3,169.58	4,059.58
Payment	3/12/2008	1714	-890.00	3,169.58
Payment	3/17/2008	1724	-3,169.58	0.00
Invoice	4/1/2008	1350	890.00	890.00
Payment	4/10/2008	1751	-890.00	0.00
Invoice	5/1/2008	1426	890.00	890.00
Payment	5/9/2008	1779	-890.00	0.00
Invoice	6/1/2008	1502	890.00	890.00
Payment	6/9/2008	1820	-890.00	0.00
Invoice	7/1/2008	1578	890.00	890.00
Payment	7/9/2008	1862	-890.00	0.00
Invoice	8/1/2008	1654	890.00	890.00
Payment	8/11/2008	1905	-890.00	0.00
Invoice	9/1/2008	1731	890.00	890.00
Payment	9/16/2008	1949	-890.00	0.00
Invoice	10/1/2008	1807	890.00	890.00
Payment	10/8/2008	1971	-890.00	0.00

12:25 PM
10/31/11

Bristol Condominium Property Owners Association
Customer Balance Detail
All Transactions

Type	Date	Num	Amount	Balance
Invoice	11/1/2008	1884	890.00	890.00
Payment	11/12/2008	2015	-890.00	0.00
Invoice	12/1/2008	1959	890.00	890.00
Payment	12/8/2008	2058	-890.00	0.00
Invoice	1/1/2009	2035	890.00	890.00
Payment	1/12/2009	2109	-890.00	0.00
Invoice	2/1/2009	2111	890.00	890.00
Payment	2/11/2009	2151	-890.00	0.00
Invoice	3/1/2009	2186	890.00	890.00
Invoice	3/1/2009	2281	2,831.58	3,721.58
Payment	3/9/2009	2182	-3,721.58	0.00
Invoice	4/1/2009	2318	890.00	890.00
Payment	4/8/2009	2219	-890.00	0.00
Invoice	5/1/2009	2395	890.00	890.00
Payment	5/11/2009	2256	-890.00	0.00
Invoice	6/1/2009	47	890.00	890.00
Payment	6/8/2009	2293	-890.00	0.00
Invoice	7/1/2009	121	890.00	890.00
Payment	7/10/2009	2329	-890.00	0.00
Invoice	8/1/2009	195	890.00	890.00
Payment	8/10/2009	2369	-890.00	0.00
Invoice	9/1/2009	269	890.00	890.00
Payment	9/8/2009	2407	-890.00	0.00
Invoice	10/1/2009	343	890.00	890.00
Payment	10/8/2009	2446	-890.00	0.00
Invoice	11/1/2009	419	890.00	890.00
Payment	11/11/2009	2489	-890.00	0.00
Invoice	12/1/2009	491	890.00	890.00
Invoice	12/1/2009	563	2,111.66	3,001.66
Invoice	12/31/2009	FC 287	44.41	3,046.07
Invoice	1/1/2010	620	825.00	3,871.07
Invoice	1/1/2010	670	2,111.66	5,982.73
Payment	1/12/2010	2563	-778.15	5,204.58
Invoice	1/31/2010	FC 342	77.44	5,282.02
Invoice	2/1/2010	737	825.00	6,107.02
Invoice	2/1/2010	787	2,111.66	8,218.68
Payment	2/8/2010	2594	-713.15	7,505.53
Invoice	2/28/2010	FC 379	100.51	7,606.04
Invoice	3/1/2010	854	825.00	8,431.04
Invoice	3/1/2010	871	2,631.50	11,062.54
Payment	3/1/2010	2632	-3,344.65	7,717.89
Invoice	3/31/2010	FC 418	113.58	7,831.45
Invoice	4/1/2010	1030	825.00	8,656.45
Invoice	4/1/2010	1079	2,111.66	10,768.11
Payment	4/7/2010		-6,854.82	3,913.29
Payment	4/12/2010	2667	-713.15	3,200.14
Invoice	4/30/2010	FC 438	42.64	3,242.78
Invoice	5/1/2010	1143	825.00	4,067.78
Invoice	5/1/2010	1191	2,111.66	6,179.44

12:26 PM

10/31/11

Bristol Condominium Property Owners Association
Customer Balance Detail
 All Transactions

Type	Date	Num	Amount	Balance
Payment	5/10/2010	2696	-713.15	5,466.29
Invoice	5/31/2010	FC 467	78.19	5,544.48
Invoice	6/1/2010	1256	825.00	6,369.48
Invoice	6/1/2010	1304	2,111.66	8,481.14
Payment	6/10/2010	2728	-713.15	7,767.99
Invoice	6/30/2010	FC 480	109.87	7,877.86
Invoice	7/1/2010	1368	825.00	8,702.86
Invoice	7/1/2010	1416	2,111.66	10,814.52
Payment	7/12/2010	2769	-825.00	9,989.52
Invoice	7/31/2010	FC 533	145.84	10,135.36
Invoice	8/1/2010	1481	825.00	10,960.36
Invoice	8/1/2010	1529	2,111.66	13,072.02
Payment	8/9/2010	2798	-713.15	12,358.87
Invoice	8/31/2010	FC 559	181.72	12,540.59
Invoice	9/1/2010	1592	825.00	13,365.59
Invoice	9/1/2010	1640	2,111.66	15,477.25
Payment	9/13/2010	2833	-713.15	14,764.10
Invoice	9/30/2010	FC 577	209.36	14,973.46
Invoice	10/1/2010	1703	825.00	15,798.46
Invoice	10/1/2010	1750	2,111.66	17,910.12
Payment	10/11/2010	2863	-713.15	17,196.97
Invoice	10/29/2010	FC 640	235.25	17,432.22
Invoice	11/1/2010	1810	825.00	18,257.22
Invoice	11/1/2010	1939	2,111.66	20,368.88
Payment	11/15/2010	2911	-713.15	19,655.73
Invoice	12/1/2010	1864	825.00	20,480.73
Invoice	12/1/2010	1976	2,111.66	22,592.39
Invoice	12/1/2010	FC	219.84	22,812.23
Payment	12/2/2010	1867	-6,000.00	17,812.23
Payment	12/17/2010	2952	-713.50	17,098.73
Invoice	1/1/2011	2024	825.00	17,923.73
Invoice	1/1/2011	2071	2,111.66	20,035.39
Payment	1/14/2011	2982	-713.50	19,321.89
Invoice	1/31/2011	FC 680	970.61	20,292.50
Invoice	2/1/2011	2130	825.00	21,117.50
Invoice	2/1/2011	2177	2,111.66	23,229.16
Payment	2/9/2011	3006	-713.00	22,516.16
Invoice	2/28/2011	FC 702	311.65	22,827.81
Invoice	3/1/2011	2236	825.00	23,652.81
Invoice	3/1/2011	2283	2,111.66	25,764.47
Payment	3/11/2011	3034	-713.00	25,051.47
Invoice	3/31/2011	FC 765	352.32	25,403.79
Invoice	4/1/2011	2342	825.00	26,228.79
Invoice	4/1/2011	2447	9,959.00	28,187.79
Payment	4/11/2011	3069	-2,672.15	25,515.64
Invoice	4/30/2011	FC 810	345.38	25,861.02
Invoice	5/1/2011	2502	825.00	26,686.02
Invoice	5/1/2011	29	750.00	27,436.02
Payment	5/13/2011	3111	-715.15	26,720.87

12:25 PM

10/31/11

Bristol Condominium Property Owners Association
Customer Balance Detail
 All Transactions

Type	Date	Num	Amount	Balance
Invoice	5/31/2011	FC 861	359.54	27,080.41
Invoice	6/1/2011	2574	825.00 <i>key</i>	27,905.41
Invoice	6/1/2011	88	750.00 <i>spec</i>	28,655.41
Payment	6/8/2011	3140	-717.30 <i>key</i>	27,938.11
Invoice	6/30/2011	FC 900	371.40 <i>key</i>	28,309.51
Invoice	7/1/2011	2645	825.00 <i>spec</i>	29,134.51
Invoice	7/1/2011	118	750.00 <i>spec</i>	29,884.51
Payment	7/11/2011		-717.30 <i>key</i>	29,167.21
Invoice	7/31/2011	FC 934	395.86 <i>key</i>	29,564.07
Invoice	8/1/2011	2714	825.00 <i>spec</i>	30,389.07
Invoice	8/1/2011	146	750.00 <i>spec</i>	31,139.07
Payment	8/8/2011	3206	-717.30 <i>key</i>	30,421.77
Invoice	8/31/2011	FC 964	410.81 <i>key</i>	30,832.58
Invoice	9/1/2011	2783	825.00 <i>spec</i>	31,657.58
Invoice	9/1/2011	175	750.00 <i>spec</i>	32,407.58
Payment	9/12/2011	3236	-717.30 <i>key</i>	31,690.28
Invoice	9/30/2011	FC 992	412.59 <i>key</i>	32,102.87
Invoice	10/1/2011	2854	825.00 <i>spec</i>	32,927.87
Invoice	10/1/2011	203	750.00 <i>spec</i>	33,677.87
Payment	10/11/2011	3267	-717.30 <i>key</i>	32,960.57
Total 3013-John & Carolyn Lucas			32,960.57	32,960.57
TOTAL			32,960.57	32,960.57

The regular regime fee is \$825.
 Dr Lucas had only been paying \$717.30 - he will not pay the
 Capital Reserve Contributions
 There were two special assessments. The first one was for
 the windows and doors. The second was for costs
 from change orders and to recover delinquent amounts.



SUTTON-KENNERLY & ASSOCIATES, INC. • CONSULTING ENGINEERS
4651 Charlotte Park Drive, Suite 150 Charlotte, NC 28217-1956
• (704) 424-9663 • FAX (704) 424-9665

June 15, 2006

Mr. Leonard D. Way
President
Board of Directors
Bristol Condominium Property Owner's Association (POA)

Subject: Report Of Exterior Building Facades Assessment
The Bristol Condominiums
Charleston, South Carolina
SKA Job No. 050570.0

Dear Mr. Way:

As authorized, Sutton-Kennerly & Associates Inc. (SKA) has completed an assessment of the exterior building facades for the Bristol Condominiums located in Charleston, South Carolina. The purpose of this assessment is to determine the soundness of the building facade. Included in this report are our conclusions and comments. Attached to this report is an Appendix which presents our understanding of the background information, assessment tasks conducted, results, discussion of the results, photographs of pertinent observations, and attachment information.

CONCLUSIONS

The soundness of this building façade is predominately good with some fair façade conditions which have contributed to the water intrusion events experienced at this facility. There was no evidence of water intrusion discovered during this assessment within the uninterrupted fields of the facade claddings consisting of the hard coat stucco, brick masonry veneer and Hardi panel siding. No significant damage to the façade or exterior wall components was discovered. The view port excavations generally revealed that the installation and quality of the facade cladding materials to be good and relatively consistently installed from one elevation to another.

Fair façade performance conditions associated with the as-built construction of the hard coat stucco, brick veneer masonry, and balcony metal coping caps were discovered where these elements interfaced with dissimilar façade cladding elements or horizontal concrete slab elements. During the field water spray testing of this assessment, low to moderate severity water intrusion was discovered within the building façade claddings where a particular clad (stucco, brick masonry, and wood siding) joined another dissimilar type of cladding element (including both interior and exterior concrete slabs, and windows and doors). The field water spray testing during this assessment revealed that about 50 percent of the water tested view port locations failed to keep the seepage water which passed the façade cladding from intruding the moisture barrier or waterproofing membrane flashing. A single balcony window unit threshold sill dam test

DEFENDANT'S
EXHIBIT

conducted during this assessment found that water leaked from the window unit joinery into its adjacent jamb stucco wall base. The amount of water intrusion witnessed during this assessment is minimal, and there is no evidence that the exterior façade or exterior wall construction elements have been damaged or their material properties compromised.

The type of water intrusion discovered in this assessment must be prevented and halted so that long term damage will not occur to the façade elements or exterior building wall materials. Minor rust of metal framing was evident where water intrusion was discovered indicating that the intrusion occurred frequently. Within view port excavations, numerous gaps were discovered which will allow the entry of intruded water behind the moisture barriers at wall bases. Around windows and door frames, and along exterior wall bases, there is no provision for allowing miscellaneous water seepage to be weeped to the exterior. At several view port excavations along the exterior wall bases, intruded water from field water spray testing was found to be dammed within the exterior wall base metal framing or below the stucco clad wall base terminations which had been sealed with field applied flexible sealant.

The design and construction of the façade clads that are experiencing water intrusion do not provide for the properly coordinated and enough quantity of flashing protection measures or weep mechanisms to properly manage the anticipated water which passes the particular façade cladding from damming behind the cladding or allowing this dammed water to exit or return to the exterior of the façade. In addition, it is apparent that the window and door units themselves are significantly contributing to the inordinate water intrusion events at this facility.

Although the amount of water intrusion discovered during the field water spray testing at many of the spray tested locations is considered minor, it is considered inordinate and requires remediation to halt the intrusion and provide long term protection to this relatively new facility. Prolong intrusion of water, even when the quantity and frequency of intruded water is minor, has demonstrated causations of significant environmental and construction material damage to the exterior wall components with facades.

Remedial effort is required where the façade claddings meet dissimilar materials in order to halt water intrusion being experienced, provide the facility with long term weather protection, provide proper water management of anticipated water intrusion which seeps past the cladding, and install those elements which are now significant to weather protection of this building.

The scope of this assessment did not include providing required remedial details or provide remedial protocols. However, the following listing provides conceptual recommended remediation to halt water intrusion for most of the conditions discovered in this assessment, and recommended remediation to provide for future weather protection and the facility ages:

*Report Of Engineering Assessment
Exterior Building Envelope
The Bristol Condominiums
Charleston, South Carolina
SKA Job No. 050470.0
June 15, 2006
Page 2 of 4*

Recommended Remediation to Halt Water Intrusion

1. Aside from decisions by others associated with the windows and door, the installation of supplemental head and sill pan flashings will be required to halt water intrusion.
2. Installation of supplemental flashing associated with the window and door jamb bases.
3. Removal of metal coping flashing from the balcony nosing and replace with extension of urethane deck coating and integral slab edge metal flashing (including column bases)
4. Removal of the lower stucco clad wall based at concrete balcony slabs and install through wall flashing, weep screed elements and additional separations joints.
5. Installation of new joints and flashing at balcony slab returns.
6. Installation of metal through wall flashing at the tops and bases of the masonry walls at the garage levels.
7. Installation of additional metal and flexible flashing to exposed slab ends and metal framing which is exposed in the brick veneer cavity walls.
8. Removal and installation of remedial membrane flashing associated with the intersections of the Hardi panel siding and hard coat stucco.
9. Correction and reseal of metal coping joinery on roof parapet.

Recommended remediation to provide for future weather protection

1. Installation of a new horizontal expansion joint between brick masonry veneer and hard coat stucco at top of second floor garage level.
2. Installation of supplemental flashing above wood joist banding on balcony trellis sections.
3. Removal of certain cove bead field applied flexible sealants and replace with backer rod and sealant in gap joint between dissimilar materials.
4. Installation of weep holes in brick masonry where weeps are required and absent.
5. Installation of do drip edge metal flashing at specific openings along the perimeter walls of the garage to shed water away from the garage floor slab during rain events.

SUTTON-KENNERLY & ASSOCIATES, INC. • CONSULTING ENGINEERS

Sutton-Kennerly & Associates, Inc. appreciates the opportunity to provide this report and look forward to assisting you on this project. If you have any questions regarding this report, please contact this office.

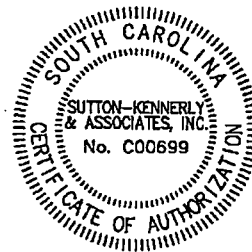
Sincerely,

SUTTON-KENNERLY & ASSOCIATES, INC.

Michael L. Parker

Michael L. Parker, P.E.
Senior Engineering Technical Specialist

Attachments: Appendix



*Report Of Engineering Assessment
Exterior Building Envelope
The Bristol Condominiums
Charleston, South Carolina
SKA Job No. 050470.0
June 15, 2006
Page 4 of 4*

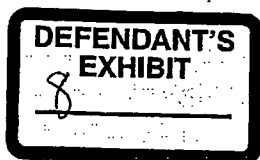
Welcome to the February, 2007 *Bristol Newsletter*. There is a lot of good information from your Board of Directors in this issue. Here's a checklist:

- ✓ An article by Board President, Jan Landry, on the process followed in selecting a new Management Company
- ✓ An introduction to Property Management Services and Lona Vest our new property manager
- ✓ Life at the Bristol is the title we've established for a collection of brief notes on our building, the activities and miscellaneous information

And, by now, you should have all received Jan's letter with the good news about our insurance coverage for 2007-2008 and a litigation update. If you missed it, here is a quick summary.

The efforts of the Insurance Committee work have resulted in a significant reduction in our flood policy premium from \$119,000 to a policy costing \$5,000. This was achieved by working through the City of Charleston to have the Bristol property resurveyed and it is now classified as an "AE" zone rather than the previous and more expensive "V-5" zone. In practice, this means BPO's total property insurance premiums will remain about the same as last year.

Turning to litigation, Rosen, Rosen and Hagood has filed the two lawsuits that had to be filed to protect all of the unit owners due to the three-year statute of limitations that South Carolina law stipulates on construction defect issues. Copies of the lawsuits will be available for review at the onsite office of our new property manager. Copies may also be viewed online at the Charleston County Clerk of Court's website. The case number is 2007-CP-10-607 for the Class Action lawsuit. The case number for the Bristol POA lawsuit is 2007-CP-10-612.



BRISTOL IS OFF TO A FAST START IN 2007

NEW MANAGEMENT COMPANY ON BOARD

Your Board of Directors is proud to say that 2007 is off to a fast start. The big story, of course, is we have engaged a new management company for the building. Property Management Services (PMS) officially assumed responsibility for managing our building on February 1.

Probably everyone understands a professional management firm has everything to do with the day-to-day operation of a building and the favorable lifestyle of the residents. We believe PMS has already demonstrated in just the first two weeks that they will deliver the quality management we all want.

Last fall, in one of the first actions of the new Board of Directors, Jan Landry was named to chair a Building Management Committee. Thus began a careful and deliberative process to identify the best building manager we could find for The Bristol.

Jan began the selection process by analyzing our requirements and contacting potential building managers in a letter outlining our situation with a snapshot of our requirements. She invited them to submit a response if they were interested in being considered.

Surprisingly, eleven companies responded with interest, evidence of the positive image of The Bristol. The Building Management Committee members, Jan Landry, Bob Zeisler, Jayne Harmon and Craig Tallberg, each reviewed the packages submitted, and the list of candidates narrowed to six.

Each of those six was invited to a private interview with the committee in which the companies outlined their qualifications and answered questions ranging from simple to challenging.

At this point the process was only half complete. Two firms were identified as our top choice and the next best choice. The top firm met with the full Board reflecting the importance of this decision.

We are happy to report that PMS--the unanimous first choice of the committee--impressed the Board with their depth of experience and overall qualifications. But the selection was still not complete. Financial considerations, on site coverage and other issues still loomed.

In a fortunate turn of events, PMS was searching for office space to expand their operations and some creative thinking led to a positive solution. PMS has moved into the old sales office (to the right as one faces the security desk) providing them needed office space, improving our on-site coverage, and the rental income from the space reduces our costs. This was a unique Win-Win situation.

The Board has signed a contract with PMS. Specifically, Lona Vest will be our building manager and will be on-site on Tuesdays and Thursdays. Another employee will work out of the office, but will not be dedicated to the Bristol.

Like we said, the year is off to a great start!

INTRODUCING PROPERTY MANAGEMENT SERVICES

Property Management Services (PMS) is very pleased to begin this new relationship with all of you at The Bristol. Our two principles, Lona Vest and Laurie Schueler, have more than 40+ years of property management experience. Lona, the new Bristol regime manager, has twenty-three years of experience. She has managed property at Wild Dunes since 1990 and has extensive experience with high rise construction issues.

We have opened an office right here in the building (to the right of the security desk). Lona has routine office hours at the property every Tuesday and Thursday. In addition, Carol MacIlroy will be in the office Monday through Friday from 9 am until 5 pm. However, we encourage you to speak directly to Lona regarding Bristol issues. She will have the most current information pertaining to the property.

Monthly bills will be sent to all owners the first of each month. An automatic payment plan will be set up for your convenience, please talk to Lona if you are interested in this approach.

The regular contact information for Lona is:

Property Management Services
1340 G Ben Sawyer Blvd
Mt. Pleasant, SC 29464
Office 843-881-5459
Fax 843 881-5616
Lona@charlestonpms.com

We made an extensive inspection of the building and find it not only to be lovely but well maintained. All of the fire alarms, generator and pumps are in good working order and have all been recently inspected in compliance with local codes. The staff seems generally eager to help us in our transition and we look forward to a smooth transition with The Beach Company.

We are excited to be able to serve you and will look forward to meeting each of you.

Life at The Bristol

This new section of the newsletter delivers information on the lifestyle here at The Bristol, some interesting new activities, and a new article called "Neighborly Notes." Take a minute to catch up on What's New.

FITNESS-ROOM-UPGRADES

Along with many improvements to the quality of life at the Bristol are new activities in our Fitness Room. This facility is becoming increasingly busy with residents using the equipment from early morning to late afternoon. To accommodate the increasing demand and provide additional diversity of fitness equipment, a recumbent bike will soon be available. You may know that recumbent bikes are the exercise bikes with the comfortable bucket seats. You sit back and lower to the ground as you pedal. Many physicians and personal trainers recommend recumbent bikes because they are better for people of all different fitness levels, are safer to use, and offer a wide range of workout programs. For example, most recumbent bikes offer various programs that will allow you to sprint and tackle hills. Alternatively, if you prefer a more leisurely activity you can have an easy workout where you can read a book or newspaper or watch our TV.

* * * *

Another new activity is Pilates Classes. Pilates are a method of exercise and physical movement designed to stretch, strengthen, and balance the body. With systematic practice of specific exercises, coupled with focused breathing patterns, Pilates has proven invaluable not only as a fitness endeavor itself, but also as an important adjunct to professional sports training and physical rehabilitation of all kinds. Widely embraced among dancers for years, the exercises--"elephant," "swan", the language--"pull navel to spine, and breeaaaathe," and the look--bright-eyed, refreshed, buoyant-without-

necessarily-sweating, is popping up in fitness classes, physical therapy offices, corporate retreats, luxury spas and wellness centers across the country.

The late afternoon classes (5:00 PM) are under the direction of Susan Bogart at a cost of \$60 for ten classes. Contact Karen Hyatt at 805 7980 or e-mail [HYPERLINK "mailto:klhyatt@yahoo.com"](mailto:klhyatt@yahoo.com) klhyatt@yahoo.com for more information.

Come join us in enjoying the activities and experiencing some more of the positive aspects of living in The Bristol.

BRISTOL BOOK CLUB

Would you like to be able to share some of your reading experiences with other readers? A faithful group of Bristol reading ladies meets each month to share a glass of wine and their book for the month. February's selection was *On Agate Hill* by Lee Smith. Ms. Smith was one of the featured authors at last fall's Post and Courier Book and Author Luncheon and was an extremely entertaining speaker. The Book Club met the evening of February thirteenth at June Warner's home, 4004.

The club's March selection is *The Inheritance of Loss* by Kiran Desai, a national bestseller and a winner of the Booker Prize. The group will review it on March 13th at 6:00 pm at the Harmon's (4018). For more information contact Emily Mohr at 958-9040.

BRISTOL BITS

The Board often hears comments from owners who have a concern with something they have noticed here at the Bristol. The Board is a policy organization. We cannot be "the police," and feel it is unwise to establish formal "rules" and enforcement procedures for minor issues. But, since we are all neighbors here, we decided to share a few of the comments we've heard more than once or twice.

Here are a few in the form of Neighborly Notes. Let's all try to live in a way that is considerate of our co-residents.

- ⇒ Please park in only your own parking space and within the lines, so your neighbors can do the same, and leave the visitors' spaces for visitors.
- ⇒ Please limit additional items stored near your cars. We're not looking to be the parking police, but let's limit it to small storage carts, and bikes.
- ⇒ Please drive cautiously in the garage and at an appropriate speed.
- ⇒ If you use the Bristol room, please leave it as you found it, disposing of coffee cups and putting newspapers back in the rack.
- ⇒ Please refrain from putting your feet on the furniture. We want to keep the furnishings as fresh as those in your own unit.
- ⇒ Please do not leave dirty dishes in the sink in the Bristol room kitchen. It only takes a minute to clean up.
- ⇒ Cell phones are handy, but if you're in a common area and your phone has a loud ring, or you expect a long conversation, please be considerate and take it outside.
- ⇒ If you use the outdoor grill, please wait for the grill to cool thoroughly and then remember to go back later and replace the protective cover.
- ⇒ Please be considerate and clean up after your dog.

*Thanks in advance for your cooperation.
It will make living at The Bristol better for all of us.*

The
Bristol
PROPERTY OWNERS' ASSOCIATION

February 9, 2007

Dear Bristol Property Owners:

The February newsletter is being prepared and should be sent to you in the next two weeks. There are, however, two significant events that the Board of Directors wants to communicate to you at this time. The first is the insurance premium for 2007-2008 and the second is a litigation update.

INSURANCE

In October 2006, the Board of Directors formed a committee to review the POA's existing insurance policies. This was done due to the alarming news about what insurance premiums were predicted to be for condominiums and the fact that many insurance carriers were not renewing coverage and pulling out of the condominium market in coastal areas. The committee members are Charles DeRose, Chairman, Johnny Jordan, Ray Johnson, and David Warner. Brad Sherlock and Harold Campbell, Bristol owners, also serve on this committee.

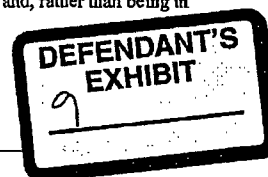
Meetings were held with several insurance brokers and all indicated that premiums would increase from 100% to 400% in the coming year. In December 2006, Allstate Insurance notified the Board that it would not renew our coverage when it expired on March 6, 2007. The subcommittee had anticipated this possibility and immediately scheduled meetings with three insurance brokers. Of these brokers, Wachovia Insurance Services was chosen to secure insurance coverage for the Bristol.

Listed below are the costs of our current policies, initial projected premiums and the anticipated premiums for 2007.

	<u>Insurance Premium</u> <u>Actual 2006-2007</u>	<u>Insurance Premium</u> <u>Initial Projection 2007-2008</u>	<u>Insurance Premium</u> <u>Anticipated 2007-2008</u>
Property Insurance (except flood)	\$ 69,044.00	\$150,000.00	\$150,000.00
Flood Insurance	\$ 93,447.00	\$119,000.00	\$ 5,000.00
Gen. Liability & Umbrella Co.	<u>\$ 11,805.00</u>	<u>\$ 11,805.00</u>	<u>\$ 11,805.00</u>
	\$174,296.00	\$280,805.00	\$166,805.00

For 2006-2007, the insurance cost per unit owner was \$3,227.00 (\$174,296 divided by 54 units). The initial anticipated cost for 2007-2008 was \$5,200.00 – an increase of about \$2,000.00 per unit owner. Under the direction of Harold Campbell, the subcommittee questioned the flood designation of the Bristol property. Our property was listed in the Flood Zone at a "V-5" designation. Harold believed this was incorrect.

Harold and Johnny Jordan worked through the City of Charleston and had a land surveyor relook at our property. It was determined that our flood zone designation was indeed incorrect and, rather than being in a "V-5" zone, it was actually in an "AE" zone.



you can see on the comparisons above, there is a significant increase in the Property Insurance, but our flood savings mean that anticipated total premium for 2007-2008 will be \$166,805.00 or \$3,089.00 per unit owner. Rather than having an increase on each unit owner of \$2,000.00, we will actually experience a decrease of \$100.00 over the prior year! This is not a one-time benefit. Being zoned "correctly" will continue to make our coverage much more reasonable in the future. It will also enhance the property values of everyone's unit.

We anticipate having the final premiums in about two weeks and will notify each unit owner of their cost. The final premiums will be due to the insurance companies by March 6, 2007 – so we will be coming back to you for your payment very soon. Your Board of Directors, through the insurance committee, is pleased to be able to bring this good news to all of the unit owners.

LEGAL and LITIGATION UPDATE

Our attorneys, Rosen, Rosen, and Hagood, after experiencing some delays in obtaining access to the files of the Developer/General Contractor, were given access to over 30 large "Banker Boxes" of files from the general contractor. This enabled them to obtain copies of all of the contracts with the Architect, General Contractor and pertinent subcontractors to determine the various scopes of work and identify the names of the parties who should be named as Defendants in the lawsuits.

On February 9, 2007, two lawsuits were filed pursuant to the authority given to the Board in the vote taken on December 10, 2006. Service of process has been accomplished on the Developers and the General Contractor and the other parties are in the process of being served.

Our plan is not to do any further "destructive testing" on the building until our consulting engineers, Sutton-Kennerly & Associates, have reviewed some of the most pertinent documents as they relate to the construction plans and "shop drawings." We have chosen this tack in an effort to get important information without incurring large fees.

As you may recall from the presentations at the informational meetings held prior to the December 10, 2006 vote, the Master Deed gives the POA the responsibility to maintain the Common Areas which includes the exterior of the Building, but makes the Unit Owners responsible for maintaining, repairing and replacing their windows and doors even though these are an integral part of the exterior of the Building. Based on the documents reviewed thus far, Mike Parker with Sutton-Kennerly & Associates is of the preliminary opinion that the exterior windows and doors, with the exception of the transom windows, may not comply with the building code which was in effect at the time the Bristol was designed and constructed.

We have taken the position in the lawsuit that all windows and doors which do not comply with the building codes must be replaced with windows and doors which comply with the current building code which is more stringent. The replacement of windows and doors will have to be coordinated with necessary repairs to the stucco and other exterior elements and we need to make certain that the same compatible code compliant windows and doors are used for all of the units to maintain a uniform appearance.

The only practical and efficient way to address the problems with water intrusion at the Bristol is to develop a coordinated plan that addresses all of these problems. Since the Developer/ Contractor et al are the defendants in both suits, we greatly enhance our negotiating position by having both suits filed together and represented by the same law firm. The members of the Board and some of our unit owners agreed to be named as representative plaintiffs in the class action suit against the Developer/Contractor et al. This suit was filed along with the suit brought by the POA.

Several unit owners filed a suit against the Developer/Contractor et al a couple of years ago. This suit can only address the Windows and Doors issues and damage to the interior of the units. When your current Board of Directors was selected, we undertook to review all of the options in addressing the problems of the Bristol, both the Building issues and the Windows and Doors issues together. We unanimously agreed that a law firm should be selected that would negotiate with the Developer/Contractor et al on both issues first, and only proceed with the expense of depositions and a possible trial if the negotiations are not successful. For this reason, we selected Rosen, Rosen and Hagood. It is our belief that joining the class action lawsuit for the individual owners with the lawsuit on behalf of the POA that Mr. Hagood has filed gives us this advantage.

Having these two suits represented by one law firm puts us in a very advantageous position in negotiating with the Developer/Contractor et al. Any defendant would be hesitant to negotiate with different groups at the same time and as a result may not negotiate at all. They are, however, generally willing to negotiate if it can be done with one party in an effort to avoid the expense of protracted litigation.

In summary, Rosen, Rosen and Hagood has filed the two lawsuits that had to be filed to protect all of the unit owners due to the three-year statute of limitations that South Carolina law stipulates on construction defect issues. Copies of the lawsuits will be available for review at the onsite office of our new property manager. Copies may also be viewed online at the Charleston County Clerk of Court's website. The case number is 2007-CP-10-607 for the Class Action lawsuit. The case number for the Bristol POA lawsuit is 2007-CP-10-612. We will continue to send you updates as they develop.

Sincerely,

Jan Landry, President
Bristol Property Owners Association
Board of Directors



April 30, 2007

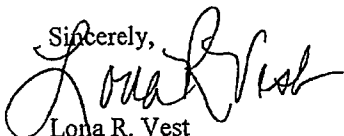
Dear Bristol Property Owners:

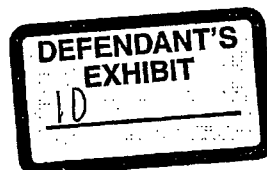
The Regime's Engineer, Mike Parker of Sutton Kennerly and Associates, has recommended additional destructive testing to the building to diagnose the condition of the stucco on the outside walls of the building. Mr. Parker has suggested that a section of the stucco be removed from the exterior to determine the condition of the inside of the walls including the studs.

The section of stucco around units 3014, 4014 and 5014 exterior windows has been selected as the test site. Stone Restoration has been retained to remove and replace this portion of stucco. The work is scheduled to begin Monday, May 7, 2007. Scaffolding and equipment will be delivered and set up that day. Scaffolding will be erected along Lockwood Blvd. and a dumpster will be delivered for debris. Electricity and water will be used from sources located in the garage. Work to remove the stucco will begin on Tuesday, May 8, 2007. The walls will be covered in plastic once the stucco is removed. Experts and others associated with the litigation will be allowed to inspect the overall condition of the wall on Wednesday, Thursday and Friday of that week. They will have access by climbing up the scaffolding on the outside of the building. Access will be limited to only authorized individuals. The contractors will begin installing new stucco on Monday, May 14, 2007. It will take five days to restore the stucco and paint it to match. The area will be cleared by Friday, May 18, 2007. Our engineer Mike Parker will be present daily to oversee the work and assure satisfactory completion of the test.

We have selected an area of the building that has previously suffered from water intrusion. We are eager to get an accurate picture of the condition of the stucco as we continue to pursue our litigation against the original developer, contractor and designer.

We apologize for any inconvenience. We greatly appreciate your patience and cooperation. Please do not hesitate to call me if you wish to discuss this matter further.

Sincerely,

Lona R. Vest
Regime Manager



regime & association management
1343-G (B)er, Sawyer Boulevard, Mt. Pleasant, SC 29564
Phone: (843) 881-5432 Fax: (843) 881-5430
www.regimeandassociationmanagement.com

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Mission Statement

The Bristol POA newsletter is the one and only official publication from your Board of Directors. Our only goal is to clearly communicate actions of the Board and factually report on developments affecting the Bristol community.

Capital Reserve Fund

Prior to our transition from developer to owner control, the Bristol Property Owners Advisory Group commissioned a capital reserve study to determine the future financial needs of the building. This study and the status of our reserves were presented to the owners by Johnny Jordan.

**The Board feels very strongly that our regime should be
100% funded for future capital repairs.**

Mortgage and insurance underwriters are examining the financial condition of regimes prior to making loans and binding insurance coverage.

The reserve study called for the regime to have \$337,938 in the capital reserve account at the end of the 2006 fiscal year. The regime in fact ended the year with a \$170,671.77 shortfall.

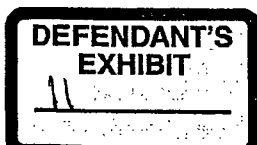
The Board believes that the Developer should have provided for this funding and has included this complaint in the present litigation. However, given the critical need to fund the reserve today, the Board had discussed levying a special assessment to make up the reserve shortfall.

Your Board is very pleased to inform you that, thanks to the diligence of the Insurance Committee, we now have additional funds for our reserves! During the insurance renewal investigation and negotiations, the Committee discovered that the property's flood zone rating was incorrect. The property was insured as a V zone for flood insurance purposes. The Committee had a new elevation certificate prepared and was able to file for a refund with Allstate Insurance.

**The regime has received a refund check in the amount of \$171,042.
These funds will be placed in the capital reserve fund.**

Party Time at The Bristol!

There will be an Independence Day celebration in the Bristol Room and Poolside on July 3, 2007, starting at 7:30 pm. July 3rd was chosen so we can enjoy the River Dogs fireworks display. A notice and sign-up sheet has been posted on the bulletin board in the mailroom.



Destructive Testing

The exterior stucco inspection has been completed under the supervision of the professional and licensed engineering firm of Sutton-Kennerly Associates (SKA). SKA determined that: (1) the interior of the wall cavity was dry and in good condition and (2) some moisture is evident under several of the windows. Additional metallurgy tests are being performed on the wall fasteners. Preliminary tests show there are no problems with the fasteners. Please notify Lona if you have any water intrusion issues – this information is CRITICAL as we move forward with our construction case.

Litigation

The lawsuit has been filed, mainly to prevent the "Statute of Limitations" from expiring. Our primary goal remains to negotiate with The Beach Company for repairs and to continue paying Attorney Brew Hagood on an hourly basis. As discussed in our December 2006 meeting, we believe that hourly compensation is more cost effective than a contingency payment where a third of any settlement proceeds would be used for attorney fees.

Special Assessment

To meet the financial demands of the litigation and destructive testing, the Board has borrowed funds from the capital reserve fund. At the recommendation of the Finance Committee, the Board, at its May meeting, voted to open a separate Litigation/Construction Fund.

The litigation fees and construction costs were not included in the annual budget, and the Board has reviewed the projected expenses to complete the 2007 fiscal year and has determined that it is necessary to call for a special assessment to help cover attorney's fees and special construction investigation performed to date.

According to the Master Deed of the Bristol Horizontal Property Regime, section 4.4 entitled Special Assessments, the Board may levy an assessment equivalent to 20% of the total Annual Assessments, or \$1.896.00 per unit. At its May meeting, the Board unanimously approved this special assessment

**The special assessment amount will be added to the July regime fee bill
and is due in full by August 31, 2007.**

Several owners have expressed concern that a special assessment will be charged to make up an income shortfall because of delinquent owners. This is not accurate.

Our monthly fee and insurance assessment collections, while not 100%, are over 99% paid. We have three owners who are delinquent in paying their insurance assessments. Two of the three parties have made payment arrangements with the Board, and one account has been turned over to the regime's attorney for collection. The Board and our property manager are committed to pursuing timely collections.

Annual Meeting

At its June 19th meeting, the Board approved Sunday, September 9, 2007 for the next Annual Meeting. This date was selected in accordance with the Master Deed which requires that each Annual Meeting be held no earlier than 30 days before and no later than 30 days after the prior year's calendar date.



Wants YOU!

Elections for BPO Directors will be held at this meeting. We will be filling (3) positions for 2-year terms. Charles DeRose, Ray Johnson and David Warner have terms that are expiring and are eligible to run again. We suggest that interested Owners evaluate their time commitments and fiduciary responsibilities when considering a Directorship associated with a Director position. Personal time commitment can be significant.

If you are interested in running for the Board of Directors, please submit a brief bio to Lona Vest at the management office on the second floor.

Projects and Enhancements

Power Washing: The power washing project proceeded more slowly than planned as the weather has not been cooperative. We needed the rain, but the timing was bad! Also, there were several areas that needed additional attention and cleaning. The beige trim needed additional cleaning and required work from the roof and from a lift.

Touch-up Painting: The hallways have been touched up but, unfortunately, the color did not match. The painter will come back to correct the mistake.

And, lots more! The following items have been completed or are in the process of being completed:

- New plants at the pool and in first floor planters
- New flowers at the entrance
- New umbrellas at the pool
- The pool deck and furniture has been power washed
- The lights around the pool have been replaced
- Painting has been completed in the common areas to add more color
- Trim painting has been completed around the building
- Service doors have been painted
- New area rugs have been ordered for the second floor, they should be delivered very soon
- The upholstered furniture on the first and second floors has been cleaned
- Area rugs in the lobby and Bristol room have been professionally cleaned
- The parking lot and garage area are being re-stripped
- Painting and caulking of the fifth floor and entrance trellises has been scheduled. Pressure washing must be completed before the trellis work can begin.

Questions, Concerns, Suggestions, Complaints and Compliments too!

One of the main jobs of property management is to monitor the building and administer service contracts. But, this is not a 24-7 service, and items needing attention can come up at any time or be inadvertently overlooked. Having a great looking building is everyone's desire and goal, but our expectations and time frames must be realistic.

It is very difficult to respond to rumors or owners concerns via '*garage*' or '*kitchen*' conversations. To insure a timely response to your questions and concerns, we ask that you call or e-mail Lona at Property Management Services – or stop by the management office at the Bristol and schedule a time to talk with her in person. E-mail Lona@charlestonpms.com

Several Board members will be available on
Sunday, July 8, 2007 at 6:00 PM in the Bristol Room
to host an informal question and answer session.
Please join us if you have questions or concerns.



June 2007

Destructive Testing

The exterior stucco inspection has been completed. The interior of the wall cavity was dry and in good condition. There was some moisture under several of the windows, which was expected. Additional metallurgy tests are being performed on the wall fasteners. Once these tests are completed, we will be able to determine if the stucco work must be included in the lawsuit. We are continuing to take a hard look at all areas of the building. Please notify Lona of any water intrusion issues you may have – this information is CRITICAL as we move forward with our construction case.

Litigation

The lawsuit has been filed as you know. We are continuing to pay Attorney Brew Hagood on an hourly basis. The Board feels strongly that this is the most prudent approach in pursuing the suit. Our primary goal remains to negotiate with The Beach Company for a repair. We maintain that it would be foolish to agree to pay one third of any settlement that we might reach to the attorneys. As such, we are continuing to proceed as we discussed at the meeting in December.

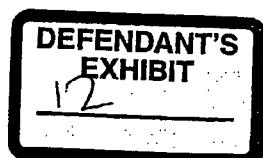
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**The special assessment amount will be added to the July regime fee bill
and is due in full by September 30, 2007.**



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Wants You!

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If you are interested in running for the Board of Directors, please advise Lona Vest at the management office on the 2nd floor and submit a brief bio.

Party Time at The Bristol!

There will be an Independence Day celebration in the Bristol Room and Poolside on July 3, 2007, from (TIME). July 3rd was chosen so we can enjoy the River Dogs fireworks display. A notice and sign-up sheet has been posted on the bulletin board in the mailroom.

A big thank you to Marilyn Durkee for handling these arrangements!

Projects and Enhancements

Power Washing: The power washing project proceeded more slowly than planned as the weather was not been cooperative. We needed the rain, but the timing was bad! Also, there were several areas that needed additional attention and cleaning. The beige trim needed additional cleaning and required work from the roof and from a lift.

Touch-up Painting: The hallways have been touched up but, unfortunately, the color did not match. The painter will come back to correct the mistake.

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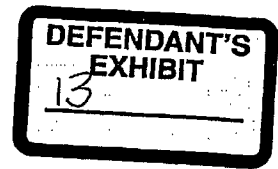
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- The lights around the pool have been replaced
- Painting has been completed in the common areas to add more color
- Trim painting has been completed around the building
- Service doors have been painted
- New area rugs have been ordered for the second floor, they should be delivered very soon
- The upholstered furniture on the first and second floors has been cleaned
- Area rugs in the lobby and Bristol room have been professionally cleaned
- The parking lot and garage area are being re-stripped
- Painting and caulking of the fifth floor and entrance trellises has been scheduled – pressure washing had to be completed first

Questions, Concerns, Suggestions, Complaints and Compliments too!

One of the main jobs of property management is to monitor the building and administer service contracts. But, this is not a 24-7 service and items needing attention can come up at any time – or be inadvertently overlooked. Having a great looking building is everyone's desire and goal.

But, it is very difficult to respond to rumors or owners concerns via 'garage' or 'kitchen' conversations. Please be sure to stop by the management office, call or e-mail Lona at Property Management Services with any questions, concerns, complaints, suggestions and compliments!

E-mail Lona@charlestonpms.com or call 881-5459. Thank you!



Newsletter

To: Bristol Property Owners

From: Bristol Board of Directors

Date: June 13, 2007

The exterior stucco inspection has been completed. The interior of the wall cavity was dry and in good condition. There was some moisture under several of the windows, which was expected. Additional metallurgy tests are being performed on the wall fasteners. Once these tests are completed, we will be able to determine if the stucco work must be included in the lawsuit. We are continuing to take a hard look at all areas of the building. We respectfully request that you notify Lona of any water infiltration issues of which you are aware.

The lawsuit has been filed as you know. We are continuing to pay Attorney Brew Hagood on an hourly basis. The Board feels strongly that this is the most prudent approach in pursuing the suit. Our primary goal remains to negotiate with The Beach Company for a repair. It would be foolish to agree to pay one third of any settlement that we might reach to the attorneys. As such, we are continuing to proceed as we discussed at the meeting in January.

In order to meet the financial demands of the litigation and destructive testing, the Board has borrowed funds from the capital reserve fund. At the recommendation of the Finance Committee, the Board has agreed to open a separate Litigation/Construction Fund. The litigation fees and construction costs were not included in the annual budget. The Board has reviewed the projected expenses to complete the year and feels that it is necessary to call for a special assessment. The assessment is needed to pay for the monthly attorney's fees and special construction investigation. According to section 4.4 entitled Special Assessments, the Board may levy an assessment equivalent to 20% of the total Annual Assessments. The assessment is \$1,630 per unit. It will be added to the July regime fee bills. It is due by September 30, 2007.

Several owners have expressed concern that the assessment may be necessary to make up the difference for delinquent owners. This is not true. We have three owners who are behind in their insurance assessments. Two of these owners have made payment arrangements with the Board. One account has been turned over to the regime's attorney for collection.

The power washing project has proceeded more slowly than planned. The weather has not been cooperative and several areas will need additional attention. The beige trim bands will need additional cleaning. This will be accomplished from the roof and from a lift.

The hallways have been touched up and unfortunately the color did not match. The painter is going to come back and paint the walls to correct the mistake.

The following items have been completed or are in the process of being completed:

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- Painting has been completed in the common areas to add more color
- Trim painting has been completed around the building
- Service doors have been painted
- New area rugs have been ordered for the second floor, they should be delivered next week
- The upholstered furniture on the first and second floors has been cleaned
- The area rugs in the lobby and Bristol room have been professionally cleaned
- The parking lot and garage area are being re-stripped
- The building is being powerwashed
- The stucco testing has been completed on the Lockwood Blvd side of the building
- The fifth floor trellises will be caulked and painted as soon as the pressure washing is complete

There will be a fourth of July party in the Bristol Room on July 3, 2007. We look forward to seeing you there. Please contact Lona if you have any questions or suggestions. Her e-mail address is Lona@charlestonpms.com and her office number is 881-5459. Thank you for your cooperation and patience.

**Report on The Bristol Information Meeting
Sunday, July 8, 2007, 6:00 PM, The Bristol Room
From The Bristol Property Owners Association Board of Directors**

Jan Landry, President of the POA, welcomed everyone and said the purpose of the meeting was to provide greater detail on subjects covered in the June newsletter and litigation update. She stated that the Board would first address issues raised by owners in recent e-mails and then open the meeting to questions and comments.

Communications

David Warner, Board Secretary and Communications Committee Chairman, discussed issues relating to Board communications with owners. David reported that a total of 47 communiqués have been sent by the Board to the owners since the regime transitioned to owner control in early September 2006. These include distributions by e-mail and regular mail of Board Meeting announcements, newsletters, and general communications. The Secretary further noted that the monthly Board meetings are open to all members with approved minutes available on request.

David expressed concern about blanket e-mails that have been sent by owners, and he encouraged everyone to directly contact Board members or Lona, our property manager, to ask questions. He stated that the Board members are more than willing to answer questions and discuss concerns and welcome constructive criticism. He reported that the regime would soon have its own website to further enhance communication with owners.

Insurance Update

Charles De Rose, Insurance Committee Chairman, gave a summary of the work of the committee and provided a general update of the 2007 insurance renewal. He said the role of the underwriter is to limit risks and today, insurance companies are looking at the fiscal condition of the regimes that they insure. Charles said Allstate notified the POA in December that it would not be renewing condo coverage in this area, and the Committee was required to look at other options for coverage.

Harold Campbell, a Bristol owner and State Farm agent, was asked to join the Committee. He noticed immediately that the property was incorrectly zoned for flood insurance, and the Committee quickly realized that Allstate's non-renewal was a blessing in disguise!

Harold and Johnny Jordan, POA Vice President and Insurance Committee member, obtained a new elevation certificate for the building. They met with city officials to determine the official flood zone for the building, and were successful in getting confirmation that the building is in fact in an A zone rather than a V zone, a distinction makes a dramatic difference in the flood insurance premiums. The cost for a V zone flood insurance premium would be over \$120,000 where the cost to the regime for an A zone flood premium was only \$5,000.

Harold advised the Committee to file for a refund for previously overpaid premiums. After a number of letters, phone calls and the involvement of our general counsel, the POA received a refund from Allstate and the Board voted unanimously to add this amount to the reserve funds.

Charles further noted that, at transition, reserves were seriously under funded and the professional independent Reserve Study confirmed this deficit. He stressed the importance of reserves for stabilizing future insurance premiums and the impact on lending decisions by financial institutions.

Litigation Update

Johnny Jordan reminded owners that litigation is very complex and each case is unique. He said the Board must maintain attorney/client privilege and take care not to protect the confidentiality of

their positions. Johnny stated that the Board's primary concern is to protect the interests of all owners and to get the funds and/or repairs rightly due to the regime to correct construction defects.

He said there are no exact amounts that the Board can give to the owners at the present time as we are involved in a complex and time-consuming process of performing diagnostics on the building and establishing the basis for our demands. We undertook destructive testing in May to define the condition of the stucco. The construction work, which we thought would take 7-10 days, took almost five weeks to complete, and the diagnostics on the testing are on-going.

Johnny discouraged rumors that the regime could collect double or treble damages in litigation. He said the regime would be incredibly lucky to receive 100% of the costs to repair the building. He stated there has been much speculation and discussion on how best to cover attorney costs as the work on our case has unfolded. He reaffirmed that the Board feels strongly that the best approach is to pay legal fees on an hourly basis as the costs are incurred.

Johnny gave examples of payouts to attorneys who are retained on a 1/3 percentage basis – i.e., if a regime received a construction payout of \$3.5 million dollars to fix a building, the attorney would receive \$1.2 million from the settlement. Owners would then be required to make up the difference for the funds given to the attorney, which, in this example, would result in an assessment of \$22,000 to each owner.

An attorney paid an hourly rate of \$250 per hour could work for 40 hours a week, for two solid years and the cost would still not equal the \$1.2 million dollar fee that might be paid out in a contingency case. Therefore, the Board maintains that paying hourly is the best approach and that we are fortunate Rosen, Rosen & Hagood agreed to represent us under these terms.

Furthermore, as part of our agreement, should the Board, AT ANY TIME, find that the legal bills exceed a reasonable level for owners to absorb on a "pay-as-you-go" basis, the regime may convert the fee to a contingency fee basis – with all charges paid to date credited to the final payout. Johnny encouraged owners to put to rest the continual challenge on how the POA is paying its attorney as we are very fortunate to have an agreement that allows ultimate flexibility.

He said if owners do not agree with the Board's direction, they will have the opportunity to elect different Board members at the Annual Meeting in September. Three of the five Board positions are open for election. He added that the two Board members with one year terms remaining to be served are willing to relinquish their seats should there be an owner mandate to do so.

Post-Meeting Note: *The Board does not agree with the four owners who maintain that a contingency arrangement is the best method for handling legal bills. The Board further disagrees with their position that hourly rates are beneficial only to the attorney. The Board has, on several occasions, explained its position verbally and in writing. Lona Vest, our property manager, who has handled construction litigation cases since Hurricane Hugo in 1989, spoke to those attending the informational meeting about the benefit (i.e., lower cost) of working on an hourly arrangement. The due diligence the Board exercised on this question was in depth and involved interviews with nine attorneys, six property managers and several individuals who have served as Board members at other condominium projects that have gone through this type of litigation.*

Special Assessment Update

Ray Johnson provided an overview of construction and litigation expenses to date. A summary was distributed and a copy is attached. Ray reported that the Board has levied a \$1,896.00 assessment to each unit to pay for litigation expenses incurred to date. Additional expenses are expected and another assessment may be necessary during this fiscal year or early in the next.

Questions, Answers and Comments

1. An owner asked how the Board intends to pay the attorney for all of the hours needed to take this case to trial. She stated that she had been advised by her attorney that it would take approximately 30,000 hours to litigate this case. The Board stated that their first priority is to negotiate the suit. The Board will review the matter further if the case has to be tried. Jan questioned the 30,000 hour figure and said it seemed very high.

Post-Meeting Note: 30,000 hours would equate to an attorney working a 40-hour week, 52 weeks a year for 14.4 years. The Board believes this estimate is excessive.

2. An owner asked for copies of attorneys' bills. Jan said she had addressed this request earlier in the year and was told by counsel that the bills are attorney/client privileged and should not be copied or distributed. She said she would revisit this opinion again with general counsel.

Jan added that attorney/client privilege is a serious matter, and the members of this Board and members of all future Boards must respect and be bound by this need for confidentiality. She said this is not "secrecy" – this is confidentiality and to broach it would harm each and every owner. She said the Board has hired professional advisors and is following their advice.

Post-Meeting Note: Our attorneys have advised us (for the 2nd time) that the detail of our legal bills must remain 'privileged'. Total hours and costs may be provided, but the detail on the bills will remain confidential. The integrity of our case cannot be comprised. The Board will follow the recommendation and advice of legal counsel.

3. An owner stated he has great confidence in the Board and thanked them for their efforts.

4. An owner discussed his background and experience in real estate and development. He stated he appreciated the Board's time in explaining matters further and supported the Board in its decisions specifically as they relate to paying the attorney on an hourly basis. He said that the Board's strategies are going in the right direction and reiterated the need to remain fully funded.

5. Another owner also expressed his vote of confidence for the Board. He stated that he hoped that the current Board is re-elected.

6. An owner asked why the insurance premium refund was not paid directly to owners. Johnny said the Board considered reimbursing owners who initially paid the insurance premiums, but this would require complex calculation to determine an equitable distribution between current owners, previous owners and the Developer. Johnny further explained that applying the refund to the reserves benefits the current owners by strengthening the POA reserves and financial condition.

7. An owner asked about the recent hearing on the consolidation of lawsuits for discovery and trial and expressed confusion over which suit to "join" and whether or not this judicial order would result in double legal fees. Jan explained the order (see Board letter of June 19) and said that it was a routine matter in the courts when there is more than one law suit on an issue. Jan further explained that, when there are a number of people who have suffered damage in a case or event, it is common for multiple law suits to be filed and multiple defendants to be named. She said the judge was making it more convenient – like "car pooling" – for all involved in this matter to be deposed only once. This saves time and money and will not result in double fees for the POA.

A statement from Jack Dill, who recently resigned as Treasurer of the POA, was read to the group. Jack could not be present and he expressed concern about the assessment and the "lack of documentation" for it being levied. Jan responded that the costs of litigation had been discussed at every Board meeting and the sheet which was distributed to the owners (attached) had also been

reviewed and discussed by the Board and the Treasurer. She said the newsletter covered the authority under the Master Deed to make the assessment and, at owner request, this meeting was held to provide additional details.

Jack also requested that, in the future, such sessions be handled as formal meetings with a 30 day notification to give owners time to arrange their schedules to attend.

9. An owner questioned the decision to establish an official web site since a volunteer site presently existed. The cost of developing a web site was also questioned. Jan stated that the POA was fortunate to be able to contract with a web site firm dedicated to providing POA sites and the cost is very reasonable. She further added that the Board felt strongly that an official, on-going site was desirable as its existence would not be dependent on a single individual and it would provide an on-going communication venue for the Board and property manager. Jan added that the decision to establish a web site was not personal – it was strictly a business decision.

Post-Meeting Note: *The web site will cost under \$150 to set up and @ \$50 per month to maintain – or @ \$1.15 per unit, per month.*

10. An owner stated that she was aware of one owner who felt unwelcome at a Board meeting. The specifics of the visit were discussed. Jan reiterated that owners are always welcome.

11. An owner stated that it is often reflected in the minutes that the Board went into Executive Session and asked if the minutes would ever include what was discussed in these sessions. Jan replied that they would not. She added that the Board is charged with handling the business and legal affairs of the POA and that there are times when its discussions must be held in private – such as pending litigation or personnel matters. She said that a Board-run POA is a representative form of self-government and the Board has its responsibilities and the membership has theirs i.e., to pay monthly and special assessments, to understand the Master Deed and By-Laws, to follow the rules and regulations of the POA and to elect capable representatives they trust.

Post-Meeting Note: *Official meeting minutes are a reflection of actions taken and decisions made. They are not and should not be a verbatim report of what was discussed. Pending litigation, personnel issues, contract negotiations and specific owner issues (such as rules violations) are topics for Executive Session. The minutes must reflect that Executive Session was called and for what purpose. Results (such as contract awards, a vote to bring suit, a disciplinary action, etc.) of the meeting may be published in the minutes, but discussion is confidential.*

In closing, Jan said the Board is united in the approach to the litigation and, in times of stress and concern, it was important for everyone to remember that the "target" is getting the building repaired – not each other. She added that the Board did not create the problems we are all facing – the Board is trying to solve these problems and is dedicating tremendous time and effort in doing so.

Although the Board has spent considerable personal time and effort acting in the best interests of the BPOA, the Board recognizes that some of the difficult management and policy decisions may not be endorsed or approved by all members. Therefore, the Board respectfully reminds members to participate in the September 9, 2007, Annual Meeting. Through the upcoming election of three Board candidates, the membership has the opportunity to endorse the strategies and programs of the current Board or change direction by electing new Board members.

A Bristol owner who wishes to submit his/her name for election to a seat on the Board should forward a short bio/resume to Lona Vest (lona@charlestonpms.com) – preferably in Word format – by Thursday, August 2. Bios of all candidates for Board election will be distributed with the Annual Meeting notification to be mailed in early August.

7/22/2007 1

Bristol Construction Defect Costs to Date: 7/20/2008

Type	Date	Vendor	Paid	Invoiced Unpaid	Total
Destructive Testing					
	2/06-6/07	Sutton-Kennerly	30,000.00		30,000.00
	6/2007	Stone Const (Lockwood)	20,200.00		20,200.00
Subtotal					50,200.00
Consulting Engineer					
	11/06-3/07	Sutton-Kennerly	28,486.14		28,486.14
Subtotal					28,486.14
Legal					
	10/06-6/07	Moore & Van Allen	12,897.33		12,897.33
	10/06-5/07	RR&H	78,537.49		78,537.49
	03/01/07	IKON - Copy bill	1,668.04		1,668.04
Subtotal					93,102.86
Construction defect repairs	6/2007	Trellis sealing, top coat	10,000.00		10,000.00
Subtotal					10,000.00
Grand Totals			181,789.00	0.00	181,789.00
FUNDING OPTIONS					
A separate Construction Defect Fund has been established. Bills associated with repair and litigation will be paid from this fund.					
			Totals	Per Unit	
OPTION 1 - Assess for paid and current pending			181,789.00	3,368.46	
<i>This option would allow us to repay sums borrowed from reserves and repay operating for bills paid from that fund.</i>					
<i>To meet future costs, we would again borrow from reserves</i>					
OPTION 2 - Assess @ 20%; Borrow and/or obtain line of credit**			181,789.00		
<i>This is the option chosen by the Board</i>	20% allowable assess		-102,384.00	1,896.00	
	Borrow / Reassess		79,405.00		
<i>This option allows us to repay operating and some funds borrowed from reserves and operating. Future needs could be borrowed from reserves and/or line of credit without assessing at such a high rate while we work toward a settlement. At 2008 budgeting in the fall of 2007, we will reevaluate the need for additional assessments, increased fees.</i>					
<i>** A line of credit would be secured by an assignment of assessments and would not require personal guarantees or affect personal mortgages.</i>					



www.thebristolowners.com

September 13, 2007

Dear Owners,

The Bristol's new web site is up and running at www.thebristolowners.com. This is the official website of The Bristol Property Owners Association, and it provides an exciting new communications tool for the Board of Directors and Property Management Services, our association and building manager. We hope you will visit the site often!

There are many exciting features for you to use:

- Address Book
- POA documents
- Events Calendar
- What's New
- Bristol Room Reservations *online*
- Hot Links . . . and more!

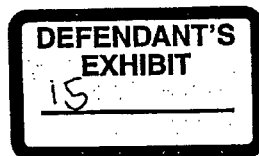
There is a section on the **Construction Defect Litigation** which will be updated as our attorneys approve the distribution of information on the case.

A web site is always a "work in progress" – especially in the early days! If you have suggestions or things you would like to see included, please submit them through the Questions feature.

Please visit the web site and request your *Resident Login*. We look forward to hearing from you soon!

Sincerely,

The Bristol Board of Directors



Bristol Litigation Update for POA Annual Meeting 09/09/07

**Presented by Johnny Jordan,
Vice President & Chairman of the Construction Litigation Committee**

The lawsuits are proceeding, although slower than we had hoped.

Our attorneys have obtained access to the files of the General Contractor, Gulf Stream, and the Architect. Our attorneys also recently located the shop drawings prepared by Buck Lumber which were supplied for review and approval by the General Contractor and the architect.

- The shop drawings did not include information on the DP ratings for the windows and doors installed at the Bristol. This is a critical issue.
- Our consulting engineers still are of the opinion that the windows and doors are not compliant with the applicable building codes.
- More information on the window/door issue should be obtained when depositions of representatives of Andersen windows are taken later this month. These depositions were originally scheduled for late August but were postponed due to scheduling conflicts

A meeting was held in early September with our attorney, Brew Hagood, President Jan Landry and Vice President Johnny Jordan with representatives from the Beach Company, John Darby, Glenn Hollis, Leonard Way and their attorney, Trenholm Walker.

One purpose of the meeting was to inform the Beach Company of the substantial problems our engineers have determined exist with the design and construction of the Bristol and to make a demand that The Bristol POA be reimbursed for the following:

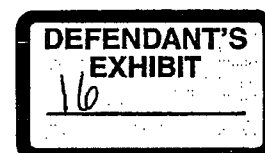
- \$97,353 billed or paid to Sutton Kennerly to date
- \$20,200 paid to Stone Restoration for the destructive testing conducted in June
- \$10,500 paid for sealing of the fifth floor and entry trellises

Following the meeting, our attorney was advised that the Beach Company will reimburse the POA for @ \$60,000 toward these costs or 1/2 of the Sutton Kennerly and Stone Restoration costs.. While we obviously hoped they would agree to pay the entire \$128,053, this is a start. We will continue to demand additional reimbursement as additional fees and expenses are incurred by the POA

We also advised the Beach Company representatives we believe the reserves were not properly funded, by as much as \$170,000, during the time the Beach Company managed the POA. Our attorney has recommended we hire a CPA knowledgeable in POA fund accounting to review the accounting records and quantify this issue for us. We are presently interviewing CPAs to perform this review.

We advised the Beach Company representatives that the POA Board wants to pursue an early negotiation approach to these cases rather than the 2 to 4 year timeframe.

- John Darby and his attorneys said they were agreeable in principal to this approach.
- Before the POS is ready to have serious negotiations we need to have our engineers complete plans and specifications for their recommended scope of repair so we can get the repairs priced by a general contractor willing to do the work.
- We also need to finalize our position on the reserve issue
- We need updated information on interior damages to any units



Of the 54 units in the Bristol, we have completed owner surveys for only 15 of the units. The Board would like for anyone who has not completed a damage survey to fill one out so we have the latest information. Surveys may be obtained from Lona Vest, our property manager.

We have recently been advised of a problem that existed in the bathroom of at least one unit that the owner has repaired. The owners of the unit below noticed leaks in their bathroom when the upstairs neighbor was taking a shower. All of the tile in the bathroom was removed to repair this problem and some rusting of the metal studs in the wall behind the tile walls to the shower was discovered.

Mike Parker of Sutton Kennerly, the POA consulting engineer and attorney Brew Hagood examined this unit and have recommended this issue be investigated further to see if it is an isolated instance or a pervasive problem that might potentially affect a large number of units.

if you have noticed problems with your shower that has a built in tile bench or seat, please make sure you report this to Lona Vest and include it in the interior damage survey.

The Board is committed to trying to resolve these lawsuits as quickly as possible, but it is impossible to give an exact timeframe as to when this can be accomplished, as there are many parties involved.

We have been informed that it will be necessary to take depositions of some strategic witnesses to put the case in a posture to be settled. As mentioned before, depositions are scheduled for the Anderson window representatives later this month (September).

It may also be necessary to have depositions taken of

- The architect
- Buck Lumber, who supplied the windows
- The window installer
- The stucco installer
- One or two representatives of Gulf Stream and the Beach Company

It is still the Board's belief that the hourly fee arrangement is the best fiscal decision on how to proceed at this time.

The Board will schedule an owner's meeting in the future concerning the lawsuit which could include a briefing by the engineers and the attorneys.

The litigation and testing costs to date are:

Engineering & Destructive Testing	\$128,353
Attorney Fees	93,103
Total	\$221,456

Once we collect the special assessments, we will have income of \$102,384 plus the \$60,000.00 from the Beach Company for a total of \$182,384 toward these costs.

In late 2006 during the budgeting process, the Board of Directors voted to borrow funds from the Reserve Fund up to \$100,000.00. At that point, a special assessment would be made to repay the loan.

With the funds from the special assessment and the funds from the Beach Co., The Board does not see the need for another assessment at this time, as the net effect of our borrowings to date are under \$50,000.

Hopefully further negotiations with the Beach Co. will result in additional funds to cover litigation and testing costs or will provide funds that belong in the Reserve Fund. If this occurs, these two sources of income could delay the need for additional assessments for a while. There, of course, no guarantee at this time, but the Board and our attorney will continue with our requests for open dialogue and compensation for the expenses we are incurring in establishing the construction problems at The Bristol. Should these additional funds not be forthcoming, there will be the need for additional special assessments in the future.

BACKGROUND INFORMATION

The five story condominium building was constructed four years ago. The general construction consists of cast in place concrete columns and beam framework with concrete post tensioned concrete floors. A parking garage occupies the lower two stories. The residential portion of the building (upper three stories) is clad with Portland cement hard coat stucco and cement modified siding panels. The façade has accent bands made of exterior insulation and finish systems (EIFS). The exterior perimeter framing of the residential floors is primarily metal studs; some partition and ground floor walls are concrete masonry units. Metal clad windows and doors are manufactured by Andersen Windows, Inc. The parking deck exterior walls and a few second story occupied spaces have exterior walls clad with masonry at the grade level.

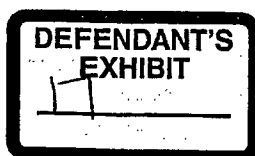
Several local consultants were hired earlier in 2005 and they investigated portions of the stucco façade and windows because of reported water leaks. Water leak paths and hidden water damages associated with the hard coat stucco and windows were discovered by the consultants' investigative activities. In addition, in late 2005, several testing agencies conducted numerous field water spray testing to determine the characteristic of water leakage associated with the windows and doors.

In the early spring of 2006, the POA authorized SKA to visit the site, conduct a visual survey and review the project plans and specifications. A preliminary opinion report was prepared and submitted to the POA which indicated that although some of the project details did not appear to be constructed as shown on the drawings, the hard coat stucco appeared to be in fair to good condition. The fair condition judgment by SKA of the relatively new age hard coat stucco façade is associated with the fact that some reported water leaks by the residence appeared to be associated with lack of project specified flashings which were not installed or apparent from a visual survey effort.

After several POA Board meetings, it was decided that a collaborative investigation would be conducted by SKA, Applied Building Science Group (ABS), and Tom Carlson. This investigation required that the three groups agree on the location of additional view port excavations, then each assess and report their findings

ASSESSMENT TASKS

The following assessment tasks were conducted by SKA to determine the soundness of the building facade. As requested by the POA, windows and door units are not to be part of this assessment. In addition, although there have not been leak problems associated with the roof reported to us, it was requested that during the façade assessment, that our observations on roof areas accessed be provided.



*Appendix
Exterior Building Façade Assessment
The Bristol Condominiums
Charleston, South Carolina
SKA Job No. 050470.0
June 15, 2006
Page A-1 of A-12*

1. Reviewed the following project documents submitted to us.
 - a. Project design drawings labeled "The Bristol", last dated June 13, 2001 prepared by Niles Bolton Associates, Inc.
 - b. Project Manual for "The Bristol Condominiums" prepared by Niles Bolton Associates, Inc., last revised date March 15, 2001.
 - c. It is our understanding from Mr. Chris Spach of Gulf Stream Construction Company, that as-built drawings are not available. Twelve progress construction photographs provided by Gulf Stream Construction Company, received on December 14, 2005, and dated December 2001 to July 30, 2002.
2. Reviewed Allied Building Science Report dated August 8, 2005.
3. Interviewed on-site property management personnel and obtained a window and door leak issue summary document.
4. Interviewed three residences occupying condominium units, 5001, 5006 and 5010 and determined the type of water intrusion leak history and types of repairs made.
5. Conducted a visual examination in unoccupied condominium unit 5015 where previous view port excavations were made by others along the interior side of exterior walls near windows and doors.
6. Conducted a cursory visual examination of the building's exterior surfaces of the façade and roof.
7. Documented 23 intrusive view port excavations in the exterior hard coat stucco, brick masonry veneer, Hardi panel siding, wood trellis band joists and balcony metal coping where they interfaced with exterior façade surfaces. At each view port excavation location, representatives of several consultants and SKA documented the façade element attachment and general installation characteristics, and substrate compositions.
8. Conducted 4-hour field water-spray tests using non-pressurized water spray rack at five exterior wall surfaces which have been selected for twelve subsequent view port excavation locations including door and window units on the building. View port excavation were conducted after the 4 hour field water spray tests at each of the twelve facade locations to determine if there was evidence of water intrusion for the as-built construction.
9. Conducted a sill dam test at one balcony window unit location to determine if there is evidence of water intrusion into the exterior wall cavity from only the window unit.

RESULTS

Following is a brief summary of pertinent finding obtained during this assessment of the building façade.

Appendix
Exterior Building Façade Assessment
The Bristol Condominiums
Charleston, South Carolina
SKA Job No. 050470.0
June 15, 2006
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Review of Project Documents

Drawings:

1. The roof is a fully adhered fiber reinforced polymer rubber membrane installed over insulation boards.
2. Surface water runoff is drained by internal rooftop drains.
3. There are low and high rise perimeter parapet walls.
4. The parapet walls are covered with continuous metal coping caps.
5. The building's façade claddings of the lower two story garage area is brick masonry veneer over concrete masonry block backup along the exterior walls.
6. Some masonry veneer is specified to have non-corrosive flashings.
7. The building's façade cladding for the upper three stories of residential units are clad with Portland cement hard coat stucco and Hardi Panel. Accent banding is constructed of limited exterior insulation and finish system (EIFS) construction.
8. The majority of the exterior building is clad with hard coat stucco. The surface of the hard coat stucco has an acrylic finish coat similar to a finish coat applied with EIFS cladding systems.
9. From review of the as-built construction photographs supplied by Gulf Stream, the exterior building sheathing consists of Dense Glass Gold gypsum board covered with Tyvek Stucco wrap over metal framing. Tyvek Stucco wrap is a moisture barrier and an air barrier which is very effective in halting moisture and moisture vapor intrusion into occupied spaces of buildings.
10. The balconies surfaces of concrete are specified to be 1-1/2 inches lower than the interior slab surfaces.
11. The balcony concrete surfaces are covered with a pedestrian grade urethane deck coating.
12. A metal perimeter coping type flashing is to be mechanically attached to the concrete balcony nosing.
13. The perimeter metal coping transitions under the Hardi Panel clad balcony columns located on the balconies.
14. The project specifications are not very clear as to the design criteria of the windows and doors related to wind pressures and water management.
15. The specifications call for metal through wall flashings on some exterior heads or sills of the punched windows and doors.
16. Site construction photographs and information supplied by Gulf Stream Construction indicate the windows and doors are attached to the exterior sheathing and metal framing using nailing fin attachments.
17. Site construction photographs and information supplied by Gulf Stream Construction, indicate that instead of the metal flashings at the windows and doors, continuous peel and stick flexible membrane flashings were installed around all windows and doors.

Allied Building Science Report dated August 8, 2005:

1. Investigated selected areas to determine the cause and extent of leaks within the building envelope.
2. Revealed evidence of water intrusion in the vicinity of the balconies and parking garage.
3. Most of the water intrusion discovered is associated with and limited to the balconies and parking garage areas.
4. Leaks have not affected the interior living spaces or structural elements.
5. Reveal problems with the method of installation and termination of the stucco at the brick veneer.
6. No structural damage observed.
7. Recommended repairs discusses installation of remedial flashings, coat balcony surfaces with liquid applied waterproofing, and investigate window and door leaks.

Window and Door Leak Issues

A reported water leakage history was obtained from Debra Pratt involved with the property management. Twenty four of 54 units reported leaks in 2005 associated with windows and doors this facility. The leak reports are scattered throughout the buildings and on all the occupied floors. Many leaks reported water intruding at patio doors. There are also leaks in the perimeter walls of the garage at both garage levels.

We understand that the window and door manufacturer, Anderson Corporation, has previously conducted extensive field water testing on the windows and doors the fall of 2005 and winter of 2006. We understand no resolution has been forwarded by Anderson to date.

Resident Interviews

Residents in units 5001, 5006 and 5010 were interviewed. All of the units reported past water leaks. Leaks only occur during heavy rain events. The leaks are mainly at patio doors.

Cursory Visual Survey of the Exterior Façade Surfaces

Roof:

1. Some metal coping cap joints have been sealed with flexible sealant which exhibits splits and loss of adhesion.

*Appendix
Exterior Building Façade Assessment
The Bristol Condominiums
Charleston, South Carolina
SKA Job No. 050470.0
June 15, 2006
Page A-4 of A-12*

2. There are numerous locations where it appears that flexible sealant has been installed in the topside joint between the balcony trellis wood framing which is attached to the exterior stucco wall just below the EIFS stucco top trim banding.
3. It appears this flexible sealant has been employed in a remedial effort to halt water leaks associated with past leakage of the balcony doors and window.
4. No ponded water present on roof membrane.

Exterior Walls:

1. The majority of the exterior wall surfaces are hard coat stucco with a textured finished coat.
2. There is virtually no evidence of cracking in the hard coat stucco surfaces.
3. There are a few places where efflorescence is evident from a control joint indicating water that gets behind the stucco is weeping from control joint areas.
4. There is no horizontal expansion joints in the hard coat stucco.
5. Trim banding is an EIFS which is bonded onto the surface of the hard coat stucco.
6. Project specified metal through wall flashing shown on the project drawing is not evident at the wall bases, heads and below window sill bases.
7. No metal flashing is visually evident within the masonry, stucco or Hardi Panel cladding.
8. There is no horizontal joint or through wall flashing between the brick masonry and stucco banding immediately above the masonry around the building.
9. Brick veneer masonry is predominately located on the exterior wall surfaces of the first two stories of the parking deck.
10. Some brick masonry is void of weep holes.
11. Hardi panels and boards are installed around some windows.
12. The perimeter flexible sealant around windows, doors and cladding material terminations or interfaces with dissimilar materials is installed in a cove bead fashion. Some forms of flexible sealant cove beads installations have been known to leak water when the cove beads have been installed. This is predominately the case where one bonding surface is acrylic finished coatings containing fine or larger size aggregates.
13. Based on the construction progress photographs submitted to us, the photographs illustrate that where the EIFS trim bands existing on the exterior façade are attached, the EIFS trim bands are installed over hard coat stucco base coat which is under laid with Tyvek Stucco Wrap over exterior sheathing board.
14. There is not distinct gap joinery between dissimilar materials at numerous locations around the facility.

Balconies:

1. The balcony slabs are approximately 1 to 1-1/2 inches below the interior floor surface.
2. Previous view port excavation revealed that leaks are occurring under the metal coping and have also damaged some of the base metal framing of the balcony outset columns.
3. There are some areas of efflorescence which has leached from the hard coat stucco, also suggests that water is leaking under the perimeter metal coping at the balconies.
4. There is no weep screed or weeping mechanism along the stucco wall bases at the perimeter of the balcony slabs.
5. Cove bead sealants are installed along the stucco wall bases at the perimeter of the balcony slabs.
6. The urethane deck coating has been spread several inches onto the perimeter metal coping. The deck coatings at many edges of the coping metal have splits allowing surface water runoff to seep under the metal coping.
7. The balcony slab return into the hard coat stucco exhibited open gaps where water likely intrudes into the exterior stucco.

Windows and Doors:

1. There is no evidence that the specified window head or sill metal flashing associated with the punched windows within the stucco or Hardi Panel cladding was installed.
2. Several window and door leaks have been reported throughout the building. A list is attached in this Appendix which outlines the units currently experiencing window/door leaks.
3. The window/door leaks primarily occur during periods of wind driven moderate to high severity rains.
4. There is currently extensive field water spray testing being conducted by representatives of Anderson Windows and other consultants to determine the specific sources of the window and door leaks and what remedial options are available.

Intrusive View Port Excavations Of Facade Claddings and 4-hour Field Water-spray Testing

A total of 23 intrusive view port excavations in the exterior hard coat stucco, brick masonry veneer, Hardi panel siding, wood trellis band joists and balcony metal coping were conducted. With the exception of the window sill dam tests, at least three view port excavations were made in each type of facade construction. This was conducted to

obtain a representative sampling of the façade condition for a specific construction element.

The view ports generally revealed that the installation and quality of the façade cladding materials to be good and relatively consistently installed from one elevation to another. The façade cladding backup materials protecting the exterior wall cavity is good quality Dense Glass exterior sheathing covered with Tyvek stucco wrap. All windows and doors have plastic nailing fin attachments to a wood nailer which lines the metal frame openings for the fenestrations. Immediately around virtually all window and door units located in the general walls, a fully adhered waterproofing membrane flashing is installed and found to be well bonded to the underlying Tyvek moisture barrier.

Where the doors or windows were installed on concrete slabs, there is no provision to seal or flash terminations or gaps at the bottom of the jambs. At most wall bases, there is not provision to weep or manage the seepage water which gets past the façade cladding and return it to the exterior. The lack of seals and flashing terminations and gaps at the bottom of the window and door jambs, widow and door units which are placed in the exterior wall and leak into the walls, and the lack of provisions to weep or manage the seepage water which gets past the façade cladding and return it to the exterior are the predominate reasons for this building experiencing water leaks.

A total of thirteen 4-hour field water spray tests were conducted to at 13 different view port locations prior to making the excavation through the cladding to expose and document the substrate construction. We have used this type of testing to evaluate the ability of the façade cladding to both resist water penetration and weep water seepage which passes the cladding. We believe this test reveals relatively accurately a façade cladding ability to manage water or not manage water.

The field water spray tests revealed that about 50 percent of the water test locations failed to keep the seepage water which passed the façade cladding from wetting the exterior sheathing behind the moisture barriers or out of the exterior building wall cavity. No water leakage was detected at the trellis wood joist band areas. Three out of four of the hard coat stucco façade clads leaked, and only a single occurrence of at least three or four locations in the brick veneer, Hardi-panel, or metal-balcony metal coping leaked water.

The single window sill dam tests revealed that the window unit leaked water into the exterior wall cavity or wetted the exterior sheathing behind the moisture barriers.

DISCUSSION OF RESULTS

The view ports generally revealed that the installation and quality of the facade cladding materials to be good and relatively consistently installed from one elevation to another. The facade claddings, consisting of hard coat stucco, brick masonry, and Hardi panel siding, were generally constructed over metal framed exterior walls of the occupied residential portion of this facility (upper three floors). The weather protection of these framed walls is good quality Dense Glass exterior gypsum sheathing covered with a Tyvek stucco wrap moisture barrier.

The unoccupied portions of this facility consist of two lower stories of brick masonry veneer over concrete masonry unit block (CMU). The weather protection is provided by spray applied bituminous coating on the veneer cavity side of the CMU wall, and reinforced plastic sheeting through wall flashings at the wall bases and some tops of these veneer walls.

The hard coat stucco facade cladding, brick masonry veneer, and Hardi panel siding of the occupied exterior wall cavity was found to be in good condition and well anchored to the exterior wall metal framework.

There was no evidence of water intrusion discovered during this assessment within the uninterrupted fields of the facade claddings consisting of the hard coat stucco, brick masonry veneer and Hardi panel siding. No significant damage to the facade or exterior wall components was discovered. However, during the field water spray testing of this assessment, low to moderate severity water intrusion was discovered within the building facade claddings where a particular clad (stucco, brick masonry, and wood siding) joined another dissimilar type of cladding element (including both interior and exterior concrete slabs, and windows and doors).

The field water spray testing during this assessment revealed that about 50 percent of the water tested view port locations failed to keep the seepage water which passed the facade cladding from intruding the moisture barrier or waterproofing membrane flashing, thus resulted in wetting the exterior wall cavity sheathing, concrete slabs, wall cavity metal framework, or interior block masonry walls in the open parking garage area. No water intrusion was discovered during the water spray testing of the wood band joists connections associated with the trellis and hard coat stucco.

The most significant water intrusion discovered during this assessment occurred where the hard coat stucco cladding met dissimilar materials such as concrete, masonry or window/door elements. The single window sill dam test revealed that the window unit frame tested allowed exterior dammed water to leak through the bottom of the window unit and behind the moisture and waterproofing membrane flashing barriers and into the

exterior wall cavity. Around the windows and doors, the field water spray testing revealed that the water entered the wall cavity at the base of the wall where the wall framing interfaced the window/door elements at the concrete floor slab. The design and construction of these areas did not provide for the properly coordinated and enough quantity of flashing protection measures or weep mechanisms to properly manage the anticipated water which passes the particular façade cladding from damming behind the cladding or allowing this dammed water to exit or return to the exterior of the façade. In addition, it is apparent that the window and door units themselves are significantly contributing to the inordinate water intrusion events at this facility.

The windows and doors are not within the scope of this assessment, although several view port excavations were conducted at windows and door to determine how the weather protection of the rough openings was constructed. In addition, one window sill dam test was conducted to determine if there was seepage of water from the bottom of the window, and if seepage water intruded the wall cavity.

This intrusive work found the weather protection of the window and door openings good on the top and jamb sides. However, the bottom of the jambs and bottom of the window and door units leaked water into the wall cavity. The leakage is the result of no specified design detailing or construction installation of base flashing or wall base weep screeds which prevents water from seeping into the wall cavity. The lack of wall base weep screeds in the hard coat stucco façade at the balcony decks causes water to dam behind the sealed wall bases at the slab level and flood the wall cavity.

Although the amount of water intrusion discovered during the field water spray testing at many of the spray tested locations is considered minor, it is considered inordinate and requires remediation to halt the intrusion and provide long term protection to this relatively new facility. Prolong intrusion of water, even when the quantity and frequency of intruded water is minor, has demonstrated causations of significant environmental and construction material damage to the exterior wall components with facades.

This facility's design documents are based on the 1997 The Standard Building Code. In Chapter 14, Exterior Wall Covering, Section 1403.1.4 states "Flashing shall be provided as necessary to prevent the entrance of water at openings in or projections through veneered walls. Flashing shall be provided at intersections of walls of different materials unless such materials provide a self-flashing joint and at other points subject to the entrance of water.

Chapter 25, Gypsum Board and Plaster of this code pertains to the hard coat stucco. Section 2504.2 Exterior lathing and plastering, states and requires that the exterior use of Portland cement plaster (hard coat stucco) comply with the application requirements of ASTM C 926. It also requires installation of exterior lathing and framing comply with

ASTM C 1063. Article 2.1.1 of C 926 states that "plaster shall not, however, be considered to be 'waterproof'." Article 2.2.2 of C 926 states, "At the bottom of exterior walls where the wall is supported by a floor or foundation, a drip screed and through-wall flashing or weep holes or other effective means to drain away any water that may get behind the plaster shall be provided."

Flashing, a membrane to redirect water to building exteriors, should be properly placed and installed. Flashing is vital to the longevity of the plaster and the prevention of water seepage into the building. Flashings must be designed and installed so that any water getting behind the plaster will be channeled downward and outward toward the exterior of the building.

Effective moisture control measures for exterior plaster walls require cooperative efforts. The architect must design effective flashing details for all openings in exterior plastered walls. Flashing around doors and window openings must be installed and adhered to the frames by the general contractor or glazing contractor. The lather must properly interface the building paper, accessories, and lath with the flashing membrane.

Our review of some of the façade weather protection elements of the project details and as-built construction clearly reveal that some of the intended design elements or building code requirements was constructed different than the design plans indicate, while other weather protected elements or code requirements were not detailed in the project drawings, and thus were not constructed.

The as-built construction omitted some significant water management elements from the specified construction design intent of this building's façade; some specified metal through wall flashings, for instance, associated with the sills of some double hung windows. For this condition, the as-built construction provided some alternate or additional weather protection and flashing measures which were not shown on the project drawings in what appears to be an attempt to provide the same weather protection to the intent shown on the drawings.

As an example related to the double hung windows; the project drawings clearly illustrate metal through wall flashings be installed beneath the wood framed window sill. The design drawing details do not illustrate end dams for this through wall metal flashing. The view port findings reveal the as-built construction provided nailing fin attached aluminum framed window units (instead of wood framed windows) which are flashed continuously around their perimeters with flexible adhered waterproofing membranes well bonded to Tyvek moisture barrier. This type of as-built condition using flexible adhered waterproofing membrane flashing is generally accepted and code compliant for these types of windows, and has successfully demonstrated satisfactory performance in preventing moisture intrusion without the use of an exterior metal sill flashing as long as

the window unit does not leak internally to the wall cavity. This type of continuous flexible adhered waterproofing membrane wrapped window perimeter construction does not provide protection for window units which leak to the interior wall cavity. It is apparent that there was some confusion and lack of cooperative efforts demonstrated with respect to the contractor and architect on the intent of the window flashing treatment since the facility is now constructed and there is discovery that the as-built construction differs from the initial design details, and the windows and door leak.

Another example relates to the base of the hard coat stucco claded façade where the stucco cladding wall base meets the balcony exterior slab. The design detail illustrates that sealant and backer be installed in a joint between the hard coat stucco and the surface of the exterior concrete slab beyond the interior step curb of a unit floor slab. Our view port excavation found that the as-built construction consistently installed this detail throughout this facility in general accordance with the design detail. Chapter 25 of the 1997 Standard Building Code, states that "Exterior lathing and plastering comply with the application requirements of ASTM C 926. Article 2.1.1 of C 926 states that "plaster shall not, however, be considered to be 'waterproof'." Article 2.2.2 of C 926 states, "At the bottom of exterior walls where the wall is supported by a floor or foundation, a drip screed and through-wall flashing or weep holes or other effective means to drain away any water that may get behind the plaster shall be provided." For this condition, the as-built construction demonstrates that the contractor installed the elements in accordance with the intent of the design details; however, the intended design details required as-built construction that does not comply with the Building Code requirements for exterior lathing and plastering (hard coat stucco).

The results of the view port excavations indicate that the general uninterrupted façade wall areas are in good condition and do not require remediation. Remedial effort is required where the façade claddings meet dissimilar materials in order to halt water intrusion being experienced, provide the facility with long term weather protection, provide proper water management of anticipated water intrusion which seeps past the cladding, and install those code compliant elements which are now significant to weather protection of this building. The scope of this assessment did not include providing required remedial details or provide remedial protocols. However, the following listing provides conceptual recommended remediation to halt water intrusion for most of the conditions discovered in this assessment, and recommended remediation to provide for future weather protection and the facility ages:

Recommended Remediation to Halt Water Intrusion

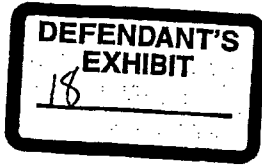
1. Aside from decisions by others associated with the windows and door, the installation of supplemental head and sill pan flashings will be required to halt water intrusion.

*Appendix
Exterior Building Façade Assessment
The Bristol Condominiums
Charleston, South Carolina
SKA Job No. 050470.0
June 15, 2006
Page A-11 of A-12*

2. Installation of supplemental flashing associated with the window and door jamb bases.
3. Removal of metal coping flashing from the balcony nosing and replace with extension of urethane deck coating and integral slab edge metal flashing (including column bases)
4. Removal of the lower stucco clad wall based at concrete balcony slabs and install through wall flashing, weep screed elements and additional separations joints.
5. Installation of new joints and flashing at balcony slab returns.
6. Installation of metal through wall flashing at the tops and bases of the masonry walls at the garage levels.
7. Installation of additional metal and flexible flashing to exposed slab ends and metal framing which is exposed in the brick veneer cavity walls.
8. Removal and installation of remedial membrane flashing associated with the intersections of the Hardi panel siding and hard coat stucco.
9. Correction and reseal of metal coping joinery on roof parapet.

Recommended remediation to provide for future weather protection

1. Installation of a new horizontal expansion joint between brick masonry veneer and hard coat stucco at top of second floor garage level.
2. Installation of supplemental flashing above wood joist banding on balcony trellis sections.
3. Removal of certain cove bead field applied flexible sealants and replace with backer rod and sealant in gap joint between dissimilar materials.
4. Installation of weep holes in brick masonry where weeps are required and absent.
5. Installation of do drip edge metal flashing at specific openings along the perimeter walls of the garage to shed water away from the garage floor slab during rain events.



2008 Annual Report

Introduction & Summary

Prior to the Annual BPO Meeting the Board has prepared this Annual Report of major issues. This includes: (1) Litigation status; (2) Financial position; (3) Building operations; (4) Real estate market and (5) and the Annual meeting.

In summary, please note:

- The basis for the BPOA litigation claims is allegations that focus on design deficiencies, inappropriate application of building codes and defective construction.
- These claims are supported by expert testimony.
- The Board has completed the essential groundwork for pursuing BPO construction defect litigation and now has actual contractors bids based upon the scope of work recommend by our engineering consultants.
- The first mandated mediation is scheduled for 9-10 December.
- For the period January 1 to 30 September 2008, the reviewed operating expenses are \$9000 under budget.
- The Litigation Account and the Reserve Account are under-funded.
- Numerous infrastructure, interior decorating projects and landscaping improvements have been completed within the 2008 budget.
- MLS data for the 2008 condominium real estate market report a 37% down turn in unit sales but average prices

increased 25 %.

- BPO are encouraged to participate in Annual meeting on December 13 because we need to demonstrate unity and continuity in the negotiations.

Litigation Status

Issues:

During the last fifteen months the Board's primary focus has been pursuing litigation with parties responsible for creating design and construction deficiencies in our building and selling the condominiums. We have retained and are working in conjunction with our attorneys Rosen, Rosen and Hagood to pursue our claim. The basis of the BPO legal claims is that the building suffers from performance problems because of design deficiencies, the sale of inappropriate construction materials, the specification of inappropriate construction standards and defective construction. These claims are supported by our professional forensic engineering firm, Sutton Kennerly Associates (SKA) and architect William Riseberg.

Moreover, onsite evidence of, *inter alia*, escalating exterior water intrusions, leaking pool water and excessive noise levels from roof air conditioner units support our claim that the architect, developer, Gulf Stream Construction, various subcontractors and other parties breached their duties and warranties to the BPO.

What has the Board done?

To ensure the legal rights of BPO the Board has undertaken a series of initiatives that are necessary to pursue construction defect claims and to protect property values. These actions are:

- Engaging Rosen, Rosen and Hagood as our attorneys.
- Gathering evidence of building damages.

-
- Documenting complaints by unit owners.
 - Undertaking temporary repairs to damaged units and common areas.
 - Assembling a team of experts to document claims
 - SKA a forensic engineering firm
 - William Riseberg – architect
 - Developing an analysis of construction defects based on the SKA report.
 - Preparing a Request for Proposals from qualified construction companies for repair bids
 - Completing an analysis of competitive construction repair quotes.
 - Establishing a Bristol Mediation team.
 - Selecting a mediator.
 - Scheduling of mediation dates and trial date, if needed.

What Now:

The next step in the litigation process is mediation. The first of two court ordered mediations is scheduled for December 9 & 10, 2008. Mediation is a non-binding proceeding where the parties to a lawsuit come together in an effort to resolve a case or controversy. We are advised that this type of case rarely settles at the initial mediation and that two or more meditations are not uncommon.

The BPOA mediation team is the current Board, plus two BPOA advisors (John Jordan and Bill Smith), our attorneys and the property manager. A second meditation session is planned for January or February 2009 and, if needed, we are pushing for a trial date during the first quarter 2009.

Summing up, the Board has completed a great deal in its efforts to pursue the BPO construction defect litigation. Specifically, it has identified design/construction deficiencies and established the financial magnitude of the repairs.

Financial Position

The Board, Finance Committee and Treasurer are focused on good financial management for the Bristol Property Owners Association. We carefully watch all spending and we have retained a CPA, Harriett Gravesen of Thiem, Jackson and Pace, to review our monthly financials.

Through September, 2008 spending was \$9,000 under the BPOA operating budget for the period, primarily due to savings in the maintenance (internal and external building repair) and land miscellaneous (landscaping upgrades) categories.

There were some areas of overspending, including professional services (general counsel, owner issues and accountant for tax filing), coffee, cable TV service (payment due the first of the month, therefore we run one month ahead), pool miscellaneous (a leaky pump was replaced) and cameras/gates (covers a monthly monitoring fee for the fire alarm system and gate repairs and replacement of the fob reader at the marina gate).

Other financial management activities include the engagement of a CPA, increase property insurance coverage with no increase in 2008 premiums, collection of overdue accounts and the placement of a lien on a delinquent property owner

Building Operations

Maintaining the building and grounds are activities of the Property Manager under the direction of the Board and the Building Committee. During 2008 the following improvements have been completed:

- Elevator refurbished.

- Heart defibrillator acquired and security staff trained.
- Landscaping improvements.
- Common Areas furnishings and decorations up-graded.
- Energy savings for interior lighting.
- Security equipment repaired and up-graded.
- Board meetings now in Bristol Room.

In addition, the Board reviewed the recommendations of the Task Force Group Report dealing with the BPOA 2008 budget and management. The Board's executive summary is noted below and the full report is available from the property manager or on the Bristol Website (www.thebristolowners.com/inside_home.asp).

Executive Summary Board Review TFG Report

At the 24 January 2008 Meeting of the Bristol Property Board (Board) formed an *ad hoc* Task Force Group (TFG) to review and to identify possible cost savings opportunities for the 2008 Operating Fund Budget.¹ The Board's comments and analysis are summarized below:

- The majority of owners do not support the changes listed in the TFG report.
- The Bench Marks used to compare the Bristol are inappropriate. Both One Vendue and the Renaissance condominiums are significantly different in location, size and amenities. The Bristol is unique.
- The suggestion of a Concierge Service to reduce security cost is not defined, will cost more than the current security system and provide less security.
- Ninety (90%) of the operating expenses are non-discretionary and are essential to maintain the building.
- Security, Reserves and utilities represent 43% of the operational expenses and other categories are too

¹ Board Minutes, January 24, 2008. See Terms of Reference for TFG in Attachment A.

fragmented and inelastic to provide significant cost saving opportunities.

- Nevertheless, the possibility of contract renegotiations will be vigorously explored with vendors/suppliers of services to the Bristol.
- Electricity cost saving has preceded the TFG suggestions and are projected to save \$5000 annually.
- The TFG endorses the Board policy of maintaining Reserve funding at the 2008 Budget level (\$111.85 per month per unit).
- The Board strongly believes that contingency funds are necessary to meet unexpected expenditures and to preserve a conservative financial position.
- The national trend of increasing condominium fees is expected to escalate with regional differences in Consumer Price Indices diminishing between the north and the south.
- For the Bristol, the economic reality will be challenging because a large proportion of fixed common condominium expenses are borne by only 54 owners and thus economies of scale are limited- *unless BPO are interested in downgrading their quality of life and accepting lower property values.*
- The total unit cost for living in this unique community is less than \$40.00 per day per unit.
- The Board thanks the *ad hoc* TFG for its efforts, cost saving suggestions and the timely conclusion of its work.

Real Estate Market

During January to October, 2008 MLS data for Charleston condominium sales for the area inside the Cross-Town reported 101 units sold for an average price of \$677,319. This compares with the same period in 2007 when 160 units sold for average price of \$541,000.

Annual Meeting

The Board encourages all BPO to participate in the annual meeting on December 13, 2008 and vote directly or by proxy. Your Board vote is particularly important because BPOA needs to demonstrate team unity, continuity and a compatible Board. These are prerequisites for successfully negotiating the multimillion-construction defect settlement, protecting property/resale values and mitigating future assessments.

Respectfully,

David W. Warner

President BPOA

★★★★★★

**A Very Important Announcement
For All Bristol Owners**

★★★★★★

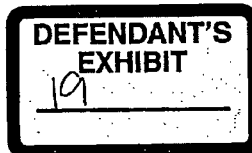
Our construction litigation attorney, Brew Hagood of Rosen, Rosen & Hagood, has advised the Board that he will be available on February 10th to attend the Owners Special Meeting to give an update on our legal proceedings.

This update will be given after the close of the official meeting that has been called to approve amendments to the Master Deed.

Please plan to attend!

★ **The changes to the Master Deed are critical to Association** ★

★ **The update is something we have ALL been waiting for** ★





October 16, 2009

Board Comments on BRC Recommendation

Introduction and Summary

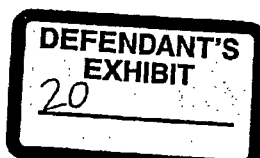
Before delving into the Board's comments, we would like to thank the Bristol Repair Committee (BRC)¹ for its extensive efforts, endless hours and meetings that were required to produce their recommendations to the BPOA on October 4, 2009.

Moreover, the Board notes, with appreciation, that the BRC report represents the culmination of the association's efforts to remedy the construction deficiencies of the Developer. The work represents over five years work and numerous hours by Bristol owners, attorneys, and engineering experts. Topics covered are: (1) Developments since the Settlement Agreement; (2) Bristol Repair Committee (BRC) recommendations; (3) What will it cost and (4) Why approve the assessment.

In summary, please note:

- Eighty-five percent of the BPOA approved of the Settlement Agreement with the companies sued for creating the building deficiencies.
- After pre-trial expenses, the association netted about \$3,500,000 available for repairs.
- The Board formed a Bristol Repair Committee (BRC) to advise it and the membership on prioritizing repairs, defining the scope

¹ See Bristol Website announcement 3/25/09. Craig Tallberg, Gerry Newkirk, Allen Woods, Harold Campbell and Dr. Ken Hanger. Dave Landry is the Board Liason with the BRC.



of work, reviewing competitive contractors and formulating an assessment suggestion.

- The majority of the Board² concurs with the BRC report and recommends an assessment based on the number of window/doors in each unit.
- This means assessments ranging from a low of \$20,400 to a high of \$42,517.
- Authorization will provide the Bristol with new windows/doors warranted for 20 years, a new stucco façade, and a building in compliance with current building codes.
- A partial repair is not a viable option because deferred maintenance/repairs are harmful for property values/re-sales and the incomplete work is not warrantable.
- The water intrusion issues require a system approach- not piecemeal measures and the uncertainty of future work with additional unidentified assessments is counterproductive.
- The actual assessment is a relatively small percentage of a unit's market value.
- BPO can qualify for a \$1500 federal tax credit for the upgrading windows/doors with energy efficient products.
- The net result of these essential repairs can restore the Bristol's competitive position in the real estate market, preserve property values and reduce maintenance costs.

Developments since the Settlement

On March 19, 2009, the BPOA and forty BPO reached a settlement with the Defendants to the construction defect lawsuit.³ Upon joining the lawsuit, the 40 BPO that were part of the BPOA lawsuit agreed for a litigation committee selected by the Board to negotiate and resolve their claims. Prior to the trial date, thirty-eight of the forty BPO assigned their individual claims to the BPOA to pursue. After thoughtful analysis and consideration, the litigation committee negotiated a settlement on behalf of the BPOA and the 40 BPO.

In addition to the BPO who joined the BPOA lawsuit, five other⁴ BPO, owning six units, reached a separate agreement with the Developer.

² Director Chris Harmon disagrees with the BRC recommendations.

³ See Settlement Agreement 3/19/09

⁴ One owner owns two units.

This indicates that at least forty-six owners or 85 % of the owners concurred with the Board's decision that a negotiated settlement was preferable to an uncertain and expensive trial.

The settlement for the forty BPO amounted to \$4,370,350 and was deposited in a building repair account with First Federal Bank of Charleston. From this gross amount, funds were disbursed to payoff discovery expenditures and to retire the letter of credit that was use to finance pre-trial negotiations. These expenditures total \$875,000 leaving \$3,500,000 available for repairs⁵.

The Board immediately established an *Ad hoc* Building Repair Committee (BRC) to advise the Bristol Condominium Board and the membership on the allocation of the net proceeds (\$3,500,000).

The Board's guidelines⁶ for the BRC include, *inter alia*, the following:

- Prioritizing repairs.
- Identifying cost savings.
- Developing bid specifications,
- Reviewing bids from qualified contractors.
- Submitting recommendations by October 2009

BRC Recommendations

The Board notes that since the appointment of the BRC, the committee has been meeting weekly over the summer. The BRC's initial efforts focused on refining the scope of repairs, costing alternatives, and identifying qualified/competitive contractors. Later, these objectives were advanced to insure that: (1) Repairs meet building codes; (2) Work/materials have warranties' and (3) Costs are competitive.

Four contractors⁷ bid on the 12-14 month remediation project based on specifications⁸ prepared by our consulting engineering Sutton-

⁵ Excludes any contributions from the five owners who settled separately.

⁶ Board Memo 3/21/09

⁷ Cooper River Contractors, Stone Construction, Trident, Carolina Restoration, and Waterproofing.

⁸ See SKA Repair Manual, Document 117394 and Revised Bid Form A.

Kennerly & Associates (SKA)⁹. After extensive review of the repair bids, BRC recommends the following:

- Cooper River Contractors is the recipient of the repair contract.
- The scope of work include, *inter alia*, all new windows and doors, new stucco, code compliant hand rails, after construction landscaping, coping replacement, exterior repainting, roof repairs, trellis rework and patio deck coating.
- Spreading assessment payments over the 12 – 14 month construction period.

A majority of the Board endorses the BRC recommendations and urges the BPO to approve the repairs.

What will it cost?

The remediation work focuses securing the exterior of the building by addressing the basic issue of water intrusion¹⁰. Table 1 provides the detailed cost items.

The Assessment

The basis for calculating the assessment is the difference between the net funds available and the cost of the remediation. For example, available funds after disbursements are \$3,500,000 and the most competitive bid by Cooper River Contractors (CRC) is \$5,226,730.¹¹ This leaves a total short fall of \$1,726,730.¹²

On examining the cost structure of the remediation, it is apparent that the windows/doors are a significant expenditure. In practice, this means the two bedroom units are incurring a disproportional share of the costs. A more equitable method would be to base the assessment

⁹ SKA has been involved with the Bristol since 2009.

¹⁰ For a full review, see the extensive engineering documentation prepared by SKA during the pre-trail negotiations. These are available in Property Managers office.

¹¹ Cooper River Contractors & PMS, Table 1, 9/30/09

¹² Excludes the Hanger Group Settlement award and possible funds from pending claims against pool and handrail contractors.

allocation on the number of windows/doors in each unit¹³. Table 2 is the assessment by unit number.

Why approve the assessment

To meet its fiduciary responsibilities and conform to the terms of Master Deed¹⁴ the Board is requesting the BPOA association to approve the assessment. Moreover, it is the consensus of the Board that correcting construction deficiencies are in the best interest of the BPOA for several cogent reasons.

- Property values will deteriorate without prompt remedial action. The Charleston real estate market is well aware of the Bristol's construction deficiencies and potential buyers will need a full disclosure by owners on the physical state of the building.
- Conversely, if the major construction issues are resolved, the Bristol will regain its reputation as a unique downtown waterfront property with new windows/doors warranted for 20 years, a new stucco façade and will comply with current building codes.
- Homeowners faced with a deteriorating physical plant must recognize that, if the building is not repaired with a comprehensive fix, maintenance costs will escalate and *another round of more expensive assessments will be needed*. In brief, pay now or pay later.
- A partial repair is not a viable option because deferred maintenance/repairs detract from property values/re-sales and the incomplete work is not warrantable.
- The exterior water intrusion issues require a system approach-not piecemeal measures and the uncertainty of future work with additional unidentified assessments is counterproductive.
- The actual assessment is a relatively small percentage of a unit's market value. For example, a \$32,000 assessment on

¹³ Legal basis confirmed by BPOA Legal Council, David Wheeler, 10/15/09

¹⁴ Master Deed, Section 4.4 Special Assessments, p.10.

\$650,000 unit is less than 5%. Moreover, this incremental investment can mitigate the escalating maintenance that will be required for deteriorating building and correct the negative real estate market perception of the Bristol.

- BPO can qualify for a \$1500 federal tax credit for the upgrading windows/doors with energy efficient products.¹⁵ This is part of the U.S. Government's Energy Star program and the general contractor, CRC, will provide the documentation needed.

Respectfully,

David Warner
President BPOA

David Landry
Treasurer & Board Liaison with the BRC

Dr. Ernie Zinkowski
Director

Jim Frey
Director

¹⁵ See, www.energystar.gov/index.

Table 1. Details Bristol Remediation Project		
Description	Sub	Price
Stucco Work		\$1,450,000
Densglass Replacement		\$30,000
Install Membrane Flashing		\$40,000
Install St/St Flashing		\$42,000
Remove & Replace Hardie		\$209,643
Scaffolding		\$217,000
Interior Dust Partitions		\$15,000
Stud Rework		\$50,000
Bond		\$20,536
Window Replacement		\$1,560,000
Casing Repair		\$100,000
Window Removal		\$20,000
Window Hoisting		\$10,000
DP Upgrade Kit		
Railing Repairs		\$75,000
Coping Replacement		
Roof		\$25,000
Standing Seam Area		\$44,487
3rd Floor Balcony		\$6,600
Deck Coating		\$100,000
Misc Caulking		\$60,000
Misc Painting		\$80,000
Trellis Rework		\$60,000
Landscape Remediation		\$25,000
Lifts/Scaffolding/Dumpsters		\$100,000
Contingency		\$80,000
	Subtotal	\$4,440,266
Supervision (12 months)		\$100,000
Quality control Personnel		\$75,000
Miscellaneous General Labor		\$0
Misc Costs (Permits, Licenses, Eng)		\$50,000
Commercial Liability Insurance		\$28,855
Overhead/General Accounts		\$125,000
Fee 5%		\$240,958
Interior repairs/Remediation		\$120,000
		\$5,180,109
	Bond	\$46,621
Source: CRC & Property Manager 9/30/09	Total	\$5,226,730

Table 2 Bristol Repair Committee Recommended Repair Option Full Stucco/Complete Window and Door Replacement (Assessment cost by unit number)					
Unit #	Unit Type	Window/Door Prices Per Unit	Common Area Window Costs	Balance of Shortfall	Total Assessment
3001	D	\$23,256.21	1,153.00	\$2,485.00	\$26,894.21
3002	B	\$19,628.54	1,153.00	\$2,485.00	\$23,266.54
3003	H	\$38,580.96	1,153.00	\$2,485.00	\$42,218.96
3004	H	\$38,580.96	1,153.00	\$2,485.00	\$42,218.96
3005	C	\$23,256.21	1,153.00	\$2,485.00	\$26,894.21
3006	H	\$38,580.96	1,153.00	\$2,485.00	\$42,218.96
3007	H	\$38,580.96	1,153.00	\$2,485.00	\$42,218.96
3008	G	\$29,468.96	1,153.00	\$2,485.00	\$33,106.96
3009	B	\$19,628.54	1,153.00	\$2,485.00	\$23,266.54
3010	B	\$19,628.54	1,153.00	\$2,485.00	\$23,266.54
3011	A	\$16,761.98	1,153.00	\$2,485.00	\$20,399.98
3012	E	\$28,036.90	1,153.00	\$2,485.00	\$31,674.90
3013	E	\$28,036.90	1,153.00	\$2,485.00	\$31,674.90
3014	C	\$23,256.21	1,153.00	\$2,485.00	\$26,894.21
3015	F	\$28,803.18	1,153.00	\$2,485.00	\$32,441.18
3016	D	\$23,256.21	1,153.00	\$2,485.00	\$26,894.21
3017	D	\$23,256.21	1,153.00	\$2,485.00	\$26,894.21
3018	I	\$38,580.96	1,153.00	\$2,485.00	\$42,218.96
4001	D	\$23,256.21	1,153.00	\$2,485.00	\$26,894.21
4002	B	\$19,628.54	1,153.00	\$2,485.00	\$23,266.54
4003	H	\$38,580.96	1,153.00	\$2,485.00	\$42,218.96
4004	H	\$38,580.96	1,153.00	\$2,485.00	\$42,218.96
4005	C	\$23,256.21	1,153.00	\$2,485.00	\$26,894.21
4006	H	\$38,580.96	1,153.00	\$2,485.00	\$42,218.96
4007	H	\$38,580.96	1,153.00	\$2,485.00	\$42,218.96
4008	G	\$29,468.96	1,153.00	\$2,485.00	\$33,104.96
4009	B	\$19,628.54	1,153.00	\$2,485.00	\$23,266.54
4010	B	\$19,628.54	1,153.00	\$2,485.00	\$23,266.54
4011	A	\$16,761.98	1,153.00	\$2,485.00	\$20,399.98
4012	E	\$28,036.90	1,153.00	\$2,485.00	\$31,674.90
4013	E	\$28,036.90	1,153.00	\$2,485.00	\$31,674.90
4014	C	\$23,256.21	1,153.00	\$2,485.00	\$26,894.21
4015	F	\$28,803.18	1,153.00	\$2,485.00	\$32,441.18
4016	D	\$23,256.21	1,153.00	\$2,485.00	\$26,894.21
4017	D	\$23,256.21	1,153.00	\$2,485.00	\$26,894.21
4018	I	\$38,580.96	1,153.00	\$2,485.00	\$42,218.96

				Table 2 Continued		
5001	D2	\$26,190.99	1,153.00	\$2,485.00	\$29,828.99	
5002	B	\$19,628.54	1,153.00	\$2,485.00	\$23,266.54	
5003	H	\$38,580.96	1,153.00	\$2,485.00	\$42,218.96	
5004	H	\$38,580.96	1,153.00	\$2,485.00	\$42,218.96	
5005	C2	\$26,190.99	1,153.00	\$2,485.00	\$29,828.99	
5006	H	\$38,580.96	1,153.00	\$2,485.00	\$42,218.96	
5007	H	\$38,580.96	1,153.00	\$2,485.00	\$42,218.96	
5008	G2	\$31,171.41	1,153.00	\$2,485.00	\$34,809.41	
5009	B	\$19,628.54	1,153.00	\$2,485.00	\$23,266.54	
5010	B	\$19,628.54	1,153.00	\$2,485.00	\$23,266.54	
5011	A2	\$17,898.28	1,153.00	\$2,485.00	\$21,536.28	
5012	E2	\$31,866.17	1,153.00	\$2,485.00	\$35,504.17	
5013	E2	\$31,866.17	1,153.00	\$2,485.00	\$35,504.17	
5014	C2	\$26,190.99	1,153.00	\$2,485.00	\$29,828.99	
5015	F2	\$38,879.61	1,153.00	\$2,485.00	\$42,517.61	
5016	D2	\$26,190.99	1,153.00	\$2,485.00	\$29,828.99	
5017	D2	\$26,190.99	1,153.00	\$2,485.00	\$29,828.99	
5018	I	\$38,580.96	1,153.00	\$2,485.00	\$42,218.96	
Total		\$1,532,783.79	62,282.00	134,190.00	\$1,729,235.79	
Source: BRC Presentation 10/4/09						



September 30, 2009

Dear Bristol Property Owners:

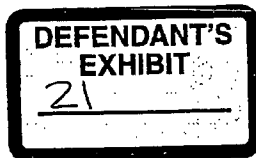
Please accept this letter as official notice of a Special Meeting of The Bristol Property Owners Association on Sunday, November 1, 2009 at 5:00 PM. The sole purpose of the meeting is to vote on a special assessment for the reconstruction of the building. The Bristol Repair Committee will have presented details of the remediation to the membership on October 4, 2009 and copies will be available on request from the Property Manager after that meeting.

The November 1, 2009 meeting will be held in The Bristol Room. Your attendance is urgently requested.
~~----- If you are unable to attend, we recommend that you appoint someone to act on your behalf. Please use the~~
enclosed proxy to appoint someone to represent you at the meeting.

Please contact Lona Vest at Property Management Services if you have any questions at (843) 881-5459 or by e-mail at Lona@charlestonpms.com.

Respectfully yours,

David Warner
President
Bristol Board of Directors



BRC Question and Answer Session

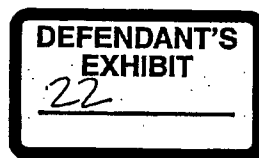
Date: 10/12/2009

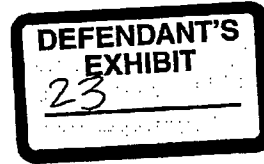
Dear Owners:

Craig Tallberg will be available on Tuesday, October 13, 2009 in the Bristol Room at 5:00 PM to answer questions about the BRC's recommendations for repair to the building. Please stop by the Bristol Room if you have questions about the proposed scope of work and related assessment.

Thanks,

Lona Vest - Property Management Services





October 27, 2009

Dear Owners:

The Special Meeting of the Bristol Property Owners Association is quickly approaching. To assist owners in considering their vote and to insure the membership is provided with comprehensive information to make an informed decision, the Board has prepared a historical narrative and an explanation of how the proposed assessment was ultimately determined.

Historical Background

While the Bristol was still under developer control, a lawsuit was filed by Hanger (2) units, Ellison and Derrick for their windows, doors, interior and personal damages. This group hired attorneys Jeff Leath and Michael Seekings on a contingency fee agreement which would pay the attorneys a percentage of the funds collected if the suit was successful.

The Beach Company (developer) proposed building repairs that did not include the windows and asked the owners to accept the offer and release them from future liability. The owners refused and asked the "developer board" to hire an owner-selected engineer to review the studies on the building. The owners presented the names of several engineering firms and the Beach Company approved Sutton-Kennerly Associates (SKA) to perform the review. SKA reviewed the studies and performed some initial water intrusion testing on the building, but not on the windows. The costs of this work were charged to the Bristol Property Owners by the developer board.

August 2006: Control of the Property Owners Association (POA) transferred to the owners. Immediately after election, the owner Board was offered a settlement from the Beach Company to repair the "water management" problems of the building and to "join with the Beach Company" in suing Anderson Windows.

The Board hired Brew Hagood of Rosen, Rosen and Hagood. The board signed an agreement with Mr. Hagood to pay him on an hourly basis for his services. The POA was advised by Mr. Hagood not to accept the repair offer from the Beach Company as it would limit the POA's ability to claim damages on the windows if the window problems were not caused by Anderson.

Mr. Hagood immediately filed a suit on behalf of the POA (POA suit) for damages to the common and limited common areas – i.e., the "parts" we all own together.

A second suit – the "Landry Lawsuit" – for individual owners for their interiors and personal damages. All owners, with the exception of the "Hanger" plaintiffs who were already represented by Leath & Seekings, were given the opportunity to join the Landry suit. Forty owners joined the Landry suit. Two owners joined the Hanger suit and eight owners chose not to join either the Hanger or Landry suit for interior and personal damages,

In summary:

- 6 units are represented in the Hanger Suit for interior and personal damages
- 40 units are represented in the Landry Suit for interior and personal damages
- 8 units chose not to sue for interior and personal damages
- 54 units' interest in the common and limited common areas are represented in the POA suit

Shortly after the POA lawsuit was filed, our insurance broker reviewed the Master Deed and Bylaws and found that the windows and doors belonged to the individual owners.

IMPACT: Each owner would need to have individual coverage to pay for their windows and doors as the POA comprehensive insurance that we all pay for in an annual assessment for common areas (i.e., the "building") WOULD NOT cover individual unit windows and doors.

Not only did this provision put the individual owners at risk and obligated for obtaining additional insurance, it also put the POA in the difficult position of coordinating window repairs, making sure that owners complied with current building codes and aesthetic requirements during the replacement of windows and doors, and monitoring individual window repairs to make sure that the exterior stucco (common area) would not be compromised in repairs.

The Board saw this as a serious problem for the POA and the owners and, at the advice of counsel, passed a resolution *transferring the ownership of windows and doors from the individual owners to the association*. Owners were given copies of this resolution and, under the terms of the Master Deed, given a response time to raise objections. No objections were raised. This transfer occurred after the suits had been filed.

Financial Rationale

During the pre-trial negotiations the POA submitted repair estimates for the stucco, windows and doors, waterproofing repairs, handrail repairs, trellis repairs, pool repairs and ventilation issues in the building.

The total repair costs submitted totaled \$6,570,799.40 and included \$661,636.40 for interior repairs and shower replacement costs for the 40 units participating in the Landry Lawsuit.

A lengthy pre-trial mediation did not result in a satisfactory settlement offer from the developer and sub-contractors and the decision was made to proceed to trial. This was an extremely difficult decision to make. Trials are very expensive to conduct and judges and juries are notoriously "unpredictable." But, the initial settlement offer was so low that the decision was made to proceed to trial.

Shortly before the trial was to begin, a settlement offer of \$4,370,350 was made. This offer = 66% of the damages requested. Faced with the prospect of more legal fees, more expert witness fees and the unpredictability of a jury trial, the offer was accepted. **We have absolutely no doubt that this was the best decision for the POA and the 40 members of the Landry suit.**

After outstanding invoices to the lawyers, the engineering firm, and expert witnesses were paid, the total amount remaining for repairs = \$3.5 million which represents a net recovery of 53% of the total repair costs *after* expenses.

The cost for the interior repairs and showers recovered for the Landry Lawsuit owners is \$350,667 with the balance (\$3,319,333) allocated to stucco, windows/doors, waterproofing repairs, handrail repairs, trellis repairs and other common area repairs/replacement.

Separately, the Hanger Lawsuit was settled. *The judge ruled* that these six owners were permitted to sue for: (1) costs of their individual windows and doors, (2) interior repairs and (3) shower replacement. Their settlement did not include funds for exterior or common elements. These owners paid their attorneys from proceeds from the suit and then distributed the remaining funds amongst themselves.

When the Board appointed the Bristol Repair Committee (BRC) to review competitive bids and make recommendations for repairs, it was asked to consider the impact of the Hanger Lawsuit on the repair assessment. The BRC members, including Ken Hanger, spent several months discussing the repair costs and the impact of any assessment on the Hanger participants. Given that the Hanger settlement was allocated – *by the judge* – to three specific repairs, the BRC and Board are limited in their ability to demand funds for repairs outside the scope of the costs of windows and doors, interior repairs and shower replacement. Specifically, we cannot demand additional funds for the common area repairs from the Hanger settlement.

After much consideration and analysis, the BRC decided that the best and most equitable way to address the needs for additional funds to cover the short-fall in the settlement funds for the building repairs would be to assess each owner for the actual cost of his/her windows and doors.

Because this method would result in different assessments based on the number and style of a unit's windows and doors (the larger units have more windows and the smaller units have fewer), the Board asked our general counsel, David Wheeler of Moore and Van Allen, to review the proposal. Mr. Wheeler's opinion, is that, because this is a *special assessment*, proportional assessments are permitted under the terms of the Master Deed.

The Hanger participants agreed to this format and agreed to the assessment as shown on the assessment schedule distributed at the October 4, 2009 meeting. They also agreed that the cost of their interior repairs would be borne by them individually.

In brief, the Hanger participants have agreed to pay the same assessment as all other owners, *but will be responsible for additional interior costs and shower related expenses.*

Several owners have asked that the Hanger participants surrender their net proceeds which are estimated @ \$240,000 to the POA. This would mean, however, that POA would incur a minimum of \$300,000 to cover their window/doors, showers and interior damages. Clearly, this is not a "good deal."

It is not in the POA's financial interests to co-mingle the Hanger funds because it simply will cost us more to take on the additional obligations that they prefer to repair themselves.

The eight owners who did not participate in the Landry or Hanger lawsuits will also be excluded from interior repairs. They will have their windows and doors replaced under the proposed assessment, but they will have to pay for their interior repairs.

Finally, in an effort to maximize the amount of money available for the construction project, the BRC made a recommendation to the Board regarding the proceeds attributable to the Landry

Lawsuit (\$350,667). The BRC recommended that the interior repairs be made during the reconstruction project and that the regime would accept responsibility for the shower replacement costs but stretch these costs out over a five year period so that the **maximum amount possible of the settlement proceeds** for the common areas could be attributable to the reconstruction project at this time.

The Board fully endorses the recommendations of the BRC, and asks that the owners vote in favor of the BRC's reconstruction plan and related assessments on November 1, 2009.

In closing, the historical record is documented and numerous points of view have been presented by the Board, BRC, Legal Counsel and members of POA. A first-class, warrantable, code-compliant repair proposal and an equitable assessment calculation has been presented.

It is time to vote and proceed with the repairs to our building.

Dave Landry
Board Liaison with the BRC and Treasurer

David Warner
President BPOA



2009 Annual Report

12/3/09

Introduction & Summary

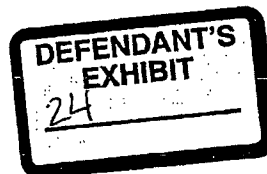
Prior to the Annual BPOA Meeting the president of the BPOA has prepared This Annual Report for 2009. Topics include: (1) Building Remediation; (2) Pump Station; (3) Financial Position; (3) Building Operations; (4) Communications and (5) Real Estate Market and (5) and the Annual Meeting.

In summary, please note:

- The lawsuit with the Developer was settled during the first quarter of 2009 for \$4,370,350¹.
- The net funds, after litigation expenses totaled \$3.5 million.
- The Bristol Repair Committee (BRC) was formed to advise the Board and the membership on the allocation of remediation funds.
- The BRC established repair Priorities, developed repair bid specifications, evaluated four contractors and recommend Cooper River Contractors (CRC) for the repairs.
- The Board and 82% of the BPOA accepted the BRC recommendations.
- The Board is finalizing a 15 month repair contract with CRC.
- The City of Charleston is proposing a near by Pump Station and the Board is in discussion with City on the impact on the Bristol.
- The financial position of the BPOA is satisfactory.
- Several infrastructure, interior decorating projects and landscaping improvements have been completed within the 2009 budget.
- More than thirty communications from the Board to BPO.
- Sales and prices decreased for condominiums in the area near the Bristol during January to November 2009.

The lawsuit against the Developer by 40 BPO was settled shortly before the

¹ See Website notice, 3/19/09



March 2009 trial for \$4,370,350. This offer amounts to 86 % of the repair contract² and avoids the risk of more legal fees, further expert witness fees and the unpredictability of a jury trial. After outstanding invoices to the lawyers, the engineering firm, and expert witnesses were paid, the total net amount remaining for repairs is \$3.5 million³.

Separately, the Hanger Lawsuit was settled. The judge ruled that these six owners were permitted to sue for: (1) costs of their individual windows and doors, (2) interior repairs and (3) shower replacement. Their settlement did not include funds for exterior or common elements. These owners paid their attorneys from proceeds from the suit and then distributed the remaining funds amongst themselves.⁴

Immediately after the settlement agreement the Board established an *Ad hoc* Building Repair Committee (BRC) to advise the Bristol Condominium Board and the membership on the allocation of the net proceeds.

The Board's guidelines⁵ for the BRC include, inter alia, the following:

- Prioritizing repairs.
- Identifying cost savings.
- Developing bid specifications,
- Reviewing bids from qualified contractors.
- Submitting recommendations by October 2009

Since the appointment of the BRC, the committee held weekly meetings over the summer of 2009. The BRC's initial efforts focused on refining the scope of repairs, costing alternatives, and identifying qualified/competitive contractors. Later, these objectives were advanced to insure that: (1) Repairs meet building codes; (2) Work/materials have warranties' and (3) Costs are competitive.

Four contractors⁶ bid on the 12-15 month remediation project based on specifications⁷ prepared by our consulting engineering Sutton- Kennerly & Associates (SKA)⁸. After extensive review of the repair bids, BRC recommends the following:

² Based on Cooper River Contractors repair contract price of \$5,060,560

³ See Bristol Website, Explanation of Lawsuit & Settlement, 10/27/09

⁴ Ibid. p.3.

⁵ Board Memo 3/21/09

⁶ Cooper River Contractors, Stone Construction, Trident, Carolina Restoration, and Waterproofing.

⁷ See SKA Repair Manual, Document 117394 and Revised Bid Form A.

⁸ SKA has been involved with the Bristol since 2009.

- Cooper River Contractors is the recipient of the repair contract.
- The scope of work include, *inter alia*, all new windows and doors, new stucco, code compliant hand rails, after construction landscaping , coping replacement, exterior repainting, roof repairs, trellis rework and patio deck coating.
- Spreading assessment payments over the 12 –15 month construction period.

The Board reviewed the BRC recommendations and adopted the recommendations by consensus for several cogent reasons.⁹

- Property values will deteriorate without prompt remedial action. The Charleston real estate market is well aware of the Bristol's construction deficiencies and potential buyers will need a full disclosure by owners on the physical state of the building.
- Conversely, if the major construction issues are resolved, the Bristol will regain its reputation as a unique downtown waterfront property with new windows/doors warranted for 20 years, a new stucco façade and will comply with current building codes.
- Homeowners faced with a deteriorating physical plant must recognize that, if the building is not repaired with a comprehensive fix, maintenance costs will escalate and another round of more expensive assessments will be needed. In brief, pay now or pay later.
- A partial repair is not a viable option because deferred maintenance/repairs detract from property values/re-sales and the incomplete work is not warrantable.
- The exterior water intrusion issues require a system approach- not piecemeal measures and the uncertainty of future work with additional unidentified assessments is counterproductive.
- The actual assessment is a relatively small percentage of a unit's market value. For example, a \$32,000 assessment on \$650,000 unit is less than 5%. Moreover, this incremental investment can mitigate the escalating

⁹ See Bristol Website, "Board Endorses BRC Recommendations", 10/16/09

maintenance that will be required for deteriorating building and correct the negative real estate market perception of the Bristol.

- BPO can qualify for a \$1500 federal tax credit for the up-grading windows/doors with energy efficient products.¹⁰ This is part of the U.S. Government's Energy Star program and the general contractor, CRC, will provide the documentation needed.

The Cooper River Contractors lump sum price of \$5,017,160 fifteen month contract was endorsed by more than 80% of the eligible BPO¹¹ and the Board is finalizing the contract details in consultation with the association's attorneys.

Pump Station

The City of Charleston is working with several agencies to building a pump station at the corner of Highway 17 and Lockwood Boulevard¹². This structure will have a visual impact for BPO facing this intersection and may affect Bristol property adjacent to Brittlebank Park. The property Manager and Board President discussed the situation with our attorney's and have advise city official that:

- The height of the Pump House should not exceed the twin bridges.
- The exterior painting needs to be a neutral color and blend into the city skyline.
- The Bristol "easement area" abutting Brittlebank Park should be repaired by the City as a pristine wetland and in accordance with all federal laws involving marshland, including the Clean Water Act.

The Board continues to monitor this situation and is in further discussions with the City.

Financial Position

Through October, 2009 the operating budget was \$ 12,279 under budget but regime/association fee were \$23,977 less than budget year to date.¹³ This shortfall in income is due to three aging accounts.

¹⁰ See, www.energystar.gov/index.

¹¹ BPOA Special Meeting, 11/1/09

¹² See, Website, Pump Station Up-date.

¹³ Profit & Loss Budget Performance –Operating, October 2009 un-audited statement.

Copies of the October 2009 Balance Sheet and other financials documents are available on request from the Property Manager.

In addition, the Board on advice of counsel has forgiven the funds due the litigation and construction account from the Reserve Fund as these funds were used for litigation/building repairs during 2009.

Building Operations

Maintaining the building and grounds are activities of the Property Manager under the direction of the Board and the Building Committee. During 2009 the following improvements have been completed:

- Landscaping improvements.
- Common Areas furnishings and decorations up-graded.
- Energy savings for interior lighting.
- Security equipment repaired and up-graded.
- Board meetings now in Bristol Room.

Communications

During the term of the current board the use of the Bristol Website, e-mails and direct communiqués have been employed to inform BPO of association developments. These include¹⁴:

- Publication of all Board meetings minutes.
- Twelve document dealing with the construction litigation issues.
- Annual Budgets for 2008, 2009 and 2010.
- Four announcements about Board and owner meetings.
- Nine articles of general interest.
- Two articles about the real estate market.

In addition, the BRC presented its recommendations to the BPOA¹⁵ and later followed up with two informational meetings.

Real Estate Market

During January to November 23, 2009 MLS data for Charleston condominium

¹⁴ See, www.thebristolowners.com

¹⁵ Special Meeting, 11/1/09

sales for the area inside the Cross-town reported 94 condos sold for an average price of \$631,520. This compares with January through November, 2008 when 151 condos were sold for an average price of \$656,632.¹⁶

Annual Meeting

The Board encourages all BPO to participate in the annual meeting on December 13, 2009 at 5:00 PM in the Bristol Room and vote in person or by proxy. The latter should designate your agent's name, the name of the board candidate and be submitted to Property Manager on or before Friday, 11 December 2009.

Respectfully,

David W. Warner
President BPOA

¹⁶ MLS Data .

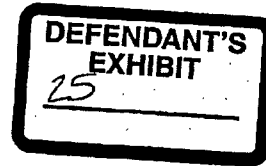
Memorandum

To: Bristol Property Owners

From: Bristol Board of Directors

Date: March 19, 2010

Re: Construction Update



Our construction project will be underway shortly. We have ordered the windows and doors. A cut sheet showing the windows and doors for the balconies is included for your review. Originally we had planned to match the existing windows and doors. We, however, had planned to have a simulated transom above the doors and balcony windows. The proposed doors and windows would in fact be one solid unit with the appearance of a separate smaller window at the top of each unit. We felt strongly that one unit would be stronger in the event of a storm and would also provide less opportunity for water intrusion. We constructed a sample of the proposed door on the second floor of the garage for your review. We formally submitted the plans to the City of Charleston Board of Architectural Review (BAR). After presentations on three different occasions to the BAR, the BAR declined our request and required that we install open glass door and window units on the balconies. The approved units would not have the separate mullions that created the appearance of a smaller window at the top of the windows and doors on the balconies. The windows and doors would be clear, solid glass. A cut sheet is included that shows you the appearance and dimensions of the approved window and doors units for use on the balcony exposures.

The BAR is a strong authority in the City of Charleston. We examined the possibility of pursuing an appeal to their decision but found that they only appeal would be to file suit against the City through the Court of Common Pleas. The Board feels that the windows and doors selected by the BAR will actually provide more view to the owners and will fit nicely in the overall aesthetic of the building. We agreed to follow the BAR mandate without further legal action. Most of the owners have expressed satisfaction with the new door and window units. The remaining windows on the building will be replaced with units that match the existing. The only change will be to the windows and doors that are located on balconies.

The Kolbe windows and doors have been ordered. We are anticipating a mid April delivery of the first units.

The swimming pool repair work has been moved up on the schedule to provide our contractor an opportunity to get started and to limit the negative impact of the work on the pool season. The pool will be drained March 15 and Cooper River Contracting (CRC) will begin removing the pool deck. This work will be coordinated with the defendants in our ongoing suit against the original pool contractor. We are hopeful that

Bristol Memo
March 19, 2010
Page Two

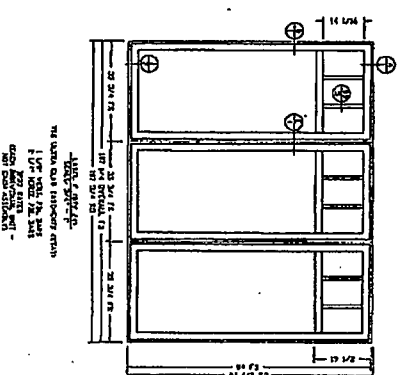
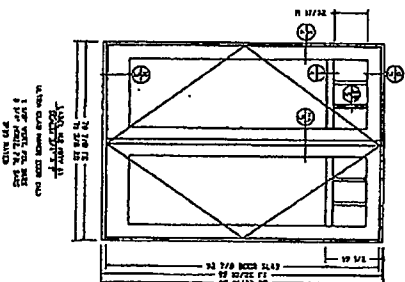
we will be able to mediate a resolution to this claim shortly. This is the last remaining litigation claim.

Work on the building will begin in early April. Work will begin on units 3003, 4003, 5003. Lona will coordinate with owners to give specific instructions on unit preparations. The work will take approximately five weeks to complete on the first stack of three units. Work will proceed in a clockwise pattern on the building – units 3004, 4004, 5004 will be the next units in line.

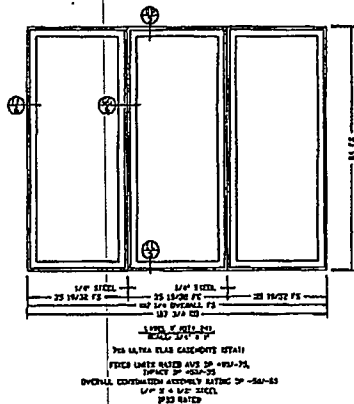
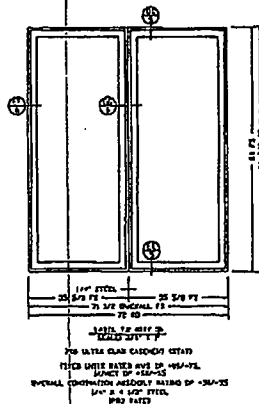
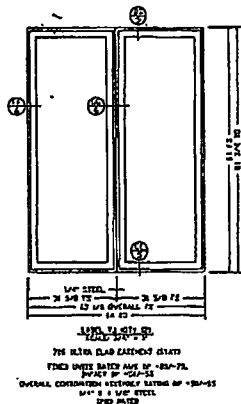
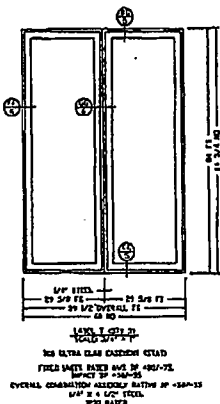
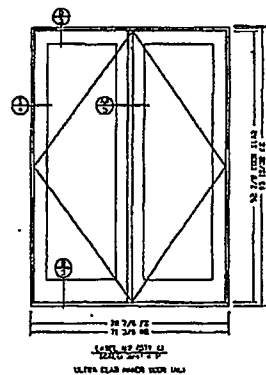
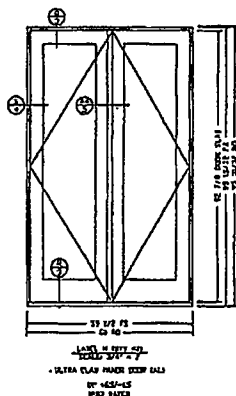
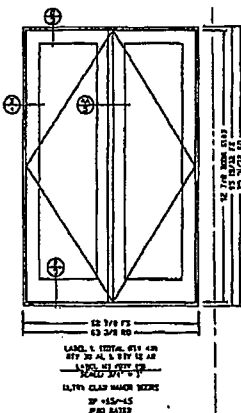
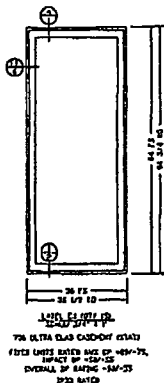
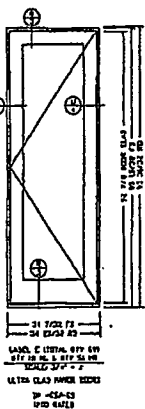
We have cleaned out storage space on each floor for owners use during their construction time period. Lona will coordinate access and assist owners with preparations.

Please do not hesitate to contact us with any questions that you may have or if you want additional information regarding the windows and doors or construction schedule. Our next formal Board meeting will be on Tuesday, April 13, 2010, please remember that you are all invited to attend.

Thank you for your continued cooperation.

2000/2000 图

Windows and Doors Approved By City of Charleston
Board of Architectural Review - currently on order



KOLBE
• WINDTWS & DOOTS •

THE BRISTOL

**KOLBE CAULERY
OF CHARLESTON**

PLATE 1

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 13-14-15
 16-17-18

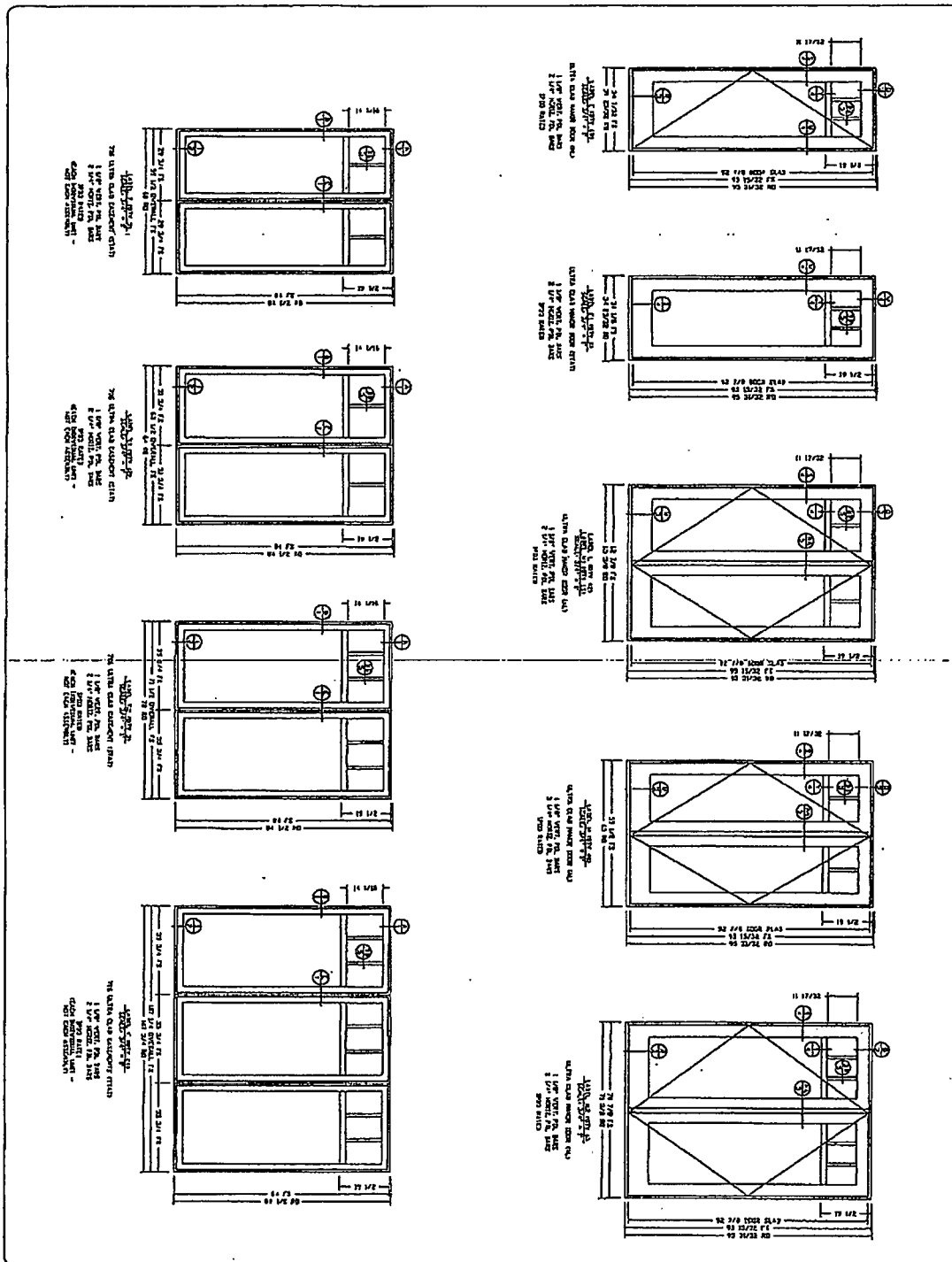
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DATE	DESCRIPTION	AMOUNT
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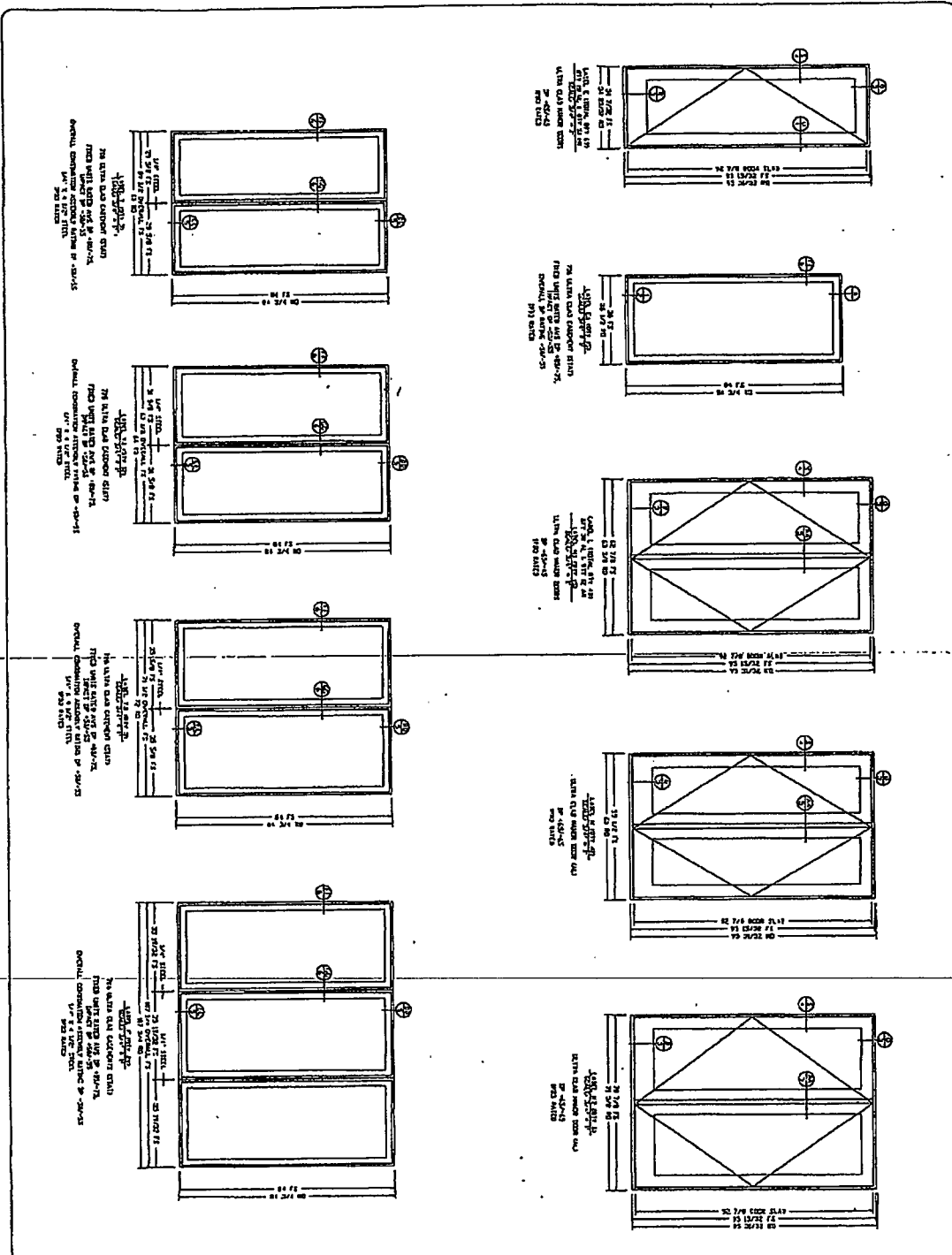
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KOLBE & KOLBE MILLWORK CO., INC.
1323 SOUTH ELEVENTH AVE. WAUSAU, WI 54401

CO S740IH-R2 SPECIAL MILLWORK SERVICES



☐ FINAL DRAFT ☒ S7401G	SPECIAL MILLWORK SERVICES	KOLBE & KOLBE MILLWORK CO., INC. 1323 SOUTH ELEVENTH AVE. WAUSAU, WI. 54401	THE BRISTOL KOLBE GALLERY OF CHARLESTON	KOLBE * WINDOWS & DOORS *



☐ FINAL DRAFT	☐ AS SHOWN	☐ KOLBE GALLERY OF CHARLESTON	THE BRISTOL	
☐ S7401H-R2	SPECIAL MILLWORK SERVICES	KOLBE & KOLBE MILLWORK CO., INC. 1323 SOUTH ELEVENTH AVE. WAUSAU, WI. 54401		

PORTIONS OF THIS AGREEMENT ARE SUBJECT TO ARBITRATION
PURSUANT TO THE SOUTH CAROLINA UNIFORM ARBITRATION ACT, § 15-
48-10, S.C. CODE OF LAWS OF 1976, AS AMENDED



MASTER DEED OF
THE BRISTOL HORIZONTAL PROPERTY REGIME

NPM81:705.15-RD-(BFI) 016015-00093

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STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

THIRD AMENDMENT TO
MASTER DEED OF THE BRISTOL
HORIZONTAL PROPERTY REGIME

THIS THIRD AMENDMENT TO MASTER DEED OF THE BRISTOL HORIZONTAL PROPERTY REGIME (the "Third Amendment") is made this 20th day of February, 2004, by Brittlebank Condominiums, LLC is a South Carolina limited liability company (hereinafter, the Company").

W I T N E S S E T H:

WHEREAS, by "Master Deed of The Bristol Horizontal Property Regime" dated August 30, 2002, recorded in the RMC Office for Charleston County in Book D-417 at Page 1 and subsequently amended (hereinafter collectively referred to as the "Master Deed"), the Company created a horizontal property regime upon certain property situate in Charleston County, South Carolina; and

WHEREAS, pursuant to Section 3.3 of the Master Deed, the Developer retained the right to modify or reconstitute, at any time and from time to time, one or more Units owned by it without the consent of any other person, and as provided in said Section 3.3, and may evidence such changes by an amendment of the Master Deed, duly recorded in the RMC for Charleston County, executed solely by the Developer; and

WHEREAS, the Developer proposes to amend the Master Deed to exchange the assigned parking spaces, which are Limited Common Areas of Units owned by the Developer, between Units.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that the Developer does hereby amend the Master Deed as herein provided:

I. Definitions. The words used in this Third Amendment, unless the context shall clearly indicate otherwise, shall have the same meanings as set forth in the Master Deed.

II. Amended Provisions. Exhibit "C" of the Master Deed is amended to assign to Unit 412, also known as Unit 4012, the assigned Limited Common Area parking spaces B18 and B19, and to assign to Unit 513, also known as Unit 5013, the assigned Limited Common Area parking spaces B28 and B29, such that following said amendment Exhibit "C" shall read as shown in the attached Exhibit "C."

III. Amendment Certification. The Company does hereby certify that it is the Owner of Units 412 and 513, also known as Units 4012 and 5013, and of their respective appurtenant Limited Common Area uses, privileges and rights, and that the within Third Amendment to the Master Deed of The Bristol Horizontal Property Regime was duly executed by the Developer in accordance with the provisions of Section 3.3 of the Master Deed.

IN WITNESS WHEREOF, the Developer has caused this THIRD AMENDMENT TO MASTER DEED OF THE BRISTOL HORIZONTAL PROPERTY REGIME to be executed the day and year first above written.

WITNESSES:

BRITTLEBANK CONDOMINIUM, LLC

BY: BEACH BRITTLEBANK, LLC, its Member

By: The Beach Co., its Manager

By: [Signature]
Name: John C. L. Darby
Its: CEO

By: Dana R. Mager
Name: Dana R. Mager
Its: Corporate Secretary

[Signature]
Virginia B. Martin

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared before me the undersigned witness who, being duly sworn, deposes and says that (s)he saw the within-named Brittlebank Condominiums, LLC, a South Carolina limited liability company, by Beach Brittlebank, LLC, its Member, by The Beach Co., its Manager, by John C. L. Darby, its President & CEO and Dana R. Mager, its Secretary, sign, seal and as its act and deed deliver the foregoing instrument, and that (s)he together with the other witness whose name appears as a witness, witnessed the execution thereof.

[Signature]
(Witness)

SWORN to and subscribed before me
this 20th day of February, 2004
Virginia B. Martin
Notary Public for South Carolina
My Commission Expires: 2-17-2010

Exhibit "C"

Schedule of Assigned Values, Percentage Interests, Storage Space and Parking Spaces for Each Unit

This is a schedule of Assigned Values and Percentage Interests in the Common Areas appurtenant to Units in the Bristol Horizontal Property Regime. This Schedule also set forth the assigned storage and parking spaces' Limited Common Areas appurtenant to each Unit. The Assigned Value is for statutory purposes only and has no relationship to the actual value of each Unit.

The Bristol

<u>Unit Number by Architect's Floor Plan</u>	<u>Unit Number by Regime Address 1</u>	<u>Statutory Value</u>	<u>Statutory Percentage</u>	<u>Assigned Storage Space LCA 2</u>	<u>Assigned Parking Spaces LCA 2 Shown in Plans</u>	<u>Assigned Parking Spaces By Space Number in Building</u>	<u>Architectural Type</u>
301	3001	\$2,000	1.85185%	8	A36 A35	139 141	D -- The Devonshire
302	3002	\$2,000	1.85185%	39	A26 A27	144 146	B -- The Buckingham
303	3003	\$2,000	1.85185%	40	A67 A68	174 176	H -- The Hampton
304	3004	\$2,000	1.85185%	43	A69 A70	170 172	H -- The Hampton
305	3005	\$2,000	1.85185%	42	A71 A72	166 168	C -- The Canterbury
306	3006	\$2,000	1.85185%	41	A73 A74	162 164	H -- The Hampton
307	3007	\$2,000	1.85185%	46	A43 A44	157 159	H -- The Hampton
308	3008	\$2,000	1.85185%	45	A41 A42	153 155	G -- The Greenwich
309	3009	\$2,000	1.85185%	44	A33 A34	135 137	B -- The Duckingham
310	3010	\$2,000	1.85185%	1	A31 A32	131 133	B -- The Buckingham
311	3011	\$2,000	1.85185%	2	A24 A25	140 142	A -- The Aberdeen
312	3012	\$2,000	1.85185%	3	A3 A4	104 106	E -- The Essex
313	3013	\$2,000	1.85185%	4	A5 A6	108 110	E -- The Essex
314	3014	\$2,000	1.85185%	34	A7 A8	112 114	C -- The Canterbury
315	3015	\$2,000	1.85185%	6	A9 A10	116 118	F -- The Faversham
316	3016	\$2,000	1.85185%	7	A14 A15	120 122	D -- The Devonshire
317	3017	\$2,000	1.85185%	9	A16 A17	124 126	D -- The Devonshire
318	3018	\$2,000	1.85185%	10	A47 A48	156 158	I -- The Inverness
401	4001	\$2,000	1.85185%	47	B55 B54	204 206	D -- The Devonshire

1 Old Bridgeview Lane, Charleston, South Carolina 29403

2 LCA -- Limited Common Area

The Bristol

<u>Unit Number by Architect's Floor Plan</u>	<u>Unit Number by Regime Address 1</u>	<u>Statutory Value</u>	<u>Statutory Percentage</u>	<u>Assigned Storage Space LCA 2</u>	<u>Assigned Parking Spaces LCA 2 Shown in Plans</u>	<u>Assigned Parking Spaces By Space Number in Building</u>	<u>Architectural Type</u>
402	4002	\$2,000	1.85185%	48	B53 B52	208 210	B -- The Buckingham
403	4003	\$2,000	1.85185%	49	B51 B50	212 214	H -- The Hampton
404	4004	\$2,000	1.85185%	50	B49 B48	216 218	H -- The Hampton
405	4005	\$2,000	1.85185%	27	A58 A58	181 183	C -- The Canterbury
406	4006	\$2,000	1.85185%	28	A56 A57	177 179	H -- The Hampton
407	4007	\$2,000	1.85185%	29	A54 A55	173 175	H -- The Hampton
408	4008	\$2,000	1.85185%	30	A52 A53	169 171	G -- The Greenwich
409	4009	\$2,000	1.85185%	31	B15 B23	255 257	B -- The Buckingham
410	4010	\$2,000	1.85185%	32	B24 B25	251 253	B -- The Buckingham
411	4011	\$2,000	1.85185%	33	B26 B27	247 249	A -- The Aberdeen
412	4012	\$2,000	1.85185%	19	B18 B19	245 243	E -- The Essex
413	4013	\$2,000	1.85185%	20	B30 B31	239 241	E -- The Essex
414	4014	\$2,000	1.85185%	21	B32 B33	237 235	C -- The Canterbury
415	4015	\$2,000	1.85185%	22	A18 A19	128 130	F -- The Faversham
416	4016	\$2,000	1.85185%	23	A20 A21	132 134	D -- The Devonshire
417	4017	\$2,000	1.85185%	24	A22 A23	136 138	D -- The Devonshire
418	4018	\$2,000	1.85185%	25	A49 A50	152 154	I -- The Inverness
501	5001	\$2,000	1.85185%	51	B58 B59	211 213	D -- The Devonshire
502	5002	\$2,000	1.85185%	52	B60 B61	215 217	B -- The Buckingham
503	5003	\$2,000	1.85185%	53	B62 B63	219 221	H -- The Hampton
504	5004	\$2,000	1.85185%	54	B64 B65	223 225	H -- The Hampton
505	5005	\$2,000	1.85185%	38	B46 B47	220 222	C -- The Canterbury
506	5006	\$2,000	1.85185%	18	B45 B44	232 234	H -- The Hampton
507	5007	\$2,000	1.85185%	16	B43 B42	236 238	H -- The Hampton
508	5008	\$2,000	1.85185%	15	B36 B37	227 229	G -- The Greenwich
509	5009	\$2,000	1.85185%	14	B14 B13	259 261	B -- The Buckingham
510	5010	\$2,000	1.85185%	5	B40 B39	242 244	B -- The Buckingham

1 Old Bridgeview Lane, Charleston, South Carolina 29403

2 LCA -- Limited Common Area

Exhibit "C" -- Page 2

NPMB1:10148.2RD-BFIQ 016019-00063

The Bristol

<u>Unit</u> <u>Number by</u> <u>Architect's</u> <u>Floor Plan</u>	<u>Unit Number</u> <u>by Regime</u> <u>Address 1</u>	<u>Statutory</u> <u>Value</u>	<u>Statutory</u> <u>Percentage</u>	<u>Assigned</u> <u>Storage</u> <u>Space</u> <u>LCA 2</u>	<u>Assigned</u> <u>Parking Spaces</u> <u>LCA 2 Shown</u> <u>in Plans</u>	<u>Assigned</u> <u>Parking Spaces</u> <u>By Space</u> <u>Number in</u> <u>Building</u>	<u>Architectural Type</u>
511	5011	\$2,000	1.85185%	26	B11 B12	263 265	A -- The Aberdeen
512	5012	\$2,000	1.85185%	17	B21 B20	268 270	E -- The Essex
513	5013	\$2,000	1.85185%	13	B28 B29	278 280	E -- The Essex
514	5014	\$2,000	1.85185%	12	B3 B4	279 281	C -- The Canterbury
515	5015	\$2,000	1.85185%	11	B5 B6	275 277	F -- The Faversham
516	5016	\$2,000	1.85185%	35	B7 B8	271 273	D -- The Devonshire
517	5017	\$2,000	1.85185%	36	B9 B10	267 269	D -- The Devonshire
518	5018	\$2,000	1.85185%	37	B35 B34	231 233	I - The Inverness

\$108,000 99.99990%

1 Old Bridgeview Lane, Charleston, South Carolina 29403

2 LCA -- Limited Common Area

Exhibit "C" -- Page 3

NPMB1:10148.2RD-(BPK) 018018-00093

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON) FIRST AMENDMENT TO
MASTER DEED OF THE BRISTOL
HORIZONTAL PROPERTY REGIME

THIS FIRST AMENDMENT TO MASTER DEED OF THE BRISTOL HORIZONTAL PROPERTY REGIME (the "First Amendment") is made this 13th day of November, 2002, by Bristol Condominium Property Owners' Association, a South Carolina Non-profit corporation, hereinafter called "Association."

WITNESSETH:

WHEREAS, by "Master Deed of The Bristol Horizontal Property Regime" dated August 30, 2002, recorded in the RMC Office for Charleston County in Book D-417 at Page 1 (hereinafter collectively referred to as the "Master Deed"), Brittlebank Condominiums, LLC, a South Carolina limited liability company created a horizontal property regime upon certain property situate in Charleston County, South Carolina; and

WHEREAS, pursuant to Article 17, Section 17.2(d) of the Master Deed, the Association has the right to amend the Master Deed if such amendment is necessary, in the judgment of the Board of Directors, to cure any ambiguity or to correct or supplement any provisions of the Regime Documents that are defective, missing or inconsistent with any other provisions thereof, so long as written objection to such amendment is not received from Members representing more than fifty percent (50%) of the total votes of the Association within twenty (20) days after written notice of the proposed amendment is given to all Members; and

WHEREAS, notice of the proposed amendment has been given to the Members and objection to such amendment has not been received from Members representing more than fifty percent (50%) of the total votes of the Association within twenty (20) days after such written notice.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that the Association does hereby amend the Master Deed as herein provided:

I. Definitions. The words used in this First Amendment, unless the context shall clearly indicate otherwise, shall have the same meanings as set forth in the Master Deed.

II. Amended Provisions. The following provisions of the Master Deed are hereby amended to correct ambiguities present therein.

Section 2.7. Section 2.7 is hereby deleted in its entirety and a new Section 2.7 is substituted therefor, which reads as follows:

2.7 Rules and Regulations.

The Board of Directors will be entitled to promulgate reasonable Rules and Regulations from time to time, which will be binding on the Association and all Owners and lessees of Owners, their families, invitees and guests, regarding the use and enjoyment of Units and Common Areas. Any fine which may be imposed against the Association by OCRM or by any other governmental agency for any violation of law or as a result of damage to marsh or any other protected property of the Regime by an Owner or by his renter, licensee or invitee shall be added to such Owner's Assessments and shall become a lien upon his Unit. Copies of the current Rules and Regulations will be furnished to Owners and lessees of Owners upon request.

Section 3.3. Section 3.3 is hereby deleted in its entirety and a new Section 3.3 is substituted therefor, which reads as follows:

3.3 Modification of Units.

The Developer, on behalf of itself, its successors and assigns, hereby reserves the right to modify or reconstitute, at any time and from time to time, one or more Units owned by Developer or its affiliates without the consent of the Association or any Owner other than those who may be directly affected; provided, however, that the aggregate Percentage Interest assigned to the Units so affected will not change even though the same may be reallocated among such changed Units. If Developer makes any changes in Units pursuant to this Section 3.3, such changes will be reflected by an amendment of this Master Deed. An Amendment will be executed solely by the Developer for itself and as attorney in-fact for all Owners. An Amendment will be effective upon recording such Amendment in the RMC.

Sections 11.7 and 11.8. Section 11.7 and section 11.8 are hereby deleted in their entirety new Sections 11.7 and 11.8 are substituted therefor, which reads as follows:

11.7 Easements to Serve Adjacent Marina Development.

The Developer hereby reserves for itself and its duly authorized agents, representatives, successors, successors-in-title, assigns, licensees, and mortgagees, a perpetual nonexclusive easement over the Common Areas for the purposes of enjoyment, use, access, and development of any adjacent property developed, or which may be developed, as a marina or for related recreational purposes, whether public or private, and whether or not any such property is made subject to this Master Deed. This easement includes, but is not limited to, a right of ingress and egress over the Common Areas for construction of roads and for connecting and installing utilities and services on such property. The Developer agrees that it and its successors or assigns shall be responsible for any damage caused to the Common Areas as a result of vehicular traffic connected with development of such property. The Developer further agrees that if the easement is exercised for permanent access to such property and such property or any portion thereof

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is not made subject to this Master Deed, the Developer, its successors or assigns shall enter into a reasonable agreement with the Association to share the cost of maintenance of any private roadway, boardwalk, sidewalk or other such facility serving such property.

11.8 No Riparian Rights; No View Easements

No riparian rights shall be deemed to pass to any Owners or shall be deemed appurtenant to any Unit or Common Area, all said riparian rights being reserved to and transferable by the Developer under Section 11.7 above. No view easements, express or implied, will be granted to any Owner in connection with the conveyance of a Unit to such Owner.

Section 12. Section 12 is hereby deleted in its entirety and a new Section 12 is substituted therefor, which reads as follows:

12. Owner's Acknowledgment of Ashley River Bridge and River Noises and Nuisances

Every Owner by acceptance of a deed to a Unit hereby acknowledges that the Project's proximity to the Ashley River Bridge and the vehicular traffic thereon, and the Ashley River and the boating traffic thereon, will result in noise emanating therefrom and the same may be a nuisance. Neither the Developer nor the Association, nor any of their respective directors, officers, employees, contractors, consultants, shareholders, affiliates, assignees, successors, nominees or agents, be liable to any Owner, or any Owner's renter, lessee, licensee or guest, for any inconvenience or damage sustained by such Owner as a result of any such noise emanating from or in proximity to such river, including, but not limited to such noise as may emanate from persons using any roadways, bridges, docks, walkways, bulkheads, or piers adjacent thereto.

Section 14.1. Section 14.1 is hereby deleted in its entirety and a new Section 14.1 is substituted therefor, which reads as follows:

14.1 Single Phase Development.

The Regime constitutes a single Building with 54 Units, and the Common Area (including the parking and storage Limited Common Areas), as more fully described on Exhibit "B" attached hereto. Except as provided in Section 14.2 and Section 14.6, The Regime may not be expanded and no right to do so is reserved.

Section 16.1. Section 16.1 is hereby deleted in its entirety and a new Section 16.1 is substituted therefor, which reads as follows:

16.1 Agreement to Avoid Costs of Litigation and to Limit Right to Litigate Disputes.

The Developer, Association, Owners, renters or lessees of Owners, and any Persons not otherwise subject to the Regime who agrees to submit to this Section 16 (collectively, "Bound Parties") agree to encourage the amicable resolution

of disputes between and among themselves involving the Regime or the Project, and to avoid the emotional and financial costs of litigation. For purposes hereof, the architect and contractor for a Building and the Units constructed therein shall constitute Bound Parties hereunder. Accordingly, each Bound Party covenants and agrees that all claims, grievances and disputes (including those in the nature of counterclaims or cross-claims) between Bound Parties involving the Regime or the Project, including without limitation, claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement thereof (collectively "Claims"), except for "Exempt Claims" under Section 16.2, are subject to the procedures set forth in Section 16.3.

Exhibit "B". Exhibit "B" is amended by adding at the end thereof the attached Surveyor's Certificate of Absolute Surveying, Inc. dated October 14, 2002.

Exhibit "C". Exhibit "C" is hereby deleted in its entirety and a new Exhibit "C" is substituted therefor solely to correct parking space designation pursuant to the Plans as well as shown on the ground, such new Exhibit "C" being attached hereto and made a part hereof by this reference.

III. Amendment Certification. The Board of Directors, pursuant to the authority granted to it and in accordance with the provisions of Section 17.2(e), by its duly elected President, does hereby certify that the within First Amendment to the Master Deed of The Bristol Horizontal Property Regime was duly adopted. By its execution below, the developer does hereby signify its consent to the within made First Amendment.

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IN WITNESS WHEREOF, the Developer has caused this FIRST AMENDMENT TO MASTER DEED OF THE BRISTOL HORIZONTAL PROPERTY REGIME to be executed the day and year first above written.

WITNESSES:

Bristol Condominium Property Owners'
Association, a South Carolina Non-profit
Corporation

Stephen May
Virginia B. Martin

By: *Timothy P. Walter*
Timothy P. Walter
Its: President

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared before me the undersigned witness who, being duly sworn, deposes and says that (s)he saw the within-named Bristol Condominium Property Owners' Association, by Timothy P. Walter, its President, sign, seal and as its act and deed deliver the foregoing instrument, and that (s)he together with the other witness whose name appears as a witness, witnessed the execution thereof.

Stephen May
(Witness)

SWORN to and subscribed before me
this 13th day of November, 2002

Virginia B. Martin
Notary Public for South Carolina
My Commission Expires: 2/17/2010

BK M 426PG301

Developer's Consent
to
First Amendment To Master Deed Of The Bristol Horizontal Property Regime

WITNESSES:

BRITTLEBANK CONDOMINIUM, LLC

BY: BEACH BRITTLEBANK, LLC, its Member

By: The Beach Company, its Manager

Dana R. Mager
Virginia B. Martin

By: [Signature]
Name: John C.L. Darby
Its: President
By: [Signature]
Name: J. Darryl Reyna
Its: Exec. Vice Pres.

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared before me the undersigned witness who, being duly sworn, deposes and says that (s)he saw the within-named Brittlebank Condominiums, LLC, a South Carolina limited liability company, by Beach Brittlebank, LLC, its Member, by The Beach Company, its Manager, by John C.L. Darby, its President, and J. Darryl Reyna, its Exec. Vice Pres., sign, seal and as its act and deed deliver the foregoing instrument, and that (s)he together with the other witness whose name appears as a witness, witnessed the execution thereof.

Dana R. Mager
(Witness)

SWORN to and subscribed before me
this 13th day of November, 2002

Virginia B. Martin
Notary Public for South Carolina
My Commission Expires: 2-17-2010

Page 6

NP14015222 3-RO-(B7K) 018019-00093

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EXHIBIT "B"SURVEYOR'S CERTIFICATE

The undersigned, Covert Boyd Nelson of Absolute Surveying, Inc., an authorized and licensed surveyor, hereby certifies that Final Survey of The Bristol Horizontal Property Regime entitled "Final Survey, The Bristol Luxury Condominiums, Lockwood Drive, City of Charleston, Charleston County, prepared for Gulf Stream Construction," dated August 22, 2002, attached as "EXHIBIT B" to MASTER DEED OF THE BRISTOL HORIZONTAL PROPERTY REGIME, CHARLESTON COUNTY, SOUTH CAROLINA" dated August 30, 2002, and Exhibit B-Page iii to the Master Deed, prepared by Niles Bolton Associates showing the exterior elevations of the Building, fully and accurately, within reasonable construction tolerances, depicts the horizontal and vertical location of the Buildings and Units and Common Elements in The Bristol Horizontal Property Regime, together with the dimensions, area and location of each Unit and the Building and the dimensions, area and location of the Common Elements affording access to each Unit and Building. The interior dimensions and locations of interior walls and other interior improvements in each Unit and Building were not surveyed and are based on data submitted by Niles Bolton Associates. (Note: Niles Bolton Associates by G. Niles Bolton, AIA, previously made certification by letter dated August 27, 2002, a copy of which is attached hereto.)

I hereby state that to the best of my knowledge, information, and belief, the above referenced plat was made in accordance with the requirements of The Minimum Standards Manual For The Practice of Land Surveying in South Carolina, and meets or exceeds the requirements for a class A survey as specified therein. Also there are no visible encroachments or projections other than shown.

Signed this 14 day of October, 2002.



ABSOLUTE SURVEYING, INC.
Covert Boyd Nelson
Covert Boyd Nelson
S.C. R.L.S. No. 14813

OK M 426PG303

Niles Bolton Associates

2101 Westview Road, N.E.
Suite 100
Atlanta, Georgia 30328
404.368.1648
Fax: 404.368.3438
Email: niles@nilesbolton.com

August 27, 2002

Brian F. Kernaghan, Esquire
Nixsen Pines Jacoby Pollard & Robinson, LLP
2411 North Oak Street, Suite 105
Myrtle Beach, SC 29577

Re: The Bristol Condominiums, Charleston, SC
NDA #99030.10

Dear Mr. Kernaghan:

This letter is to serve as the Architect's Certification for the above referenced project as requested by you for attachment to the Master Deed.

The undersigned Architect, registered to practice architecture in the State of South Carolina, certifies that these documents reflect, to the best of the Architect's knowledge, information and belief, the observable and accessible configuration of the structures as designed by the Architect. They show floor plans and elevations of the building, and graphically show the dimensions, areas and locations of each condominium therein, with the dimensions, areas and location of the common elements affording access to each condominium.

Please do not hesitate to call with any questions and/or comments.

Sincerely,

NILES BOLTON ASSOCIATES


G. Niles Bolton, AIA



Signature of Registered Architect

ATTACHMENT (NDA) Condominium Conversion #10, 10/02

Atlanta, GA
Niles Bolton
770.368.1648
Fax: 770.368.3438

San Jose, CA
Niles Bolton
408.279.1648
Fax: 408.279.3438

www.nilesbolton.com

Architecture • Urban Design • Interiors • Landscape Architecture

Exhibit "B" - Page - iii -

NPA01762-15-PD-087Q 015819-00093

Exhibit "C"

Schedule of Assigned Values, Percentage Interests, Storage Space and Parking Spaces for Each Unit

This is a schedule of Assigned Values and Percentage Interests in the Common Areas appurtenant to Units in the Bristol Horizontal Property Regime. This Schedule also set forth the assigned storage and parking spaces¹ Limited Common Areas appurtenant to each Unit. The Assigned Value is for statutory purposes only and has no relationship to the actual value of each Unit.

The Bristol

Unit Number by Architect's Floor Plan	Unit Number by Regime Address ¹	Statutory Value	Statutory Percentage	Assigned Storage Spaces LCA ²	Assigned Parking Spaces LCA ² Shown in Plan	Assigned Parking Spaces By Regime Number in Building	Architectural Type
301	3001	\$2,000	1.85185%	8	A36 A35	139 141	D - The Devonshire
302	3002	\$2,000	1.85185%	39	A26 A27	144 146	B - The Buckingham
303	3003	\$2,000	1.85185%	40	A67 A68	174 176	H - The Hampton
304	3004	\$2,000	1.85185%	43	A69 A70	170 172	H - The Hampton
305	3005	\$2,000	1.85185%	42	A71 A72	166 168	C - The Canterbury
306	3006	\$2,000	1.85185%	41	A73 A74	162 164	H - The Hampton
307	3007	\$2,000	1.85185%	46	A43 A44	157 159	H - The Hampton
308	3008	\$2,000	1.85185%	45	A41 A42	153 155	G - The Greenwich
309	3009	\$2,000	1.85185%	44	A33 A34	135 137	B - The Buckingham
310	3010	\$2,000	1.85185%	1	A31 A32	131 133	B - The Buckingham
311	3011	\$2,000	1.85185%	2	A24 A25	140 142	A - The Aberdeen
312	3012	\$2,000	1.85185%	3	A3 A4	104 106	E - The Essex
313	3013	\$2,000	1.85185%	4	A5 A6	108 110	E - The Essex
314	3014	\$2,000	1.85185%	34	A7 A8	112 114	C - The Canterbury
315	3015	\$2,000	1.85185%	6	A9 A10	116 118	F - The Faversham
316	3016	\$2,000	1.85185%	7	A14 A15	120 122	D - The Devonshire
317	3017	\$2,000	1.85185%	9	A16 A17	124 126	D - The Devonshire
318	3018	\$2,000	1.85185%	10	A47 A48	156 158	I - The Inverness
401	4001	\$2,000	1.85185%	47	B55 B54	204 206	D - The Devonshire
402	4002	\$2,000	1.85185%	48	B53 B52	208 210	B - The Buckingham
403	4003	\$2,000	1.85185%	49	B51 B50	212 214	H - The Hampton
404	4004	\$2,000	1.85185%	50	B49 B48	216 218	H - The Hampton
405	4005	\$2,000	1.85185%	27	A58 A58	181 183	C - The Canterbury
406	4006	\$2,000	1.85185%	28	A56 A57	177 179	H - The Hampton

¹ Old Bridgeview Lane, Charleston, South Carolina 29403

² LCA - Limited Common Area

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The Bristol

Unit Number by Architect's Floor Plan	Unit Number by Building Address ¹	Statutory Value	Statutory Percentage	Assigned Storage Space LCA ²	Assigned Parking Spaces LCA ² Shown in Plans	Assigned Parking Spaces By Space Number in Building	Architectural Type
407	4007	\$2,000	1.85185%	29	A54 A55	173 173	H - The Hampton
408	4008	\$2,000	1.85185%	30	A52 A53	169 171	G - The Greenwich
409	4009	\$2,000	1.85185%	31	B15 B23	255 257	B - The Buckingham
410	4010	\$2,000	1.85185%	32	B24 B25	251 253	D - The Buckingham
411	4011	\$2,000	1.85185%	33	B26 B27	247 249	A - The Aberdeen
412	4012	\$2,000	1.85185%	19	B28 B29	245 243	E - The Essex
413	4013	\$2,000	1.85185%	20	B30 B31	239 241	E - The Essex
414	4014	\$2,000	1.85185%	21	B32 B33	237 235	C - The Canterbury
415	4015	\$2,000	1.85185%	22	A18 A19	128 130	F - The Faversham
416	4016	\$2,000	1.85185%	23	A20 A21	132 134	D - The Devonshire
417	4017	\$2,000	1.85185%	24	A22 A23	136 138	D - The Devonshire
418	4018	\$2,000	1.85185%	25	A49 A50	152 154	I - The Inverness
501	5001	\$2,000	1.85185%	51	B58 B59	211 213	D - The Devonshire
502	5002	\$2,000	1.85185%	52	B60 B61	215 217	B - The Buckingham
503	5003	\$2,000	1.85185%	53	B62 B63	219 221	H - The Hampton
504	5004	\$2,000	1.85185%	54	B64 B65	223 225	H - The Hampton
505	5005	\$2,000	1.85185%	38	B46 B47	220 222	C - The Canterbury
506	5006	\$2,000	1.85185%	18	B45 B44	232 234	H - The Hampton
507	5007	\$2,000	1.85185%	16	B43 B42	236 238	H - The Hampton
508	5008	\$2,000	1.85185%	15	B36 B37	227 229	G - The Greenwich
509	5009	\$2,000	1.85185%	14	B14 B13	259 261	B - The Buckingham
510	5010	\$2,000	1.85185%	5	B40 B39	242 244	B - The Buckingham
511	5011	\$2,000	1.85185%	26	D11 B12	263 265	A - The Aberdeen
512	5012	\$2,000	1.85185%	17	B21 B20	268 270	E - The Essex
513	5013	\$2,000	1.85185%	13	B19 B18	278 280	E - The Essex
514	5014	\$2,000	1.85185%	12	B3 B4	279 281	C - The Canterbury
515	5015	\$2,000	1.85185%	11	B5 B6	275 277	F - The Faversham
516	5016	\$2,000	1.85185%	35	B7 B8	271 273	D - The Devonshire
517	5017	\$2,000	1.85185%	36	B9 B10	267 269	D - The Devonshire
518	5018	\$2,000	1.85185%	37	B35 B34	231 233	I - The Inverness

\$108,000 99.99990%

¹ Old Bridgeview Lane, Charleston, South Carolina 29403

² LCA - Limited Common Area

RECORDER'S PAGE

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the original document.



Wiliam Jordan
1/12/03

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PEGGY A. MOSELEY
CHARLESTON COUNTY AUDITOR

FILED

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CHARLIE L. BRAND
REGISTER
CHARLESTON COUNTY SC

**PID VERIFIED
BY ASSESSOR**

REP LMG

DATE 12/12/03

(843) 958-4800 2 Courthouse Square Charleston, SC 29401

BK P 4396828

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON) SECOND AMENDMENT TO
MASTER DEED OF THE BRISTOL
HORIZONTAL PROPERTY REGIME

THIS SECOND AMENDMENT TO MASTER DEED OF THE BRISTOL
HORIZONTAL PROPERTY REGIME (the "Second Amendment") is made this 2nd day of
February, 2003, by Bristol Condominium Property Owners' Association, a South
Carolina Non-profit corporation, hereinafter called "Association."

W I T N E S S E T H:

WHEREAS, by "Master Deed of The Bristol Horizontal Property Regime" dated
August 30, 2002, recorded in the RMC Office for Charleston County in Book D-417 at Page 1
and subsequently amended by First Amendment to Master Deed of the Bristol Horizontal
Property Regime recorded in the RMC in Book M-426, Page 296 (hereinafter collectively
referred to as the "Master Deed"), Britlebank Condominiums, LLC, a South Carolina limited
liability company created a horizontal property regime upon certain property situate in
Charleston County, South Carolina; and

WHEREAS, pursuant to Article 17, Section 17.2(d) of the Master Deed, the Association
has the right to amend the Master Deed if such amendment is necessary, in the judgment of the
Board of Directors, to cure any ambiguity or to correct or supplement any provisions of the
Regime Documents that are defective, missing or inconsistent with any other provisions thereof,
so long as written objection to such amendment is not received from Members representing more
than fifty percent (50%) of the total votes of the Association within twenty (20) days after
written notice of the proposed amendment is given to all Members; and

WHEREAS, Britlebank Condominiums, LLC, the Developer of the Bristol
Condominium development reserved, or intended to reserve, certain easements over, across and
upon the Regime's Common Areas for the exclusive use and benefit of the adjacent marina
development, for which the Association and its Unit Owners and Members would enjoy certain
easements of use and enjoyment; and

WHEREAS, the Master Deed requires further amendment to correct certain errors and
ambiguities concerning the reserved easements of the Developer with respect to the adjacent
marina development; and

WHEREAS, notice of the proposed amendment has been given to the Members and
objection to such amendment has not been received from Members representing more than fifty
percent (50%) of the total votes of the Association within twenty (20) days after such written
notice.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that the Association
does hereby amend the Master Deed as herein provided:

Page 1

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I. Definitions. The words used in this Second Amendment, unless the context shall clearly indicate otherwise, shall have the same meanings as set forth in the Master Deed.

II. Amended Provisions. The following provisions of the Master Deed are hereby amended to correct ambiguities present therein.

Section 11.7. Section 11.7 is hereby deleted in its entirety and a new Section 11.7 is substituted therefor, which reads as follows:

11.7 Easements to Serve Adjacent Marina Development

The Developer hereby reserves for itself and its duly authorized agents, representatives, successors, successors-in-title, assigns, licensees, and mortgagees, an exclusive and non-exclusive, perpetual easements over, across and upon the Common Areas for the enjoyment, use, access, ingress, egress, parking and development for the benefit of any adjacent property developed, or which may be developed, whether public or private, and whether or not any such property is made subject to this Master Deed and further the right to grant to third parties such easements. The easement includes, but is not limited to, a right of access, ingress, egress, parking over the Common Areas and for construction of roads and for connecting and installing utilities and services on such property. The Developer may assign or grant the whole or any portion of its reserved easement on an exclusive or non-exclusive basis. The Developer agrees that it and its successors or assigns and grantees shall be responsible for any damage caused to the Common Areas as a result of vehicular traffic connected with development of such property. The Developer further agrees that if the easement is exercised for permanent access to such property and such property or any portion thereof is not made subject to this Master Deed, the Developer, its successors or assigns and grantees shall enter into a reasonable agreement with the Association to share the cost of maintenance of any private roadway, boardwalk, sidewalk or other such facility serving such property.

III. Amendment Certification. The President does hereby certify pursuant to the provisions of Section 17.2(e), in behalf of the Association and its Board of Directors, that the within Second Amendment to the Master Deed of The Bristol Horizontal Property Regime was duly adopted. By its execution below, the Developer does hereby signify its consent to the within made Second Amendment.

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3K P 4396830

IN WITNESS WHEREOF, the Developer has caused this SECOND AMENDMENT TO MASTER DEED OF THE BRISTOL HORIZONTAL PROPERTY REGIME to be executed the day and year first above written.

WITNESSES:

Bristol Condominium Property Owners'
Association, a South Carolina Non-profit
Corporation

Donna C. Jensen
Elizabeth A. Wanamaker

By: Timothy P. Walter
Timothy P. Walter
His: President

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared before me the undersigned witness who, being duly sworn, deposes and says that (s)he saw the within-named Bristol Condominium Property Owners' Association, a South Carolina Non-profit corporation, by Timothy P. Walter, its President, sign, seal and as its act and deed deliver the foregoing instrument, and that (s)he together with the other witness whose name appears as a witness, witnessed the execution thereof.

Elizabeth A. Wanamaker
(Witness)

SWORN to and subscribed before me
this 26th day of February, 2003.

Donna C. Jensen
Notary Public for South Carolina
My Commission Expires: 9-12-11

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Developer's Consent
to
Second Amendment To Master Deed Of The Bristol Horizontal Property Regime

WITNESSES:

BRITTLEBANK CONDOMINIUM, LLC

BY: BEACH BRITTLEBANK, LLC, its Member

By: The Beach Co., its Manager

By: [Signature]

Name: T. Darryl Raina

Its: Executive Vice President

By: [Signature]

Name: Leonard D. Shaw

Its: Vice President

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared before me the undersigned witness who, being duly sworn, deposes and says that (s)he saw the within-named Brittlebank Condominiums, LLC, a South Carolina limited liability company, by Beach Brittlebank, LLC, its Member, by The Beach Co., its Manager, by T. Darryl Raina, its Exec, and Leonard D. Shaw, its VP, sign, seal and as its act and deed deliver the foregoing instrument, and that (s)he together with the other witness whose name appears as a witness, witnessed the execution thereof.

[Signature]
(Witness)

SWORN to and subscribed before me
this 28th day of February 2003

[Signature]
Notary Public for South Carolina
My Commission Expires: 9.12.11

Page 4

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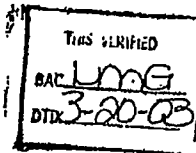
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CHARLIE LYDRAND
REGISTER
CHARLESTON COUNTY SC



RECEIVED FROM RMC

MAR 20 2003

PEGGY A. MOSELEY
CHARLESTON COUNTY AUDITOR

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

MASTER DEED
OF THE BRISTOL
HORIZONTAL PROPERTY REGIME

TO ALL WHOM THESE PRESENT MAY COME:

WHEREAS, Brittlebank Condominiums, LLC (the "Developer") is a South Carolina limited liability company, whose business address is PO Box 242, Charleston, South Carolina 29402; and

WHEREAS, the Developer is the owner of that certain real property more fully described in Exhibit "A" attached hereto located within the City of Charleston, Charleston County, South Carolina (the "Land"); and

WHEREAS, the Developer, through its development manager, The Beach Company, intends to construct certain improvements on the Land; and

WHEREAS, the Developer now deems it appropriate to organize a horizontal property regime by duly executing and recording this Master Deed in the Office of the Register of Mesne Conveyances for Charleston County, South Carolina ("RMC").

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the Developer hereby submits the Land more fully described in Exhibit "A" attached hereto and all improvements located thereon, together with all easements, rights and appurtenances thereunto belonging, to the provisions of Sections 27-31-10 et seq. of the South Carolina Code of Laws (1976) and hereby creates thereon a horizontal property regime (sometimes termed "condominium ownership") to be known as THE BRISTOL HORIZONTAL PROPERTY REGIME, subject to the following, INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO WITHDRAW UNIMPROVED PORTIONS OF THE LAND PURSUANT TO SECTION 14.2(b):

1. Definitions.

Unless defined herein or unless the context requires otherwise, the words defined in Section 27-31-20, South Carolina Code of Laws (1976), when used in this Master Deed or any amendment hereto, will have the meaning therein provided. The following words, as well as other defined terms set forth herein, when used in this Master Deed or any amendment or supplement hereto, unless the context requires otherwise, will be deemed to include the singular and plural forms as the context requires and have the following meanings:

"Assessment" means the amount assessed against an Owner and his Unit from time to time by the Association in the manner provided herein.

"Assigned Value" means the value assigned to each Unit in accordance with Exhibit "C" attached hereto and utilized for purposes of computing the Percentage Interest appurtenant to such Unit, which Assigned Value will not constitute the sales price of the Unit or be relied upon as a representation of the actual value of the Unit.

"Annual Assessment Period" means the fiscal year of the Association established by the Association's Board of Directors.

"Association" means Bristol Condominium Property Owners' Association, being an association of Owners of Units located in the Regime, in the form of a nonprofit, non-stock membership association, which will be incorporated in accordance with the Article of Incorporation, attached hereto as Exhibit "D" and the Nonprofit Corporation Act.

"Board of Directors" or "Board" means the Board of Directors of the Association, and "director" or "directors" means a member or members of the Board.

"Building," means the structure containing in the aggregate 54 Units comprising the Regime.

"Bylaws" means the Bylaws of the Association attached hereto as Exhibit "E," as amended from time to time in accordance with the terms of the Bylaws and this Master Deed.

"Common Area" means all of the Regime property after excluding the Units, including the following:

1. Easements through Units for conduits, ducts, plumbing, chimneys, wiring, and other facilities for the furnishing of utility services to Units and the Common Areas; provided, however, such easements through a Unit will be only according to the Plans for the Building, or as the Building is constructed unless otherwise approved by the Unit Owner
2. An easement of support in every portion of a Unit that contributes to the support of a Building.
3. Easements through the Units and Common Areas for maintenance, repair and replacement of the Units and Common Areas.
4. Installation for the furnishing of utility services to more than one Unit or to the Common Areas or to a Unit other than the one containing the installation, which installation will include ducts, plumbing, wiring, and other facilities for the rendering of such services.
5. The tangible personal property required for the maintenance and operation of the Unit, even though owned by the Association.
6. Lounge, fitness room, locker rooms, pool and associated offices.
7. Gatehouse or other controlled entry facilities, elevators, walkways, ponds, waterfalls and fountains and the Owners' room known as, "The Bristol Room," and exercise room, and pool facility.

When used herein, "Common Area" will be deemed to include any service provided by the Association in furtherance of the uses and purposes to which any of the aforesaid facilities are put

"Common Expense(s)" means (a) all expenses incident to the administration of the Association and maintenance, repair and replacement of the Common Areas and the Limited Common Areas, after excluding there from such expenses which are the responsibility of an Owner; (b) expenses determined by the Association to be Common Expenses and which are lawfully assessed against Owners; (c) expenses declared to be Common Expenses by the Condominium Act or the Regime Documents; and (d) reasonable reserves established for the payment of any of the foregoing.

"Condominium Act" means the Horizontal Property Act of South Carolina, South Carolina Code of Laws (1976), Section 27-31-10 to Section 27-31-300, as may be amended from time to time.

"Developer" means Brittlebank Condominiums, LLC, a South Carolina limited liability company, its successors and assigns.

"Institutional Mortgage" will mean and refer to a first lien Mortgage (prior to all other Mortgage liens) held by a bank, trust company, insurance company, or other recognized lending institution, or by an institutional or governmental insurer or purchaser of mortgage loans in the secondary market, such as Federal National Mortgage Association or Federal Home Loan Mortgage Corporation. Such term will also mean and refer to the holder of any Mortgage securing a loan made by the Developer, its affiliates, successors, or assigns

"Land" means the Land which is described in Exhibit "A" attached hereto, as said exhibit may be amended from time to time in accordance with the provisions of this Master Deed to withdraw unimproved portions thereof from the Regime.

"Limited Common Area" means that portion of the Common Area set aside and allocated for the exclusive use of the Owner of the Unit to which attached or assigned, and will include that portion of any Common Area that is pierced by the Unit's interior stairs, if any; a Unit's chimney structure and flue, if any; air conditioner units and condensers and hot water heaters located outside of the Unit, and the spaces occupied by same; assigned storage lockers or spaces in the first and second floors of the Building; assigned parking in the first and second floors of the Building; and the balcony adjacent to the Unit. Exhibit "C" hereto incorporates a schedule of the storage space and the two parking spaces appurtenant to each Unit as Limited Common Areas thereof.

"Master Deed" means this document, as amended from time to time.

"Member" means each Owner who is a member of the Association.

"Mortgage" will mean and refer to a mortgage, security deed, deed of trust, installment land sales contract, or other similar security instrument granting, creating, or conveying a lien upon, a security interest in, or a security title to a Unit.

"Mortgagee" will mean and refer to the holder of a Mortgage.

"Nonprofit Corporation Act" means and refers to the South Carolina Nonprofit Corporation Act of 1994, South Carolina Code of laws (1976), Sections 33-31-101, et. seq., as amended from time to time.

"OCRM" means the Office of Ocean and Coastal Resource Management of the South Carolina Department of Health and Environmental Control.

"Owner" means the record owner, whether one or more persons, of fee simple title in and to any Unit; excluding, however, those persons having such interest merely as security for the performance of an obligation.

"Percentage Interest" means the undivided percentage interest owned by each Owner as a tenant-in-common in the Common Areas. "Total Percentage Interest" means the aggregate of all the Percentage Interests.

"Plans" mean and include the site plan and the floor plans of the Project which are filed as an attachment to this Master Deed showing the boundaries of the Land, the horizontal and vertical location of the improvements and Common Areas of the Project thereon and certified by a licensed engineer or architect in accordance with the provisions of the Condominium Act.

"Project" means, collectively, the Land, the Building and all other improvements and structures located thereon, and all easements, rights and appurtenances belonging thereto, submitted to the Condominium Act by this Master Deed, as amended from time to time in accordance with the provisions hereof.

"Regime" means the horizontal property regime established by this Master Deed, including all appurtenances and incidents of ownership attendant therewith.

"Regime Documents" means and includes this Master Deed, all Exhibits hereto, the Articles of Incorporation of the Association, the Bylaws and the Rules and Regulations, all as amended from time to time in accordance with the provisions thereof or in accordance with the laws of the State of South Carolina.

"Rules and Regulations" means the rules and regulations from time to time promulgated by the Board of Directors governing the use of the Common Areas and Units.

"Transition Period" means the time period commencing on the date of recording of this Master Deed and ending on the earlier of:

1. December 31, 2008; or
2. Three (3) months after the conveyance of forty-nine (49) Units in the ordinary course of Developer's business; or
3. Three (3) months following the date the Developer surrenders its authority as a Class "B" Member of the Association to appoint and remove directors and officers of the Association by an express amendment to this Master Deed executed and filed of record by Developer.

"Trustee" means the Board of Directors acting as a fiduciary for the benefit of the Association and the Owners in holding certain funds and providing services as provided herein, or such bank or trust company authorized to do trust business in the State of South Carolina and appointed therefor by the Board of Directors.

"Unit" means that part of the Regime intended principally for residential use by an Owner, situate within the Unit boundaries described in this Master Deed, including Exhibit "B" attached hereto, as amended from time to time in accordance with the provisions of this Master Deed and constituting an "apartment" as defined in the Condominium Act. Each Unit will be identified in the architect's floor plans incorporated in and made a part of Exhibit "B" attached hereto by a specific letter, number or combination thereof, which identification will be sufficient to identify the Unit for all purposes. "Unit" will also mean all the components of ownership held by an Owner, including not only the rights and interests of the Owner in and to the Unit, but also the rights of use of and the undivided interest in the Common Area.

2. Administration

2.1 The Association.

The administration of the Regime will be the responsibility of the Association, which will be made up of all the Owners of Units in the Regime. The Regime Documents, as the same may be amended from time to time, will govern the Association and the Owners.

2.2 Membership.

Each Owner of a Unit, including the Developer, will be a Member of the Association. Membership will be appurtenant to and may not be separated from ownership of a Unit and ownership of a Unit will be the sole qualification for such membership. In the event that fee title to a Unit is transferred or otherwise conveyed, the membership in the Association that is appurtenant thereto will automatically pass to such transferee, notwithstanding any failure of the transferor to endorse to his transferee any certificates or other evidences of such membership. The foregoing is not intended to include any Mortgagee or any other person who holds an interest merely as security for the performance of an obligation, and the giving of a security interest will not terminate or otherwise affect an Owner's membership in the Association.

2.3 Agreements.

The Association will be and hereby is authorized to enter into such contractual arrangements, including without limitation, management contracts, as it may deem necessary or desirable for the administration and operation of the Regime; provided, however, from and after the Transition Period, the Association will not enter into any contractual arrangement with a term of longer than two (2) years without Member approval therefor by a majority of the votes cast by written ballot or in person or by proxy at a meeting at which a quorum is present. Anything contained herein to the contrary notwithstanding, the following contracts will be exceptions to this provision:

(i) Any contract with a utility company if the rates charged for the materials or services are subject to regulation by the South Carolina Public Service Commission; provided, however, that the term of the contract will not exceed the shortest term for which the utility will contract at the regulated rate in effect at the contract date;

(ii) The Bulk Installation and Service Agreement by and between Comcast Cablevision of Carolina, Inc. and Brittlebank Condominiums, LLC dated September 10, 2001 for the installation and provision of CATV service to the Regime

(iii) Any prepaid casualty and/or liability insurance policy with a term not to exceed three (3) years, provided that the policy permits short rate cancellation by the insured;

(iv) Any future contract for cable television services and equipment or satellite dish television services and equipment; and

(v) Any contract for the sale or lease of burglar and/or fire alarm equipment, installation and/or services

Each Owner by acquiring or holding an interest in a Unit thereby ratifies and agrees to be bound by the terms and conditions of all such contractual arrangements entered into by the Board of Directors on behalf of the Association prior to the conveyance of the Unit to the Owner.

2.4 Books and Records.

The Association will keep full and accurate books of account and financial records showing all receipts and disbursements. In particular, the books will be maintained with a detailed account, in chronological order, of the receipts and expenditures affecting the Regime and its administration, and specifying the maintenance and repair expenses of the Common Area as well as other expenditures incurred. Vouchers accrediting the entries made thereupon will also be maintained in chronological order.

2.5 - Financial Statements.

No later than 120 days after the close of any fiscal year of the Association, the Association will cause financial statements for such fiscal year to be prepared (but not necessarily certified) by a public accountant licensed in the State of South Carolina. Copies of the financial statements will be available to any Owner or Mortgagee upon written request to the Association. The Association may charge a reasonable fee for copying such statements.

2.6 Access to Information.

The Association will make available to Owners of any Unit and to any Mortgagee current copies of the Regime Documents and the books, records, vouchers, contractual arrangements and financial statements of the Association. "Available" means available for reasonable inspection upon request during normal business hours or under other reasonable circumstances. The Association may charge reasonable copying costs for any requested copies or extracts. Any party entitled to the benefits of this Section 2.6 will be permitted to designate one or more agents who will be permitted to represent said party in connection with any and all reviews of the Regime Documents and books, records, contractual arrangements and financial statements of the Association.

2.7 Rules and Regulations.

The Board of Directors will be entitled to promulgate reasonable Rules and Regulations from time to time, which will be binding on the Association and all Owners and lessees of Owners, their families, invitees and guests, regarding the use and enjoyment of Units and Common Areas. Any fine which may be imposed

against the Association by OCRM or by any other governmental agency for any violation of law or as a result of damage to marsh or any other protected property of the Regime by an Owner or by his renter, lessee or invitee shall be added to such Owner's Assessments and shall become a lien upon his Unit. Copies of the current Rules and Regulations will be furnished to Owners and lessees of Owners upon request.

2.8 Professional Property Manager.

The Beach Company is engaged to manage the day-to-day affairs for the Developer, as well as the Association.

2.9 Collections and Remission of Optional Cable Television, Telephone and Other Charges; Master Utility Charges.

In the event the Association at any time secures any optional cable, telephone or other service, including broadband communications access, the Association will be entitled to collect fees charged to those Unit Owners who elect to receive such optional service made available to the Unit Owners through the Regime and remit the same to the provider thereof on behalf of such Unit Owners. Such elective costs and expenses will not be deemed a Common Expense hereunder, but will be charged to the Units Owners separately from their Assessment. Furthermore, the Board of Directors will pay any master utility meter charge, base cable to all Units, or other blanket utility fee for services to all Units not otherwise separately metered or charged to individual Units. Such master cost and expense will be a Common Expense hereunder; provided, however, in the event actual costs exceed the budgeted costs therefor, such unbudgeted excess may be prorated and charged to the Units Owners separately from their Assessment, and will not require payment thereof from any other budget line item surplus or a Special Assessment or other extraordinary measure of collection.

3. Property Rights

3.1 Units.

Each Unit will for all purposes constitute a separate parcel of real property which, subject to the provisions of this Master Deed, may be owned in fee simple and which may be conveyed, transferred, leased and encumbered in the same manner as any other real property. Each Owner, subject to the provisions of the Condominium Act and this Master Deed, will be entitled to the exclusive ownership and possession of his Unit.

3.2 Description of Units

The dimensions, area and location of the Units are as set forth on Exhibit "B" attached hereto and are generally intended to include the following:

(a) Horizontal (Upper and Lower).

(i) The upper horizontal boundary of each Unit is the plane formed by the uppermost, unexposed surface of the wallboard or other material comprising a part of the ceiling in the uppermost story of the Unit.

(ii) The lower horizontal boundary of each Unit is the plane formed by the finished surface of the concrete slab or uppermost surface of the subflooring on which the lowermost story of the Unit is constructed.

(b) Vertical (Perimetric or Lateral). The vertical boundaries of each Unit are the planes formed by the outermost, unexposed surface of the wallboard or other surface comprising the perimeter walls enclosing the Unit.

(c) Units Deemed to Include. Notwithstanding the description of the boundaries set forth above, the Units shall be deemed to include the following: all portions of the plumbing, heating, electrical, and air conditioning systems (including furnaces, compressors, components, pipes, wires, conduits, ducts, and the like) serving only that Unit even if partially outside the boundaries of the Unit; all windows, glass surfaces, and doors (including window and door frames and the hardware thereof) serving the Unit; all window screens and screens on any screened balcony; and any fireplace or stove hearth, facing brick, tile or firebox; provided, however, that a Unit shall not include any of the structural components of the Building or utility or service lines within the Unit but serving more than one Unit. In interpreting deeds and plans, the existing physical boundaries of a Unit as originally constructed or of a Unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in any deed or plan, regardless of settling or lateral movement of the Building, and regardless of minor variance between the boundaries shown on the plans or in a deed and those of the Unit.

The ownership of each Unit shall include, and there shall pass with each Unit as an appurtenance thereto whether or not separately described in the conveyance thereof, that percentage of the right, title and interest in the Common Areas attributable to such Unit, together with membership in the Association and an undivided interest in the funds and assets held by the Association. Every portion of a Unit and all Limited Common Area contributing to the support of an abutting Unit shall be burdened with an easement of support for the benefit of such abutting Unit.

3.3 Modification of Units

The Developer, on behalf of itself, its successors and assigns, hereby reserves the right to modify or reconstitute, at any time and from time to time, one or more Units owned by Developer or its affiliates without the consent of the Association or any Owner other than those who may be directly affected; provided, however, that the aggregate Percentage Interest assigned to the Units so affected will not change even though the same may be reallocated among such changed Units. If Developer makes any changes in Units pursuant to this Section 3.3, such changes will be reflected by an amendment of this Master Deed which will be duly recorded in the RMC. Such amendment will not require the consent of Owners other than the Developer.

3.4 Common Area and Limited Common Area

(a) Percentage Interest. The Owners will own the Common Area as tenants-in-common, with each Unit having, appurtenant thereto, the Percentage Interest in the Common Areas set forth in Exhibit "C" attached hereto; provided, however, that the use of the Limited Common Area will be restricted as set forth in Section 3.4(e). The Percentage Interest appurtenant to each Unit has been determined by dividing the Assigned Value of the respective Unit as shown on Exhibit "C" by the aggregate Assigned Value of all Units as shown on Exhibit "C." The value assigned to any Unit in Exhibit "C" does not represent the sales price or market value of the Unit and will only be utilized for purposes of computing the Percentage Interest appurtenant to the respective Unit.

(b) Inseparability of Percentage Interests. The Percentage Interest in the Common Area cannot be separated from the Unit to which it appertains and will be automatically conveyed or encumbered with the Unit even though such Percentage Interest is not expressly mentioned or described in the deed or other instruments.

(c) No Partition. The Common Area will remain undivided and no right to partition the same or any part thereof will exist except as provided in the Condominium Act, the Bylaws and this Master Deed.

(d) Use of Common Area. The Common Area will be used in accordance with the intended purposes without hindering the exercise of or encroaching upon the rights of other Owners. The Board of Directors will, if any question arises, determine the purpose for which a part of the Common Area is intended to

be used. All Owners and lessees of Owners, their families, invitees and guests will abide by all Rules and Regulations from time to time in effect governing the use of the Common Area.

(e) Use of Limited Common Area. Anything to the contrary contained herein notwithstanding, ownership of each Unit will entitle the Owner or Owners thereof to the exclusive use of the Limited Common Area adjacent and appurtenant to such Unit, which exclusive use may be delegated by such Owner to persons who reside in his Unit. All Owners and lessees of Owners, their families, invitees and guests will abide by all Rules and Regulations from time to time in effect governing the use of the Limited Common Area. An Owner will be responsible for maintenance and repair of the Limited Common Area appurtenant to his Unit as set forth in Section 8.3 below.

(f) Reservation of Easements and Use, Expansion and Contraction Rights. The Common Areas will be subject to all easements and use, expansion and contraction rights, if any, reserved by the Developer hereunder.

3.5 Status of Title of Project.

The Developer represents to the Association and all the Owners that, as of the effective date hereof, the Developer has marketable, fee simple title to the Project. The rights and interests of all Owners in and to the Regime will be subject only to (a) liens for real estate taxes for the current year and subsequent years; (b) existing and/or recorded easements, conditions, covenants, declarations, reservations and restrictions including, without limitation, those set forth in this Master Deed; (c) easements and use rights, if any, reserved by the Developer hereunder; and (d) applicable governmental regulations, including zoning laws, which may be imposed upon the Regime from time to time.

3.6 Limited Warranty From Developer.

FOR A PERIOD OF ONE (1) YEAR FROM THE DATE OF COMPLETION OF CONSTRUCTION (BEING THE LATER OF SUBSTANTIAL COMPLETION UNDER THE CONSTRUCTION CONTRACT, OR THE DATE A CERTIFICATE OF OCCUPANCY IS ISSUED THEREFOR), THE DEVELOPER SHALL AT NO COST TO THE ASSOCIATION REPAIR OR REPLACE (IN THE DEVELOPER'S DISCRETION) ANY PORTIONS OF THE COMMON AREA (EXCEPT FIXTURES, ACCESSORIES AND APPLIANCES COVERED BY SEPARATE WARRANTIES OF THEIR RESPECTIVE MANUFACTURERS) WHICH ARE DEFECTIVE AS TO MATERIALS OR WORKMANSHIP. THIS LIMITED WARRANTY IS IN PLACE OF ALL OTHER CONTRACTUAL OBLIGATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AND THE DEVELOPER DISCLAIMS ALL OTHER CONTRACTUAL OBLIGATIONS OR WARRANTIES, INCLUDING ANY IMPLIED WARRANTIES OF HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE FULLEST EXTENT PERMITTED BY LAW, THE LIABILITY OF THE DEVELOPER SHALL BE LIMITED TO SUCH REPAIR OR REPLACEMENT AND THE DEVELOPER SHALL NOT BE LIABLE FOR DAMAGES OF ANY NATURE, WHETHER DIRECT, INDIRECT, SPECIAL OR CONSEQUENTIAL, REGARDLESS OF WHETHER SUCH DAMAGES ARE CLAIMED TO ARISE OUT OF THE LAW OF CONTRACT, TORT OR OTHERWISE, OR PURSUANT TO STATUTE OR ADMINISTRATIVE REGULATION. Each Owner, in accepting a deed from the Developer or any other party to a Unit, expressly acknowledges and agrees that this Section 3.6 establishes the sole liability of the Developer to the Association and the Owners related to defects in the Common Area and the remedies available with regard thereto. At the end of the one (1) year warranty period referred to hereinabove in this Section 3.6, the Developer will assign to the Association in writing all of its rights, claims, causes of action and demands which it has or which may thereafter accrue against all other people who may be responsible for the design and/or construction of the Common Area.

4. Assessments

4.1 Creation of Lien and Personal Obligation for Assessments.

Each Unit is and will be subject to a lien and permanent charge in favor of the Association for the Assessments set forth herein. Each Assessment, together with interest thereon and cost of collection thereof as hereinafter provided, will be a permanent charge and continuing lien upon the Unit against which it relates, and will also be the joint and several personal obligation of each Owner of such Unit at the time the Assessment comes due and upon such Owner's successor in title if unpaid on the date of the conveyance of such Unit, and each and every Owner by acquiring or holding an interest in any Unit thereby covenants to pay such amounts to the Association when the same will become due; provided, however, that no Owner acquiring title to any Unit at a foreclosure sale of any Institutional Mortgage, his successors and assigns, will have any personal obligation with respect to the portion of any Assessments (together with late charges, interest, fees and costs of collection) related to such Unit, the lien for which is subordinate to the lien of the Institutional Mortgage being foreclosed as provided in Section 4.8.

4.2 Annual Assessments.

At least thirty (30) days prior to the Association's next succeeding Annual Assessment Period the Board will adopt a budget for the next succeeding Annual Assessment Period by estimating the Common Expenses to be incurred during such Annual Assessment Period, including a reasonable allowance for contingencies and operating and replacement reserves, such budget to take into account the projected anticipated income which is to be applied in reduction of the amount to be collected as an assessment. Upon adoption of the budget, a copy thereof will be delivered to each Owner. The Annual Assessment fixed against each Unit will be based upon said budget and in proportion to the respective Percentage Interests of each Unit subject to assessment, and the Board will give written notice to each Owner of the Annual Assessment fixed against his Unit for such next succeeding Annual Assessment Period; provided, however, the delivery of a copy of said budget will not be a condition precedent to an Owner's liability for payment of such Annual Assessment. In fixing the annual budget, the Board of Directors shall reflect in the budget the recommendations of a maintenance audit conducted by a professional inspector at such frequency as the Board shall determine, but not less frequently than every three (3) years. The Board shall provide the Developer with a copy of each such inspection report or maintenance audit findings. The Board shall not be relieved of its duty to contract for a maintenance audit by virtue of the Developer's inspections pursuant to Section 11.5 below.

The Annual Assessment will not be used to pay for the following:

- (a) Casualty insurance of individual Owners on their possessions within the Units and liability insurance of such Owners insuring themselves and their families individually, which will be the sole responsibility of such Owners;
- (b) Ad valorem taxes assessed against Units;
- (c) Other charges or expenses related solely to individual use or occupancy of any Unit; or
- (d) Amounts charged directly to Owners pursuant to any amendment to this Master Deed providing for the collection of assessments or use fees for any docks or boat slips constructed within or adjacent to the Project.

It is anticipated that ad valorem taxes and other governmental assessments, if any, upon the Project will be assessed by the taxing authority upon the Unit, and that each assessment will include the assessed value of the Unit and of the undivided interest of the Owner in the Common Area; provided, however, that for the current calendar year, the ad valorem taxes will be based upon the condition of the Land as of January 1, and the

Developer will be liable for that portion of the taxes applicable to the period prior to the recordation of this Master Deed. When current ad valorem taxes are due and payable, the remainder of the ad valorem taxes for the current calendar year will be prorated between the Developer and each Owner based upon the Owner's Percentage Interest and based upon the number of days each owned the Unit as evidenced by the date of the Unit Deed. Any such taxes and governmental assessments upon the Project, which are not so assessed, will be included in the Association's budget as a recurring expense and will be paid by the Association as a Common Expense. Except as otherwise provided herein, each Owner is responsible for making his own return of taxes and such return will include such Owner's undivided interest in the Common Area as such undivided interest is determined by law for purposes of returning taxes.

4.3 Rounding.

Annual Assessments charged by the Association will be rounded off to the nearest dollar.

4.4 Special Assessments.

In addition to the Annual Assessments, the Board of Directors may levy in any calendar year "Special Assessments" for the purpose (i) of supplementing the Annual Assessments if the same are inadequate to pay the Common Expenses and (ii) of defraying, in whole or in part, the cost of any reconstruction, repair, or replacement of the Common Area; provided, however, that any such Special Assessment which in the aggregate exceeds twenty percent (20%) of the total Annual Assessments for such year will have the approval of Members therefor by a majority of the votes cast by written ballot or in person or by proxy at a meeting at which a quorum is present, duly called for the express purpose of approving such Special Assessment.

4.5 Date of Commencement of Annual Assessments; Due Dates.

Although the Annual Assessment is calculated on a yearly basis for the Annual Assessment Period, each Owner of a Unit will be obligated to pay to the Association or its designated agent such Assessment in advance in monthly, quarterly, semi-annual or annual installments as established by the Board. An installment shall be due and payable on the due date established by the Board, but in the absence of any such specific due date, the installment shall be due and payable in full on or before the last day of the month in which the Assessment is billed.

The obligations of Owners regarding the payment of monthly portions of the Annual Assessment provided for in this Section 4.5 will, as to each Unit, commence upon the recording of this Master Deed. The first monthly payment of the Annual Assessment for each such Unit will be an amount equal to the monthly payment for the Annual Assessment Period in progress on such commencement date, divided by the number of days in the month of conveyance, and multiplied by the number of days then remaining in such month.

The Association will, upon demand at any time, furnish any Owner liable for any such Assessment a certificate in writing signed by an Officer of the Association or the property manager of the Association, setting forth whether the same has been paid. A reasonable charge, as determined by the Board, may be made for the issuance of such certificate. Such certificate will be conclusive evidence of payment of any Assessment stated to have been paid as to any person or entity that has relied on the certificate to his or its detriment.

4.6 Effect of Non-Payment of Assessment; the Personal Obligation of the Owner; the Lien; Remedies of Association.

(a) If an Assessment is not paid on the date when due, as hereinabove provided in Section 4.5, then such Assessment together with such late charges and interest thereon and any costs of collection thereof as hereafter provided, will be a charge and continuing lien on the Unit to which it relates, and will bind such

property in the hands of the Owner, his heirs, legal representatives, successors, and assigns. The personal obligation of the then Owner to pay such Assessment, however, will remain his personal obligation, and if his successors in title assume his personal obligation, such prior Owner will nevertheless remain as fully obligated as before to pay to the Association any and all amounts which he was obligated to pay immediately preceding the transfer. Furthermore, such prior Owner and his successor in title who assumes such liabilities will be jointly and severally liable with respect thereto, notwithstanding any agreement between such prior Owner and his successor in title creating the relationship of principal and surety as between themselves, other than one by virtue of which such prior Owner and his successor in title would be jointly and severally liable to pay such amounts.

(b) Any Assessment shall be due in full not later than the date hereinabove provided in Section 4.5, and any Assessment or portions thereof which is not paid when so due will be delinquent. Any delinquent Assessment will incur a late charge in an amount as may be determined by the Board from time to time and, upon adoption of a policy therefor by the Board of Directors, will also commence to accrue simple interest at the rate set by the Board of Directors from time to time. A lien and equitable charge as herein provided for each Assessment installment shall attach simultaneously as the same will become due and payable, and if an Assessment installment has not been paid as aforesaid, the entire unpaid balance of the Assessment installments for the Annual Assessment Period then in effect remaining to be paid during the fiscal year may be accelerated by the option of the Board and be declared due and payable in full.

(c) The Association may bring legal action against the Owner personally obligated to pay the same or foreclose its lien against the Unit to which it relates or pursue both such courses at the same time or successively. In any event, the Association will be entitled also to recover reasonable attorney's fees actually incurred and all other costs of collection. Each Owner, by his acceptance of a deed or other transfer of a Unit, vests in the Association or its agent the right and power to bring all actions against him personally for the collection of such charges as a debt and to foreclose the aforesaid lien in any appropriate proceeding at law or in equity. All Owners, to the fullest extent permitted by law, waive the right to assert any statute providing appraisal rights which may reduce any deficiency judgment obtained by the Association against any Owner in the event of such foreclosure and further, waive all benefits that might accrue to any Owner by virtue of any present or future homestead exemption or law exempting any Unit or portion thereof from sale. If the Association commences to foreclose its lien, the Owner may be required to pay a reasonable rental for the Unit after the commencement of the action and at its option the Association will be entitled to the appointment of a receiver to collect such rents. The Association will have the power to bid on the Unit at any foreclosure sale and to acquire, hold, lease, mortgage and convey the same. No Owner may be relieved from liability from the Assessment provided for herein by abandonment of his Unit or otherwise.

(d) During any period in which an Owner will be in default in the payment of any Annual or Special Assessment levied by the Association, the voting rights of the Owner and the rights of the Owner and lessees of the Owner, their families, invitees and guests, to use and enjoy the recreational areas of the Common Area may be suspended by the Board of Directors until such time as the Assessment has been paid.

4.7 Developer's Unsold Units

So long as the Developer owns any Unit for sale, the Developer shall pay its prorata Assessment for each such Unit.

4.8 Subordination of the Charges and Liens to Institutional Mortgages.

(a) The lien and permanent charge for the Assessments (together with late charges, interest, fees and cost of collection) authorized herein with respect to any Unit is hereby made subordinate to the lien of any holder of an Institutional Mortgage or his assigns placed on such Unit, and all Assessments with respect to such Unit having a due date on or prior to the date such Institutional Mortgage is filed for record have been paid. The lien and permanent charge hereby subordinated is only such lien and charge as relates to Assessments

authorized hereunder having a due date subsequent to the date such Institutional Mortgage is filed for record and prior to the satisfaction, cancellation or foreclosure of such Institutional Mortgage.

(b) Such subordination is merely a subordination and will not relieve the Owner of the mortgaged Unit of his personal obligation to pay all Assessments coming due at a time when he is the Owner; will not relieve such Unit from the lien and permanent charge provided for herein (except as to the extent the subordinated lien and permanent charge is extinguished against a Mortgagee or such Mortgagee's assignee or transferee by foreclosure); and no sale or transfer of such Unit to the Mortgagee or to any other person pursuant to a foreclosure sale will relieve any previous Owner from liability for any Assessment coming due before such sale or transfer.

(c) To the extent any subordinated lien and permanent charge for any Assessment is extinguished by foreclosure of any Institutional Mortgage, then the amount or amounts otherwise secured thereby which cannot otherwise be collected will be deemed a Common Expense collectible from all Owners, including the person who acquires title through the foreclosure sale.

4.9 Reserves.

The Board of Directors will establish and maintain an adequate reserve fund for the periodic repair and replacement of the Common Area. The Board of Directors will include amounts needed to maintain an adequate reserve fund in its estimation of the Common Expenses for each fiscal year and will cause deposits to the reserve fund to be made in connection with the collection of the Annual Assessment

4.10 Working Capital Collected at Initial Closing.

Notwithstanding anything to the contrary in this Master Deed, a working capital fund will be established for the Association by collecting from each Owner who acquires title to his Unit from the Developer a working capital amount equal to 2/12ths of the Annual Assessment then in effect, which Assessment will be due and payable at the time of transfer of each Unit by the Developer to any other Owner. Each such Owner's share of working capital, as aforesaid, will be transferred to the Association at the time of closing the conveyance from the Developer to the Owner. Such sum is and will remain separate and distinct from the Annual Assessment and will not be considered advance payment of the Annual Assessment. The working capital receipts may be used by the Association in covering operating expenses as well as any other expense incurred by the Association pursuant to this Master Deed and the Bylaws.

5. Insurance and Casualty Losses

5.1 Hazard Insurance

(a) The Association will obtain, maintain and pay the premiums, as a Common Expense, upon a "master" or "blanket" type policy or policies of property insurance covering the entire Project, except (i) land, foundation, excavation, or other items normally excluded from coverage; (ii) all improvements and betterment made to Units by Owners at their expense; and (iii) personal property of Owners and lessees of Owners, their families, invitees and guests. Such coverage will also insure supplies, equipment and other personal property of the Association. All policies of property insurance will be single entity condominium insurance coverage. The master insurance policy will afford, at a minimum, protection against loss or damage by fire and other perils normally covered by standard extended coverage endorsements; and all other perils which are customarily covered with respect to condominium projects similar in construction, location and use, including all perils normally covered by a standard "special coverage" endorsement, where such is available. The policy will be in an amount equal to one hundred (100%) percent of the current replacement cost of the Project, exclusive of land, foundations, excavation, and other items normally excluded from coverage. Policies shall be subject to such "deductible amounts" as the Board of Directors shall determine to be reasonable in the exercise of its business

judgment, any such deductible amount will be considered a Common Expense and borne by the Association regardless of the number of Owners directly affected by the loss and reserves will be established therefor.

(b) The name of the insured under the master policy will be substantially as follows: "Bristol Condominium Property Owners' Association for the use and benefit of the Individual Owners of Units in Bristol Horizontal Property Regime." Loss payable provisions will be in favor of the Association and the Trustee, as a trustee for each Owner, and each such Owner's Mortgagee as the interests of such parties may appear. Each Owner and his respective Mortgagee, if any, will be beneficiaries of the policy in a percentage equal to the Percentage Interest attributable to the Unit owned by such Owner. All policies will contain a standard mortgagee clause, or equivalent endorsement (without contribution), which is commonly accepted by Institutional Mortgage investors in the area in which the Project is located, and which appropriately names all Mortgagees or their servicer in such form as requested by such Mortgagees or their servicer.

(c) All policies will be written with a company holding a general policyholder rating of "A" or better by Best's Insurance Reports and in a financial category of Class VI or better in Best's Key Rating Guide. Policies are unacceptable where (i) under the terms of the insurance carrier's charter, bylaws or policy, contributions or assessments may be made against the Association, Owners, Mortgagees or the designees of Mortgagees; (ii) by the terms of the carrier's charter, bylaws or policy, loss payments are contingent upon action by the carrier's board of directors, policy holders or members; or (iii) the policy includes any limiting clause (other than insurance provisions) which could prevent Mortgagees or Owners from collecting insurance proceeds. Policies may not be cancelable or substantially modified by any party without at least ten (10) days prior written notice to the Association and each Mortgagee, which is listed as a scheduled holder of a first Mortgage in the insurance policy. Policies should also contain a "special condominium endorsement" or its equivalent which provides for the following: recognition of any insurance trust agreement; a waiver of the rights of subrogation against Owners individually; the insurance is not prejudiced by any act or negligence of individual Owners which is not under the control of the Association or such Owners collectively; and the policy is primary in the event the Owner has other insurance covering the same loss.

(d) The Association will provide to Owners and/or Mortgagees requesting the same in writing a certificate of insurance, or a copy of the certificate of insurance, for the Regime, for which the Association may charge reasonable copying costs.

(e) Each Owner may obtain additional insurance at his own expense; provided, however, that no Owner will be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Association, on behalf of all of the Owners and their Mortgagees, may realize under any insurance policy which the Association may have in force on the Project at any particular time. Any diminution in insurance proceeds otherwise payable under the Association's policies that results from the existence of any Owner's policy will be chargeable to the Owner who acquired such other insurance. Any Owner who obtains an individual insurance policy covering any portion of the Project, other than the personal property belonging to such Owner, will file a copy of such policy with the Association within thirty (30) days after purchasing such insurance. Each Owner, at his own expense, may obtain on his Unit or the contents thereof, title insurance, homeowner's liability insurance, theft and other insurance covering improvements, betterment and personal property damaged and lost. In addition, risk of loss with respect to any improvements made by an Owner within his Unit shall be that of the Owner. Betterments coverage or "improvements insurance" shall be secured solely by an Owner wishing such coverage of his risk of loss, and the Association shall have no liability therefor.

5.2 Liability Insurance

The Association will obtain, maintain and pay the premiums, as a Common Expense, upon a policy of comprehensive general liability insurance coverage covering at a minimum all of the Common Area. Coverage limits will be in amounts generally required by private Institutional Mortgage holders for projects similar

in construction, location and use to the Project; provided, however, that such coverage will be for at least \$1,000,000 for bodily injury, including death of persons, and property damage arising out of a single occurrence. Coverage under this policy will include, without limitation, legal liability to the insured for property damage, bodily injury and death of persons in connection with the operation, maintenance and use of the Common Area and legal liability arising out of law suits related to employment contracts in which the Association is a party. If the policy does not include "severability of interest" in its terms, an endorsement will be included which precludes the insurer's denial of the claims of an Owner because of the negligent acts of the Association or another Owner. Such policy must provide that it cannot be canceled or substantially modified, by any party, without at least thirty (30) days prior written notice to the Association and each Mortgagee listed as a scheduled holder of a first Mortgage in the insurance policy.

5.3 Fidelity Bonds and Other Insurance.

The Association will obtain, maintain and pay the premiums, as a Common Expense, upon a blanket fidelity bond for all officers, directors, trustees and employees of the Association and all other persons handling or responsible for funds belonging to or administered by the Association, including any professional management company assisting with the administration of the Regime. The total amount of the fidelity bond coverage required will be based upon the best business judgment of the Board of Directors and will not be less than the estimated maximum funds, including reserve funds, in the custody of the Association or a professional management company, as the case may be, at any given time during the term of each bond; provided, however, that in no event will the aggregate amount of such bonds be less than a sum equal to 2/12ths of the total Annual Assessments plus reserve funds. Fidelity bonds will meet the following requirements: the Association will be named as an obligee; the bonds will contain waivers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions; and the bond will provide that it may not be canceled or substantially modified (including cancellation for nonpayment of a premium) without at least ten (10) days prior written notice to the Association and each Mortgagee listed as a scheduled holder of a first Mortgage in the fidelity bond.

The Association will obtain, maintain and pay the premiums, as a Common Expense, on a policy of directors and officers liability insurance in such amounts as determined by the Board of Directors.

The Board of Directors will be authorized on behalf of the Association to obtain and maintain such other and further insurance as the Board of Directors may determine from time to time.

5.4 Authority to Adjust Loss.

The exclusive authority to negotiate, settle and otherwise deal in all respects with insurers and adjust all losses under policies provided for herein will be vested in the Board of Directors or its duly authorized agent for the benefit of all Owners and Mortgagees; provided, however, that all Owners and Mortgagees having an interest in such loss will be advised in advance of all actions anticipated to be taken of a material nature related to the adjustment of the loss. Each Owner, in accepting a deed to a Unit, expressly appoints the directors, and each of them, his due and lawful attorneys-in-fact, with full power of substitution, to act on behalf of the Owner as fully as the Owner could act in person on all matters related to the authority granted in this Section 5.4, including executing all documents required in connection therewith on behalf of the Owner.

5.5 Trustee.

(a) The Board of Directors may, from time to time, designate a third party Trustee hereunder. The Trustee, whether the Board of Directors acting in said capacity, or a third-party designated by the Board, will serve the Association and the Owners and their Mortgagees (as their interests may appear) as provided herein. Any third-party Trustee, but not the Board of Directors acting in such capacity, will be entitled to receive reasonable compensation for services rendered which will be a Common Expense of the Association.

(b) All insurance policies obtained by the Association will name the Association and the Trustee as loss payees. Immediately upon the receipt by the Association of any insurance proceeds, the Association will endorse the instrument by means of which such proceeds are paid and deliver the instrument to the Trustee. The Trustee will not be liable for payment of premiums, for the renewal or the sufficiency of the policies or for the failure to collect any insurance proceeds. Nor will the Trustee have any obligation to inspect the Project to determine whether a loss has been sustained or to file any claim or claims against any insurer or any other person.

(c) Among other things, the duties of the Trustee will be to receive proceeds delivered to it, hold such proceeds in trust for the benefit of the Owners and their Mortgagees, and disburse the proceeds as hereinafter provided.

(d) Proceeds of insurance policies received by the Trustee will be disbursed as follows:

(i) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purposes, will be disbursed in payment for such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs will be paid to the Association for the benefit of all Owners and their Mortgagees, if any;

(ii) If it is determined, as provided in Section 5.6, that the damage or destruction for which the proceeds are paid will not be repaired or reconstructed, such proceeds will be disbursed to such persons as therein provided;

(iii) Any and all disbursements of funds by the Trustee for any purpose whatsoever will be made pursuant to and in accordance with a certificate of the Association signed by the President and attested by the Secretary directing the Trustee to make the disbursements;

(iv) If the damage or destruction is to the Common Area and is to be repaired or reconstructed, two days prior written notice of each disbursement will be given to the Mortgagee known by the Trustee from the records of the Association to have the largest interest in or lien upon such Common Area; and if the damage or destruction is to one or more Units and is to be repaired or reconstructed, said notice will also be given to the Mortgagee or Mortgagees known to the Trustee from the records of the Association to have an interest in or lien upon such Unit or Units.

(e) The Trustee will not incur liability to any Owner, Mortgagee or other person for any disbursements made by it in good faith pursuant to and in accordance with the foregoing requirements.

5.6 Damage and Destruction.

(a) Immediately after all or any part of the Project covered by insurance is damaged or destroyed by fire or other casualty, the Board of Directors or its duly authorized agent will proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Section 5.6(a), means repairing or restoring the damaged property to substantially the same conditions in which it existed prior to the fire or other casualty, with each Unit and the Common Area having the same vertical and horizontal boundaries as before.

(b) Any such damage or destruction to the Project will be repaired; provided, however, that any such damage which requires the reconstruction of the whole or more than two-thirds (b) of the Project will not be undertaken unless sixty-seven percent (67%) of the Members agree, voting in person or by proxy at a meeting at which a quorum is present, duly called, in whole or in part, for the purpose of disapproving such repair or reconstruction. If the Project is not reconstructed, all insurance proceeds will be delivered in accordance with

the provisions of Section 5.6(c) below. Except as otherwise provided, any such damage or destruction which renders any Unit untenable or uninhabitable, or any such damage or destruction to the Common Area, will be repaired and reconstructed as promptly as practicable. No Mortgagee will have any right to restrict the use of insurance proceeds otherwise available for repair, reconstruction or rebuilding.

(c) In the event that it is determined by the Association in the manner prescribed above that the damage or destruction will not be repaired, reconstructed or rebuilt, then and in that event:

- (i) The Project will be owned by the Owners as tenants-in-common;
- (ii) The undivided interest in the Project of each Owner will be a percentage equal to the Percentage Interest appurtenant to the Unit theretofore owned by the Owner;
- (iii) All liens affecting any of the Units will be deemed to be transferred in accordance with the existing priorities to the undivided interest of the Owners of the respective Units;
- (iv) The Project will be subject to an action for partition at the instance of any Owner, in which event the net proceeds of the sale will be deposited with the Trustee;
- (v) The Association will proceed to satisfy all of its liabilities and convert all of its assets to cash, which will be deposited with the Trustee;
- (vi) The proceeds from the sale of the Project, the liquidation of the assets of the Association and the insurance proceeds related to the damage or destruction to the Project will be considered one fund which, after paying the reasonable expenses of the Trustee, will be distributed to all the Owners and their respective Mortgagees as their interests may appear in percentages equal to the Percentage Interests of said Owners. Distributions to such Owners and their Mortgagees will be made pursuant to certificates provided for in Section 5.5.

5.7 Insufficient Proceeds to Repair.

(a) If the damage or destruction for which the insurance proceeds are paid to the Trustee is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, or if no insurance proceeds exist with respect to such damage or destruction, the Board of Directors will levy an Assessment against the Owners of damaged or affected Units in sufficient amounts to provide funds to pay costs in excess of insurance proceeds for repair or reconstruction. Additional Assessments may be made at any time during or following the completion of any repair or reconstruction. That portion of such Assessments levied against each Owner will be equal to that percentage computed by dividing the Percentage Interest appurtenant to such Owner's Unit by the aggregate Percentage Interests appurtenant to all Units damaged or affected.

(b) Any and all sums paid to the Association under and by virtue of those Assessments provided for in subsection (a) of this Section 5.7 will be deposited by the Association with the Trustee. Such proceeds from insurance and Assessments, if any, received by the Trustee will be disbursed as provided in Section 5.5.

6. Condemnation

6.1 General.

Whenever all or any part of the Project will be taken by any authority having the power of condemnation or eminent domain, each Owner will be entitled to notice thereof; provided, however, that the exclusive right to negotiate, settle and otherwise deal in all respects with the condemning authority as to the taking

of the Common Area will be vested in the Board of Directors or its duly authorized agent on behalf of the Association. Each Owner, in accepting a deed to a Unit, expressly appoints the directors, and each of them, his due and lawful attorneys-in-fact, with full power of substitution, to act on behalf of the Owner as fully as the Owner could act in person in all matters related to the authority granted in this Section 6.1, including executing all documents required in connection therewith on behalf of the Owner. The award made for such taking will be payable to the Trustee. Unless otherwise required by law at the time of such taking, any award made therefor will be disbursed by the Trustee, as hereinafter provided in this Section 6.

6.2 Non-Essential Areas.

If the taking does not include any portion of any Unit or any portion of the Common Area essential to the continued occupancy of any Unit, then the Board of Directors will be permitted to replace any nonessential improvements to the extent deemed appropriate and the Trustee will disburse the proceeds of such awards in the same manner as hereinabove provided for and in connection with the repair, reconstruction or rebuilding of improvements after damage or destruction, with all excess proceeds to be distributed to the Association.

6.3 Essential Areas.

If the taking includes any portion of a Unit or the Common Area essential to the use of any Unit, then the award will be disbursed, and all related matters, including, without limitation, alteration of the Percentage Interests appurtenant to each Unit, will be handled, by (a) the Developer during the Transition Period, and (b) thereafter, the Board of Directors in a just and equitable manner to all Owners; provided, however, that all action of the Board of Directors will be pursuant to and in accordance with a plan approved by Members representing at least sixty-seven (67%) percent of the total votes of the Association voting in person or by proxy, at a meeting at which a quorum is present, duly called, in whole or in part, for the purpose of approving such in a duly recorded amendment to this Master Deed. In the event that such an amendment will not be recorded within ninety (90) days after the taking, then such taking will be deemed to be and will be treated as damage or destruction which will not be repaired or reconstructed as provided for in Section 5.6, whereupon the Regime will be terminated in the manner therein prescribed.

7. Architectural Control

7.1 Approval Required for Unit Changes and Viewable Interior Features.

To preserve the original architectural appearance of the Project, the structural integrity thereof and the Unit designs, including architectural and engineering aspects therein, no construction, reconstruction or Unit modification of any nature whatsoever, except as specified in the Regime Documents, will be commenced or maintained upon or within, the Building, including without limitation within a Unit and a Limited Common Area, nor will there be any change, modification or alteration of any nature whatsoever of the design and appearance of any surfaces or facades, nor will any Owner paint any gate, fence or roof; nor will any Owner change the design or color of the exterior lights, nor will any Owner install, erect or attach to any part of the exterior any addition or change until after the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same will have been submitted to and approved in writing as to harmony of design, color and location in relation to the surrounding features by the Board of Directors and pursuant to original plans and specifications or Design Guidelines adopted therefor. Furthermore, such required approval by the Board of Directors shall extend to any interior features or aesthetic elements that are proposed to be changed. The failure of an Owner to secure the required approval of the Board of Directors as aforesaid, or to take such action, remedial or otherwise, as the Board of Directors shall at any time determine to be required hereunder shall be subject to the authority and enforcement powers of the Board of Directors as set forth Section 17.5 below.

8. Maintenance

8.1 Responsibility of Association.

Except as specifically provided to the contrary herein, the Association will maintain the Common Area in first class condition in accordance with proper maintenance procedures applicable thereto and will enforce all warranties with respect to the Common Area. In addition, the Association will repair or replace all parts of the Common Area as necessary. Except as otherwise provided herein, the cost of such will be charged to the Owners as a Common Expense.

8.2 Access to Units.

The Association will have the irrevocable right, to be exercised by the Board of Directors or its agent, which term includes the Association manager, to have reasonable access to each Unit from time to time as may be necessary for the periodic inspection and application of termite and other bug control treatment for which the Association may contract, from time to time; to undertake such action as it may determine to prepare and secure the Building and the Unit in anticipation of storm or hurricane, provided the Association shall be under no obligation to an Owner to do so; and for the inspection, maintenance, repair or replacement of any of the Common Area accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Area or to other Units.

8.3 Responsibility of Owner.

In the event that the Board of Directors should determine that the need for maintenance or repairs by the Association as provided for in this Section 8.3 is caused through the willful or negligent act of an Owner or the lessee of an Owner, their families, invitees or guests, or the Owner's pets, the cost of which is not covered or paid for by insurance, then the cost, both direct and indirect, of such maintenance or repairs will be added to and become a part of the Assessment to which such Owner and his Unit are subject. Each Owner will maintain, repair or replace at his own expense all portions of his Unit which may become in need thereof, including the heating and air-conditioning system for such Unit, all bathroom and kitchen fixtures and appliances, light fixtures, interior non-load-bearing walls, carpeting, drapes, doors, windows, screens window and door hardware, and other items within the Unit. Further, each Owner will, at his own expense, maintain, repair and replace, when necessary, that portion of the heating and air-conditioning system exclusively servicing his Unit, which is located outside his Unit. Each Owner will, at his own expense, keep the Limited Common Area to which his Unit has exclusive access and to which he has exclusive use clean and neat, and will conduct maintenance and repair thereto as necessary. If the Owner does not make those repairs required to be made by him within thirty (30) days from the date of receipt of written demand from the Association, the same may be repaired by the Association and the cost thereof will be assessed against the Owner and Unit owned by such Owner.

9. Access, Ingress and Egress.

All Owners, by accepting title to a Unit, waive all rights of uncontrolled and unlimited access, ingress, and egress to and from such property and acknowledge and agree that such access, ingress, and egress will be limited to roadways, sidewalks and walkways located within the Project from time to time, provided that pedestrian and vehicular access to and from all such property will be provided at all times. There is reserved unto Developer, the Association, and their respective successors and assigns the right and privilege, but not the obligation, to maintain guarded or electronically-monitored gates controlling vehicular access to and from the Project, provided that access may be granted to any person who gives reasonable evidence satisfactory to entry guards, if there are any, that entry is with the specific permission of the Owner, or his duly authorized agent. Neither the Developer nor the Association will be responsible, in the exercise of its reasonable judgment, for the granting or denial of access to the Project in accordance with the foregoing.

NEITHER THE DEVELOPER NOR THE ASSOCIATION SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF ANY GATE OR CONTROLLED ACCESS TO THE PROJECT OR SAFETY MEASURES UNDERTAKEN WITH RESPECT THERETO BY EITHER OR BOTH OF THEM AND WHETHER OR NOT SUCH ACTIVITIES OR UNDERTAKINGS ARE REFERRED TO AS "SECURITY" MEASURES, NOR SHALL EITHER OR BOTH BE LIABLE FOR ANY LOSS OR DAMAGE RESULTING FROM ANY FAILURE TO PROVIDE CONTROLLED ACCESS OR SAFETY MEASURES, OR FROM LEAVING ANY GATE OPEN, AS PERMITTED UNDER SECTION 9.1 BELOW, OR FROM A FAILURE OR INEFFECTIVENESS OF ANY SUCH CONTROLLED ACCESS OR SAFETY MEASURES UNDERTAKEN BY EITHER OR BOTH OF THEM. NO REPRESENTATION, WARRANTY OR COVENANT IS GIVEN TO ANY OWNER OR OCCUPANT BY EITHER OR BOTH OF THE DEVELOPER AND THE ASSOCIATION THAT ANY CONTROLLED ACCESS OR SAFETY MEASURES INSTALLED OR UNDERTAKEN CANNOT BE BYPASSED OR COMPROMISED, OR THAT THEY WOULD, IN FACT, AVERT DAMAGE OR LOSS RESULTING FROM THAT WHICH THEY ARE DESIGNED TO PREVENT, AND EACH OWNER BY ACCEPTANCE OF A DEED TO A UNIT AND EACH OCCUPANT THEREOF SHALL INDEMNIFY AND HOLD THE DEVELOPER AND ASSOCIATION HARMLESS FROM ANY DAMAGE AND COSTS AND EXPENSES, INCLUDING ATTORNEY FEES, INCURRED BY EITHER OR BOTH OF THEM AS A RESULT OF ANY SUCH ASSERTION OR DETERMINATION.

9.1 Developer's Right to Maintain Open Gate.

Notwithstanding anything herein contained to the contrary, the Developer hereby reserves unto itself, its successors and assigns, the right and option to control any gate to the Project and to leave the gate in an open position for the unobstructed and uncontrolled passage of construction vehicles for persons engaged in both infrastructure and building construction activities. The within right, if exercised, will be limited to the hours of 6 a.m. to 6 p.m. and will terminate upon expiration of the Transition Period.

9.2 Public Roadways Within The Regime.

During the Transition Period, the Developer, and thereafter the Association, shall have the right to dedicate any portion of the roadways and/or entryways within the Regime to the State of South Carolina or any political subdivision thereof for the purpose of granting public access thereto and over said roadway and/or entryway and for the purpose of having said political subdivision assume responsibility for maintenance of such roadways and/or entryways. The Developer further reserves the right to impose upon the Association the requirement of maintaining any such dedicated roadway and/or entryway until such time as it is brought up to

standards acceptable to such public body and maintenance thereof is assumed by such public body; provided, however, the Developer may, in its sole discretion, reserve an easement over any such public roadway and/or entryway to be primarily maintained by such public body for the purpose of doing additional maintenance to said public areas and to maintain landscaping along the unpaved portions thereof, and thereafter denominate in a Site Plan or Amendment to this Master Deed that said easement will constitute a Common Area of the Regime to be maintained by the Association. The Board of Directors may levy a Special Assessment against all Owners, without the necessity of a vote pursuant to Section 4.4 hereof, in an amount sufficient to provide funds required to bring any roadway and/or entryway up to standards acceptable to any public body for the assumption by it of maintenance of a said roadway.

10. Unit Restrictions

10.1 Units.

All Units will be, and the same are hereby restricted exclusively, for residential use, provided, however, a Unit may be used as a combined residence and executive or professional office by the Owner thereof so long as such use does not interfere with the quiet enjoyment by other Owners and does not include visitation by clients, or unreasonable levels of mail, shipping, storage or trash requirements. No immoral, improper, offensive or unlawful use will be made of any Unit and no use or condition will be permitted which is a source of unreasonable noise or interference with the peaceful possession and quiet enjoyment of any other portion of the Project by other Owners or lessees of Owners, their families, invitees and guests. All Units will be kept in a clean and sanitary condition and no rubbish, refuse or garbage will be allowed to accumulate. No fire hazard will be allowed to exist and no use or condition will be permitted which will increase any rate of insurance related to the Project. In addition, all Owners and lessees of Owners, their families, invitees and guests will abide by all Rules and Regulations in effect from time to time governing the use of Units.

10.2 Animals and Pets.

No animals, livestock or poultry of any kind will be raised, bred or kept on any part of the Project, except that dogs, cats or other normal household pets may be kept by the respective Owners inside their respective Units provided that (i) the Board of Directors may, in its sole discretion, establish by rule that dogs of a certain breed are potential hazards to the Regime and its occupants, such as those known as Pit Bulls, Rotweillers, Dobermans, Chows and German Shepards, and are deemed not to be normal household pets; (ii) the Board of Directors may establish reasonable rules and regulations to insure that all permitted pets are properly licensed and inoculated for rabies and such other disease for which inoculation is customary for that breed of pet; (iii) an Owner execute a written indemnification and hold harmless agreement in favor of the Regime and the Regime's management company, in form and content satisfactory to counsel for the Board, prior to bringing the Owner's pet upon the Property; and (iv) permitted pets are not kept, bred or maintained for any commercial purpose and do not create any health hazard or, in the sole discretion of the Board of Directors, unreasonably disturb the peaceful possession and quiet enjoyment of any other portion of the Project by other Owners and lessees of Owners, their families, invitees and guests. Pets shall be kept on a leash at all times when outside of a Unit, and the Owner shall clean up after his or her pet.

10.3 Antennas.

No television antenna, radio receiver, or other similar device will be attached to or installed on any portion of the Regime by an Owner, except as required by the Telecommunications Act of 1996 and implementing rules therefor issued by the Federal Communications Commission and by the Association in conformity with rules or guidelines of the Federal Communications Commission; provided, however, the Developer and the Association, and their successors and assigns, will not be prohibited from installing equipment necessary for master antenna, security, cable television, mobile radio, or other similar systems within the Regime.

10.4 Leasing of Units.

Any Owner will have the right to lease or rent his Unit; provided, however, that all leases and rental contracts will be for a duration of one (1) year or more and will be in writing and will require the lessee to abide by all conditions and restrictions placed on the use and occupancy of the Unit and the Common Area by the Regime Documents. The Board of Directors will have the right to approve the form of all such leases and rental contracts at any time if it elects to do so. Occupancy by a tenant or renter under any such approved form of lease or rental contract is subject to continuing approval of the Board thereunder, which may be removed at any time by the Board for any violation by any such tenant or renter of the Rules and Regulations of the Association.

10.5 Motor Homes, Trailers, Boats, Etc.

All vehicles will be parked in spaces within the Common Area designated therefor. There will be no storage or parking upon any portion of the Project of any mobile home, trailer (either with or without wheels), motor home, tractor, truck (other than pick-up trucks), commercial vehicles of any type, camper, motorized camper or trailer, boat or other watercraft, boat trailer, motorized go-cart, or any other related forms of transportation devices.

10.6 Signs.

Except as may be required by law or by legal proceedings, no signs or advertising posters of any kind, including, but not limited to, "For Rent," "For Sale," and other similar signs, shall be erected by an Owner, the Association, or any agent, broker, contractor or subcontractor thereof, nor shall any sign or poster be maintained or permitted on any window, or within a Unit and viewable through any window, or on the exterior of any improvements or on any unimproved portion of property located within the Project, without the express written permission of the Developer during the Transition Period, and thereafter without the written permission of the Board of Directors. The approval of any signs and posters, including, without limitation, name and address signs, shall be upon such conditions as may be from time to time determined by party entitled to approve the same and may be arbitrarily withheld. Notwithstanding the foregoing, the restrictions of this Section 10.6 shall not apply to the Developer or to any person having the prior written approval of the Developer. In addition, the Association shall have the right to erect reasonable and appropriate signs on any portion of the Common Areas in accordance with architectural design standards adopted therefor and approved by governmental authority with jurisdiction thereof.

10.7 Grills.

The Board of Directors shall specifically have the authority to prohibit the use of individual grills (charcoal, gas or electric) as a fire hazard if the Board determines that such prohibition is required or recommended by the City of Charleston Fire Department or the Regime property insurance carrier or agent.

11. Easements

11.1 Encroachments.

If any portion of the Common Area encroaches upon any Unit or any Unit encroaches upon any other Unit or upon any portion of the Common Area as a result of settling or shifting of the Building or variances from the Plans, an easement will exist for the encroachment and for the maintenance of the same so long as the Building stands. If the Building, any Unit, and/or any adjoining part of the Common Area will be partially or totally destroyed as a result of fire or other casualty or a result of eminent domain proceedings, and then rebuilt, encroachments of parts of the Common Area upon any Unit or of any Unit upon any other Unit or upon any portion of the Common Area due to such rebuilding, will be permitted, and valid easements for such encroachments and the maintenance thereof will exist so long as the Building will stand.

11.2 Easement for Air Space

The Owner of each Unit will have an exclusive easement for the use of the air space occupied by said Unit as it exists at any particular time and as said Unit may be altered or reconstructed from time to time pursuant to this Master Deed.

11.3 Utilities, etc.

There is hereby granted a blanket easement upon, across, over and under all the Project for ingress, egress, installation, replacing, repairing and maintaining a master television antenna or CATV system and all utilities, including, but not limited to water, gas, sewers, telephones and electricity, and other forms of telecommunication and technology cabling, now existing or developed in the future. Such easements grant to appropriate utility companies the right to erect and maintain the necessary poles and other necessary equipment on the Project and to affix and maintain utility wires, circuits and conduits on, above, across and under the roofs and exterior walls of the Units. In addition, the Board of Directors will be entitled to grant additional permits, licenses and easements over the Common Area for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance and operation of the Project.

11.4 Easement for Construction.

Notwithstanding anything herein to the contrary, Developer and persons designated by the Developer will have an easement to enter upon and cross over the Common Areas for purposes of ingress and egress to all portions of the Project; to use portions of the Common Areas and any Units owned by the Developer for construction or renovation related purposes including the storage of tools, machinery, equipment, building materials, appliances, supplies and fixtures, and the performance of work respecting the Project; and to maintain and correct drainage of surface, roof or storm water.

11.5 Easement for Inspection by Developer.

Notwithstanding anything herein to the contrary, Developer and persons designated by the Developer will have an easement to enter upon and cross over the Common Areas for purposes of ingress and egress to all portions of the Project; as well as an easement for reasonable access to each Unit as the Developer may find desirable, for the inspection of the whole or any portion of the Project, its Units and Common Areas, the components and structural parts thereof, as well as the their maintenance requirements and the maintenance performed thereon to the date of any such inspection. Nothing herein shall require the Developer to perform any such inspection, but if the Developer does undertake any such inspection, Developer shall provide to the Board of Directors a copy of its findings or the inspection report produced therefrom. Nothing herein shall relieve the Board from engaging a professional inspector to perform an annual maintenance audit as part of the Board's annual budgeting process under Section 4.2 above.

11.6 Easement for Sales Purposes.

Developer and persons designated by the Developer will have an easement to maintain one or more sales offices, management offices and models throughout the Project and to maintain one or more advertising signs on the Common Areas while the Developer is selling Units in the Project or any contemplated expansion thereof. Developer reserves the right to place models, management offices and sales offices in any Units owned by Developer and on any portion of the Common Area in such number, of such size and in such locations as Developer deems appropriate. So long as Developer will be selling Units in the Project or any contemplated expansion thereof, Developer will have the right to restrict the use of a reasonable number of parking spaces, for purposes including, but not limited to, the providing of spaces for use by prospective Unit purchasers, Developer's employees and others engaged in sales, maintenance, construction or management activities.

11.7 Easements to Serve Adjacent Marina Development

The Company hereby reserves for itself and its duly authorized agents, representatives, successors, successors-in-title, assigns, licensees, and mortgagees, a perpetual nonexclusive easement over the Common Areas for the purposes of enjoyment, use, access, and development of any adjacent property developed, or which may be developed, as a marina or for related recreational purposes, whether public or private, and whether or not any such property is made subject to this Master Deed. This easement includes, but is not limited to, a right of ingress and egress over the Common Areas for construction of roads and for connecting and installing utilities and services on such property. The Company agrees that it and its successors or assigns shall be responsible for any damage caused to the Common Areas as a result of vehicular traffic connected with development of such property. The Company further agrees that if the easement is exercised for permanent access to such property and such property or any portion thereof is not made subject to this Master Deed, the Company, its successors or assigns shall enter into a reasonable agreement with the Association to share the cost of maintenance of any private roadway, boardwalk, sidewalk or other such facility serving such property.

11.8 No View Easements.

No view easements, express or implied, will be granted to any Owner in connection with the conveyance of a Unit to such Owner.

11.9 Other.

There is hereby granted to the Association, its directors, officers, agents and employees and to any manager employed by the Association and to all policemen, firemen, ambulance personnel, and all similar emergency personnel, an easement to enter upon the Project or any part thereof in the proper performance of their respective duties. Except in the event of emergencies, the rights under this Section 11.9 will be exercised only during reasonable daylight hours, and then, whenever practicable, only after advance notice to the Owner or Owners affected thereby.

12. Owner's Acknowledgment of Ashley River Bridge and River Noises and Nuisances.

Every Owner by acceptance of a deed to a Unit hereby acknowledges that the Project's proximity to the Ashley River Bridge and the vehicular traffic thereon, and the Ashley River and the boating traffic thereon, will result in noise emanating therefrom and the same may be a nuisance. Neither the Developer nor the Association, nor any of their respective directors, officers, employees, contractors, consultants, shareholders, affiliates, assignees, successors, nominees or agents, be liable to any Owner for any inconvenience or damage sustained by such Owner as a result of any such noise emanating from or in proximity to such river, including, but not limited to such noise as may emanate from persons using any roadways, bridges, docks, walkways, bulkheads, or piers adjacent thereto.

13. Assigned Value and Voting Rights

13.1 Units, Assigned Values, and Percentage Interests.

The Schedule of Percentage Interests contained in Exhibit "C" attached hereto shows the Assigned Value of each Unit in the Building and the Percentage Interest appurtenant to such Unit for all purposes.

13.2 Voting Rights.

Members and the Developer will be entitled to a vote in the Association and for all other purposes herein in accordance with the provisions of the Association's Articles of Incorporation attached hereto as Exhibit "D" and the By-Laws of the Association attached as Exhibit "E," and as the same may be hereafter amended.

(a) Voting by Multiple Owners. When any Unit is owned in the name of two or more persons, other than husband and wife, or entities, whether fiduciaries, or in any manner of joint or common ownership, the vote for such Unit will be exercised as such co-Owners determine among themselves and advise the Secretary of the Association in writing prior to any meeting; or the vote will be exercised by such co-Owner, or his duly appointed proxy, as will be designated in a writing by all co-Owners recorded in the RMC, a copy of which will be delivered to the Secretary of the Association and will remain effective for all meeting until revoked by the co-Owners in a similar writing or until such designation terminates pursuant to the terms of such writing.

14. The Development Plan For The Project

14.1 Single Phase Development

The Regime constitutes a single Building with 54 Units, and the Common Area (including the parking and storage Limited Common Areas), as more fully described on Exhibit "B" attached hereto. The Regime may not be expanded and no right to do so is reserved.

14.2 Reservation of Right to Expand and Contract

Anything to the contrary contained in this Master Deed notwithstanding, at any time during the Transition Period, the Developer will be entitled to expand the Regime by constructing upon any unimproved portion of the Common Areas such amenities, including, but not limited to, bulkheads, piers, docks, and similar facilities, as the Developer, in its sole discretion shall determine. Nothing herein shall require the Developer to construct any such amenities to be part of the Regime, and no Owner will have the right to require such construction be a part of the Regime. In lieu of constructing such amenities upon Common Areas, the Developer may construct such amenities upon any adjacent land (including any land withdrawn pursuant to Section 14.2(b) below) and operate the same on a fee basis and not as part of the Regime and subject to Assessments.

(a) Expansion; Conversion of Common Area.

The Developer's right, but not its obligation, to expand the Regime during the Transition Period by constructing amenities on the Common Area and to submit said real property (or any portion thereof) and all improvements constructed thereon to the Regime shall be undertaken by filing one or more Amendments to this Master Deed (including amendments to the Exhibits). An Amendment will be executed solely by the Developer for itself and as attorney in-fact for all Owners. An Amendment will be effective upon recording such Amendment in the RMC.

(b) Contraction; Withdraw of Unimproved Common Area.

During the Transition Period, the Developer is entitled to subdivide portions of the Common Area from the Project that are unimproved with structures and to remove the subdivided portion from the application of this Master Deed by filing one or more Amendments to this Master Deed (including amendments to the Exhibits). An Amendment will be executed solely by the Developer for itself and as attorney in-fact for all Owners. An Amendment will be effective upon recording such Amendment in the RMC.

14.3 Amenities; Required Expansion.

Amenities may be, but will not be required to be, constructed as part of the expansion of the Regime pursuant to this Section 14.3, all such amenities being optional with the Developer. No Owner will have the right to require construction or addition to the Regime under any circumstances.

14.4 Assignability of Rights.

The Developer will be entitled to assign the rights reserved in this Master Deed to any person or entity by an instrument recorded in the RMC.

14.5 Application of Master Deed.

Upon the filing of the Amendment prescribed by Section 14.2 hereof, all definitions contained in this Master Deed will be deemed amended to the extent necessary to cause the additional real property and the improvements described in such Amendment to be treated as fully an integral part of the Regime as if said real property and improvements constituted a portion of the Project as of the effective date hereof.

14.6 No Consent Required.

Subject to the time limit set forth in Section 14.2 hereinabove, the Developer, its successors and assigns, will have the absolute right to effect an expansion or contraction of the Regime in accordance with Section 14.2 and to file Amendments to this Master Deed without any action or consent on the part of any Owner or Mortgage holder; provided, however, that to the extent any action on the part of any Owner is required by any third party to assure the expansion of the Regime as provided in Section 14.2, each Owner, in accepting a deed to a Unit, agrees to undertake such actions and/or provide such consents as are reasonably requested, and expressly appoints the Developer his due and lawful attorney-in-fact, with full power of substitution, to execute all documents reasonably required to evidence the requisite action or consent.

14.7 Multiple Ownership.

No Unit in the Regime will be used for or subject to any type of Vacation Time Sharing Plan or Vacation Multiple Ownership Plan as defined by the 1976 Code of Laws for the State of South Carolina, as amended, Section 27-32-10, et. seq., or any subsequent laws of this State dealing with that or similar type of ownership by a Unit Owner, or which is used for, in conjunction with and/or as an advertised part of any time share exchange program which makes available as accommodations the Unit and which is not otherwise registered as a Vacation Time Sharing Plan or Vacation Multiple Ownership Plan or which utilizes the Unit as accommodations for time share sale prospects of any Person, without the prior written consent of the Developer during the Developer's Transition period and thereafter by the Board of Directors of the Association.

15. Transition Provisions

15.1 Appointment of Directors and Officers.

At all times during the Transition Period, the Developer will have the sole and exclusive right to appoint the Board of Directors and officers of the Association, fill any vacancy of the Board or officers caused by the withdrawal of any director or officer appointed by the Developer and veto the removal of any director or officer appointed by the Developer. Upon the expiration of the Transition Period, the Developer will retain the right to elect at least one (1) director. This right will continue for as long as the Developer holds for sale in the ordinary course of business one or more of Units included in the Regime.

15.2 Special Meeting to Elect Board

Within sixty (60) days after the date on which Owners other than the Developer become entitled pursuant to Section 15.1 above to elect members of the Board of Directors of the Association, the Association will call, and give not less than thirty (30) days' and not more than sixty (60) days' notice of, a special meeting of the Members to elect the Board of Directors.

15.3 Cooperation.

The Association will cooperate with the Developer to the extent reasonably requested by the Developer during and after the Transition Period to promote the orderly development and marketing of the additional Units planned for the Regime, and it is acknowledged by the Association that it is in the best interest of all Owners to expand the Regime to include all Units authorized by Section 14 hereof.

15.4 Controlling Provisions.

In the event of any inconsistency between this Section 15 and the other provisions of the Regime Documents, this Section 15 will be controlling and binding on all parties having an interest in the Regime.

16. Alternative Dispute Resolution

16.1 Agreement to Avoid Costs of Litigation and to Limit Right to Litigate Disputes.

The Developer, Association, Owners, and any Persons not otherwise subject to the Regime who agrees to submit to this Section 16 (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes between and among themselves involving the Regime or the Project, and to avoid the emotional and financial costs of litigation. For purposes hereof, the architect and contractor for a Building and the Units constructed therein shall constitute Bound Parties hereunder. Accordingly, each Bound Party covenants and agrees that all claims, grievances and disputes (including those in the nature of counterclaims or cross-claims) between Bound Parties involving the Regime or the Project, including without limitation, claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement thereof (collectively "Claims"), except for "Exempt Claims" under Section 16.2, are subject to the procedures set forth in Section 16.3

16.2 Exempt Claims.

The following Claims ("Exempt Claims") are exempt from the provisions of Section 16.3:

- (a) any suit by the Association against a Bound Party to enforce any Assessments or other charges hereunder; and
- (b) any suit by the Association to obtain a temporary restraining order (or equivalent emergency equitable relief) and other relief the court may deem necessary in order to maintain the status quo and preserve any enforcement power of the Association hereunder until the matter may be resolved on the merits pursuant to Section 16.3 below; or
- (c) any suit between Owners which does not include the Developer or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Regime and the Project; or
- (d) any suit in which an indispensable party is not a Bound Party; or
- (e) any suit which otherwise would be barred by any applicable statute of limitation; or
- (f) any suit involving a matter which is not an Exempt Claim under (a) through (e) above, but as to which matter the Bound Party against whom the Claim is made waives the mandatory provisions of Section 16.3 below.

Any Bound Party having an Exempt Claim may submit it to the alternative dispute resolution procedures set forth in Section 16.3, but there is no obligation to do so.

16.3 Mandatory Procedures for Non-Exempt Claims.

Any Bound Party having a Claim ("Claimant") against a Bound Party involving the Regime Documents or the Regime, or all or any combination of them ("Respondent"), other than an Exempt Claim under Section 16.2, will not file suit in any court or initiate any proceeding before any administrative tribunal seeking redress or resolution of the Claim until it has complied with the procedures set forth in Exhibit F, and then only to enforce the results hereof:

(a) Litigation.

No judicial or administrative proceeding with an amount in controversy exceeding \$25,000.00, will be commenced or prosecuted by the Association unless approved by 75% or more of the votes of the entire Association, by Referendum or at a duly held meeting of Members called for the purpose of approving the proceeding, which percentage will also constitute the quorum required for any such meeting. This Section will not apply, however, to actions brought by the Association to enforce the provisions of this Master Deed (including, without limitations, the foreclosure of liens); the imposition and collection of Assessments; proceedings involving challenges to ad valorem taxation; counterclaims brought by the Association in proceedings instituted against it; or actions brought by the Association to enforce written contracts with its suppliers and service providers. This Section will not be amended unless the amendment is approved by the requisite percentage of votes of Members, and pursuant to the same procedures, necessary to institute proceedings as provided above. This provision will apply in addition to the negotiation and arbitration provisions of this Section 16 and the procedures therefor set forth in Exhibit F, if applicable.

16.4 Miscellaneous Alternative Dispute Resolution Provisions.

(a) Conflicting Provisions.

Any conflict or discrepancy between the terms and conditions set forth in this Section 16 and the procedures set forth in Exhibit F and any term, condition or procedure of the American Arbitration Association, or any remedy allowed at law or in equity, the terms, conditions, procedures and remedies set forth herein and in Exhibit F will control.

(b) TIME IS OF ESSENCE.

All periods of time set forth herein or calculated pursuant to provisions of this Section 16 will be strictly adhered to, TIME BEING OF THE ESSENCE hereof.

17. General Provisions

17.1 Adherence to Provisions of Master Deed, Bylaws and Rules and Regulations.

Every Owner who rents his Unit must post inside his Unit a list of the Rules and Regulations of the Association. Any rental agency handling an Owner's rental must further agree to abide by the Rules and Regulations and will be responsible for informing persons renting through its agency of any breaches of the Rules and Regulations by said persons and for taking any and all necessary corrective action. Should a particular agency or person continue not to take corrective action against the renters it has contracted with, or refuse to cooperate with the Association in the enforcement of its Rules and Regulations or other provisions of the Regime Documents, the Association may require the Owner to cease using the services of that particular rental agency. Refusal to do so may result in fines against the Owner in an amount to be determined by the Board of Directors. Any fines will be added to and become a part of the Assessment against the Unit and Owner.

17.2 Amendment

Amendments to this Master Deed, except as herein expressly provided to the contrary, including, but not limited to amendments pursuant to Section 14 which may be made without the consent or approval of either the Board or the Members, will be proposed by the Board of Directors in accordance with the following procedure:

(a) Notice

Notice of the subject matter of the proposed amendment or amendments will be included in the notice of the meeting of the Association at which such proposed amendment or amendments are to be considered.

(b) Amendment

The Master Deed may be amended at any time and from time to time at a meeting of the Association called in accordance with the Bylaws and this Master Deed upon the vote of Members holding sixty-seven (67%) or more of the total vote in the Association; provided, however, that if the Association will vote to amend the Bylaws in any respect, such amendment will be set forth in an amendment to this Master Deed and will be valid only when approved by Members holding more than fifty percent (50%) of the total vote in the Association

(c) Nondiscrimination

Irrespective of the foregoing, no amendment will (i) alter the Percentage Interest applicable to each Unit (except as permitted in accordance with Sections 6, 3.3 and 13.1 hereof); or (ii) discriminate against any Owner or against any Unit or class or group of Units, unless in each instance all Owners adversely affected thereby expressly consent thereto in writing. Notwithstanding any Rule or Regulation or other restriction, the Board of Directors of the Association will make reasonable accommodations in its Rules and Regulations or other restrictions as may be necessary to afford a handicapped person equal opportunity to use and enjoy his Unit and the Common Area, and in furtherance thereof is authorized and empowered to assign Common Area parking spaces for handicap parking generally or to assign same for exclusive use of a Person as handicap parking.

(d) Necessary Amendments

Notwithstanding any other provisions of this Master Deed to the contrary, if any amendment is necessary in the judgment of the Board to cure any ambiguity or to correct or supplement any provisions of the Regime Documents that are defective, missing or inconsistent with any other provisions thereof,

or if such amendment is necessary to conform to the requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or other secondary Mortgage market lenders, guarantors or insurers with respect to condominium projects, then at any time and from time to time the Board may effect an appropriate corrective amendment so long as written objection to such amendment is not received from Members representing at least fifty-one percent (51%) of the total votes of the Association within twenty (20) days after written notice of the proposed amendment is given to all Members.

(c) Recording.

A copy of each amendment provided for in this Section 17.2 will be certified by the Association as having been duly adopted and will be effective when recorded.

In recognition of the fact that certain provisions of this Master Deed are for the benefit of the Developer, no amendment in derogation of any right reserved or granted to the Developer by provisions of this Master deed may be made without the written approval of the Developer.

17.3 Termination

The Regime may be terminated and the Project removed from the provisions of the Act in the following manner:

(a) Agreement.

All of the Owners may remove the Project from the provisions of the Act by an instrument to that effect, duly recorded, subject to Sections 13.1 and 13.2 of this Master Deed.

(b) Destruction.

In the event it is determined in the manner provided in Section 5.6 that the Project will not be repaired or reconstructed after casualty, the Regime will be terminated and the Regime Documents revoked. The determination not to repair or reconstruct after casualty will be evidenced by a certificate of the Association certifying as to the facts effecting the termination.

(c) Condemnation.

In the event that any part of a Unit, or the Common Area essential to the use of any Unit will be taken by an authority having the power of eminent domain and the consent of Members representing at least sixty-seven (67%) percent of the total votes of the Association as provided in Section 6.3 to a plan for continuation of the Regime will not be expressed in an amendment to this Master Deed duly recorded within ninety (90) days after such taking, the Regime will be terminated and the Regime Documents revoked. A certificate of the Association certifying as to the facts effecting the termination will evidence such taking.

17.4 Covenants Running With the Land.

All provisions of this Master Deed will be construed to be covenants running with the land, and with every part thereof and interest therein, including, but not limited to, every Unit and the appurtenances thereto; and each and every provision of this Master Deed will bind and inure to the benefit of the Developer and all Owners and claimants of the Regime or any part thereof or interest therein, and their heirs, executors, administrators, successors and assigns.

17.5 Enforcement.

Each Owner will comply strictly with the Bylaws and with the Rules and Regulations of the Association, as either of the same may be lawfully amended from time to time, and with the covenants, conditions and restrictions set forth in this Master Deed and in the deed to his Unit. Failure to comply with any of the same will be grounds for an action to recover sums due, for damages or injunctive relief, or for all three, maintainable by the Board of Directors on behalf of the Association or by any aggrieved Owner. In addition, the rights of any Owner or lessee of an Owner, their families, invitees or guests to use and to enjoy the Common Area may be suspended by the Board of Directors for continued violation of the Rules and Regulations. Failure by the Association or any Owner to enforce any of the foregoing will in no event be deemed a waiver of the right to do so thereafter.

(a) Authority and Enforcement.

Subject to the provisions of Section 17.5(b) hereof, upon the violation of this Master Deed, the Bylaws, or any rules and regulations duly adopted hereunder, including, without limitation, the failure to timely pay any Assessments, the Board will have the power (i) to impose reasonable monetary fines which will constitute an equitable charge and a continuing lien as a specific Assessment, (ii) to suspend an Owner-Member's right to vote in the Association, or (iii) to suspend an Owner's or Occupant's right to use any of the Common Areas. The Board will have the power to impose all or any combination of these sanctions, and may establish each day a violation remains uncured as a separate violation for which a fine is due; provided, however, an Owner's access to its property over the private roads and streets constituting Common Areas will not be terminated hereunder. An Owner or Occupant will be subject to the foregoing sanctions in the event of such a violation by such Owner or Occupant. Any such suspension of rights may be for the duration of the infraction and for any additional period thereafter, not to exceed thirty (30) days.

(b) Procedure.

Except with respect to the failure to pay Assessments, the Board will not impose a fine, suspend voting rights, or infringe upon or suspend any other rights of an Owner or other Occupant of the Project for violations of the Master Deed, By-Laws, or any rules and regulations of the Association, unless and until the following procedure is followed:

(i) Demand to Cease and Desist. Written demand to cease and desist from an alleged violation will be served upon the Owner responsible for such violation specifying:

(A) The alleged violation;

(B) The action required to abate the violation; and

(C) A time period of not less than ten (10) days during which the violation may be abated without further sanction, if such violation is a continuing one, or if the violation is not a continuing one, a statement that any further violation of the same provision of this Master Deed, the By-Laws, or of the rules and regulations of the Association may result in the imposition of sanctions after notice and hearing.

(ii) Notice of Hearing. Within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same violation subsequently occurs, the Board may serve such Owner with written notice of a hearing to be held by the Board in executive session. The notice will contain:

(A) The nature of the alleged violation;

- (B) The time and place of the hearing, which time will be not less than ten (10) days from the giving of the notice;
- (C) An invitation to attend the hearing and produce any statement, evidence, and witnesses on his behalf; and
- (D) The proposed sanction to be imposed.

(iii) Hearing. The hearing will be held in executive session of the Board of Directors pursuant to the notice and will afford the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard will be placed in the minutes of the meeting. Such proof will be deemed adequate if a copy of the notice together with a statement of the date and matter of delivery is entered by the officer, director, or other individual who delivered such notice. The notice requirement will be deemed satisfied if an alleged violator appears at the meeting. The minutes of the meeting will contain a written statement of the results of the hearing and the sanction imposed, if any.

17.6 Severability.

All provisions of this Master Deed and all of the Regime Documents will be construed in a manner that complies with the Act and South Carolina law to the fullest extent possible. If all or any portion of any provision of this Master Deed or any other Regime Documents will be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability will not affect any other provision hereof or thereof, and such provision will be limited and construed as if such invalid, illegal or unenforceable provision or portion thereof were not contained herein or therein.

17.7 Gender or Grammar.

The singular whenever used herein will be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, will in all cases be assumed as though in each case fully expressed. In addition, the use of the terms "herein" or "hereof" will mean this Master Deed and not merely the Section or paragraph in which such term is utilized.

17.8 Headings.

All Section headings are utilized merely for convenience and will not restrict or limit the application of the respective Sections.

17.9 Powers of Attorney.

By acceptance of a deed or other conveyance of an interest in a Unit, all Members do hereby grant, and if further required, do agree to vote in a manner to provide to, and to ratify and confirm retention by, Developer of Developer's rights under this Master Deed, including, without limitation, the right to amend this Master Deed in accordance with the provisions hereof. In connection with this voting agreement, each member appoints Developer as proxy for such member with full power of substitution to vote for the member on all such matters on which the member may be entitled to vote, and with respect to which there is a reservation or designation of voting rights in Developer under this Master Deed, and with all powers which the member would possess if personally present at any meeting of members. Such appointment will be, upon acceptance of a deed or other conveyance by the member and without the necessity of further action by the Developer or the member, a power coupled with an interest and will be irrevocable. Such appointment will be effective as of the date on which a deed or other conveyance of an interest to the Member is recorded in the RMC. This irrevocable proxy will automatically terminate thirty (30) days after the conveyance of forty-nine (49) Units in the ordinary course

of Developer's business. The within voting agreement and proxy are in addition to, and not in substitution of, all rights of Developer herein provided, which will run with the land.

17.10 Unit Deeds.

In accepting a deed to any Unit, the grantee will be deemed to have accepted and agreed to all terms and conditions contained in this Master Deed and the Exhibits, as amended, and further agrees to execute any and all documents reasonably requested by the Developer or the Association from time to time to expressly evidence the foregoing.

17.11 Counterpart Execution.

This Master Deed may be executed in any number of counterparts, each of which shall be an original, and all of which taken together shall constitute a single agreement, with the same effect as if the signatures thereto and hereto were upon the same instrument.

18. Exhibits Attached

The following Exhibits are attached hereto and incorporated verbatim in this Master Deed by reference as fully as if set forth herein.

Description	Identification
Legal Description of the Land	A
Site Plan and Floor Plans	B
Schedule of Assigned Values and Percentage Interests	C
Articles of Incorporation of Association	D
Bylaws of the Association	E
Alternative Dispute Resolution Procedures	F

19. Joinder of Wachovia Bank, National Association.

Wachovia Bank, National Association, Successor by Merger to First Union National Bank, lender to the Developer, executes this Master Deed to signify its consent and agreement that its mortgage dated November 9, 2000, and recorded of even date therewith in the RMC in Book H-358, Page 368 is and shall remain subordinate to this Master Deed and the other Regime Documents incorporated herein by reference.

[Remainder of Page Purposely Left Blank]

IN WITNESS WHEREOF, Developer has caused this Master Deed to be executed to be effective as of this 30th day of August, 2002.

In the Presence Of:

Kishi Harris
William D. Jordan

BRITTLEBANK CONDOMINIUMS, LLC
a South Carolina limited liability company,

BY: BEACH BRITTLEBANK, LLC, a
Member of Brittlebank Condominiums, LLC,

BY: THE BEACH CO., as Manager of
Beach Brittlebank, LLC:

By: [Signature]
Name: Richard D. Dady
Its: President

By: Dana R. Mager
Name: Dana R. Mager
Its: Corporate Secretary

STATE OF SOUTH CAROLINA)

COUNTY OF CHARLESTON)

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me this 30th day of August, 2002, by Brittlebank Condominiums, LLC, by Beach Brittlebank, LLC, its Member, by The Beach Co., its Manager, By: John A. Dady, its President, and Dana R. Mager, its Corporate Secretary.

SWORN to before me this 30th
day of August, 2002.

William D. Jordan (L.S.)
Notary Public for South Carolina
My Commission Expires: 2.25.2003

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NPMB1:765 15-RD-(BFK) 016019-00093

JOINDER OF MORTGAGEE

The undersigned, Wachovia Bank, National Association, Successor by Merger to First Union National Bank, has hereby caused this instrument to be executed this 30th day of AUGUST, 2002 to signify its consent, joinder and subordination pursuant to Section 19 of this Master Deed.

Wachovia Bank, National Association,
Successor by Merger to First Union National Bank

Donna M. Bucci
Witness #1

By: August J. Campen III
Its: SENIOR VICE PRESIDENT

Elisabeth Peary
Witness/Notary

STATE OF SOUTH CAROLINA)

COUNTY OF Charleston)

Personally appeared before me undersigned witness and made an oath that (s)he saw Wachovia Bank, National Association, Successor by Merger to First Union National Bank, by its duly authorized officer(s), sign, seal, and as its act and deed deliver the within written Master Deed of The Bristol Horizontal Property Regime, and that (s)he, with the other subscribing witness, witnessed the execution thereof

Donna M. Bucci (SEAL)
Witness #1

Sworn to before me this

30th day of August, 2002.

Elisabeth Peary

Notary Public for South Carolina

My Commission expires: June 24, 2006

Exhibit "A"

Legal Description of The Land

All that certain piece, parcel or lot of land, situate, lying and being on Lockwood Boulevard in the City of Charleston, County of Charleston, State of South Carolina, containing 4.28 acres, more or less, shown and designated as "Tract 1" on a plat entitled "Plat of Tract 1 Prepared for the Beach Company, City of Charleston, Charleston County, South Carolina", prepared by F. Elliott Quinn, Registered Land Surveyor No. 10292, dated April 6, 1999, and recorded at the Charleston County R.M.C. Office on August 4, 2000, in Plat Book EE, at Page 212.

SAVING AND EXCEPTING therefrom the following, according to said plat: Beginning at an iron pin on the southeastern right-of-way line of Lockwood Boulevard (120' right-of-way), at a point 78 feet, more or less, from the intersection of U.S. Highway 17 and Lockwood Boulevard, said iron pin being the POINT OF BEGINNING; thence leaving the POINT OF BEGINNING, turning and running South 62°25'00"W for a distance of 373.04' to a point; thence turning and running N29°44'46"E for a distance of 6.20' to a point; thence turning and running N42°44'12"E for a distance of 9.28' to a point; thence turning and running N33°05'08"E for a distance of 10.70' to a point; thence turning and running S66°53'46"E for a distance of 7.46' to a point; thence turning and running N57°28'27"E for a distance of 7.28' to a point; thence turning and running N38°50'05"W for a distance of 9.55' to a point; thence turning and running N47°56'07"E for a distance of 18.47' to a point; thence turning and running N55°29'36"E for a distance of 19.11' to a point; thence turning and running N32°15'42"E for a distance of 20.72' to a point; thence turning and running N46°42'35"E for a distance of 9.33' to a point; thence turning and running N58°12'33"E for a distance of 16.70' to a point; thence turning and running N59°24'06"E for a distance of 20.22' to a point; thence turning and running N69°00'19"E for a distance of 20.78' to a point; thence turning and running N68°46'38"E for a distance of 16.13' to a point; thence turning and running N68°37'52"E for a distance of 14.35' to a point; thence turning and running N37°59'06"E for a distance of 12.80' to a point; thence turning and running N60°55'32"E for a distance of 20.66' to a point; thence turning and running N49°33'30"E for a distance of 17.96' to a point; thence turning and running N49°02'41"E for a distance of 19.49' to a point; thence turning and running N47°05'17"E for a distance of 16.35' to a point; thence turning and running N51°32'52"E for a distance of 20.22' to a point; thence turning and running S58°55'13"E for a distance of 9.55' to a point; thence turning and running N89°34'54"E for a distance of 10.35' to a point; thence turning and running N53°09'20"E for a distance of 18.81' to a point; thence turning and running N42°54'51"E for a distance of 20.42' to a point; thence turning and running N00°09'13"E for a distance of 12.60' to a point; thence turning and running N27°28'03"W for a distance of 15.80' to a point; thence turning and running S45°31'40"E for a distance of 82.80' to a point, being the SAID POINT OF BEGINNING. Said parcel containing 0.30 acres, more or less, according to said plat.

ALSO, SAVING AND EXCEPTING therefrom, the following, according to said plat: Beginning at an iron pin on the southeastern right-of-way line of Lockwood Boulevard (120' right-of-way), at a point 522.08 feet, more or less, from the intersection of U.S. Highway 17 and Lockwood Boulevard, said iron pin being the POINT OF BEGINNING; thence leaving the POINT OF BEGINNING, turning and running S45°31'40"E for a distance of 37.21' to a point; thence turning and running S44°28'20"E for a distance of 16.07' to a point; thence turning and running S75°33'00"W for a distance of 10.64' to a point; thence

turning and running S65/29'27"W for a distance of 15.42' to a point; thence turning and running N21/53'53"W for a distance of 17.55' to a point; thence turning and running S52/20'54"W for a distance of 12.87' to a point; thence turning and running S21/58'08"E for a distance of 19.26' to a point; thence turning and running S37/06'08"E for a distance of 14.68' to a point; thence turning and running S34/25'13"W for a distance of 26.84' to a point; thence turning and running S42/36'14"E for a distance of 12.50' to a point; thence turning and running S57/10'37"W for a distance of 14.00' to a point; thence turning and running N81/20'50"W for a distance of 25.01' to a point; thence turning and running S66/02'57"W for a distance of 20.83' to a point; thence turning and running S57/50'59"W for a distance of 20.20' to a point; thence turning and running S65/25'51"W for a distance of 23.08' to a point; thence turning and running S62/05'24"W for a distance of 25.98' to a point; thence turning and running S75/31'28"W for a distance of 16.50' to a point; thence turning and running S62/55'52"W for a distance of 20.24' to a point; thence turning and running N54/42'28"W for a distance of 14.94' to a point; thence turning and running S70/29'24"W for a distance of 19.88' to a point; thence turning and running N55/41'12"W for a distance of 12.36' to a point; thence turning and running N84/11'46"W for a distance of 6.50' to a point; thence turning and running N61/59'25"E for a distance of 295.05' to a point, being the POINT OF BEGINNING. Said parcel containing 0.30 acres, more or less, according to said plat.

Being a portion of the property conveyed to Brittlebank Condominium, LLC by deed of G.F. Development, LLC, dated November 9, 2000 and recorded in the RMC November 15, 2000 in Book H-358, Page 166.

The within conveyance is subject to all easements of record and/or upon the ground.

Pursuant to South Carolina Code Ann. Section 48-39-330 (1995 supp.), grantor hereby discloses that the subject premises or a portion thereof may be subject to statutory regulations imposed by the South Carolina Coastal Zone Act of 1997, South Carolina Code Ann. Section 48-39-10, ET. Seq. (1995 Supp.) as amended by the South Carolina Beach Management Act, South Carolina Code Ann. 48-39-270, ET. Seq. (1995 Supp.) (Hereinafter collectively referred to as the "Coastal Zone and Beach Management Acts"). Pursuant to the Coastal Zone and Beach Management Acts, the subject premises or a portion thereof is or may be affected by the baseline and setback line, the location of which lines are available from the South Carolina Department of Health and Environmental Control, Office of Ocean and Coastal Resource Management. The grantor makes no representation to grantee concerning the location of such base line, setback lines and the erosion rate, the effect of such regulations on the subject premises, or the accuracy of the foregoing disclosures.

Pursuant to Section 27-31-100 of The South Carolina Code (1976), as amended, notice is given that all activities on or over and all uses of any submerged land and other critical areas are subject to the jurisdiction of the Office of Ocean and Coastal Resource Management ("OCRM") of the South Carolina Department of Health and Environmental Control (formerly known as, "The South Carolina Coastal Council"), including, but not limited to, the requirements that any activity or use must be authorized by OCRM. Any owner to the extent of his ownership is liable for any

damages to, any inappropriate or unpermitted uses of, and any duties or responsibilities concerning, any submerged land, coastal waters, or any other critical area.

Exhibit "B"

Site Plan and Floor Plans

BRISTOL HORIZONTAL PROPERTY REGIME

NOTE

Exhibit "B" is a survey showing the location of the Building and other improvements, a set of floor plans of the Building which shows graphically the dimensions, area and location of each Unit therein, and the dimensions, area and location affording access to each Unit. Both plat and plans are attached. Said Exhibit further includes the matters set forth below.

The Building consists of fifty-four (54) Units located in one (1), five-story Building. Each Unit in the Building is individually numbered and described on the floor plans as Units 301 through, and including, 318; 401 through, and including, 418; and 501 through, and including, 518. Each of the Units is also known by its mailing address on Old Bridgeview Lane, those being 3001 through, and including, 3018; 4001 through, and including, 4018; and 5001 through, and including, 5018, respectively.

Each of the Units in the Building has a separate entrance door off of an interior corridor, and is a one-story flat of one (1) of nine (9) floor plans shown and designated as Type A, Type B, Type C, Type D, Type E, Type F, Type G, Type H-1, Type H-2 and Type I, and each such Type is called by a distinct name.

The name by which each Unit type is known, the number of bedrooms and baths each of the Unit types has, and the approximate square footage calculations¹ of each of them is as follows:

Unit Type	Bedrooms and Baths	Heated Sq. Ft.	Balcony Sq. Ft.	Gross Sq. Ft.
A - The Aberdeen	2 bedrooms, 2 baths	1,376	126	1,502
B - The Buckingham	2 bedrooms, 2 baths	1,398	126	1,524
C - The Canterbury	2 bedrooms, 2½ baths	1,605	195	1,800
D - The Devonshire	2 bedrooms, 2½ baths	1,626	195	1,821
E - The Essex	2 bedrooms, 2½ baths	1,675	258	1,933
F - The Faversham	2 bedrooms, 2½ baths	1,861	195	2,056
G - The Greenwich	2 bedrooms, 2½ baths	1,937	358	2,295
H - The Hampton	3 bedrooms, 2½ baths	2,213	300	2,513
I - The Inverness	3 bedrooms, 2½ baths	2,125	303	2,428

¹ Square footage calculations are an approximation. The actual square footages calculation for heated area, balconies and gross area for each Unit is controlled by actual, on-site dimensions.

The Units are located on the third, fourth and fifth floors of the Building. There are two assigned parking spaces and one assigned storage space for each Unit (constituting Limited Common Areas of the Unit to which assigned) on the first and second floors; and there are other general Common Areas located on the first and second floors. Exhibit "C" to this Master Deed sets forth by number the parking spaces and storage space assigned to each Unit.

The floor plans for the Building by Niles Bolton Associates, dated May 24, 2000 shows the locations of each of the Units and the general Common Areas and the Limited Common Areas identified on said plans, including the location of each numbered parking space and storage space; and the as-built survey by Absolute Surveying, Inc. dated August 22, 2002 will control over the said floor plans as to actual ground location and floor elevation of the items shown upon said plot plan.

As to each Unit: All built-in kitchen appliances, the refrigerator, air conditioner units and condensers and hot water heater located in each Unit are part of the Unit in which they are located and are not Common Areas. Each balcony adjacent to and accessible solely through a Unit, including the railing thereof, is a Limited Common Area of that Unit and is subject to restrictions as set forth elsewhere in this Master Deed.

Reference to areas as Common Areas and Limited Common Areas in this Exhibit "B" will be in addition to and read in conjunction with the further designations to Common Areas and Limited Common Areas set out in other portions of this Master Deed and the survey and floor plans making up the balance of this Exhibit "B". The parking area designated on the as-built survey is a Common Area.

Exhibit "B" is deemed to include the attached certification letter dated August 27, 2002 from Niles Bolton Associates, architects of the above referenced floor plans recorded simultaneously herewith.

Niles Bolton Associates

3060 Peachtree Road, N.W.
Suite 600
Atlanta, Georgia 30305
404.365.7600
FAX 404.365.7610
EMAIL nbu@nilesbolton.com

August 27, 2002

Brian F. Kernaghan, Esquire
Nexsen Pruet Jacobs Pollard & Robinson, LLP
2411 North Oak Street, Suite 105
Myrtle Beach, SC 29577

Re: The Bristol Condominiums, Charleston, SC
NBA #99030.10



Dear Mr. Kernaghan:

This letter is to serve as the Architect's Certification for the above referenced project as requested by you for attachment to the Master Deed.

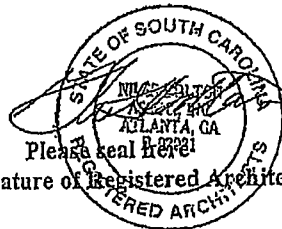
The under signed Architect, registered to practice architecture in the State of South Carolina, certifies that these documents reflect, to the best of the Architect's knowledge, information and belief, the observable and accessible configuration of the structures as designed by the Architect. They show floor plans and elevations of the building, and graphically show the dimensions, area and locations of each condominium therein, with the dimensions, areas and location of the common elements affording access to each condominium.

Please do not hesitate to call with any questions and/or comments.

Sincerely,

NILES BOLTON ASSOCIATES

G. Niles Bolton, AIA



Please seal here!
Signature of Registered Architect

Z:\ADMIN\STUDIO1\Bristol Condominium\Kernaghan-01_ltr.wpd

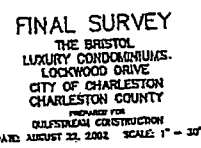
Alexandria,
Virginia
703 856.0915
FAX 703 684 3653

Jose,
California
408.279 5476
FAX 408 297 2995

EXHIBIT B - Page iii

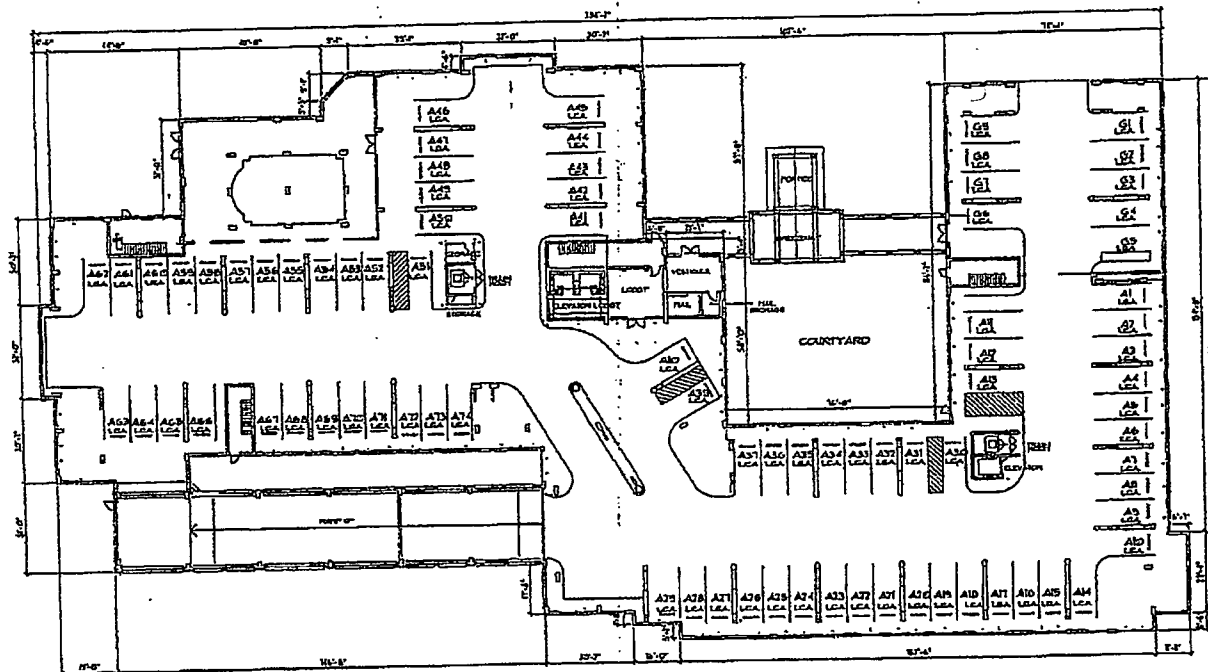
www.nilesbolton.com

Architecture ■ Urban Design ■ Interiors ■ Landscape Architecture



THIS FLOOR PLAN AND THE DIMENSIONS AND SQUARE FOOTAGE CALCULATIONS THEREON WERE PREPARED BY THE ARCHITECT BASED ON THE DATA PROVIDED BY THE CLIENT. THE ARCHITECT HAS CONDUCTED VISUAL GENERAL VERIFICATION OF THE DATA PROVIDED BY THE CLIENT. THE FLOOR PLAN IS NOT TO BE USED FOR ANY PURPOSES OTHER THAN THAT FOR WHICH IT WAS PREPARED. THE ARCHITECT ASSUMES NO LIABILITY FOR ANY ERRORS OR OMISSIONS IN THIS FLOOR PLAN OR THE DIMENSIONS AND SQUARE FOOTAGE THEREON.

BRISTOL HORIZONTAL PROPERTY REGIME



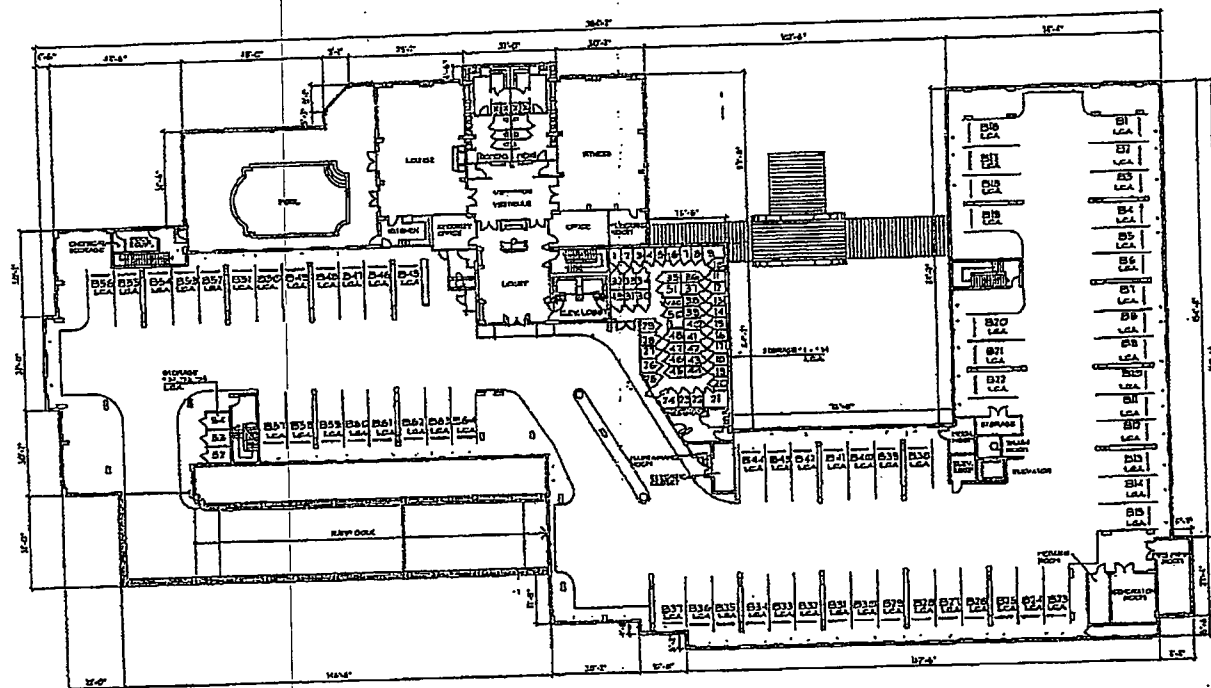
FIRST LEVEL PLAN

Scale: 1" = 40'-0"



THIS FLOOR PLAN AND THE DIMENSIONS AND SQUARE FOOTAGE
CALCULATIONS SHOWN HEREIN ARE ONLY APPROXIMATIONS AND MAY
VARY IN ONE OR MORE DIRECTIONS AS A RESULT OF THE PROPORTIONING
THEREOF. THIS PLAN SHOULD BE TAKEN WITH THE UNDERSTANDING THAT IT IS
NOT TO BE USED FOR ANY PURPOSES, AND ESPECIALLY FOR THE PURPOSES OF
RECORDING AND RECORDING COMPARISONS, WITHOUT THE ASSISTANCE OF
A PROFESSIONAL SURVEYOR.

BRISTOL HORIZONTAL PROPERTY REGIME



SECOND LEVEL PLAN

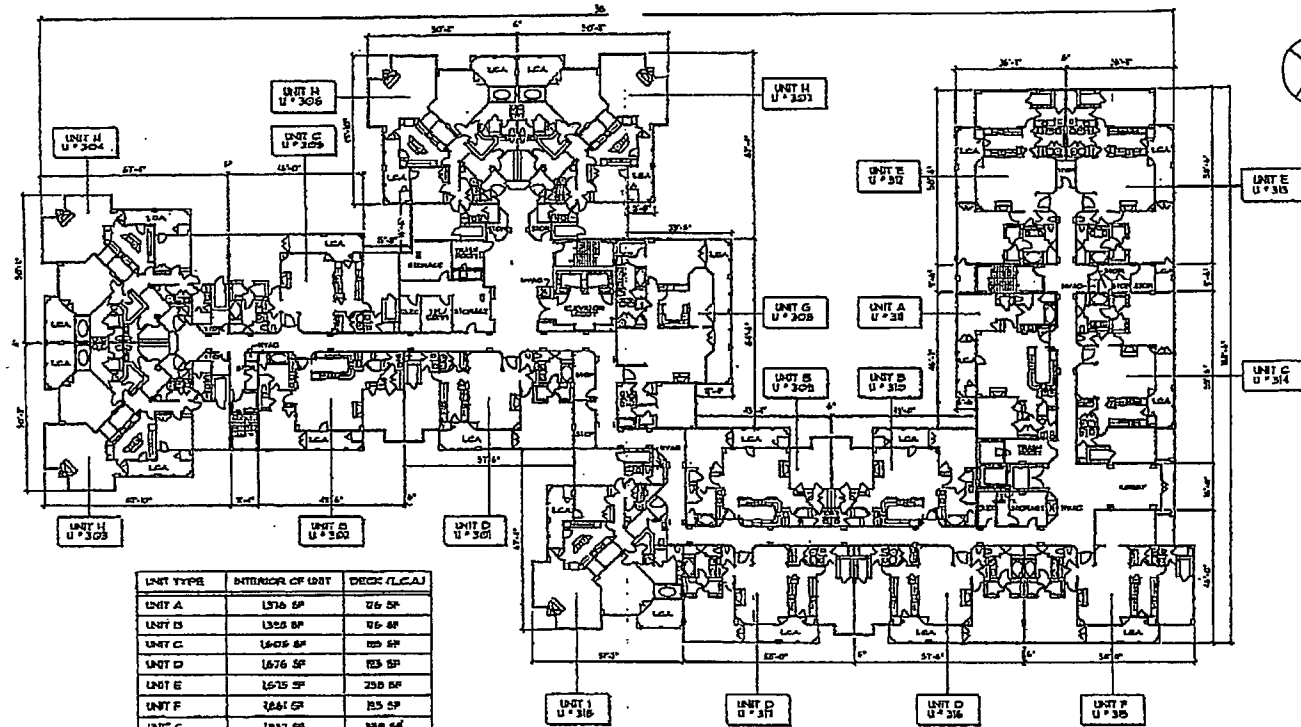
Scale: 1" = 40'-0"

Exhibit B - Page v

THIS FLOOR PLAN AND THE BUILDING IS AND BEING USED FOR
 CALCULATIONS OF THE BUILDING IS ONLY APPROXIMATE. ANY UNIT
 SPECIFICATIONS OR DIMENSIONS ARE NOT REPRESENTED TO THE NEAREST
 THIS FLOOR PLAN IS NOT TO BE USED FOR ANY OTHER PURPOSES.
 THE BUILDING IS NOT TO BE USED FOR ANY OTHER PURPOSES.
 THE BUILDING IS NOT TO BE USED FOR ANY OTHER PURPOSES.

BRISTOL HORIZONTAL PROPERTY REGIME

UNIT TYPE	INTERIOR OF UNIT	DECK (L.C.A.)
UNIT A	1,376 SF	76 SF
UNIT B	1,325 SF	76 SF
UNIT C	1,609 SF	75 SF
UNIT D	1,676 SF	75 SF
UNIT E	1,675 SF	75 SF
UNIT F	1,641 SF	75 SF
UNIT G	1,331 SF	75 SF
UNIT H	2,215 SF	300 SF
UNIT I	2,215 SF	303 SF

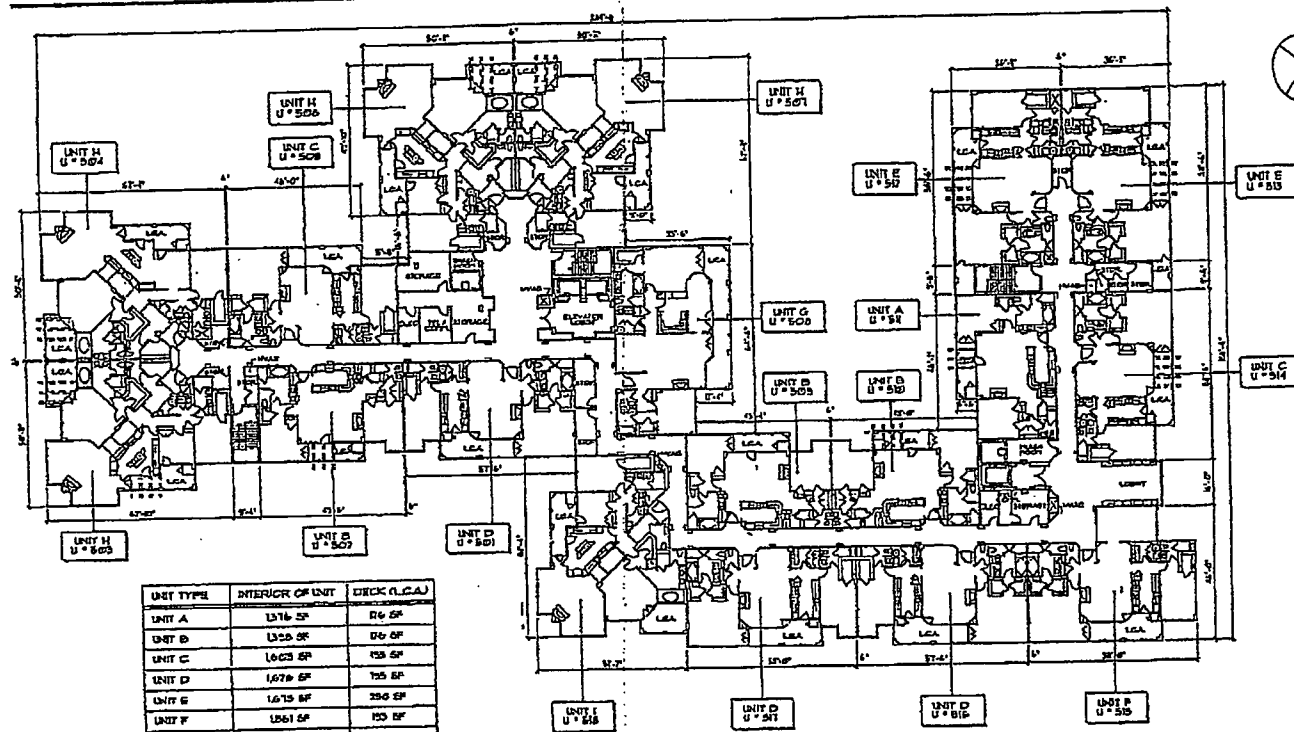


THIRD LEVEL PLAN

Scale: 1" = 40'-0"

THIS FLOOR PLAN AND THE SUBFLOOR AND BASEMENT
 EXISTING AND THE REVISIONS ARE ONLY APPROXIMATE. ANY
 DIMENSIONS OF CONCRETE AND ALL PARTS OF THE BUILDING
 THROUGHOUT THIS PLAN SHALL BE THE PROPERTY OF THE
 BRISTOL MANUFACTURING AND EQUIPMENT CO. OF THE STATE
 OF NEW YORK AND SHALL BE THE PROPERTY OF THE STATE
 OF NEW YORK.

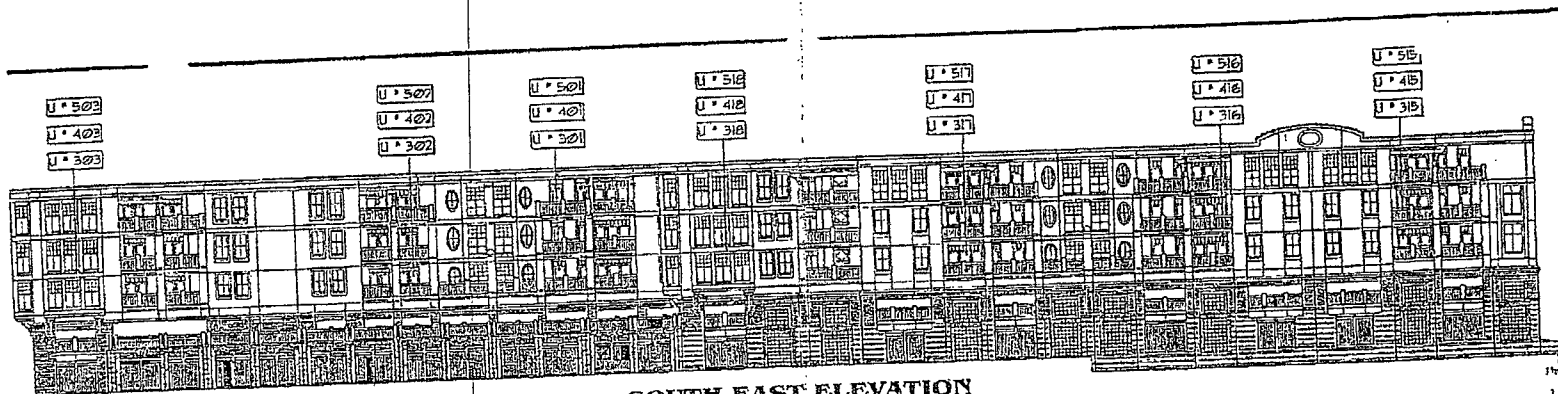
BRISTOL HORIZONTAL PROPERTY REGIME



UNIT TYPE	INTERIOR OF UNIT	DECK (L.C.A.)
UNIT A	1,316 SF	86 SF
UNIT B	1,322 SF	86 SF
UNIT C	1,003 SF	153 SF
UNIT D	1,078 SF	153 SF
UNIT E	1,675 SF	296 SF
UNIT F	1,561 SF	153 SF
UNIT G	1,831 SF	188 SF
UNIT H	2,213 SF	303 SF
UNIT I	2,115 SF	303 SF

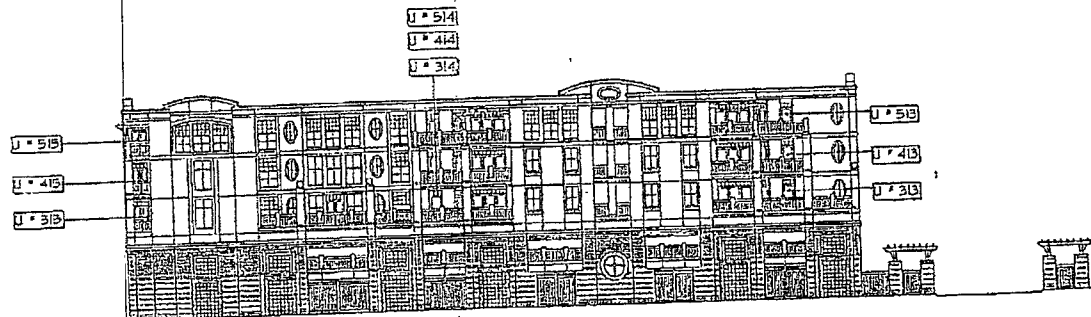
FIFTH LEVEL PLAN

Scale: 1" = 40'-0"



SOUTH EAST ELEVATION

Scale: 1" = 40'-0"



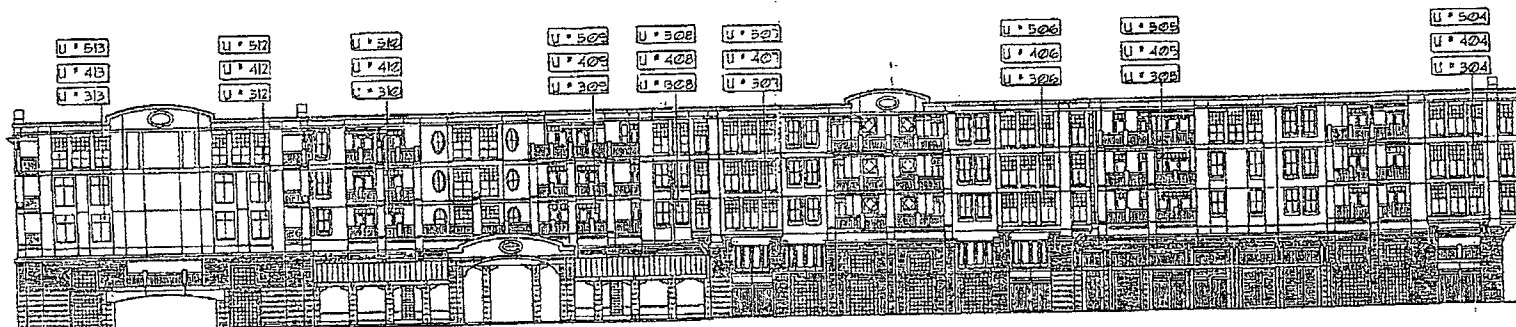
NORTH EAST ELEVATION

Scale: 1" = 40'-0"

THIS FLOOR PLAN AND THE SUBDIVISION AND SQUARE FOOTAGE
CALCULATIONS THEREON WERE PREPARED BY THE ARCHITECT, AND
THEY ARE NOT TO BE USED FOR ANY OTHER PURPOSES WITHOUT
THE WRITTEN CONSENT OF THE ARCHITECT. THE ARCHITECT
TAKES NO RESPONSIBILITY FOR THE ACCURACY OF THE
DIMENSIONS, MATERIALS, OR FINISHES SHOWN ON THIS
DRAWING. THE ARCHITECT'S OFFICE IS NOT RESPONSIBLE FOR
THE ACCURACY OF THE DIMENSIONS, MATERIALS, OR FINISHES
SHOWN ON THIS DRAWING.

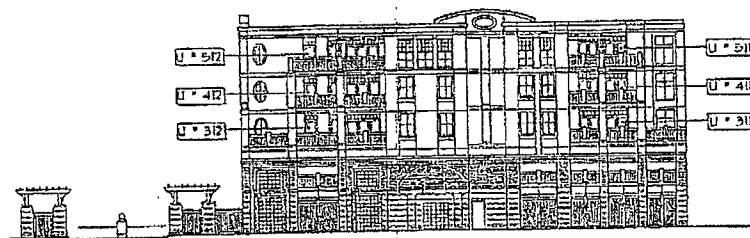
BRISTOL HORIZONTAL PROPERTY REGIME

Exhibit page 1x



NORTH WEST ELEVATION

Scale: 1" = 40'-0"



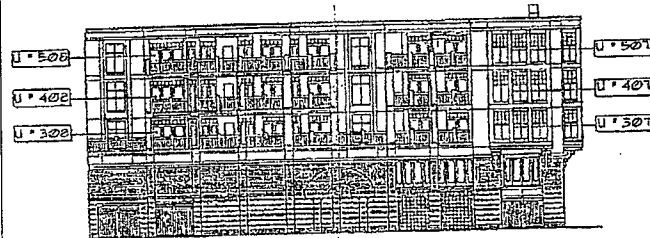
SOUTH WEST COURTYARD ELEVATION

Scale: 1" = 40'-0"

THIS FLOOR PLAN AND THE DIMENSIONS AND SCALING FOOTAGE
CALCULATIONS SHOWN HEREON ARE FOR INFORMATION ONLY. ANY UNIT
OWNER SHOULD CONSULT WITH THE PROPERTY OWNER REGARDING
THE FLOOR PLAN BEFORE DOING ANY WORK. THE FLOOR PLAN IS NOT
A GUARANTEE OF THE PROPERTY AND IS NOT A CONTRACT.

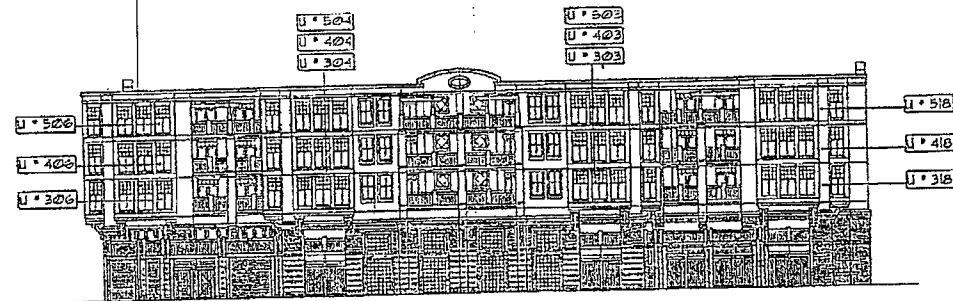
UNIT LOCATIONS AND OTHER INFORMATION MAY VARY BASED ON
UNIT LOCATIONS.

BRISTOL HORIZONTAL PROPERTY REGIME



NORTH EAST COURTYARD ELEVATION

Scale: 1" = 40'-0"



SOUTH WEST ELEVATION

Scale: 1" = 40'-0"

THIS FLOOR PLAN AND THE DIMENSIONS AND SQUARE FOOTAGE
INDICATED THEREON ARE FOR INFORMATION ONLY. THE LIST
OF UNITS IS NOT A GUARANTEE OF ANY REPRESENTATION OR
WARRANTY. THE FLOOR PLAN IS FILED ON RECORD IN THE PUBLIC
RECORDS, MEASUREMENTS, AND SQUARE FOOTAGE OF THE UNIT.
EXTERIOR MATERIALS AND FINISHES MAY VARY BASED ON
UNIT LOCATION.

BRISTOL HORIZONTAL PROPERTY REGIME

Exhibit - B.tifqxx

Exhibit "C"

Schedule of Assigned Values, Percentage Interests, Storage Space and Parking Spaces for Each Unit

This is a schedule of Assigned Values and Percentage Interests in the Common Areas appurtenant to Units in the Bristol Horizontal Property Regime. This Schedule also set forth the assigned storage and parking spaces' Limited Common Areas appurtenant to each Unit. The Assigned Value is for statutory purposes only and has no relationship to the actual value of each Unit.

The Bristol						
Unit Number by Architect's Floor Plan	Unit Number by Regime Address	Statutory Value	Statutory Percentage	Assigned Storage Space LCA	Assigned Parking Spaces LCA	Architectural Type
301	3001	\$2,000	1.85185%	38	A36 A35	D - The Devonshire
302	3002	\$2,000	1.85185%	39	A24 A25	B - The Buckingham
303	3003	\$2,000	1.85185%	40	A67 A68	H - The Hampton
304	3004	\$2,000	1.85185%	43	A69 A70	H - The Hampton
305	3005	\$2,000	1.85185%	42	A71 A72	C - The Canterbury
306	3006	\$2,000	1.85185%	41	A73 A74	H - The Hampton
307	3007	\$2,000	1.85185%	46	A43 A44	H - The Hampton
308	3008	\$2,000	1.85185%	45	A41 A42	G - The Greenwich
309	3009	\$2,000	1.85185%	44	A32 A33	B - The Buckingham
310	3010	\$2,000	1.85185%	1	A30 A31	B - The Buckingham
311	3011	\$2,000	1.85185%	2	A12 A13	A - The Aberdeen
312	3012	\$2,000	1.85185%	3	A3 A4	E - The Essex
313	3013	\$2,000	1.85185%	4	A5 A6	B - The Essex
314	3014	\$2,000	1.85185%	5	A7 A8	C - The Canterbury
315	3015	\$2,000	1.85185%	6	A9 A10	F - The Faversham
316	3016	\$2,000	1.85185%	7	A14 A15	D - The Devonshire
317	3017	\$2,000	1.85185%	9	A16 A17	D - The Devonshire
318	3018	\$2,000	1.85185%	10	A47 A48	I - The Inverness
401	4001	\$2,000	1.85185%	47	B55 B54	D - The Devonshire
402	4002	\$2,000	1.85185%	48	B53 B52	B - The Buckingham
403	4003	\$2,000	1.85185%	49	B51 B50	H - The Hampton
404	4004	\$2,000	1.85185%	4	B49 B48	H - The Hampton
405	4005	\$2,000	1.85185%	27	A58 A57	C - The Canterbury
406	4006	\$2,000	1.85185%	28	A56 A55	H - The Hampton
407	4007	\$2,000	1.85185%	29	A54 A53	H - The Hampton
408	4008	\$2,000	1.85185%	30	A52 A51	G - The Greenwich

1 Old Bridgeview Lane, Charleston, South Carolina 29403

Exhibit "C" - Page i

NPMB1:765 16-RD-(BPK) 016018-00093

The Bristol							
Unit Number by Architect's Floor Plan	Unit Number by Regime Address	Statutory Value	Statutory Percentage	Assigned Storage Space LCA	Assigned Parking Spaces LCA		Architectural Type
409	4009	\$2,000	1.85185%	31	B23	B24	B - The Buckingham
410	4010	\$2,000	1.85185%	32	B15	B23	B - The Buckingham
411	4011	\$2,000	1.85185%	33	B24	B25	A - The Aberdeen
412	4012	\$2,000	1.85185%	19	B26	B29	E - The Essex
413	4013	\$2,000	1.85185%	20	B30	B31	E - The Essex
414	4014	\$2,000	1.85185%	21	B32	B33	C - The Canterbury
415	4015	\$2,000	1.85185%	22	A18	A19	F - The Faversham
416	4016	\$2,000	1.85185%	23	A20	A21	D - The Devonshire
417	4017	\$2,000	1.85185%	24	A22	A23	D - The Devonshire
418	4018	\$2,000	1.85185%	25	A49	A50	I - The Inverness
501	5001	\$2,000	1.85185%	51	B58	B59	D - The Devonshire
502	5002	\$2,000	1.85185%	52	B60	B61	B - The Buckingham
503	5003	\$2,000	1.85185%	53	B62	B63	H - The Hampton
504	5004	\$2,000	1.85185%	54	B64	B65	H - The Hampton
505	5005	\$2,000	1.85185%	18	B46	B47	C - The Canterbury
506	5006	\$2,000	1.85185%	12	B45	B44	H - The Hampton
507	5007	\$2,000	1.85185%	16	B43	B42	H - The Hampton
508	5008	\$2,000	1.85185%	15	B36	B37	G - The Greenwich
509	5009	\$2,000	1.85185%	14	B14	B13	B - The Buckingham
510	5010	\$2,000	1.85185%	34	B40	B39	B - The Buckingham
511	5011	\$2,000	1.85185%	26	B11	B12	A - The Aberdeen
512	5012	\$2,000	1.85185%	8	B21	B20	E - The Essex
513	5013	\$2,000	1.85185%	13	B19	B18	E - The Essex
514	5014	\$2,000	1.85185%	12	B3	B4	C - The Canterbury
515	5015	\$2,000	1.85185%	11	B5	B6	F - The Faversham
516	5016	\$2,000	1.85185%	35	B7	B8	D - The Devonshire
517	5017	\$2,000	1.85185%	36	B9	B10	D - The Devonshire
518	5018	\$2,000	1.85185%	37	B35	B34	I - The Inverness
		\$108,000	99.99990%				

1 Old Bridgeview Lane, Charleston, South Carolina 29403

Exhibit "C" - Page ii

NPMB1:765.15-RD-(BFX) 015019-00063

Exhibit "D"
Articles of Incorporation
Attached Hereto

Exhibit "D"

NPMB1:785 15-RD-(BFI) 016019-00083

STATE OF SOUTH CAROLINA
SECRETARY OF STATE
JIM MILES
NONPROFIT CORPORATION
ARTICLES OF INCORPORATION



1. The name of the nonprofit corporation is Bristol Condominium Property Owners' Association
2. The initial registered office of the nonprofit corporation is 211 King Street, Suite 200
Street & Number,

Charleston Charleston S.C. 29401
City, County, State, Zip Code

The name of the registered agent of the nonprofit corporation at that office is:

John Darby

3. Check (a), (b), or (c) whichever is applicable. Check only one box.

- a. ☐ The nonprofit corporation is a public benefit corporation.
- b. ☐ The nonprofit corporation is a religious corporation.
- c. ☒ The nonprofit corporation is a mutual benefit corporation.

CERTIFIED TO BE A TRUE AND CORRECT COPY
AS TAKEN FROM AND COMPARED WITH THE
ORIGINAL ON FILE IN THIS OFFICE

AUG 26 2002

4. Check (a) or (b), whichever is applicable:

- a. ☒ This corporation will have members.
- b. ☐ This corporation will not have members.

J. Miles
SECRETARY OF STATE OF SOUTH CAROLINA

5. The address of the principal office of the nonprofit corporation is 211 King St., Suite 200
Street & Address,

Charleston Charleston S.C. 29401
City, County, State, Zip Code

6. If this nonprofit corporation is either a public benefit or religious corporation (box a. or b. of 3. is checked), complete either (a) or (b), whichever is applicable, to describe how the remaining assets of the corporation will be distributed upon dissolution of the corporation.

- a. ☐ Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such asset not so disposed of shall be disposed of by the court of common pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

b. ☐ Upon dissolution of the corporation, consistent with law, the remaining assets of the corporation shall be distributed to: _____

7. If the corporation is a mutual benefit corporation (box "c" of 3. is checked), complete either (a) or (b), whichever is applicable, to describe how the [remaining] assets of the corporation will be distributed upon dissolution of the corporation.

a. ☒ Upon dissolution of the mutual benefit corporation the remaining assets shall be distributed to its members, or if it has no members, to those persons to whom the corporation holds itself out as benefitting or serving.

b. ☐ Upon dissolution of the mutual benefit corporation the [remaining] assets, consistent with law, shall be distributed to _____

8. The optional provisions which the nonprofit corporation elects to include in the articles of incorporation are as follows (See § 33-31-202(c) of the 1976 South Carolina Code, the applicable comments thereto, and the instructions to this form):

a. Capitalized Words. The use of capitalized words herein shall have the meanings attributed to them in the Master Deed of The Bristol Horizontal Property Regime, hereinafter the "Master Deed," recorded or to be recorded in the Office of Register of Mesne Conveyances for Charleston County, South Carolina.

b. Purpose. This Association does not contemplate pecuniary gain or profit, and the specific, primary purposes for which it is formed are to provide for management, administration, maintenance and preservation of The Bristol Horizontal Property Regime and the Common Areas thereof, all according to the Master Deed. No part of the net earnings of the Association shall inure to the benefit of any person, other than for acquiring, constructing, or providing management, maintenance, and care of Association property, and other than by a rebate of excess Association fees and assessments, if any.

c. Right to Appoint Directors and Officers. The Developer under the Master Deed shall have the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the Association until such time as the first of the following dates: (i) December 31, 2008; (ii) three (3) months after the conveyance by the Developer, in the ordinary course of business to persons other than a successor Developer, of forty-nine (49) Units; (iii) or three (3) months following the date the Developer surrenders its authority to appoint directors of the Association by an express amendment to the Master Deed executed and filed in the Office of Register of Mesne Conveyances for Charleston County, South Carolina by the Developer.

d. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in a Unit which is subject to the Master Deed (including the Developer) shall be a member of the Association. Until the expiration of the Developer's right to appoint directors and officers of the Association pursuant to subparagraph c of this 8, the Developer, and its

successors and assigns, other than as an owner of a Unit, shall be a member of the Association. The membership of each owner of a Unit shall be appurtenant to and may not be separated from ownership of the Unit and ownership of a Unit shall be the sole qualification for such membership. In the event that fee title to a Unit is transferred or otherwise conveyed, the membership in the Association that is appurtenant thereto shall automatically pass to such transferee, notwithstanding any failure of the transferor to endorse to his transferee any certificates or other evidences of such membership. Any person or entity who holds an interest in a Unit merely as security for the performance of an obligation shall not be a member of this Association.

c. Voting Rights. The Association shall have two (2) classes of voting membership. Members are divided into classes for the sole purpose of computing voting rights and shall not vote as a class.

Class A. Class A members of the Association shall be all owners of Units (including the Developer). A Type A Member shall be entitled to one (1) vote for each Unit owned. When more than one (1) person holds an interest in any Unit, all such persons shall be Members. The vote for such Unit shall be exercised as they among themselves determine as provided in the Master Deed, but in no event shall more than one (1) vote be cast with respect to any Unit.

Class B. The Type B member shall be the Developer or its designated assign, in its capacity other than as an Owner of a Unit. The Type B member shall be entitled to three (3) votes for each vote held by Type A members, plus one (1) vote, until the expiration of the Developer's right to appoint directors and officers of the Association pursuant to subparagraph c of this 8. Thereafter, the Type B member shall exercise votes only as to its Type A memberships.

9. The name and address (with zip code) of each incorporator is as follows (only one is required):

Name	Address (with zip code)
<u>Brian F. Kornaghan</u>	<u>2411 N. Oak Street, Suite 105, Myrtle Beach, SC 29577</u>

10. Each original director of the nonprofit corporation must sign the articles but only if the directors are named in these articles:

Signature of director _____ (only if named in articles)

Signature of director _____ (only if named in articles)

Signature of director _____ (only if named in articles)

11. Each incorporator must sign the articles.

Brian F. Kornaghan
Signature of incorporator - Brian F. Kornaghan

STATE OF SOUTH CAROLINA
SOUTH CAROLINA TAX COMMISSION
INITIAL ANNUAL REPORT OF CORPORATIONS

CL-1
(Rev. 7/91)
3134

File Number _____ ENDING PERIOD _____
FILE THIS RETURN WITH ARTICLES OF INCORPORATION OR APPLICATION FOR AUTHORITY TO DO BUSINESS.

NAME OF CORPORATION BRISTOL CONDOMINIUM PROPERTY OWNERS' ASSOCIATION		
ADDRESS OF CORPORATION (NUMBER AND STREET) 211 KING STREET, SUITE 300		
CITY AND STATE CHARLESTON, SOUTH CAROLINA	ZIP 29576	COUNTY CHARLESTON
Date "Application for Charter" filed with Secretary of State AUG 26 2002		
Date of "Request for authority to do business in this state" (Foreign Corp.) N/A		
IRS Employer Identification Number	Applied For	Business Code
1. State of Incorporation: South Carolina		
2. Nature of principal business in South Carolina: Property Owners' Association		
3. Location of registered office of the corporation in the state of South Carolina is 211 King Street, Suite 300 , the city of Charleston Registered agent at such address is John Darby		
4. Location of principal office in South Carolina (street, city and county): above address		
5. Date business commenced in South Carolina: Date of Incorporation _____ Telephone: 843-722-2615		
6. The corporation's books are in care of John Darby located at 211 King Street, Suite 300, Charleston, SC 29401		
7. Indicate date corporation closes its books: To Be Determined		
8. If a professional corporation are all shareholders, one-half of the directors (or individuals functioning as directors) and all officers (other than the secretary and treasurer) qualified to practice the professional services engaged in by the corporation?		
9. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the corporation are:		
Name	Business Address and Office	Director, President
Timothy Walter	211 King Street, Suite 300, Charleston, SC 29401	
J. Glenn Hollis	"	Director, Vice President
J. Patrick McDermott	"	Director, Secretary/Treasurer
10. The total number of authorized shares of capital stock itemized by class and series, if any, within each class is as follows:		
Number of Shares	Class	Series
0	N/A	
11. The total number of issued and outstanding shares of capital stock itemized by class and series, if any, within each class is as follows:		
Number of Shares	Class	Series
0	N/A	
1. Fee due with this report	25.00	
2. Interest due		
3. Penalty due		
4. Total - Fee, Interest and Penalty (make remittance payable to SC Tax Commission)	25.00	

AFFIDAVIT
I, the undersigned, principal of the corporation for which this return is made, declare that this return including accompanying statements and schedules, has been examined by me and is to the best of my knowledge and belief a true and complete return made in good faith.

THIS RETURN PREPARED BY: Brian F. McLaughlin

DATE: **August 23, 2002**

Brian F. McLaughlin
Brian F. McLaughlin - Incorporator

Exhibit "E"
By-Laws of the Association
Attached Hereto

Exhibit "E"

NPMB1:765 15-RD-(BFX) 016019-00083

**BYLAWS OF
BRISTOL CONDOMINIUM PROPERTY OWNERS' ASSOCIATION**

ARTICLE I

NAME AND LOCATION

1.1 Name and Location. The name of the corporation is BRISTOL CONDOMINIUM PROPERTY OWNERS' ASSOCIATION, hereinafter referred to as the "Association." The principal office of the Association shall be located at the Project, or at such other place as may be designated by the Board.

ARTICLE II

DEFINITIONS

2.1 Incorporation. The definitions contained in the Master Deed are incorporated by reference herein.

(a) The Master Deed. "Master Deed" shall mean and refer to the Master Deed Of Bristol Horizontal Property Regime recorded in the Office of Register of Mesne Conveyances for Charleston County, South Carolina, and subsequent amendments thereto.

ARTICLE III

MEETING OF MEMBERS AND VOTING

3.1 Annual Meeting. The first meeting of the Members, whether an annual or a special meeting, shall be held on such day and at such time as the Board, upon majority vote, shall determine and which shall occur not more than twelve (12) months following the date of the close of the sale of the first Unit in the Regime. Subsequent annual meetings of the Members shall be held thereafter at an hour and place within thirty (30) days of the same month and day of such first meeting, as set by the Board.

3.2 Special Meetings. Special meetings of the Members shall be promptly scheduled at any time by the Board upon vote of a majority of the Board of Directors or upon written request of the President. A special meeting of the Members shall be called upon written demand delivered to the Secretary by the Members representing five percent (5%) of the total voting power of the Association, notice of which shall be by written notice to all Members within thirty (30) days of the Secretary's receipt of the demand. For purposes of determining the five percent (5%), the record date shall be thirty (30) days before delivery of the written demand. Upon the failure of the Association to send notice of a special meeting within thirty (30) days following delivery of written demand as aforesaid, any Member signing the demand may set the time and place of the special meeting and give notice thereof to all Members in accordance with the Nonprofit Corporation Act.

3.3 Notice and Place of Meetings. Unless otherwise provided in the Master Deed, the Articles of Incorporation, in these By-Laws, or in the Nonprofit Corporation Act, written notice of each meeting of the Members, annual or special, shall be given by, or at the direction of, the Secretary, by mailing a copy of such notice, first class mail, postage prepaid, at least thirty (30) but not more than sixty (60) days before such meeting to each Member, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. In the case of written demand of Members representing five percent of the total voting power of the (5%) Association, written notice of such meeting shall be given not more than thirty (30) days after written demand is delivered to the Association. Such notice shall

specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting, and shall provide for voting by proxy. If action is proposed to be taken at any meeting for approval for any of the following proposals, the notice shall also state the general nature of the proposal: (a) removing a Director without cause; (b) filling vacancies in the Board of Directors by the Members; or (c) amending the Articles of Incorporation. Meetings shall be held within the Project or at a meeting place within the same county, as close to the Project as possible.

Notice of a meeting of Members need not be given to any Member who signs a waiver of notice, in person or by proxy, either before or after the meeting. The waiver must be delivered to the Association for inclusion in the minutes or filing with the corporate records. Attendance of a Member at a meeting, in person or by proxy, shall of itself constitute waiver of notice, except when the Member attends a meeting solely for the purpose of stating his objection, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened. Objection by a Member shall be effective only if written objection to the holding of the meeting or to any specific action so taken is filed with the Secretary of the Association.

3.4 Quorum. Unless otherwise provided herein, in the Master Deed, the Articles of Incorporation, or the Nonprofit Corporation Act, the presence of Members representing one-third (a) of the votes of all Members, in person or by proxy, shall constitute a quorum for the transaction of business. The Members present at a duly called or held meeting at which a quorum of one-third (a) of the votes of all Members is present may continue to do business until adjournment, notwithstanding the withdrawal from the meeting of enough Members to leave less than such required quorum, provided that Members representing twenty percent (20%) of the total votes of the Association remain present in person and/or by proxy, and provided further that any action taken shall be approved by a majority of the Members required to constitute such quorum. If the required quorum is not present, another meeting may be called, not less than ten (10) nor more than sixty (60) days following the first meeting, and the required quorum at the subsequent meeting shall be the Members present, in person or by proxy, and entitled to vote. Unless otherwise provided, any reference hereafter to "votes cast" at a duly called meeting shall be construed to be subject to the quorum requirements established by this Section 3.4. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed in Section 3.3.

3.5 Ballots and Representative Voting.

(a) Written Ballots. Any vote of Members on a matter that would be cast at an annual, regular or special meeting may be taken, without a meeting, by written ballot delivered to every Member by the Association. The ballot shall set forth the matter to be voted upon and provide thereon a place to vote for or against such matter. Approval by written ballot without a meeting shall be effective only when the number of votes cast by ballot equals or exceeds the quorum required to be present had the matter been considered at a meeting, and the number voting for the matter equals or exceeds the number of votes required to approve it had the matter been considered at a meeting at which the requisite quorum is present. A solicitation of votes by ballot shall (1) indicate the record date for Members eligible to vote; (2) indicate the number of returned ballots voting for or against the matter that is required to satisfy the quorum requirement; (3) state the required number of votes or percentage voting in favor of the matter required to approve it (except in the case of election of directors, which shall be by plurality); and (4) state the date and time by which a Member's completed ballot must be received by the Secretary in order to be counted in the vote to be taken. A ballot, once delivered to the Secretary, may not be revoked. A Member's signed ballot shall be delivered to the Secretary by hand delivery, by U.S. mail, or by such other means as shall be permitted under South Carolina law, including, but not limited to and if allowed, overnight courier service, facsimile and e-mail transmission, internet form submission, or by any other technology or medium, now existing or hereafter devised, provided in every such case the sender retains proof of transmission and receipt.

specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting, and shall provide for voting by proxy. If action is proposed to be taken at any meeting for approval for any of the following proposals, the notice shall also state the general nature of the proposal: (a) removing a Director without cause; (b) filling vacancies in the Board of Directors by the Members; or (c) amending the Articles of Incorporation. Meetings shall be held within the Project or at a meeting place within the same county, as close to the Project as possible.

Notice of a meeting of Members need not be given to any Member who signs a waiver of notice, in person or by proxy, either before or after the meeting. The waiver must be delivered to the Association for inclusion in the minutes or filing with the corporate records. Attendance of a Member at a meeting, in person or by proxy, shall of itself constitute waiver of notice, except when the Member attends a meeting solely for the purpose of stating his objection, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened. Objection by a Member shall be effective only if written objection to the holding of the meeting or to any specific action so taken is filed with the Secretary of the Association.

3.4 Quorum. Unless otherwise provided herein, in the Master Deed, the Articles of Incorporation, or the Nonprofit Corporation Act, the presence of Members representing one-third (a) of the votes of all Members, in person or by proxy, shall constitute a quorum for the transaction of business. The Members present at a duly called or held meeting at which a quorum of one-third (a) of the votes of all Members is present may continue to do business until adjournment, notwithstanding the withdrawal from the meeting of enough Members to leave less than such required quorum, provided that Members representing twenty percent (20%) of the total votes of the Association remain present in person and/or by proxy, and provided further that any action taken shall be approved by a majority of the Members required to constitute such quorum. If the required quorum is not present, another meeting may be called, not less than ten (10) nor more than sixty (60) days following the first meeting, and the required quorum at the subsequent meeting shall be the Members present, in person or by proxy, and entitled to vote. Unless otherwise provided, any reference hereafter to "votes cast" at a duly called meeting shall be construed to be subject to the quorum requirements established by this Section 3.4. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed in Section 3.3.

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(a) Written Ballots. Any vote of Members on a matter that would be cast at an annual, regular or special meeting may be taken, without a meeting, by written ballot delivered to every Member by the Association. The ballot shall set forth the matter to be voted upon and provide thereon a place to vote for or against such matter. Approval by written ballot without a meeting shall be effective only when the number of votes cast by ballot equals or exceeds the quorum required to be present had the matter been considered at a meeting, and the number voting for the matter equals or exceeds the number of votes required to approve it had the matter been considered at a meeting at which the requisite quorum is present. A solicitation of votes by ballot shall (1) indicate the record date for Members eligible to vote; (2) indicate the number of returned ballots voting for or against the matter that is required to satisfy the quorum requirement; (3) state the required number of votes or percentage voting in favor of the matter required to approve it (except in the case of election of directors, which shall be by plurality); and (4) state the date and time by which a Member's completed ballot must be received by the Secretary in order to be counted in the vote to be taken. A ballot, once delivered to the Secretary, may not be revoked. A Member's signed ballot shall be delivered to the Secretary by hand delivery, by U.S. mail, or by such other means as shall be permitted under South Carolina law, including, but not limited to and if allowed, overnight courier service, facsimile and e-mail transmission, internet form submission, or by any other technology or medium, now existing or hereafter devised, provided in every such case the sender retains proof of transmission and receipt.

(b) Proxies. All of the provisions of this Section 3.5(b) are subject to the Master Deed. To the extent that a provision set forth in this Section is inconsistent with the Master Deed, the provisions of the Master Deed shall control. At all meetings of Members, each Member may vote in person or by proxy. The appointment form of proxy shall be in writing and received by the Secretary before the appointed time of the meeting. Every proxy appointment shall automatically cease upon conveyance by the Member of his Unit, or upon receipt of written notice by the Secretary of the death or judicially declared incompetence of a Member prior to the counting of the vote, upon revocation of the appointment of the proxy in accordance with the Nonprofit Corporation Act, or upon the expiration of eleven (11) months from the date of the proxy. Unless the proxy appointment form otherwise states, it shall be deemed to confer the authority to execute consents and waivers and to exercise the right to examine the books and records of the Association. Any proxy appointment form distributed by any person to the membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon set forth in the notice of the meeting. The appointment shall provide that, where the Member specifies a choice, the vote shall be cast by the proxy in accordance with that choice. The form shall also identify the person or persons acting as the proxy and the length of time it will be valid. In addition, voting by a proxy shall comply with any other applicable requirements of the Nonprofit Corporation Act. The Member's signed proxy appointment form shall be delivered to the Secretary by hand delivery, by U.S. mail, and by such other means as shall be permitted under South Carolina law, including, but not limited to and if allowed, overnight courier service, facsimile and e-mail transmission, internet form submission, or by any other technology or medium, now existing or hereafter devised, provided in every such case the sender retains proof of transmission and receipt.

3.6 Membership and Voting. The Association shall have two (2) classes of voting membership:

Type A: The Type A Members shall be all Owners, including the Developer (as defined in the Master Deed) and shall be entitled to one (1) vote for each Unit owned. When more than one (1) person holds an interest in any Unit, all such persons shall be Members. The vote for such Unit shall be exercised as they among themselves determine as provided in the Master Deed, but in no event shall more than one (1) vote be cast with respect to any Unit.

Type B: The Type B Member shall be the Developer whose voting rights shall be three (3) votes for each vote held by Type A Members, plus one (1) vote. The Type B membership shall cease upon the first of the following dates:

- (a) December 31, 2008;
- (b) three (3) months following the date on which the Developer has conveyed forty-nine (49) Units to Owners in the ordinary course of its business; or
- (c) three (3) months following the date the Developer surrenders the authority to appoint and remove Directors and officers of the Association by an express amendment to the Master Deed executed and filed in the Office of Register of Mesne Conveyances for Charleston County, South Carolina by the Developer.

Except as otherwise provided in the Master Deed, the Articles of Incorporation, these By-Laws, or the Nonprofit Corporation Act, any action by the Association which must have the approval of the Members before being undertaken shall require voting approval by a majority of the votes cast by Members at which the required quorum is present. An abstention shall be counted as a negative vote in calculating the majority. Members are divided into Type A and Type B Members for the sole purpose of computing voting rights and shall not vote as a class. Owners of Units in all phases shall have the same voting rights.

specify those matters the Board intends to present for action by the Members, but, except as otherwise provided by law, any proper matter may be presented at the meeting for action. Members of the Association shall have access to Association records in accordance with the Nonprofit Corporation Act. Any Member of the Association may attend meetings of the Board, except when the Board adjourns to executive session to consider litigation, matters that relate to the formulation of contracts with third parties, or personnel matters. Any matter discussed in executive session shall be generally noted in the minutes of the Board. In any matter relating to the discipline of an Association Member, the Board shall meet in executive session if requested by that Member, and the Member shall be entitled to attend the executive session.

ARTICLE IV

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

4.1 Number. A Board of Directors, all directors of which must be Members of the Association, or an officer, director, employee or agent of a Member, including Developer, shall manage the affairs of the Association. The initial Board of Directors shall consist of three (3) Directors who shall be appointed by the Developer. The Developer shall have the sole right to appoint and remove any member or members of the Board of Directors of the Association pursuant to the Master Deed until the expiration of the Transition Period. Within sixty (60) days after the expiration of the Transition Period, the Members shall elect five (5) Directors. The Association shall either call, and give not less than thirty (30) days' and not more than sixty (60) days' notice of, such special meeting of the Members to elect the Board of Directors, or the date on which the Association shall count the written ballots distributed to the Members with such notice or the election of the Board of Directors. Each year thereafter, the Members shall elect such number of Directors as shall exist whose terms are expiring.

4.2 Term of Office. The election of Directors shall be by plurality, the number of nominees equal to the number of vacancies to be filled receiving the greatest number of votes being elected. However, at the meeting of the Association following expiration of the Transition Period held to elect five (5) Directors or the date following expiration of the Transition Period when written ballots are to be counted for the election of such Directors pursuant to Section 4.1, the two (2) nominees receiving the highest number of votes will each be elected for a term of two (2) years, and the next three (3) nominees receiving the highest number of votes will each be elected for a term of one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve for a term of two (2) years. Unless vacated sooner, each Director shall hold office until the Director's term expires and a successor is elected.

4.3 Removal; Vacancies. A Director appointed by the Developer may only be removed by the Developer, otherwise, a Director may be removed from office, with or without cause, at any regular or special meeting of the Members by sixty-seven percent (67%) of the votes of the Members voting in person or by proxy at a meeting at which a quorum is present. A successor to any removed Director may be elected at the same meeting at which the vacancy is created by the removal of the Director. A Director whose removal is proposed to be voted upon at any meeting shall be given notice of the proposed removal not less than 10 days prior to the date of the meeting and shall be given an opportunity to be heard at the meeting. In the event of death or resignation of a Director, the vacancy shall be filled by majority vote of the Board at a duly held meeting, or by the sole remaining Director. A successor Director shall serve for the unexpired term of his or her predecessor. The Members may elect a Director at any time to fill any vacancy not filled by the Directors.

4.4 Compensation. No Director shall receive compensation for any service rendered to the Association. However, any Director may be reimbursed for his actual expenses, if reasonable, that are incurred in the performance of his or her duties, including, but not limited to, travel expenses.

4.5 Indemnification of Corporate Agents. The Association shall indemnify any present or former Director, officer, employee or other agent of the Association to the fullest extent authorized under the Nonprofit

Corporation Act, or any successor statute, and may advance to any such person funds to pay expenses that may be incurred in defending any action or proceeding on receipt of an undertaking by or on behalf of such person to repay such amount unless it is ultimately determined that such person was not entitled to indemnification under this provision.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

5.1 Nomination. The Board shall make nomination for election to the Board of Directors from the membership, and if the election is to take place at a meeting and not solely by written ballot, nominations may also be made from the floor at the meeting. The Board shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. All candidates shall have reasonable opportunity to communicate their qualifications to Members and to solicit votes.

5.2 Election. The first election of the Board shall be conducted as set forth in Section 4.1. At such election the Members or their proxies may cast as many votes as they are entitled to exercise under the provisions of the Master Deed. The persons receiving the largest number of votes shall be elected. No cumulative voting shall be permitted. Voting for Directors at a meeting shall be by secret written ballot. Voting for Directors may also be conducted by written ballot pursuant to Section 3.5(a).

ARTICLE VI

MEETINGS OF DIRECTORS

6.1 Regular Meetings. Regular meetings of the Board of Directors shall be held at least annually at such place within the Project, and at such hour as may be fixed from time to time by resolution of the Board. If a larger meeting room is required than exists with the Project, the Board shall select a room as close as possible to the Project. Should a regularly scheduled meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday, excluding Saturday and Sunday.

6.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President, Vice President or Secretary of the Association, or by any two (2) Directors. Notice of the special meeting shall specify the time and place of the meeting and the nature of the special business to be considered.

6.3 Quorum. A majority of the Directors then in office (but not less than two (2)) shall constitute a quorum for the transaction of business. Every act performed or decisions made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by a majority of the required quorum for that meeting.

6.4 Executive Session. The Board may, with approval of a majority of the Directors present at a meeting in which a quorum for the transaction of business has been established, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel and matters involving contracts of which the Association is a party, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

6.5 Telephone Meetings. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all Directors participating in the meeting can hear one another, and

all such Directors shall be deemed to be present in person at such meeting. An explanation of the action shall be filed with the minutes of the proceedings of the Board.

6.6 Waiver of Notice. The transaction of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minute. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

6.7 Notice of Adjourned Meeting. Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case personal notice of the time and place shall be given before the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

6.8 Action Without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

6.9 Notices Generally. Notice of any meeting of the Board of Directors, whether regular or special, shall be given to each Director by one (1) of the following methods; (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate such notice promptly to the Director; (d) by telegram, charges prepaid; or (e) by facsimile transmission to the fax number of the Directors or to e-mail address of the Directors, with proof of transmission and receipt thereof being retained in the minutes of the meeting. All such notices shall be given or sent to the Director's address, telephone number, fax number or e-mail address as shown on the records of the Association. Such notice shall be sent to all Directors not less than seventy-two (72) hours prior to the scheduled time of the meeting, provided, however, notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, telegraph, facsimile transmission or e-mail shall be delivered, telephoned, given to the telegraph company, faxed or e-mailed, as the case may be, at least seventy-two (72) hours before the time set for the meeting. Notice of any meeting need not be given to any Director who has signed a waiver of notice or written consent to holding of the meeting.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1 Duties. It shall be the duty of the Board of Directors to:

- A. Maintenance: Perform the maintenance described in the Master Deed;
- B. Insurance: Maintain insurance as required by the Master Deed;
- C. Discharge of Liens: Discharge by payment, if necessary, any lien against the Common Area and assess the cost thereof to the Member or Members responsible for the existence of the lien (after notice and hearing as required by these Bylaws);
- D. Assessments: Fix, levy, collect and enforce Assessments as set forth in the Master Deed;

Exhibit "E" - Page vii

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E. Expenses and Obligations: Pay all expenses and obligations incurred by the Association in the conduct of its business including, without limitation, all licenses, taxes, or governmental charges levied or imposed against the property of the Association;

F. Records: Cause to be kept a complete record of all its acts and affairs and to present a statement thereof to the Members at the annual meeting of the Members, at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class "A" Members; keep adequate and correct books and records of account, minutes of proceedings of its Members, Board and committees, and a record of its Members giving their names and addresses and classes of membership;

G. Supervision: Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

H. Enforcement: Enforce these Bylaws and the Master Deed;

I. Review of Financial Records: Review on at least a quarterly basis a current reconciliation of the Association's operating and reserve accounts, the current year's actual reserve revenues and expenses compared to the current year's budget, and an income and expense statement for the Association's operating and reserve accounts. In addition, the Board shall review the latest account statements prepared by the financial institutions where the Association has its operating and reserve accounts. For purposes herein, "reserve accounts" shall mean monies that the Association's Board has identified for use to defray the future repair or replacement of, or additions to, these major components that the Association is obligated to maintain.

J. Reserve Account Withdrawal Restrictions: Require that at least two (2) signature is needed for the withdrawal of monies for the Association's reserve accounts, at least one (1) of whom shall be a member of the Board. One (1) signature may be that of the Association's manager or such manager's designee.

K. Reserve Account Fund Management: The Board shall not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement, or maintenance of, or litigation involving the repair, restoration, replacement, or maintenance of, major components which the Association is obligated to repair, restore, replace, or maintain and for which the reserve fund was established.

L. Reserve Studies: At least every five (5) years the Board shall cause an independent analysis of the reserve component of the operating budget to be conducted to confirm that component replacement costs and useful lives are accurately reflected in the reserve allocation.

7.2 Powers. The Board of Directors shall have power to:

A. Manager: Employ a manager as provided in the Master Deed;

B. Adoption of Rules; Set Aside Common Area Parking for Handicap: Adopt rules in accordance with the Master Deed, including rules setting aside Common Area parking spaces as handicap parking only, and adopt rules limiting the number of cars which will be permitted to be parked in the Common Area parking spaces;

C. Assessments, Liens and Fines: Levy and collect Assessments and impose fines as provided in the Master Deed

D. Enforcement (Notice and Hearing): Enforce these Bylaws and/or the Master Deed, provided that at least fifteen (15) days' prior notice of any charges (other than Assessment) or potential discipline or fine and the reasons therefor are given to the Member affected, and that an opportunity is provided for the Member to be heard, orally or in writing not less than five (5) days before the effective date of the discipline or

fine, said hearing to be before the Board. Any notice required herein shall be given by any method reasonably calculated to provide actual notice. Any notice given by mail shall be given by first class or registered mail sent to the last address of the Member as shown on the Association's records.

B. Contracts: Contract for goods and/or services in accordance with the Master Deed.

F. Delegation: Delegate its authority and powers to committees, officers or employees of the Association or to a manager employed by the Association. The Board may not delegate the authority to procure insurance, make capital expenditures for additions or improvements chargeable against the reserve funds; to conduct hearings concerning compliance by an Owner or his tenant, lessee, guest or invitee with the Master Deed or rules and regulation promulgated by the Board, or to make a decision to levy monetary fines, impose special Assessments against individual Units, temporarily suspend an Owner's rights as a Member of the Association or otherwise impose discipline following any such hearing; to make a decision to levy Annual or Special Assessments; or to make a decision to bring suit, record a claim of lien, or institute foreclosure proceedings for default in payment of Assessments. Any such delegation shall be revocable by the Board at any time. The members of the Board, individually or collectively, shall not be liable for any omission or improper exercise by the manager of any such duty, power or function so delegated by written instrument executed by a majority of the Board.

G. Appointment of Trustee: Appoint a trustee as provided in the Master Deed.

H. Borrowings. Borrow money (i) for the purpose of improving the Regime, or any portion thereof, (ii) for constructing, repairing, maintaining or improving any facilities located or to be located within the Regime, (iii) for providing services authorized herein, and, (iv) to give as security for the payment of any such loan a mortgage or other security instrument conveying all or any portion of the Common Areas; provided, however, that the lien and encumbrance of any such security instrument given by the Association will be subject and subordinate to any and all rights, interest, options, licenses, easements, and privileges herein reserved or established for the benefit of Developer, any Owner, or the holder of any Mortgage, irrespective of when such Mortgage is executed or given.

I. Other Powers: In addition to any other power contained herein or in the Master Deed, the Association may exercise the powers granted to a nonprofit mutual benefit corporation as enumerated in the Nonprofit Corporation Act.

7.3 Prohibited Acts. The Board shall not take any of actions prohibited of it under the Master Deed except with the vote or written consent of a majority of the Members other than Developer.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

8.1 Enumeration of Officers. The officers of this Association shall be a President and Secretary, who shall at all times be members of the Board of Directors, a Vice President, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

8.2 Election of Officers. The Developer shall have the sole right to appoint and remove officers during the Transition Period. Thereafter, all officers shall hold office at the pleasure of the Board.

8.3 Term. The Board shall elect the officers of this Association annually and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

8.4 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

8.5 Resignation and Removal. Any officer may be removed from office (but not from the Board, if the officer is also a Board member) by the Board with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

8.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

8.7 Duties. The duties of the officers are as follows:

A. President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall sign all promissory notes. The President shall have the general powers and duties of management usually vested in the office of the President of a South Carolina nonprofit mutual benefit corporation, and shall have such powers and duties as may be prescribed by the Board or by these Bylaws.

B. Vice President. The Vice President shall act in the place of the President in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

C. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with the addresses, and shall perform such other duties as required by the Board. The ministerial functions of the Secretary in recording votes, keeping minutes, sending notices, and keeping the records of names and addresses of Members may be delegated to an Association manager.

D. Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all promissory notes of the Association; shall keep proper books of account; and shall prepare and shall distribute budgets and statements. The ministerial functions of the Treasurer in sending Assessment notices, receiving and depositing Assessments, keeping books and ledgers of account, and preparing and distributing budgets and statements may be delegated to an Association manager.

ARTICLE IX

COMMITTEES

9.1 Appointment. An Architectural Review Committee may be appointed as provided in the Master Deed. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purpose. No committee, regardless of Board resolution, may: (a) take any final action on matters which, under the Nonprofit Corporation Act also requires Members' approval; (b) fill vacancies on the Board of Directors or in any committee; (c) amend or repeal Bylaws or adopt new Bylaws; (d) amend or repeal any resolution of the Board of Directors; (e) appoint any other committees of the Board of Directors or the members of those committees; (f) approve any transaction to which the Association is a party and in which one (1) or more Directors have a material financial interest.

ARTICLE X

BOOKS AND RECORDS

10.1 Inspection by Members. The membership register (including names, mailing addresses, telephone numbers and voting rights), books of account and minutes of meetings of the Members, of the Board (including drafts and summaries), and of committees shall be made available for inspection and copying by any Member of the Association, or by his duly appointed representative, at any reasonable time and for a purpose reasonably related to his interest as a Member, at the office of the Association or at such other place within the Project as the Board shall prescribe. Board minutes shall be available to Members within thirty (30) days of the meeting, and shall be distributed to any Member upon request and upon reimbursement of the costs in making that distribution.

10.2 Rules for Inspection. The Board shall establish reasonable rules with respect to:

- A. Notice to be given to the custodian of the records by the Member desiring to make the inspection;
- B. Hours and days of the week when such an inspection may be made;
- C. Payment of the cost of reproducing copies of documents requested by a Member.

10.3 Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and copies of documents, at the expense of the Association.

10.4 Documents Provided by Board. Upon written request, the Board shall, within ten (10) days of the mailing or delivery of such request, provide an Owner with a copy of the governing documents of the Regime, a copy of the most recent budget and statements of the Association, and a true statement in writing from an authorized representative of the Association as to the amount of the Association's current Annual and Special Assessments and fees, as well as any Assessments levied upon the Owner's interest which, as of the date of the statement, are or may be made a lien upon the Owner's Unit. The Board may impose a fee for providing the foregoing which may not exceed the reasonable cost to prepare and reproduce the requested documents.

ARTICLE XI

MISCELLANEOUS

11.1 Amendments. Prior to close of the sale of the first Unit, Developer may amend these Bylaws. After sale of the first Unit these Bylaws may be amended, only as provided in the Master Deed or in the Nonprofit Corporation Act.

11.2 Conflicts. In the case of any conflict between the Articles of Incorporation and the Bylaws, the Articles of Incorporation shall control; and in the case of any conflict between the Master Deed and these Bylaws, the Master Deed shall control.

11.3 Fiscal Year. Unless directed otherwise by the Board, the fiscal year of the Association shall begin on the first day of January and end on the thirty-first (31st) day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Exhibit "F"
Alternative Dispute Resolution Procedures

1. **Mandatory Procedures for Non-Exempt Claims.** Any Claimant with a Claim against a Respondent shall comply with the following procedures.

1.1 **Notice.** Within a reasonable time after the Claim in question has arisen, and in each event prior to the date when institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitation, Claimant will notify Respondent in writing of the Claim (the "Notice"), stating plainly and concisely:

(a) the nature of the Claim, including applicable date, time, location, Persons involved, Respondent's role in the Claim and the provisions of the Regime Documents or other authority out of which the Claim arises;

(b) what Claimant wants Respondent to do or not do to resolve the Claim; and

(c) that Claimant wishes to resolve the Claim by mutual agreement with Respondent and is willing to meet in person with Respondent at a mutually agreeable time and place to discuss, in good faith, ways to resolve the Claim.

1.2 **Negotiation.**

(a) Each Claimant and Respondent (the "Parties") will make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation, not later than 30 days following the Notice, unless otherwise agreed by the Parties.

(b) Upon receipt of a written request from any Party, accompanied by a copy of the Notice, the Board may appoint an attorney licensed to practice law in the State of South Carolina to assist the Parties in resolving the dispute by negotiation, if in its discretion it believes his or her efforts will be beneficial to the Parties. Such an attorney will have been actively engaged in the practice of law for at least fifteen (15) years, specializing in commercial transactions with substantial experience in planned real estate developments and will not have a conflict of interest with any of the Parties.

1.3 **Final and Binding Arbitration.**

(a) If the Parties do not resolve the Claim through negotiation within 30 days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiation"), a Claimant will have 30 days within which to submit the Claim to binding arbitration under the auspices and the Commercial Arbitration Rules of the American Arbitration Association; and in accordance with the substantive and procedural laws of the state of South Carolina, except as said rules, procedures and substantive laws are applied otherwise as follows:

(i) Unless the parties mutually set another date, within ten (10) days following Termination of Negotiation, Claimant and Respondent will jointly select one arbitrator, whose decision will be absolutely binding on all Parties; provided, however, if Claimant and Respondent are unable to jointly select one arbitrator within said ten (10) -day period, or on or before any later day set by them by which to select an arbitrator, the arbitrator will be selected in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitration will be conducted in Charleston, South Carolina before a neutral person who is a member of the Bar of the State of South Carolina, who has been actively engaged in the practice of law for at least fifteen (15) years, specializing in commercial transactions with substantial experience in planned real estate developments, and who has no conflict of interest with any Party. The arbitrator may award any remedy or

(d) If the Claimant makes no written offer of settlement, the amount of the Claim made or asserted by the Claimant during the action is deemed to be such Claimant's final offer of settlement hereunder.

(e) If the Respondent makes no written offer of settlement, the final offer of settlement by the Respondent will be the amount asserted during the action to be due in satisfaction of the Claimant's claims, otherwise the Respondent's offer of settlement hereunder is deemed to be zero.

(f) If the respondent asserts a counterclaim, then offers of settlement shall take into consideration such counterclaim in the manner above provided. Furthermore, any Award shall also take into account such counterclaim.

(g) The Party(ies) whose offer, made or deemed made, is closer to the Award granted in the proceeding is considered the "Prevailing Party" hereunder. If the difference between Claimant's and Respondent's offers and the Award is equal, neither Claimant nor Respondent is considered to be the Prevailing Party for purposes of determining the award of fees, costs and expenses of arbitration.

3. Enforcement of Resolution. If the Parties agree to resolve any Claim through negotiation in accordance with Paragraph 1.2 and any Party thereafter fails to abide by the terms of the agreement reached through negotiation, or if, following arbitration, any Party thereafter fails to comply with the Award, then any other Party may file suit or initiate administrative proceedings to enforce the agreement or Award without the need to again comply with the procedures set forth in Section 16.3 of the Master Deed. In such event, the Party taking action to enforce the agreement or Award is entitled to recover from the noncomplying Party (or if more than one noncomplying Party, from all the Parties jointly and severally) all costs incurred in enforcing the agreement or Award, including, without limitation, attorney's fees and court costs.

relief that a court of the State of South Carolina could order or grant, including, without limitation, specific performance of any obligation created under the Regime Documents, or the issuance of an injunction, as well as the imposition of sanctions for abuse or frustration of the arbitration process; provided, however, the arbitrator will have no authority to award punitive damages or any other damages not measured by the actual damages of the "Prevailing Party," as said term is hereinafter defined, and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of the Regime Documents.

(b) In the event Claimant does not submit the Claim to binding arbitration as aforesaid, the Claim is deemed abandoned, and Respondent is released and discharged from any and all liability to Claimant arising out of the Claim; provided, nothing herein will release or discharge Respondent from any liability to a Person not a Party to the foregoing proceedings, or the mandatory requirements of this Paragraph 1.3 with respect to any subsequently arising new dispute or claim by the Claimant which is identical or similar to the Claim previously deemed abandoned under this Paragraph 1.3(b).

This Paragraph 1 is an agreement of the Bound Parties to arbitrate all Claims against Respondent, except Exempt Claims, and is specifically enforceable under South Carolina law. The arbitration award (the "Award") is final and binding on the Parties, and judgment upon the Award rendered by the arbitrator may be entered upon it in any court of competent jurisdiction.

2. Allocation of Costs of Resolving Claims.

2.1 Costs of Notice and Negotiation. Each Party will bear all of its own costs incurred prior to and during the proceedings described in Paragraphs 1.1 and 1.2, including the fees of its attorney or other representative. Claimant and Respondent will share equally the costs and expenses of any attorney appointed by the Board pursuant to Paragraph 1.2, whose compensation will be at a rate equal to his or her then current regular hourly billing rate, unless the Board is able to arrange with the Parties and the arbitrator to agree otherwise, and who will be entitled to receive his or her then customary costs and expenses.

2.2 Arbitration Costs. In the event the Claim proceeds to arbitration pursuant to Paragraph 1.3, the "Prevailing Party," as hereinafter defined, will receive from the non-Prevailing Party, all of its costs and expenses, including reasonable expert and attorney's fees, incurred from commencement of selection of the arbitrator under Paragraph 1.3 to the issuance of the Award. Furthermore, the non-Prevailing Party will pay all costs and expenses of the arbitration, including the costs and expenses of any attorney appointed by American Arbitration Association pursuant to Paragraph 1.3, whose compensation will be at a rate equal to his or her then current regular hourly billing rate, unless the American Arbitration Association is able to arrange with the Parties and the arbitrator to agree otherwise, and who will be entitled to receive his or her then customary costs and expenses. The "Prevailing Party" will be determined as follows:

(a) Not less than ten (10) days prior to the first day of the proceeding, a Party or Parties may file and serve on the other Party(ies) an offer of settlement, and within five (5) days thereafter the Party(ies) served may respond by filing and serving such Party(ies) its own offer of settlement. An offer of settlement will state that it is made under this paragraph and will specify the amount which the Party(ies) serving the settlement offer is/are willing to agree constitutes a settlement of all claims in dispute, including the Claim and all counterclaims.

(b) An offer of settlement is considered rejected by the recipient unless an acceptance, in writing, is served on the Party(ies) making the offer prior to the first day of the proceeding.

(c) If an offer of settlement is rejected, it may not be referred to for any purpose in the proceeding, but may be considered solely for the purpose of awarding fees, costs and expenses of the proceeding under Paragraph 1.3 and as provided in this paragraph.

CHARLIE LYBRAND
REGISTER OF MESNE CONVEYANCES
COUNTY OFFICE BUILDING
POST OFFICE BOX 726
CHARLESTON, S.C.

REC'D PAYMENT 9.307
PER CLERK BM
RMC OFFICE
CHARLESTON COUNTY, SC

September 3, 2002

RECEIVED OF MR. WILLIAM H. JORDAN, ESQUIRE, 211 KING STREET, SUITE
203, CHARLESTON, SOUTH CAROLINA: (FILE NO.: The Beach Co. - The Bristol
Horizontal Property Regime).

THE BELOW DESCRIBED INSTRUMENTS IN WRITING WHICH WILL BE FILED FOR
THE RECORDING UPON PAYMENT HEREOF. *ADD FOR POSTAGE, FOR STAMP-
TAXES AND FOR EXCHANGE ON CHECKS ON NON-FEDERAL RESERVE BANKS.

Recording fees, etc., MUST BE PAID IN ADVANCE:

DATE:

AMOUNT:

09/03/02	Record Master Deed for The Bristol Horizontal Property Regime	~~244.00~~ \$110.00

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

FOURTH AMENDMENT TO
MASTER DEED OF THE BRISTOL
HORIZONTAL PROPERTY REGIME

THIS FOURTH AMENDMENT TO MASTER DEED OF THE BRISTOL HORIZONTAL PROPERTY REGIME (the "Fourth Amendment") is made as of this 17th day of April, 2007, by the Bristol Condominium Property Owners' Association, a South Carolina Non-profit corporation, hereinafter called the "Association."

W I T N E S S E T H

WHEREAS, by "Master Deed of the Bristol Horizontal Property Regime", dated August 30, 2002, recorded in the RMC Office for Charleston County in Book D-417 at page 1 (the "Master Deed"), Brittlebank Condominiums, LLC, a South Carolina limited liability company created a horizontal property regime upon certain property situate in Charleston County, South Carolina; and

WHEREAS, pursuant to Article 17, Section 17.2(d) of the Master Deed, the Board of the of the Bristol Condominium Property Owners Association (the "Association") has the right to amend the Master Deed if such amendment is necessary, in the judgment of the Board of Directors of the Association to, among other things, conform to the requirements of insurers with respect to condominium projects, so long as written objection is not received from Members representing more than fifty (50%) percent of the total votes of the Association within twenty (20) days after written notice is given to all Members; and

WHEREAS, it is the judgment of the Board of Directors of the Association that it is essential to amend the Master Deed as follows in order to conform to the insurance requirements under which the Association is operating; and

WHEREAS, notice of the proposed amendment has been given to all Members and objection to such amendment(s) has not been received from Members representing more than fifty (50%) percent of the total votes of the Association within twenty (20) days after such written notice.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the Association does hereby amend the Master Deed as hereinafter provided:

I. Definitions. The words used in this Fourth Amendment, unless the context shall clearly indicate otherwise, shall have the same meanings as set forth in the Master Deed.

II. Amended Provisions. The following provisions of the Master Deed are hereby corrected:

The definition, "Limited Common Area" contained in Section 1 is hereby deleted in its entirety and a new definition of such term is substituted therefore, which reads as follows:

1.0 Definitions. "Limited Common Area" means that portion of the Common Area set aside and allocated for the exclusive use of the Owner of the Unit to which it is attached or assigned, and will include that portion of any Common Area that is pierced by the Unit's interior stairs, if any; a Unit's exterior doors, exterior windows and screens; a Unit's chimney structure and flue, if any; air conditioner units and condensers and hot water heaters located outside of the Unit, and the spaces occupied by same; assigned storage lockers or spaces in the first and second floors of the Building; assigned parking in the first and second floors of the Building; and the balcony adjacent to the Unit. Exhibit "C" hereto



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incorporates a schedule of the storage space and the two parking spaces appurtenant to each Unit as Limited Common Areas thereof.

Section 3.2(c) is hereby deleted in its entirety and a new Section 3.2(c) is substituted therefore, which reads as follows:

Section 3.2 Description of Units.

(c) Units Deemed to Include. Notwithstanding the description of the boundaries set forth above, the Units shall be deemed to include the following: all portions of the plumbing, heating, electrical, and air conditioning systems (including furnaces, compressors, components, pipes, wires, conduits, ducts, and the like) serving only that Unit even if partially outside the boundaries of the Unit; and any fireplace or stone hearth, facing brick, tile or firebox; provided, however, that a Unit shall not include any of the structural components of the Building or utility or service lines within the Unit but serving more than one Unit. In interpreting deeds and plans, the existing physical boundaries of a Unit as originally constructed or of a Unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in any deed or plan, regardless of settling lateral movement of the Building, and regardless of minor variance between the boundaries shown on the plans or in a deed and those of the Unit.

Section 8.3 is hereby deleted in its entirety and a new Section 8.3 is substituted therefore, which reads as follows:

Section 8.3 Responsibility of Owner.

In the event that the Board of Directors should determine that the need for maintenance or repairs by the Association as provided for in this Section 8.3 is caused through the willful or negligent act of an Owner or the lessee of an Owner, their families, invitees or guests, or the Owner's pets, the cost of which is not covered or paid for by insurance, then the cost, both direct and indirect, of such maintenance or repairs will be added to and become a part of the Assessment to which such Owner and his Unit are subject. Each Owner will maintain, repair or replace at his own expense all portions of his Unit which may become in need thereof, including the heating and air-conditioning system for such Unit, all bathroom and kitchen fixtures and appliances, light fixtures, interior non-load-bearing walls, carpeting, drapes, interior doors and door hardware, and other items within the Unit. Further, each Owner will, at his own expense, maintain, repair and replace, when necessary, that portion of the heating and air-conditioning system exclusively servicing his Unit, which is located outside his Unit. Each Owner will, at his own expense, keep the Limited Common Area to which his Unit has exclusive access and to which he has exclusive use clean and neat, and will conduct routine maintenance and routine repair thereto as necessary. If the Owner does not make those repairs required to be made by him within thirty (30) days from the date of receipt of written demand from the Association, the same may be repaired by the Association and the cost thereof will be assessed against the Owner and Unit owned by such Owner.

Paragraph 3, Page (ii) of Exhibit 'B' to the Master Deed is hereby deleted in its entirety and a new Paragraph 3, Page (ii) of Exhibit 'B' to the Master Deed is substituted therefore, which reads as follows:

As to each Unit: All built-in kitchen appliances, the refrigerator, air conditioner units and condensers, and hot water heater located in each Unit are part of the Unit to which they are located and are not Common Areas. Each balcony adjacent to and accessible solely through a Unit, including the railing thereof, including the exterior doors, windows, and screens located on or adjacent to a Unit, is a Limited Common Area of the Unit and is subject to restrictions as set forth elsewhere in this Master Deed.

IN WITNESS WHEREOF, THE Association has caused this FOURTH AMENDMENT TO MASTER DEED OF THE BRISTOL HORIZONTAL PROPERTY REGIME to be executed the day and year first above written.

WITNESSES:

BRISTOL CONDOMINIUM PROPERTY
OWNERS ASSOCIATION, A SOUTH
CAROLINA NON-PROFIT
CORPORATION

Carly G. Forti
Pearl H. Mazyck

By: Janice L. Landry
Its: President

STATE OF SOUTH CAROLINA

ACKNOWLEDGMENT

COUNTY OF CHARLESTON

I, Pearl H. Mazyck, Notary Public, do hereby certify that Janice L. Landry, a President of Bristol Condominium Property Owners' Association, a not-for-profit corporation, personally appeared before me this day and acknowledged due execution of the foregoing instrument on behalf of the corporation.

Witness my hand and official stamp or seal this 20th day of April, 2007.

Pearl H. Mazyck
Notary Public

Print Name: Pearl H. Mazyck

My Commission Expires: July 29, 2013

Lona Vest

From: Jan Landry [janl@wilddunesowners.org]
Sent: Thursday, June 28, 2007 11:14 AM
To: 'Lona Vest'
Subject: Letter to Owners
Importance: High

Bristol owners
emailed 4:02pm
6/29/07
JLL

Hello!

I am attaching our communication about the Order to Consolidate Law Suits.

Would you mind e-mailing it to the owners with a brief note? Something like, "The Bristol Board of Directors wishes to share with you information about a recent hearing on The Bristol lawsuits and an Order to Consolidate. Please read the attached."

I don't want to do it from here because I prefer not having this go out over my work/WDCA e-mail address.

Would you also mind posting the letter on the bulletin board?

What do you usually do about mailing/delivering paper copies? I don't want to put more on you, so perhaps I could handle that part or we could ask Security to put copies under the doors. Some of these people who don't live here all the time probably have about 100 pieces of papers under their doors now. Let me know how you want me to handle that part.

Jan Landry
843-886-8847
www.wilddunesowners.org



6/28/2007

2/19/2008 1

Bristol
Construction Defect Litigation Cost Projections

Type	Date	Vendor	Paid	Pending Unpaid	Total
Destructive Testing	2/2006	Sutton-Kennerly	5,000.00		5,000.00
	6/1/2006	Sutton-Kennerly	25,000.00		25,000.00
	6/2007	Stone Construction - Stucco Test	20,200.00		20,200.00
Subtotal					50,200.00
Consulting Engineer	11/1/2006	Sutton-Kennerly	17,382.11		17,382.11
	1/31/2007	Sutton-Kennerly	7,979.08		7,979.08
	3/31/2007	Sutton-Kennerly	3,124.95		3,124.95
	6/9/2007	Sutton-Kennerly	33,667.10		33,667.10
	12/2007	Sutton-Kennerly	12,628.25	**	12,628.25
Subtotal					74,781.49
Legal	10/06/2006	MVA	1,596.00		1,596.00
	10/06/2006	RRH - Retainer	10,000.00		10,000.00
	11/03/06	MVA	6,474.93		6,474.93
	12/07/06	MVA	1,376.00		1,376.00
	12/07/07	MVA	513.00		513.00
	01/25/07	MVA	57.00		57.00
	02/07/07	MVA	2,595.40		2,595.40
	2/15/07	RRH	30,191.14		30,191.14
	02/15/07	RRH - Release retainer	-10,000.00		-10,000.00
	03/01/07	IKON - Copy bill	1,668.04		1,668.04
	3/8/07	MVA	285.00		285.00
	03/13/07	RRH	20,720.53		20,720.53
	04/09/07	RRH	9,219.95		9,219.95
	5/31/2007	RRH	18,405.87		18,405.87
	9/30/007	MVA	960.00		960.00
	10/18/07	RRH	35,291.95		35,291.95
Subtotal					129,354.81
Repairs	6/2007	Trellis sealing, top coat	11,700.00		11,700.00
	9/2007	Wrenn, Campbell Panella windows	5,197.53		5,197.53
Subtotal					16,897.53
Grand Totals			271,233.83	0.00	271,233.83

Bristol
Construction Defect Litigation Cost Projections

FUNDING			
	Totals	Per Unit	Total
August 31 Assessment Received to Date 9/30/07	101,378.00	1,896.00	102,384.00
Loan From Capital Reserve	110,000.00		
Payment from Beach Co	58,776.50		
Total Funding:	270,154.50		
Less Paid to Date	271,233.83		
Remaining:	-1,079.33		
** This amount was paid out of Capital Reserves on 12/31. Error to be corrected in 2008			

176 Croghan Spur Road, Suite 300
Post Office Box 897 (29402-0897)
Charleston, SC 29407

Tel 843 573-2600
Fax 843 556-4009
800 476-2256



WACHOVIA INSURANCE SERVICES

February 27, 2007

The Bristol Property Owners Association
Attn: Insurance Committee
3000 Old Bridgeview Lane
Charleston, SC 29403

Re: Master Deed of the Bristol Horizontal Regime

To the Insurance Committee:

You have requested that I review the Master Deed of The Bristol Property Owners Association and attempt to ascertain if the language used to describe Property Rights and descriptions of units, Section 3.2 [c], conforms to coverage in the insurance contracts we have recently secured on behalf of the Association.

Needless to say, we are delighted to have the opportunity to be of service in this regard, and look forward to a long and mutually beneficial relationship. To this end, the review of the Master Deed reveals a distinct ambiguity in the language used to describe Property Rights, Section 3.2 [c]. This is an issue that at a minimum will cause confusion in the event of a claim and might in fact prove to be the cause for a denial of claim.

As currently stated, in the event of a property loss it would be quite difficult to determine which part of the damaged property is the responsibility of the Regime and which would be the responsibility of the unit owner.

Although I'm certain this was not the intent when the Master Deed was originated, the end result is language that again is ambiguous, and could easily negate the coverage property owners have come to believe they possess.

In conclusion, I would strongly recommend that the Committee bring this matter to the attention of the Associations legal counsel and strongly advise that this be done sooner rather than later so that there is no confusion in the event of a claim.

Hopefully these thoughts will prove constructive.

Sincerely,

Cynthia B. Mulcare

Cynthia B. Mulcare
Client Executive

Insurance Products:
Not Insured by FDIC or Any Federal Government Agency May Lose Value Not a Deposit of or Guaranteed by a Bank or Any Bank Affiliate.





March 26, 2007

Dear Fellow Bristol Homeowner:

As you know, the Association has recently secured ongoing common area casualty and liability insurance for the Regime at a minimum increase over last year's premiums. As a result of the diligent efforts of the Insurance Committee in obtaining this coverage and the Board in researching coverage limitations, a potential problem has been identified.

Under existing definitions in Sections 1 and 3.2(c) of the Master Deed, exterior windows and doors could be construed as being included within the definition of each individual "Unit", as opposed to being included in the Common Area. Our insurance brokers advise that our coverage is intended to include all exterior portions of the building. However, excluding exterior windows and doors from the Common Areas could pose an "out" for the insurer in limiting or denying coverage on a claim such as one that might occur after a major storm. We have all heard about the struggles the Katrina victims faced when "loopholes" were discovered in coverage, and the Board is anxious to eliminate any potential problems for Bristol owners should a similar situation befall us!

Based on these concerns, your Board believes it is necessary to include exterior doors and windows within the definition of the building's "Limited Common Area" to conform with existing insurance coverage and to assure the most comprehensive insurance coverage for the Bristol building possible. This change will mitigate the potential risk that existed under previous policies, eliminate possible ambiguity in the new policy and save individual unit owners the cost of additional premiums for window and exterior door coverage.

The most expedient means of putting this amendment into effect is by the Board taking the extraordinary action to amend the Master Deed pursuant to Section 17.2(d), "Necessary Amendments". Because the subject matter of this amendment falls under the limited terms of this provision, the Board is authorized to enact the amendment without a special meeting or referendum, provided that more than 51% of the Owners do not object in writing within twenty (20) days of this letter.

Under these terms, the Board approved the amendment, a copy of which is enclosed, with the intent of formally putting it into effect immediately upon the expiration of the objection period. For your convenience, I have also enclosed a comparison of the existing Master Deed provisions at issue and the provisions as amended.

The Board recognizes that its actions in this matter are extraordinary but views it as essential to protecting and preserving comprehensive insurance coverage. I trust you will agree. If, however, you do not agree with the action the Board is taking, you must send your objection in writing to:

**The Bristol Board of Directors
c/o Property Management Services
The Bristol – 3000 Old Bridgeview Lane
Charleston, SC 29403**

Objections must be received by Property Management Services within 20 days of this letter. If you have any questions, do not hesitate to call me, Johnny Jordan or Lona Vest, our regime manager.

Very truly yours,

Jan Landry

Jan Landry, President – Bristol Property Owners Association

Enclosures

**Amendment to the Master Deed
Comparison of Existing Provisions to Proposed Provisions**

CURRENT PROVISION:

Section 1 Definitions. "Limited Common Area" means that portion of the Common Area set aside and allocated for the exclusive use of the Owner of the Unit to which attached or assigned, and will include that portion of any Common Area that is pierced by the Unit's interior stairs, if any; a Unit's chimney structure and flue, if any; air conditioner units and condensers and hot water heaters located outside of the Unit, and the spaces occupied by same; assigned storage lockers or spaces in the first and second floors of the Building; assigned parking in the first and second floors of the Building; and the balcony adjacent to the Unit. Exhibit "C" hereto incorporates a schedule of the storage space and the two parking spaces appurtenant to each Unit as Limited Common Areas thereof.

INTENT: *The Board wishes for exterior doors and windows to be included as a limited common area in order to conform to the requirements of its insurance coverage.*

AMENDED PROVISION:

1.0 Definitions. "Limited Common Area" means that portion of the Common Area set aside and allocated for the exclusive use of the Owner of the Unit to which it is attached or assigned, and will include that portion of any Common Area that is pierced by the Unit's interior stairs, if any; a Unit's exterior doors, exterior windows and screens; a Unit's chimney structure and flue, if any; air conditioner units and condensers and hot water heaters located outside of the Unit, and the spaces occupied by same; assigned storage lockers or spaces in the first and second floors of the Building; assigned parking in the first and second floors of the Building; and the balcony adjacent to the Unit. Exhibit "C" hereto incorporates a schedule of the storage space and the two parking spaces appurtenant to each Unit as Limited Common Areas thereof.

CURRENT PROVISION:

Section 3.2 Description of Units.

(c) Units Deemed to Include. Notwithstanding the description of the boundaries set forth above, the Units shall be deemed to include the following: all portions of the plumbing, heating, electrical, and air conditioning systems (including furnaces, compressors, components, pipes, wires, conduits, ducts, and the like) serving only that Unit even if partially outside the boundaries of the Unit; all windows, glass surfaces, and doors (including window-and-door-frames-and-the-hardware-thereof)-serving-the-Unit; all window-screens-and-screens-on-any screened balcony; and any fireplace or stone hearth, facing brick, tile or firebox; provided, however, that a Unit shall not include any of the structural components of the Building or utility or service lines within the Unit but serving more than one Unit. In interpreting deeds and plans, the existing physical boundaries of a Unit as originally constructed or of a Unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in any deed or plan, regardless of settling lateral movement of the Building, and regardless of minor variance between the boundaries shown on the plans or in a deed and those of the Unit.

INTENT: *The Board wishes for exterior doors and windows to be included as a limited common area for the reasons stated above.*

AMENDED PROVISION:

Section 3.2 Description of Units.

(c) Units Deemed to Include. Notwithstanding the description of the boundaries set forth above, the Units shall be deemed to include the following: all portions of the plumbing, heating, electrical, and air conditioning systems (including furnaces, compressors, components, pipes, wires, conduits, ducts, and the like) serving only that Unit even if partially outside the boundaries of the Unit; and any fireplace or stone hearth, facing brick, tile or firebox; provided, however, that a Unit shall not include any of the structural components of the Building or utility or service lines within the Unit but serving more than one Unit. In interpreting deeds and plans, the existing physical boundaries of a Unit as originally constructed or of a Unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in any deed or plan, regardless of settling lateral movement of the Building, and regardless of minor variance between the boundaries shown on the plans or in a deed and those of the Unit.

CURRENT PROVISION:

8.3 Responsibility of Owner

In the event that the Board of Directors should determine that the need for maintenance or repairs by the Association as provided for in this Section 8.3 is caused through the willful or negligent act of an Owner or the lessee of an Owner, their families, invitees or guests, or the Owner's pets, the cost of which is not covered or paid for by insurance, then the cost, both direct and indirect, of such maintenance or repairs will be added to and become a part of the Assessment to which such Owner and his Unit are subject. Each Owner will maintain, repair or replace at his own expense all portions of his Unit which may become in need thereof, including the heating and air-conditioning system for such Unit, all bathroom and kitchen fixtures and appliances, light fixtures, interior non-load-bearing walls, carpeting, drapes, doors, windows, screens window and door hardware, and other items within the Unit. Further, each Owner will, at his own expense, maintain, repair and replace, when necessary, that portion of the heating and air-conditioning system exclusively servicing his Unit, which is located outside his Unit. Each Owner will, at his own expense, keep the Limited Common Area to which his Unit has exclusive access and to which he has exclusive use clean and neat, and will conduct maintenance and repair thereto as necessary. If the Owner does not make those repairs required to be made by him within thirty (30) days from the date of receipt of written demand from the Association, the same may be repaired by the Association and the cost thereof will be assessed against the Owner and Unit owned by such Owner.

***INTENT:** To make the references to "Unit" consistent with the other provisions being amended and to clarify that the repair and maintenance responsibilities of a Unit Owner are limited to routine and day-to-day repair and maintenance.*

AMENDED PROVISION:

In the event that the Board of Directors should determine that the need for maintenance or repairs by the Association as provided for in this Section 8.3 is caused through the willful or negligent act of an Owner or the lessee of an Owner, their families, invitees or guests, or the Owner's pets, the cost of which is not covered or paid for by insurance, then the cost, both direct and indirect, of such maintenance or repairs will be added to and become a part of the Assessment to which such Owner and his Unit are subject. Each Owner will maintain, repair or replace at his own expense all portions of his Unit which may become in need thereof, including the heating and air-conditioning system for such Unit, all bathroom and kitchen fixtures and appliances, light fixtures, interior non-load-bearing walls, carpeting, drapes, interior doors and door hardware, and other items within the Unit. Further, each Owner will, at his own expense, maintain, repair and replace, when necessary, that portion of the heating and air-conditioning system exclusively servicing his Unit, which is located outside

his Unit. Each Owner will, at his own expense, keep the Limited Common Area to which his Unit has exclusive access and to which he has exclusive use clean and neat, and will conduct routine maintenance and routine repair thereto as necessary. If the Owner does not make those repairs required to be made by him within thirty (30) days from the date of receipt of written demand from the Association, the same may be repaired by the Association and the cost thereof will be assessed against the Owner and Unit owned by such Owner.

CURRENT PROVISION OF PARAGRAPH 3, PAGE (ii), EXHIBIT B:

As to each Unit: All built-in kitchen appliances, the refrigerator, air conditioner units and condensers, and hot water heater located in each Unit are part of the Unit to which they are located and are not Common Areas. Each balcony adjacent to and accessible solely through a Unit, including the railing thereof, is a Limited Common Area of that Unit and is subject to restrictions as set forth elsewhere in this Master Deed.

***INTENT:** The Board wishes to change this paragraph to include exterior windows and doors so as to make this provision consistent with the proposed modifications to the definitions of "Limited Common Area" and Section 3.2 of the Master Deed.*

AMENDED PROVISION:

As to each Unit: All built-in kitchen appliances, the refrigerator, air conditioner units and condensers, and hot water heater located in each Unit are part of the Unit to which they are located and are not Common Areas. Each balcony adjacent to and accessible solely through a Unit, including the railing thereof, including the exterior doors, windows, and screens located on or adjacent to a Unit, is a Limited Common Area of the Unit and is subject to restrictions as set forth elsewhere in this Master Deed.

STATE OF SOUTH CAROLINA)
)
 COUNTY OF CHARLESTON) FIRST AMENDMENT TO
 MASTER DEED OF THE BRISTOL
 HORIZONTAL PROPERTY REGIME

THIS FIRST AMENDMENT TO MASTER DEED OF THE BRISTOL HORIZONTAL PROPERTY REGIME (the "First Amendment") is made this 13th day of November, 2002, by Bristol Condominium Property Owners' Association, a South Carolina Non-profit corporation, hereinafter called "Association."

W I T N E S S E T H:

WHEREAS, by "Master Deed of The Bristol Horizontal Property Regime" dated August 30, 2002, recorded in the RMC Office for Charleston County in Book D-417 at Page 1 (hereinafter collectively referred to as the "Master Deed"), Brittlebank Condominiums, LLC, a South Carolina limited liability company created a horizontal property regime upon certain property situate in Charleston County, South Carolina; and

WHEREAS, pursuant to Article 17, Section 17.2(d) of the Master Deed, the Association has the right to amend the Master Deed if such amendment is necessary, in the judgment of the Board of Directors, to cure any ambiguity or to correct or supplement any provisions of the Regime Documents that are defective, missing or inconsistent with any other provisions thereof, so long as written objection to such amendment is not received from Members representing more than fifty percent (50%) of the total votes of the Association within twenty (20) days after written notice of the proposed amendment is given to all Members; and

WHEREAS, notice of the proposed amendment has been given to the Members and objection to such amendment has not been received from Members representing more than fifty percent (50%) of the total votes of the Association within twenty (20) days after such written notice.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that the Association does hereby amend the Master Deed as herein provided:

I. Definitions. The words used in this First Amendment, unless the context shall clearly indicate otherwise, shall have the same meanings as set forth in the Master Deed.

II. Amended Provisions. The following provisions of the Master Deed are hereby amended to correct ambiguities present therein.

Section 2.7. Section 2.7 is hereby deleted in its entirety and a new Section 2.7 is substituted therefor, which reads as follows:

2.7 Rules and Regulations.

The Board of Directors will be entitled to promulgate reasonable Rules and Regulations from time to time, which will be binding on the Association and all Owners and lessees of Owners, their families, invitees and guests, regarding the use and enjoyment of Units and Common Areas. Any fine which may be imposed against the Association by OCRM or by any other governmental agency for any violation of law or as a result of damage to marsh or any other protected property of the Regime by an Owner or by his renter, licensee or invitee shall be added to such Owner's Assessments and shall become a lien upon his Unit. Copies of the current Rules and Regulations will be furnished to Owners and lessees of Owners upon request.

Section 3.3. Section 3.3 is hereby deleted in its entirety and a new Section 3.3 is substituted therefor, which reads as follows:

3.3 Modification of Units.

The Developer, on behalf of itself, its successors and assigns, hereby reserves the right to modify or reconstitute, at any time and from time to time, one or more Units owned by Developer or its affiliates without the consent of the Association or any Owner other than those who may be directly affected; provided, however, that the aggregate Percentage Interest assigned to the Units so affected will not change even though the same may be reallocated among such changed Units. If Developer makes any changes in Units pursuant to this Section 3.3, such changes will be reflected by an amendment of this Master Deed. An Amendment will be executed solely by the Developer for itself and as attorney in-fact for all Owners. An Amendment will be effective upon recording such Amendment in the RMC.

Sections 11.7 and 11.8. Section 11.7 and section 11.8 are hereby deleted in their entirety new Sections 11.7 and 11.8 are substituted therefor, which reads as follows:

11.7 Easements to Serve Adjacent Marina Development.

The Developer hereby reserves for itself and its duly authorized agents, representatives, successors, successors-in-title, assigns, licensees, and mortgagees, a perpetual nonexclusive easement over the Common Areas for the purposes of enjoyment, use, access, and development of any adjacent property developed, or which may be developed, as a marina or for related recreational purposes, whether public or private, and whether or not any such property is made subject to this Master Deed. This easement includes, but is not limited to, a right of ingress and egress over the Common Areas for construction of roads and for connecting and installing utilities and services on such property. The Developer agrees that it and its successors or assigns shall be responsible for any damage caused to the Common Areas as a result of vehicular traffic connected with development of such property. The Developer further agrees that if the easement is exercised for permanent access to such property and such property or any portion thereof

is not made subject to this Master Deed, the Developer, its successors or assigns shall enter into a reasonable agreement with the Association to share the cost of maintenance of any private roadway, boardwalk, sidewalk or other such facility serving such property.

11.8 No Riparian Rights; No View Easements

No riparian rights shall be deemed to pass to any Owners or shall be deemed appurtenant to any Unit or Common Area, all said riparian rights being reserved to and transferable by the Developer under Section 11.7 above. No view easements, express or implied, will be granted to any Owner in connection with the conveyance of a Unit to such Owner.

Section 12. Section 12 is hereby deleted in its entirety and a new Section 12 is substituted therefor, which reads as follows:

12. Owner's Acknowledgment of Ashley River Bridge and River Noises and Nuisances

Every Owner by acceptance of a deed to a Unit hereby acknowledges that the Project's proximity to the Ashley River Bridge and the vehicular traffic thereon, and the Ashley River and the boating traffic thereon, will result in noise emanating therefrom and the same may be a nuisance. Neither the Developer nor the Association, nor any of their respective directors, officers, employees, contractors, consultants, shareholders, affiliates, assignees, successors, nominees or agents, be liable to any Owner, or any Owner's renter, lessee, licensee or guest, for any inconvenience or damage sustained by such Owner as a result of any such noise emanating from or in proximity to such river, including, but not limited to such noise as may emanate from persons using any roadways, bridges, docks, walkways, bulkheads, or piers adjacent thereto.

Section 14.1. Section 14.1 is hereby deleted in its entirety and a new Section 14.1 is substituted therefor, which reads as follows:

14.1 Single Phase Development

The Regime constitutes a single Building with 54 Units, and the Common Area (including the parking and storage Limited Common Areas), as more fully described on Exhibit "B" attached hereto. Except as provided in Section 14.2 and Section 14.6, The Regime may not be expanded and no right to do so is reserved.

Section 16.1. Section 16.1 is hereby deleted in its entirety and a new Section 16.1 is substituted therefor, which reads as follows:

16.1 Agreement to Avoid Costs of Litigation and to Limit Right to Litigate Disputes

The Developer, Association, Owners, renters or lessees of Owners, and any Persons not otherwise subject to the Regime who agrees to submit to this Section 16 (collectively, "Bound Parties") agree to encourage the amicable resolution

Page 3

NPMB1:5222.3-RD-(BFX) 010019-00093

of disputes between and among themselves involving the Regime or the Project, and to avoid the emotional and financial costs of litigation. For purposes hereof, the architect and contractor for a Building and the Units constructed therein shall constitute Bound Parties hereunder. Accordingly, each Bound Party covenants and agrees that all claims, grievances and disputes (including those in the nature of counterclaims or cross-claims) between Bound Parties involving the Regime or the Project, including without limitation, claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement thereof (collectively "Claims"), except for "Exempt Claims" under Section 16.2, are subject to the procedures set forth in Section 16.3.

Exhibit "B". Exhibit "B" is amended by adding at the end thereof the attached Surveyor's Certificate of Absolute Surveying, Inc. dated October 14, 2002.

Exhibit "C". Exhibit "C" is hereby deleted in its entirety and a new Exhibit "C" is substituted therefor solely to correct parking space designation pursuant to the Plans as well as shown on the ground, such new Exhibit "C" being attached hereto and made a part hereof by this reference.

III. Amendment Certification. The Board of Directors, pursuant to the authority granted to it and in accordance with the provisions of Section 17.2(e), by its duly elected President, does hereby certify that the within First Amendment to the Master Deed of The Bristol Horizontal Property Regime was duly adopted. By its execution below, the developer does hereby signify its consent to the within made First Amendment.

[Remainder of Page Purposely Blank]

IN WITNESS WHEREOF, the Developer has caused this FIRST AMENDMENT TO MASTER DEED OF THE BRISTOL HORIZONTAL PROPERTY REGIME to be executed the day and year first above written.

WITNESSES:

Bristol Condominium Property Owners'
Association, a South Carolina Non-profit
Corporation

Stephen May
Virginia B. Martin

By: *Timothy P. Walter*
Timothy P. Walter
Its: President

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared before me the undersigned witness who, being duly sworn, deposes and says that (s)he saw the within-named Bristol Condominium Property Owners' Association, by Timothy P. Walter, its President, sign, seal and as its act and deed deliver the foregoing instrument, and that (s)he together with the other witness whose name appears as a witness, witnessed the execution thereof.

Stephen May
(Witness)

SWORN to and subscribed before me
this 13th day of November, 2002

Virginia B. Martin
Notary Public for South Carolina
My Commission Expires: 2/17/2010

Developer's Consent
to
First Amendment To Master Deed Of The Bristol Horizontal Property Regime

WITNESSES:

BRITTLEBANK CONDOMINIUM, LLC

BY: BEACH BRITTLEBANK, LLC, its Member

By: The Beach Company, its Manager

Dana R. Mayer
Virginia B. Martin

By: [Signature]
Name: John C.L. Darby
Its: President
By: [Signature]
Name: J. Darryl Reyna
Its: Executive Vice President

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared before me the undersigned witness who, being duly sworn, deposes and says that (s)he saw the within-named Brittlebank Condominiums, LLC, a South Carolina limited liability company, by Beach Brittlebank, LLC, its Member, by The Beach Company, its Manager, by John C.L. Darby, its President, and J. Darryl Reyna, its Exec. Vice Pres., sign, seal and as its act and deed deliver the foregoing instrument, and that (s)he together with the other witness whose name appears as a witness, witnessed the execution thereof.

Dana R. Mayer
(Witness)

SWORN to and subscribed before me
this 13th day of November, 2002

Virginia B. Martin
Notary Public for South Carolina
My Commission Expires: 2-17-2010

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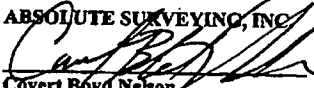
EXHIBIT "B"SURVEYOR'S CERTIFICATE

The undersigned, Covert Boyd Nelson of Absolute Surveying, Inc., an authorized and licensed surveyor, hereby certifies that Final Survey of The Bristol Horizontal Property Regime entitled "Final Survey, The Bristol Luxury Condominiums, Lockwood Drive, City of Charleston, Charleston County, prepared for Gulf Stream Construction," dated August 22, 2002, attached as "EXHIBIT B" to MASTER DEED OF THE BRISTOL HORIZONTAL PROPERTY REGIME, CHARLESTON COUNTY, SOUTH CAROLINA" dated August 30, 2002, and Exhibit B-Page iii to the Master Deed, prepared by Niles Bolton Associates showing the exterior elevations of the Building, fully and accurately, within reasonable construction tolerances, depicts the horizontal and vertical location of the Buildings and Units and Common Elements in The Bristol Horizontal Property Regime, together with the dimensions, area and location of each Unit and the Building and the dimensions, area and location of the Common Elements affording access to each Unit and Building. The interior dimensions and locations of interior walls and other interior improvements in each Unit and Building were not surveyed and are based on data submitted by Niles Bolton Associates. (Note: Niles Bolton Associates by G. Niles Bolton, AIA, previously made certification by letter dated August 27, 2002, a copy of which is attached hereto.)

I hereby state that to the best of my knowledge, information, and belief, the above referenced plat was made in accordance with the requirements of The Minimum Standards Manual For The Practice of Land Surveying in South Carolina, and meets or exceeds the requirements for a class A survey as specified therein. Also there are no visible encroachments or projections other than shown.

Signed this 14 day of October, 2002.



ABSOLUTE SURVEYING, INC.

Covert Boyd Nelson
S.C. R.L.S. No. 14813

BK M 426PG303

Niles Bolton Associates

August 27, 2002

2000 Peachtree Road, N.W.
Suite 600
Atlanta, Georgia 30365
404.363.7608
Fax: 404.365.7610
Email: nba@nilesbolton.com

Brian F. Kernaghan, Esquire
Nexsen Pruet Jacobs Pollard & Robinson, LLP
2411 North Oak Street, Suite 105
Myrtle Beach, SC 29577

Re: The Bristol Condominiums, Charleston, SC
NBA #99030-10



Dear Mr. Kernaghan:

This letter is to serve as the Architect's Certification for the above referenced project as requested by you for attachment to the Master Deed.

The undersigned Architect, registered to practice architecture in the State of South Carolina, certifies that these documents reflect, to the best of the Architect's knowledge, information and belief, the observable and accessible configuration of the structures as designed by the Architect. They show floor plans and elevations of the building, and graphically show the dimensions, area and locations of each condominium therein, with the dimensions, areas and location of the common elements affording access to each condominium.

Please do not hesitate to call with any questions and/or comments.

Sincerely,

NILES BOLTON ASSOCIATES


G. Niles Bolton, AIA



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Alexandria,
Virginia
703.836.0913
Fax 703.891.3451

San Jose,
California
408.579.5476
Fax 408.297.3992

www.nilesbolton.com

Architecture ■ Urban Design ■ Interiors ■ Landscape Architecture

Exhibit "B" - Page - iii -

NPMB1785.15-RD-(BFK) 016019-00093

Exhibit "C"**Schedule of Assigned Values, Percentage Interests,
Storage Space and Parking Spaces for Each Unit**

This is a schedule of Assigned Values and Percentage Interests in the Common Areas appurtenant to Units in the Bristol Horizontal Property Regime. This Schedule also set forth the assigned storage and parking spaces' Limited Common Areas appurtenant to each Unit. The Assigned Value is for statutory purposes only and has no relationship to the actual value of each Unit.

The Bristol

<u>Unit Number by Architect's Floor Plan</u>	<u>Unit Number by Regime Address¹</u>	<u>Statutory Value</u>	<u>Statutory Percentage</u>	<u>Assigned Storage Space LCA²</u>	<u>Assigned Parking Spaces LCA² Shown in Plans</u>	<u>Assigned Parking Spaces By Space Number in Building</u>	<u>Architectural Type</u>
301	3001	\$2,000	1.85185%	8	A36 A35	139 141	D -- The Devonshire
302	3002	\$2,000	1.85185%	39	A26 A27	144 146	B -- The Buckingham
303	3003	\$2,000	1.85185%	40	A67 A68	174 176	H -- The Hampton
304	3004	\$2,000	1.85185%	43	A69 A70	170 172	H -- The Hampton
305	3005	\$2,000	1.85185%	42	A71 A72	166 168	C -- The Canterbury
306	3006	\$2,000	1.85185%	41	A73 A74	162 164	H -- The Hampton
307	3007	\$2,000	1.85185%	46	A43 A44	157 159	H -- The Hampton
308	3008	\$2,000	1.85185%	45	A41 A42	153 155	G -- The Greenwich
309	3009	\$2,000	1.85185%	44	A33 A34	135 137	B -- The Buckingham
310	3010	\$2,000	1.85185%	1	A31 A32	131 133	B -- The Buckingham
311	3011	\$2,000	1.85185%	2	A24 A25	140 142	A -- The Aberdeen
312	3012	\$2,000	1.85185%	3	A3 A4	104 106	E -- The Essex
313	3013	\$2,000	1.85185%	4	A5 A6	108 110	E -- The Essex
314	3014	\$2,000	1.85185%	34	A7 A8	112 114	C -- The Canterbury
315	3015	\$2,000	1.85185%	6	A9 A10	116 118	F -- The Faversham
316	3016	\$2,000	1.85185%	7	A14 A15	120 122	D -- The Devonshire
317	3017	\$2,000	1.85185%	9	A16 A17	124 126	D -- The Devonshire
318	3018	\$2,000	1.85185%	10	A47 A48	156 158	I - The Inverness
401	4001	\$2,000	1.85185%	47	B55 B54	204 206	D -- The Devonshire
402	4002	\$2,000	1.85185%	48	B53 B52	208 210	B -- The Buckingham
403	4003	\$2,000	1.85185%	49	B51 B50	212 214	H -- The Hampton
404	4004	\$2,000	1.85185%	50	B49 B48	216 218	H -- The Hampton
405	4005	\$2,000	1.85185%	27	A58 A58	181 183	C -- The Canterbury
406	4006	\$2,000	1.85185%	28	A56 A57	177 179	H -- The Hampton

¹ Old Bridgeview Lane, Charleston, South Carolina 29403

² LCA -- Limited Common Area

BK M 426PG305

The Bristol

Unit Number by Architect's Floor Plan	Unit Number by Regime Address ¹	Statutory Value	Statutory Percentage	Assigned Storage Space LCA ²	Assigned Parking Spaces LCA ² Shown in Plans	Assigned Parking Spaces By Space Number in Building	Assigned Parking Spaces By Space Number in Building	Architectural Type	
407	4007	\$2,000	1.85185%	29	A54	A55	173	175	H -- The Hampton
408	4008	\$2,000	1.85185%	30	A52	A53	169	171	G -- The Greenwich
409	4009	\$2,000	1.85185%	31	B15	B23	255	257	B -- The Buckingham
410	4010	\$2,000	1.85185%	32	B24	B25	251	253	B -- The Buckingham
411	4011	\$2,000	1.85185%	33	B26	B27	247	249	A -- The Aberdeen
412	4012	\$2,000	1.85185%	19	B28	B29	245	243	E -- The Essex
413	4013	\$2,000	1.85185%	20	B30	B31	239	241	E -- The Essex
414	4014	\$2,000	1.85185%	21	B32	B33	237	235	C -- The Canterbury
415	4015	\$2,000	1.85185%	22	A18	A19	128	130	F -- The Faversham
416	4016	\$2,000	1.85185%	23	A20	A21	132	134	D -- The Devonshire
417	4017	\$2,000	1.85185%	24	A22	A23	136	138	D -- The Devonshire
418	4018	\$2,000	1.85185%	25	A49	A50	152	154	I - The Inverness
501	5001	\$2,000	1.85185%	51	B58	B59	211	213	D -- The Devonshire
502	5002	\$2,000	1.85185%	52	B60	B61	215	217	B -- The Buckingham
503	5003	\$2,000	1.85185%	53	B62	B63	219	221	H -- The Hampton
504	5004	\$2,000	1.85185%	54	B64	B65	223	225	H -- The Hampton
505	5005	\$2,000	1.85185%	38	B46	B47	220	222	C -- The Canterbury
506	5006	\$2,000	1.85185%	18	B45	B44	232	234	H -- The Hampton
507	5007	\$2,000	1.85185%	16	B43	B42	236	238	H -- The Hampton
508	5008	\$2,000	1.85185%	15	B36	B37	227	229	G -- The Greenwich
509	5009	\$2,000	1.85185%	14	B14	B13	259	261	B -- The Buckingham
510	5010	\$2,000	1.85185%	5	B40	B39	242	244	B -- The Buckingham
511	5011	\$2,000	1.85185%	26	B11	B12	263	265	A -- The Aberdeen
512	5012	\$2,000	1.85185%	17	B21	B20	268	270	E -- The Essex
513	5013	\$2,000	1.85185%	13	B19	B18	278	280	E -- The Essex
514	5014	\$2,000	1.85185%	12	B3	B4	279	281	C -- The Canterbury
515	5015	\$2,000	1.85185%	11	B5	B6	275	277	F -- The Faversham
516	5016	\$2,000	1.85185%	35	B7	B8	271	273	D -- The Devonshire
517	5017	\$2,000	1.85185%	36	B9	B10	267	269	D -- The Devonshire
518	5018	\$2,000	1.85185%	37	B35	B34	231	233	I - The Inverness

\$108,000 99.99990%

¹ Old Bridgeview Lane, Charleston, South Carolina 29403

² LCA -- Limited Common Area

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William Jordan

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CHARLESTON COUNTY AUDITOR

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CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

**PID VERIFIED
BY ASSESSOR**

REP LMG

DATE 12/2/02

(843) 958-4800 2 Courthouse Square Charleston, SC 29401

STATE OF SOUTH CAROLINA)
)
 COUNTY OF CHARLESTON) SECOND AMENDMENT TO
 MASTER DEED OF THE BRISTOL
 HORIZONTAL PROPERTY REGIME

THIS SECOND AMENDMENT TO MASTER DEED OF THE BRISTOL HORIZONTAL PROPERTY REGIME (the "Second Amendment") is made this 28th day of February, 2003, by Bristol Condominium Property Owners' Association, a South Carolina Non-profit corporation, hereinafter called "Association."

WITNESSETH:

WHEREAS, by "Master Deed of The Bristol Horizontal Property Regime" dated August 30, 2002, recorded in the RMC Office for Charleston County in Book D-417 at Page 1 and subsequently amended by First Amendment to Master Deed of the Bristol Horizontal Property Regime recorded in the RMC in Book M-426, Page 296 (hereinafter collectively referred to as the "Master Deed"), Brittlebank Condominiums, LLC, a South Carolina limited liability company created a horizontal property regime upon certain property situate in Charleston County, South Carolina; and

WHEREAS, pursuant to Article 17, Section 17.2(d) of the Master Deed, the Association has the right to amend the Master Deed if such amendment is necessary, in the judgment of the Board of Directors, to cure any ambiguity or to correct or supplement any provisions of the Regime Documents that are defective, missing or inconsistent with any other provisions thereof, so long as written objection to such amendment is not received from Members representing more than fifty percent (50%) of the total votes of the Association within twenty (20) days after written notice of the proposed amendment is given to all Members; and

WHEREAS, Brittlebank Condominiums, LLC, the Developer of the Bristol Condominium development reserved, or intended to reserve, certain easements over, across and upon the Regime's Common Areas for the exclusive use and benefit of the adjacent marina development, for which the Association and its Unit Owners and Members would enjoy certain easements of use and enjoyment; and

WHEREAS, the Master Deed requires further amendment to correct certain errors and ambiguities concerning the reserved easements of the Developer with respect to the adjacent marina development; and

WHEREAS, notice of the proposed amendment has been given to the Members and objection to such amendment has not been received from Members representing more than fifty percent (50%) of the total votes of the Association within twenty (20) days after such written notice.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that the Association does hereby amend the Master Deed as herein provided:

I. Definitions. The words used in this Second Amendment, unless the context shall clearly indicate otherwise, shall have the same meanings as set forth in the Master Deed.

II. Amended Provisions. The following provisions of the Master Deed are hereby amended to correct ambiguities present therein.

Section 11.7. Section 11.7 is hereby deleted in its entirety and a new Section 11.7 is substituted therefor, which reads as follows:

11.7 Easements to Serve Adjacent Marina Development.

The Developer hereby reserves for itself and its duly authorized agents, representatives, successors, successors-in-title, assigns, licensees, and mortgagees, an exclusive and non-exclusive, perpetual easements over, across and upon the Common Areas for the enjoyment, use, access, ingress, egress, parking and development for the benefit of any adjacent property developed, or which may be developed, whether public or private, and whether or not any such property is made subject to this Master Deed and further the right to grant to third parties such easements. The easement includes, but is not limited to, a right of access, ingress, egress, parking over the Common Areas and for construction of roads and for connecting and installing utilities and services on such property. The Developer may assign or grant the whole or any portion of its reserved easement on an exclusive or non-exclusive basis. The Developer agrees that it and its successors or assigns and grantees shall be responsible for any damage caused to the Common Areas as a result of vehicular traffic connected with development of such property. The Developer further agrees that if the easement is exercised for permanent access to such property and such property or any portion thereof is not made subject to this Master Deed, the Developer, its successors or assigns and grantees shall enter into a reasonable agreement with the Association to share the cost of maintenance of any private roadway, boardwalk, sidewalk or other such facility serving such property

III. Amendment Certification. The President does hereby certify pursuant to the provisions of Section 17.2(e), in behalf of the Association and its Board of Directors, that the within Second Amendment to the Master Deed of The Bristol Horizontal Property Regime was duly adopted. By its execution below, the Developer does hereby signify its consent to the within made Second Amendment.

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3K P 439PG830

IN WITNESS WHEREOF, the Developer has caused this SECOND AMENDMENT TO MASTER DEED OF THE BRISTOL HORIZONTAL PROPERTY REGIME to be executed the day and year first above written.

WITNESSES:

Bristol Condominium Property Owners'
Association, a South Carolina Non-profit
Corporation

Dora C. Payne
Elizabeth A. Wanamaker

By: Timothy P. Walter
Timothy P. Walter
Its: President

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared before me the undersigned witness who, being duly sworn, deposes and says that (s)he saw the within-named Bristol Condominium Property Owners' Association, a South Carolina Non-profit corporation, by Timothy P. Walter, its President, sign, seal and as its act and deed deliver the foregoing instrument, and that (s)he together with the other witness whose name appears as a witness, witnessed the execution thereof.

Elizabeth A. Wanamaker
(Witness)

SWORN to and subscribed before me
this 20th day of February, 2003.

Dora C. Payne
Notary Public for South Carolina
My Commission Expires: 9-12-11

P 439PG830 A

Developer's Consent
to
Second Amendment To Master Deed Of The Bristol Horizontal Property Regime

WITNESSES:

BRITTLEBANK CONDOMINIUM, LLC

BY: BEACH BRITTLEBANK, LLC, its Member

By: The Beach Co., its Manager

By: [Signature]

Name: J. Darryl Remy

Its: Executive Vice President

By: [Signature]

Name: Leonard D. Way

Its: Vice President

[Signature]
Elizabeth A. Wanamaker

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared before me the undersigned witness who, being duly sworn, deposes and says that (s)he saw the within-named Brittlebank Condominiums, LLC, a South Carolina limited liability company, by Beach Brittlebank, LLC, its Member, by The Beach Co., its Manager, by J. Darryl Remy, its ERP, and Leonard D. Way, its VP, sign, seal and as its act and deed deliver the foregoing instrument, and that (s)he together with the other witness whose name appears as a witness, witnessed the execution thereof.

[Signature]
Elizabeth A. Wanamaker
(Witness)

SWORN to an subscribed before me
this 28th day of February 2003

[Signature]
Notary Public for South Carolina
My Commission Expires: 9.12.11

Page 4

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CHARLESTON, SOUTH CAROLINA 29402

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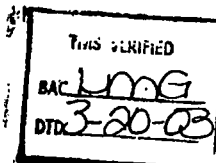
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CHARLIE LYERAND
REGISTER
CHARLESTON COUNTY SC



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MAR 20 2003

PEGGY A. MOSELEY
CHARLESTON COUNTY AUDITOR

STATE OF SOUTH CAROLINA)
)
 COUNTY OF CHARLESTON) THIRD AMENDMENT TO
 MASTER DEED OF THE BRISTOL
 HORIZONTAL PROPERTY REGIME

THIS THIRD AMENDMENT TO MASTER DEED OF THE BRISTOL HORIZONTAL PROPERTY REGIME (the "Third Amendment") is made this 20th day of February, 2004, by Brittlebank Condominiums, LLC is a South Carolina limited liability company (hereinafter, the Company").

W I T N E S S E T H:

WHEREAS, by "Master Deed of The Bristol Horizontal Property Regime" dated August 30, 2002, recorded in the RMC Office for Charleston County in Book D-417 at Page 1 and subsequently amended (hereinafter collectively referred to as the "Master Deed"), the Company created a horizontal property regime upon certain property situate in Charleston County, South Carolina; and

WHEREAS, pursuant to Section 3.3 of the Master Deed, the Developer retained the right to modify or reconstitute, at any time and from time to time, one or more Units owned by it without the consent of any other person, and as provided in said Section 3.3, and may evidence such changes by an amendment of the Master Deed, duly recorded in the RMC for Charleston County, executed solely by the Developer; and

WHEREAS, the Developer proposes to amend the Master Deed to exchange the assigned parking spaces, which are Limited Common Areas of Units owned by the Developer, between Units.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that the Developer does hereby amend the Master Deed as herein provided:

I. Definitions. The words used in this Third Amendment, unless the context shall clearly indicate otherwise, shall have the same meanings as set forth in the Master Deed.

II. Amended Provisions. Exhibit "C" of the Master Deed is amended to assign to Unit 412, also known as Unit 4012, the assigned Limited Common Area parking spaces B18 and B19, and to assign to Unit 513, also known as Unit 5013, the assigned Limited Common Area parking spaces B28 and B29, such that following said amendment Exhibit "C" shall read as shown in the attached Exhibit "C."

III. Amendment Certification. The Company does hereby certify that it is the Owner of Units 412 and 513, also known as Units 4012 and 5013, and of their respective appurtenant Limited Common Area uses, privileges and rights, and that the within Third Amendment to the Master Deed of The Bristol Horizontal Property Regime was duly executed by the Developer in accordance with the provisions of Section 3.3 of the Master Deed.

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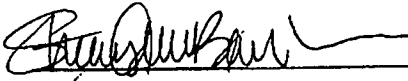
IN WITNESS WHEREOF, the Developer has caused this THIRD AMENDMENT TO MASTER DEED OF THE BRISTOL HORIZONTAL PROPERTY REGIME to be executed the day and year first above written.

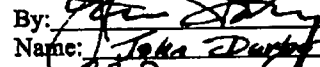
WITNESSES:

BRITTLEBANK CONDOMINIUMS, LLC*

BY: BEACH BRITTLEBANK, LLC, its Member

By: The Beach Co., its Manager


Virginia B. Martin

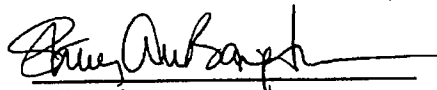
By: 
Name: John C. L. Darby
Its: CEO

By: 
Name: Dana R. Mager
Its: Corporate Secretary

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared before me the undersigned witness who, being duly sworn, deposes and says that (s)he saw the within-named Brittlebank Condominiums, LLC, a South Carolina limited liability company, by Beach Brittlebank, LLC, its Member, by The Beach Co., its Manager, by John C. L. Darby, its President & CEO and Dana R. Mager, its Secretary, sign, seal and as its act and deed deliver the foregoing instrument, and that (s)he together with the other witness whose name appears as a witness, witnessed the execution thereof.


(Witness)

SWORN to and subscribed before me
this 20th day of February, 2004

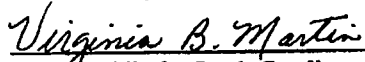

Notary Public for South Carolina
My Commission Expires: 2-17-2010

Exhibit "C"**Schedule of Assigned Values, Percentage Interests,
Storage Space and Parking Spaces for Each Unit**

This is a schedule of Assigned Values and Percentage Interests in the Common Areas appurtenant to Units in the Bristol Horizontal Property Regime. This Schedule also set forth the assigned storage and parking spaces' Limited Common Areas appurtenant to each Unit. The Assigned Value is for statutory purposes only and has no relationship to the actual value of each Unit.

The Bristol

<u>Unit Number by Architect's Floor Plan</u>	<u>Unit Number by Regime Address 1</u>	<u>Statutory Value</u>	<u>Statutory Percentage</u>	<u>Assigned Storage Space LCA 2</u>	<u>Assigned Parking Spaces LCA 2 Shown in Plans</u>	<u>Assigned Parking Spaces By Space Number in Building</u>	<u>Architectural Type</u>
301	3001	\$2,000	1.85185%	8	A36 A35	139 141	D -- The Devonshire
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1 Old Bridgeview Lane, Charleston, South Carolina 29403

2 LCA - Limited Common Area

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The Bristol

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509	5009	\$2,000	1.85185%	14	B14 B13	259 261	B - The Buckingham
510	5010	\$2,000	1.85185%	5	B40 B39	242 244	B - The Buckingham

1 Old Bridgeview Lane, Charleston, South Carolina 29403

2 LCA - Limited Common Area

Exhibit "C" - Page 2

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The Bristol

<u>Unit Number by Architect's Floor Plan</u>	<u>Unit Number by Regime Address 1</u>	<u>Statutory Value</u>	<u>Statutory Percentage</u>	<u>Assigned Storage Space LCA 2</u>	<u>Assigned Parking Spaces LCA 2 Shown in Plans</u>	<u>Assigned Parking Spaces By Space Number in Building</u>	<u>Architectural Type</u>
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512	5012	\$2,000	1.85185%	17	B21 B20	268 270	E -- The Essex
513	5013	\$2,000	1.85185%	13	B28 B29	278 280	E -- The Essex
514	5014	\$2,000	1.85185%	12	B3 B4	279 281	C -- The Canterbury
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\$108,000 99.99990%

1 Old Bridgeview Lane, Charleston, South Carolina 29403

2 LCA -- Limited Common Area

Exhibit "C" -- Page 3

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JENSEN & LAPOND, LLC
544 SAVANNAH HIGHWAY
CHARLESTON, SC 29407

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PEGGY A. MOSELEY
CHARLESTON COUNTY AUDITOR

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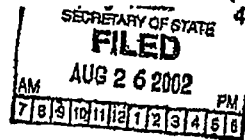
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CHARLE LYBRAND
REGISTER
CHARLESTON COUNTY SC

**PID VERIFIED
BY ASSESSOR**

(843) 958-4800 2 COURTHOUSE SQUARE CHARLESTON, SOUTH CAROLINA 29402-0726

STATE OF SOUTH CAROLINA
SECRETARY OF STATE
JIM MILES
NONPROFIT CORPORATION
ARTICLES OF INCORPORATION



1. The name of the nonprofit corporation is Bristol Condominium Property Owners' Association
2. The initial registered office of the nonprofit corporation is 211 King Street, Suite 200
Street & Number,

Charleston Charleston S.C. 29401
City, County, State, Zip Code

The name of the registered agent of the nonprofit corporation at that office is:

John Darby

3. Check (a), (b), or (c) whichever is applicable. Check only one box.

- a. ☐ The nonprofit corporation is a public benefit corporation.
- b. ☐ The nonprofit corporation is a religious corporation.
- c. ☒ The nonprofit corporation is a mutual benefit corporation.

CERTIFIED TO BE A TRUE AND CORRECT COPY
AS TAKEN FROM AND COMPARED WITH THE
ORIGINAL ON FILE IN THIS OFFICE

AUG 26 2002

4. Check (a) or (b), whichever is applicable:

- a. ☒ This corporation will have members.
- b. ☐ This corporation will not have members.

[Signature]
SECRETARY OF STATE OF SOUTH CAROLINA

5. The address of the principal office of the nonprofit corporation is 211 King St., Suite 200
Street & Address,

Charleston Charleston S.C. 29401
City, County, State, Zip Code

6. If this nonprofit corporation is either a public benefit or religious corporation (box a. or b. of 3. is checked), complete either (a) or (b), whichever is applicable, to describe how the remaining assets of the corporation will be distributed upon dissolution of the corporation.

- a. ☐ Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such asset not so disposed of shall be disposed of by the court of common pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

b. ☐ Upon dissolution of the corporation, consistent with law, the remaining assets of the corporation shall be distributed to: _____

7. If the corporation is a mutual benefit corporation (box "a" of 3. is checked), complete either (a) or (b), whichever is applicable, to describe how the [remaining] assets of the corporation will be distributed upon dissolution of the corporation.

a. ☒ Upon dissolution of the mutual benefit corporation the remaining assets shall be distributed to its members, or if it has no members, to those persons to whom the corporation holds itself out as benefitting or serving.

b. ☐ Upon dissolution of the mutual benefit corporation the [remaining] assets, consistent with law, shall be distributed to _____

8. The optional provisions which the nonprofit corporation elects to include in the articles of incorporation are as follows (See § 33-31-202(e) of the 1976 South Carolina Code, the applicable comments thereto, and the instructions to this form):

a. Capitalized Words. The use of capitalized words herein shall have the meanings attributed to them in the Master Deed of The Bristol Horizontal Property Regime, hereinafter the "Master Deed," recorded or to be recorded in the Office of Register of Mesne Conveyances for Charleston County, South Carolina.

b. Purpose. This Association does not contemplate pecuniary gain or profit, and the specific, primary purposes for which it is formed are to provide for management, administration, maintenance and preservation of The Bristol Horizontal Property regime and the Common Areas thereof, all according to the Master Deed. No part of the net earnings of the Association shall inure to the benefit of any person, other than for acquiring, constructing, or providing management, maintenance, and care of Association property, and other than by a rebate of excess Association fees and assessments, if any.

c. Right to Appoint Directors and Officers. The Developer under the Master Deed shall have the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the Association until such time as the first of the following dates: (i) December 31, 2008; (ii) three (3) months after the conveyance by the Developer, in the ordinary course of business to persons other than a successor Developer, of forty-nine (49) Units; (iii) or three (3) months following the date the Developer surrenders its authority to appoint directors of the Association by an express amendment to the Master Deed executed and filed in the Office of Register of Mesne Conveyances for Charleston County, South Carolina by the Developer.

d. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in a Unit which is subject to the Master Deed (including the Developer) shall be a member of the Association. Until the expiration of the Developer's right to appoint directors and officers of the Association pursuant to subparagraph c of this 8, the Developer, and its

successors and assigns, other than as an owner of a Unit, shall be a member of the Association. The membership of each owner of a Unit shall be appurtenant to and may not be separated from ownership of the Unit and ownership of a Unit shall be the sole qualification for such membership. In the event that fee title to a Unit is transferred or otherwise conveyed, the membership in the Association that is appurtenant thereto shall automatically pass to such transferee, notwithstanding any failure of the transferor to endorse to his transferee any certificates or other evidences of such membership. Any person or entity who holds an interest in a Unit merely as security for the performance of an obligation shall not be a member of this Association.

e. Voting Rights. The Association shall have two (2) classes of voting membership. Members are divided into classes for the sole purpose of computing voting rights and shall not vote as a class.

Class A. Class A members of the Association shall be all owners of Units (including the Developer). A Type A Member shall be entitled to one (1) vote for each Unit owned. When more than one (1) person holds an interest in any Unit, all such persons shall be Members. The vote for such Unit shall be exercised as they among themselves determine as provided in the Master Deed, but in no event shall more than one (1) vote be cast with respect to any Unit.

Class B. The Type B member shall be the Developer or its designated assign, in its capacity other than as an Owner of a Unit. The Type B member shall be entitled to three (3) votes for each vote held by Type A members, plus one (1) vote, until the expiration of the Developer's right to appoint directors and officers of the Association pursuant to subparagraph c of this 8. Thereafter, the Type B member shall exercise votes only as to its Type A memberships.

9. The name and address (with zip code) of each incorporator is as follows (only one is required):

Name	Address (with zip code)
Brian F. Kernaghan	2411 N. Oak Street, Suite 105, Myrtle Beach, SC 29577

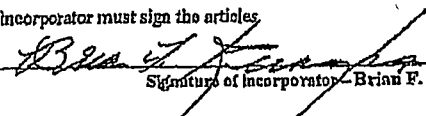
10. Each original director of the nonprofit corporation must sign the articles but only if the directors are named in these articles:

Signature of director _____
(only if named in articles)

Signature of director _____
(only if named in articles)

Signature of director _____
(only if named in articles)

11. Each incorporator must sign the articles.



Signature of Incorporator: Brian F. Kernaghan

STATE OF SOUTH CAROLINA
SOUTH CAROLINA TAX COMMISSION
INITIAL ANNUAL REPORT OF CORPORATIONS

CL-1
(Rev. 7/91)
3134

File Number _____ ENDING PERIOD _____
Month _____ Year _____
FILE THIS RETURN WITH ARTICLES OF INCORPORATION OR APPLICATION FOR AUTHORITY TO DO BUSINESS.

NAME OF CORPORATION BRISTOL CONDOMINIUM PROPERTY OWNERS' ASSOCIATION		
ADDRESS OF CORPORATION (NUMBER AND STREET) 211 KING STREET, SUITE 300		
CITY AND STATE CHARLESTON, SOUTH CAROLINA	ZIP 29576	COUNTY CHARLESTON
Date "Application for Charter" filed with Secretary of State AUG 26 2002		
Date of "Request for authority to do business in this state" (Foreign Corp.) N/A		
IRS Employer Identification Number Applied For _____		Business Code _____
1. State of Incorporation: South Carolina		
2. Nature of principal business in South Carolina: Property Owners' Association		
3. Location of registered office of the corporation in the state of South Carolina is <u>211 King Street, Suite 300</u> the city of <u>Charleston</u> Registered agent at such address is John Darby		
4. Location of principal office in South Carolina (street, city and county): above address		
5. Date business commenced in South Carolina: Date of Incorporation _____ Telephone: <u>843-722-2615</u>		
6. The corporation's books are in care of John Darby located at <u>211 King Street, Suite 300, Charleston, SC 29401</u>		
7. Indicate date corporation closes its books: To Be Determined		
8. If a professional corporation are all shareholders, one-half of the directors (or individuals functioning as directors) and all officers (other than the secretary and treasurer) qualified to practice the professional services engaged in by the corporation?		
9. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the corporation are:		
Name	Business Address and Office	
Timothy Walter	211 King Street, Suite 300, Charleston, SC 29401	Director, President
J. Glenn Hollis	"	Director, Vice President
J. Patrick McDermott	"	Director, Secretary/Treasurer
10. The total number of authorized shares of capital stock itemized by class and series, if any, within each class is as follows:		
Number of Shares	Class	Series
0	N/A	
11. The total number of issued and outstanding shares of capital stock itemized by class and series, if any, within each class is as follows:		
Number of Shares	Class	Series
0	N/A	

1. Fee due with this report	+ 1. _____ 25.00
2. Interest due	+ 2. _____
3. Penalty due	+ 3. _____
4. Total - Fee, Interest and Penalty (make remittance payable to SC Tax Commission)	+ 4. _____ 25.00

1. The undersigned, principal of the corporation for which this return is made, declare that this return including accompanying statements and schedules, has been examined by me and is to the best of my knowledge and belief a true and complete return made in good faith.

THIS RETURN PREPARED BY: Brian F. Kerneghan

August 23, 2002
DATE:

Brian F. Kerneghan
Brian F. Kerneghan - Incorporator

BYLAWS OF
BRISTOL CONDOMINIUM PROPERTY OWNERS' ASSOCIATION

ARTICLE I

NAME AND LOCATION

1.1 Name and Location. The name of the corporation is BRISTOL CONDOMINIUM PROPERTY OWNERS' ASSOCIATION, hereinafter referred to as the "Association." The principal office of the Association shall be located at the Project, or at such other place as may be designated by the Board.

ARTICLE II

DEFINITIONS

2.1 Incorporation. The definitions contained in the Master Deed are incorporated by reference herein.

(a) The Master Deed. "Master Deed" shall mean and refer to the Master Deed Of Bristol Horizontal Property Regime recorded in the Office of Register of Mesne Conveyances for Charleston County, South Carolina, and subsequent amendments thereto.

ARTICLE III

MEETING OF MEMBERS AND VOTING

3.1 Annual Meeting. The first meeting of the Members, whether an annual or a special meeting, shall be held on such day and at such time as the Board, upon majority vote, shall determine and which shall occur not more than twelve (12) months following the date of the close of the sale of the first Unit in the Regime. Subsequent annual meetings of the Members shall be held thereafter at an hour and place within thirty (30) days of the same month and day of such first meeting, as set by the Board.

3.2 Special Meetings. Special meetings of the Members shall be promptly scheduled at any time by the Board upon vote of a majority of the Board of Directors or upon written request of the President. A special meeting of the Members shall be called upon written demand delivered to the Secretary by the Members representing five percent (5%) of the total voting power of the Association, notice of which shall be by written notice to all Members within thirty (30) days of the Secretary's receipt of the demand. For purposes of determining the five percent (5%), the record date shall be thirty (30) days before delivery of the written demand. Upon the failure of the Association to send notice of a special meeting within thirty (30) days following delivery of written demand as aforesaid, any Member signing the demand may set the time and place of the special meeting and give notice thereof to all Members in accordance with the Nonprofit Corporation Act.

3.3 Notice and Place of Meetings. Unless otherwise provided in the Master Deed, the Articles of Incorporation, in these By-Laws, or in the Nonprofit Corporation Act, written notice of each meeting of the Members, annual or special, shall be given by, or at the direction of, the Secretary, by mailing a copy of such notice, first class mail, postage prepaid, at least thirty (30) but not more than sixty (60) days before such meeting to each Member, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. In the case of written demand of Members representing five percent of the total voting power of the (5%) Association, written notice of such meeting shall be given not more than thirty (30) days after written demand is delivered to the Association. Such notice shall

specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting, and shall provide for voting by proxy. If action is proposed to be taken at any meeting for approval for any of the following proposals, the notice shall also state the general nature of the proposal: (a) removing a Director without cause; (b) filling vacancies in the Board of Directors by the Members; or (c) amending the Articles of Incorporation. Meetings shall be held within the Project or at a meeting place within the same county, as close to the Project as possible.

Notice of a meeting of Members need not be given to any Member who signs a waiver of notice, in person or by proxy, either before or after the meeting. The waiver must be delivered to the Association for inclusion in the minutes or filing with the corporate records. Attendance of a Member at a meeting, in person or by proxy, shall of itself constitute waiver of notice, except when the Member attends a meeting solely for the purpose of stating his objection, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened. Objection by a Member shall be effective only if written objection to the holding of the meeting or to any specific action so taken is filed with the Secretary of the Association.

3.4 Quorum. Unless otherwise provided herein, in the Master Deed, the Articles of Incorporation, or the Nonprofit Corporation Act, the presence of Members representing one-third (a) of the votes of all Members, in person or by proxy, shall constitute a quorum for the transaction of business. The Members present at a duly called or held meeting at which a quorum of one-third (a) of the votes of all Members is present may continue to do business until adjournment, notwithstanding the withdrawal from the meeting of enough Members to leave less than such required quorum, provided that Members representing twenty percent (20%) of the total votes of the Association remain present in person and/or by proxy, and provided further that any action taken shall be approved by a majority of the Members required to constitute such quorum. If the required quorum is not present, another meeting may be called, not less than ten (10) nor more than sixty (60) days following the first meeting, and the required quorum at the subsequent meeting shall be the Members present, in person or by proxy, and entitled to vote. Unless otherwise provided, any reference hereafter to "votes cast" at a duly called meeting shall be construed to be subject to the quorum requirements established by this Section 3.4. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed in Section 3.3.

3.5 Ballots and Representative Voting.

(a) Written Ballots. Any vote of Members on a matter that would be cast at an annual, regular or special meeting may be taken, without a meeting, by written ballot delivered to every Member by the Association. The ballot shall set forth the matter to be voted upon and provide thereon a place to vote for or against such matter. Approval by written ballot without a meeting shall be effective only when the number of votes cast by ballot equals or exceeds the quorum required to be present had the matter been considered at a meeting, and the number voting for the matter equals or exceeds the number of votes required to approve it had the matter been considered at a meeting at which the requisite quorum is present. A solicitation of votes by ballot shall (1) indicate the record date for Members eligible to vote; (2) indicate the number of returned ballots voting for or against the matter that is required to satisfy the quorum requirement; (3) state the required number of votes or percentage voting in favor of the matter required to approve it (except in the case of election of directors, which shall be by plurality); and (4) state the date and time by which a Member's completed ballot must be received by the Secretary in order to be counted in the vote to be taken. A ballot, once delivered to the Secretary, may not be revoked. A Member's signed ballot shall be delivered to the Secretary by hand delivery, by U.S. mail, or by such other means as shall be permitted under South Carolina law, including, but not limited to and if allowed, overnight courier service, facsimile and e-mail transmission, internet form submission, or by any other technology or medium now existing or hereafter devised, provided in every such case the sender retains proof of transmission and receipt.

specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting, and shall provide for voting by proxy. If action is proposed to be taken at any meeting for approval for any of the following proposals, the notice shall also state the general nature of the proposal: (a) removing a Director without cause; (b) filling vacancies in the Board of Directors by the Members; or (c) amending the Articles of Incorporation. Meetings shall be held within the Project or at a meeting place within the same county, as close to the Project as possible.

Notice of a meeting of Members need not be given to any Member who signs a waiver of notice, in person or by proxy, either before or after the meeting. The waiver must be delivered to the Association for inclusion in the minutes or filing with the corporate records. Attendance of a Member at a meeting, in person or by proxy, shall of itself constitute waiver of notice, except when the Member attends a meeting solely for the purpose of stating his objection, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened. Objection by a Member shall be effective only if written objection to the holding of the meeting or to any specific action so taken is filed with the Secretary of the Association.

3.4 Quorum. Unless otherwise provided herein, in the Master Deed, the Articles of Incorporation, or the Nonprofit Corporation Act, the presence of Members representing one-third (a) of the votes of all Members, in person or by proxy, shall constitute a quorum for the transaction of business. The Members present at a duly called or held meeting at which a quorum of one-third (a) of the votes of all Members is present may continue to do business until adjournment, notwithstanding the withdrawal from the meeting of enough Members to leave less than such required quorum, provided that Members representing twenty percent (20%) of the total votes of the Association remain present in person and/or by proxy, and provided further that any action taken shall be approved by a majority of the Members required to constitute such quorum. If the required quorum is not present, another meeting may be called, not less than ten (10) nor more than sixty (60) days following the first meeting, and the required quorum at the subsequent meeting shall be the Members present, in person or by proxy, and entitled to vote. Unless otherwise provided, any reference hereafter to "votes cast" at a duly called meeting shall be construed to be subject to the quorum requirements established by this Section 3.4. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed in Section 3.3.

3.5 Ballots and Representative Voting.

(a) Written Ballots. Any vote of Members on a matter that would be cast at an annual, regular or special meeting may be taken, without a meeting, by written ballot delivered to every Member by the Association. The ballot shall set forth the matter to be voted upon and provide thereon a place to vote for or against such matter. Approval by written ballot without a meeting shall be effective only when the number of votes cast by ballot equals or exceeds the quorum required to be present had the matter been considered at a meeting, and the number voting for the matter equals or exceeds the number of votes required to approve it had the matter been considered at a meeting at which the requisite quorum is present. A solicitation of votes by ballot shall (1) indicate the record date for Members eligible to vote; (2) indicate the number of returned ballots voting for or against the matter that is required to satisfy the quorum requirement; (3) state the required number of votes or percentage voting in favor of the matter required to approve it (except in the case of election of directors, which shall be by plurality); and (4) state the date and time by which a Member's completed ballot must be received by the Secretary in order to be counted in the vote to be taken. A ballot, once delivered to the Secretary, may not be revoked. A Member's signed ballot shall be delivered to the Secretary by hand delivery, by U.S. mail, or by such other means as shall be permitted under South Carolina law, including, but not limited to and if allowed, overnight courier service, facsimile and e-mail transmission, internet form submission, or by any other technology or medium, now existing or hereafter devised, provided in every such case the sender retains proof of transmission and receipt.

(b) Proxies. All of the provisions of this Section 3.5(b) are subject to the Master Deed. To the extent that a provision set forth in this Section is inconsistent with the Master Deed, the provisions of the Master Deed shall control. At all meetings of Members, each Member may vote in person or by proxy. The appointment form of proxy shall be in writing and received by the Secretary before the appointed time of the meeting. Every proxy appointment shall automatically cease upon conveyance by the Member of his Unit, or upon receipt of written notice by the Secretary of the death or judicially declared incompetence of a Member prior to the counting of the vote, upon revocation of the appointment of the proxy in accordance with the Nonprofit Corporation Act, or upon the expiration of eleven (11) months from the date of the proxy. Unless the proxy appointment form otherwise states, it shall be deemed to confer the authority to execute consents and waivers and to exercise the right to examine the books and records of the Association. Any proxy appointment form distributed by any person to the membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon set forth in the notice of the meeting. The appointment shall provide that, where the Member specifies a choice, the vote shall be cast by the proxy in accordance with that choice. The form shall also identify the person or persons acting as the proxy and the length of time it will be valid. In addition, voting by a proxy shall comply with any other applicable requirements of the Nonprofit Corporation Act. The Member's signed proxy appointment form shall be delivered to the Secretary by hand delivery, by U.S. mail, and by such other means as shall be permitted under South Carolina law, including, but not limited to and if allowed, overnight courier service, facsimile and e-mail transmission, internet form submission, or by any other technology or medium, now existing or hereafter devised, provided in every such case the sender retains proof of transmission and receipt.

3 6 Membership and Voting. The Association shall have two (2) classes of voting membership:

Type A: The Type A Members shall be all Owners, including the Developer (as defined in the Master Deed) and shall be entitled to one (1) vote for each Unit owned. When more than one (1) person holds an interest in any Unit, all such persons shall be Members. The vote for such Unit shall be exercised as they among themselves determine as provided in the Master Deed, but in no event shall more than one (1) vote be cast with respect to any Unit.

Type B: The Type B Member shall be the Developer whose voting rights shall be three (3) votes for each vote held by Type A Members, plus one (1) vote. The Type B membership shall cease upon the first of the following dates:

- (a) December 31, 2008;
- (b) three (3) months following the date on which the Developer has conveyed forty-nine (49) Units to Owners in the ordinary course of its business; or
- (c) three (3) months following the date the Developer surrenders the authority to appoint and remove Directors and officers of the Association by an express amendment to the Master Deed executed and filed in the Office of Register of Mesne Conveyances for Charleston County, South Carolina by the Developer.

Except as otherwise provided in the Master Deed, the Articles of Incorporation, these By-Laws, or the Nonprofit Corporation Act, any action by the Association which must have the approval of the Members before being undertaken shall require voting approval by a majority of the votes cast by Members at which the required quorum is present. An abstention shall be counted as a negative vote in calculating the majority. Members are divided into Type A and Type B Members for the sole purpose of computing voting rights and shall not vote as a class. Owners of Units in all phases shall have the same voting rights.

specify those matters the Board intends to present for action by the Members, but, except as otherwise provided by law, any proper matter may be presented at the meeting for action. Members of the Association shall have access to Association records in accordance with the Nonprofit Corporation Act. Any Member of the Association may attend meetings of the Board, except when the Board adjourns to executive session to consider litigation, matters that relate to the formulation of contracts with third parties, or personnel matters. Any matter discussed in executive session shall be generally noted in the minutes of the Board. In any matter relating to the discipline of an Association Member, the Board shall meet in executive session if requested by that Member, and the Member shall be entitled to attend the executive session.

ARTICLE IV

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

4.1 Number. A Board of Directors, all directors of which must be Members of the Association, or an officer, director, employee or agent of a Member, including Developer, shall manage the affairs of the Association. The initial Board of Directors shall consist of three (3) Directors who shall be appointed by the Developer. The Developer shall have the sole right to appoint and remove any member or members of the Board of Directors of the Association pursuant to the Master Deed until the expiration of the Transition Period. Within sixty (60) days after the expiration of the Transition Period, the Members shall elect five (5) Directors. The Association shall either call, and give not less than thirty (30) days' and not more than sixty (60) days' notice of, such special meeting of the Members to elect the Board of Directors, or the date on which the Association shall count the written ballots distributed to the Members with such notice or the election of the Board of Directors. Each year thereafter, the Members shall elect such number of Directors as shall exist whose terms are expiring.

4.2 Term of Office. The election of Directors shall be by plurality, the number of nominees equal to the number of vacancies to be filled receiving the greatest number of votes being elected. However, at the meeting of the Association following expiration of the Transition Period held to elect five (5) Directors or the date following expiration of the Transition Period when written ballots are to be counted for the election of such Directors pursuant to Section 4.1, the two (2) nominees receiving the highest number of votes will each be elected for a term of two (2) years, and the next three (3) nominees receiving the highest number of votes will each be elected for a term of one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve for a term of two (2) years. Unless vacated sooner, each Director shall hold office until the Director's term expires and a successor is elected.

4.3 Removal; Vacancies. A Director appointed by the Developer may only be removed by the Developer, otherwise, a Director may be removed from office, with or without cause, at any regular or special meeting of the Members by sixty-seven percent (67%) of the votes of the Members voting in person or by proxy at a meeting at which a quorum is present. A successor to any removed Director may be elected at the same meeting at which the vacancy is created by the removal of the Director. A Director whose removal is proposed to be voted upon at any meeting shall be given notice of the proposed removal not less than 10 days prior to the date of the meeting and shall be given an opportunity to be heard at the meeting. In the event of death or resignation of a Director, the vacancy shall be filled by majority vote of the Board at a duly held meeting, or by the sole remaining Director. A successor Director shall serve for the unexpired term of his or her predecessor. The Members may elect a Director at any time to fill any vacancy not filled by the Directors.

4.4 Compensation. No Director shall receive compensation for any service rendered to the Association. However, any Director may be reimbursed for his actual expenses, if reasonable, that are incurred in the performance of his or her duties, including, but not limited to, travel expenses.

4.5 Indemnification of Corporate Agents. The Association shall indemnify any present or former Director, officer, employee or other agent of the Association to the fullest extent authorized under the Nonprofit

Corporation Act, or any successor statute, and may advance to any such person funds to pay expenses that may be incurred in defending any action or proceeding on receipt of an undertaking by or on behalf of such person to repay such amount unless it is ultimately determined that such person was not entitled to indemnification under this provision.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

5.1 Nomination. The Board shall make nomination for election to the Board of Directors from the membership, and if the election is to take place at a meeting and not solely by written ballot, nominations may also be made from the floor at the meeting. The Board shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. All candidates shall have reasonable opportunity to communicate their qualifications to Members and to solicit votes.

5.2 Election. The first election of the Board shall be conducted as set forth in Section 4.1. At such election the Members or their proxies may cast as many votes as they are entitled to exercise under the provisions of the Master Deed. The persons receiving the largest number of votes shall be elected. No cumulative voting shall be permitted. Voting for Directors at a meeting shall be by secret written ballot. Voting for Directors may also be conducted by written ballot pursuant to Section 3.5(a).

ARTICLE VI

MEETINGS OF DIRECTORS

6.1 Regular Meetings. Regular meetings of the Board of Directors shall be held at least annually at such place within the Project, and at such hour as may be fixed from time to time by resolution of the Board. If a larger meeting room is required than exists with the Project, the Board shall select a room as close as possible to the Project. Should a regularly scheduled meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday, excluding Saturday and Sunday.

6.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President, Vice President or Secretary of the Association, or by any two (2) Directors. Notice of the special meeting shall specify the time and place of the meeting and the nature of the special business to be considered.

6.3 Quorum. A majority of the Directors then in office (but not less than two (2)) shall constitute a quorum for the transaction of business. Every act performed or decisions made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by a majority of the required quorum for that meeting.

6.4 Executive Session. The Board may, with approval of a majority of the Directors present at a meeting in which a quorum for the transaction of business has been established, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel and matters involving contracts of which the Association is a party, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

6.5 Telephone Meetings. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all Directors participating in the meeting can hear one another, and

all such Directors shall be deemed to be present in person at such meeting. An explanation of the action shall be filed with the minutes of the proceedings of the Board.

6.6 Waiver of Notice. The transaction of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minute. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

6.7 Notice of Adjourned Meeting. Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case personal notice of the time and place shall be given before the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

6.8 Action Without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

6.9 Notices Generally. Notice of any meeting of the Board of Directors, whether regular or special, shall be given to each Director by one (1) of the following methods; (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate such notice promptly to the Director; (d) by telegram, charges prepaid; or (e) by facsimile transmission to the fax number of the Directors or to e-mail address of the Directors, with proof of transmission and receipt thereof being retained in the minutes of the meeting. All such notices shall be given or sent to the Director's address, telephone number, fax number or e-mail address as shown on the records of the Association. Such notice shall be sent to all Directors not less than seventy-two (72) hours prior to the scheduled time of the meeting, provided, however, notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, telegraph, facsimile transmission or e-mail shall be delivered, telephoned, given to the telegraph company, faxed or e-mailed, as the case may be, at least seventy-two (72) hours before the time set for the meeting. Notice of any meeting need not be given to any Director who has signed a waiver of notice or written consent to holding of the meeting.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1 Duties. It shall be the duty of the Board of Directors to:

- A. Maintenance: Perform the maintenance described in the Master Deed;
- B. Insurance: Maintain insurance as required by the Master Deed;
- C. Discharge of Liens: Discharge by payment, if necessary, any lien against the Common Area and assess the cost thereof to the Member or Members responsible for the existence of the lien (after notice and hearing as required by these Bylaws);
- D. Assessments: Fix, levy, collect and enforce Assessments as set forth in the Master Deed;

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E. Expenses and Obligations: Pay all expenses and obligations incurred by the Association in the conduct of its business including, without limitation, all licenses, taxes, or governmental charges levied or imposed against the property of the Association;

F. Records: Cause to be kept a complete record of all its acts and affairs and to present a statement thereof to the Members at the annual meeting of the Members, at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class "A" Members; keep adequate and correct books and records of account, minutes of proceedings of its Members, Board and committees, and a record of its Members giving their names and addresses and classes of membership;

G. Supervision: Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

H. Enforcement: Enforce these Bylaws and the Master Deed;

I. Review of Financial Records: Review on at least a quarterly basis a current reconciliation of the Association's operating and reserve accounts, the current year's actual reserve revenues and expenses compared to the current year's budget, and an income and expense statement for the Association's operating and reserve accounts. In addition, the Board shall review the latest account statements prepared by the financial institutions where the Association has its operating and reserve accounts. For purposes herein, "reserve accounts" shall mean monies that the Association's Board has identified for use to defray the future repair or replacement of, or additions to, these major components that the Association is obligated to maintain.

J. Reserve Account Withdrawal Restrictions: Require that at least two (2) signature is needed for the withdrawal of monies for the Association's reserve accounts, at least one (1) of whom shall be a member of the Board. One (1) signature may be that of the Association's manager or such manager's designee.

K. Reserve Account Fund Management: The Board shall not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement, or maintenance of, or litigation involving the repair, restoration, replacement, or maintenance of, major components which the Association is obligated to repair, restore, replace, or maintain and for which the reserve fund was established.

L. Reserve Studies: At least every five (5) years the Board shall cause an independent analysis of the reserve component of the operating budget to be conducted to confirm that component replacement costs and useful lives are accurately reflected in the reserve allocation.

7.2 Powers. The Board of Directors shall have power to:

A. Manager: Employ a manager as provided in the Master Deed;

B. Adoption of Rules; Set Aside Common Area Parking for Handicap: Adopt rules in accordance with the Master Deed, including rules setting aside Common Area parking spaces as handicap parking only, and adopt rules limiting the number of cars which will be permitted to be parked in the Common Area parking spaces;

C. Assessments, Liens and Fines: Levy and collect Assessments and impose fines as provided in the Master Deed

D. Enforcement (Notice and Hearing): Enforce these Bylaws and/or the Master Deed, provided that at least fifteen (15) days' prior notice of any charges (other than Assessment) or potential discipline or fine and the reasons therefor are given to the Member affected, and that an opportunity is provided for the Member to be heard, orally or in writing not less than five (5) days before the effective date of the discipline or

fine, said hearing to be before the Board. Any notice required herein shall be given by any method reasonably calculated to provide actual notice. Any notice given by mail shall be given by first class or registered mail sent to the last address of the Member as shown on the Association's records.

B. Contracts: Contract for goods and/or services in accordance with the Master Deed.

F. Delegation: Delegate its authority and powers to committees, officers or employees of the Association or to a manager employed by the Association. The Board may not delegate the authority to procure insurance, make capital expenditures for additions or improvements chargeable against the reserve funds; to conduct hearings concerning compliance by an Owner or his tenant, lessee, guest or invitee with the Master Deed or rules and regulation promulgated by the Board, or to make a decision to levy monetary fines, impose special Assessments against individual Units, temporarily suspend an Owner's rights as a Member of the Association or otherwise impose discipline following any such hearing; to make a decision to levy Annual or Special Assessments; or to make a decision to bring suit, record a claim of lien, or institute foreclosure proceedings for default in payment of Assessments. Any such delegation shall be revocable by the Board at any time. The members of the Board, individually or collectively, shall not be liable for any omission or improper exercise by the manager of any such duty, power or function so delegated by written instrument executed by a majority of the Board.

G. Appointment of Trustee: Appoint a trustee as provided in the Master Deed.

H. Borrowings: Borrow money (i) for the purpose of improving the Regime, or any portion thereof, (ii) for constructing, repairing, maintaining or improving any facilities located or to be located within the Regime, (iii) for providing services authorized herein, and, (iv) to give as security for the payment of any such loan a mortgage or other security instrument conveying all or any portion of the Common Areas; provided, however, that the lien and encumbrance of any such security instrument given by the Association will be subject and subordinate to any and all rights, interest, options, licenses, easements, and privileges herein reserved or established for the benefit of Developer, any Owner, or the holder of any Mortgage, irrespective of when such Mortgage is executed or given.

I. Other Powers: In addition to any other power contained herein or in the Master Deed, the Association may exercise the powers granted to a nonprofit mutual benefit corporation as enumerated in the Nonprofit Corporation Act.

7.3 Prohibited Acts. The Board shall not take any of actions prohibited of it under the Master Deed except with the vote or written consent of a majority of the Members other than Developer.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

8.1 Enumeration of Officers. The officers of this Association shall be a President and Secretary, who shall at all times be members of the Board of Directors, a Vice President, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

8.2 Election of Officers. The Developer shall have the sole right to appoint and remove officers during the Transition Period. Thereafter, all officers shall hold office at the pleasure of the Board.

8.3 Term. The Board shall elect the officers of this Association annually and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

8.4 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

8.5 Resignation and Removal. Any officer may be removed from office (but not from the Board, if the officer is also a Board member) by the Board with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

8.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

8.7 Duties. The duties of the officers are as follows:

A. President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall sign all promissory notes. The President shall have the general powers and duties of management usually vested in the office of the President of a South Carolina nonprofit mutual benefit corporation, and shall have such powers and duties as may be prescribed by the Board or by these Bylaws.

B. Vice President. The Vice President shall act in the place of the President in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

C. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with the addresses, and shall perform such other duties as required by the Board. The ministerial functions of the Secretary in recording votes, keeping minutes, sending notices, and keeping the records of names and addresses of Members may be delegated to an Association manager.

D. Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all promissory notes of the Association; shall keep proper books of account; and shall prepare and shall distribute budgets and statements. The ministerial functions of the Treasurer in sending Assessment notices, receiving and depositing Assessments, keeping books and ledgers of account, and preparing and distributing budgets and statements may be delegated to an Association manager.

ARTICLE IX

COMMITTEES

9.1 Appointment. An Architectural Review Committee may be appointed as provided in the Master Deed. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purpose. No committee, regardless of Board resolution, may: (a) take any final action on matters which, under the Nonprofit Corporation Act also requires Members' approval; (b) fill vacancies on the Board of Directors or in any committee; (c) amend or repeal Bylaws or adopt new Bylaws; (d) amend or repeal any resolution of the Board of Directors; (e) appoint any other committees of the Board of Directors or the members of those committees; (f) approve any transaction to which the Association is a party and in which one (1) or more Directors have a material financial interest.

ARTICLE X

BOOKS AND RECORDS

10.1 Inspection by Members. The membership register (including names, mailing addresses, telephone numbers and voting rights), books of account and minutes of meetings of the Members, of the Board (including drafts and summaries), and of committees shall be made available for inspection and copying by any Member of the Association, or by his duly appointed representative, at any reasonable time and for a purpose reasonably related to his interest as a Member, at the office of the Association or at such other place within the Project as the Board shall prescribe. Board minutes shall be available to Members within thirty (30) days of the meeting, and shall be distributed to any Member upon request and upon reimbursement of the costs in making that distribution.

10.2 Rules for Inspection. The Board shall establish reasonable rules with respect to:

- A. Notice to be given to the custodian of the records by the Member desiring to make the inspection;
- B. Hours and days of the week when such an inspection may be made;
- C. Payment of the cost of reproducing copies of documents requested by a Member.

10.3 Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and copies of documents, at the expense of the Association.

10.4 Documents Provided by Board. Upon written request, the Board shall, within ten (10) days of the mailing or delivery of such request, provide an Owner with a copy of the governing documents of the Regime, a copy of the most recent budget and statements of the Association, and a true statement in writing from an authorized representative of the Association as to the amount of the Association's current Annual and Special Assessments and fees, as well as any Assessments levied upon the Owner's interest which, as of the date of the statement, are or may be made a lien upon the Owner's Unit. The Board may impose a fee for providing the foregoing which may not exceed the reasonable cost to prepare and reproduce the requested documents.

ARTICLE XI

MISCELLANEOUS

11.1 Amendments. Prior to close of the sale of the first Unit, Developer may amend these Bylaws. After sale of the first Unit these Bylaws may be amended, only as provided in the Master Deed or in the Nonprofit Corporation Act.

11.2 Conflicts. In the case of any conflict between the Articles of Incorporation and the Bylaws, the Articles of Incorporation shall control; and in the case of any conflict between the Master Deed and these Bylaws, the Master Deed shall control.

11.3 Fiscal Year. Unless directed otherwise by the Board, the fiscal year of the Association shall begin on the first day of January and end on the thirty-first (31st) day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

James C. Williams, Circuit Court Judge

Appellate Case No. 2014-000118

John T. Lucas, Sr. as Trustee of the John T. Lucas Revocable Trust and Carolyn
C. Lucas Revocable Trust, Appellant,

v.

The Bristol Condominium Property Owners Association, Respondent,

and

The Bristol Condominium Property Owners Association, Plaintiff,

v.

John T. Lucas St. as Trustee of the John T. Lucas Revocable Trust Dated
November 10, 2004, and Carolyn C. Lucas Revocable Trust Dated November 10,
2004, Defendants/Counterclaim Plaintiffs,

v.

The Bristol Condominium Property Owners Association, Counterclaim
Defendant.

PROOF OF SERVICE

I certify that I have served the Record on Appeal on The Bristol Condominium Property
Owners Association by United States Postal Service, postage prepaid, on May 28 2014,
addressed to its attorneys of record, David B. Wheeler and Joseph T. Belton, Post Office Box
22828, Charleston, South Carolina 29413 and K. Michael Barfield and M. Dawes Cook, Post
Office Drawer H, Charleston, South Carolina 29402.

(Signature on separate page)

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MAY 29 2014

SC Court of Appeals

May 28, 2014

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THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM CHARLESTON COUNTY
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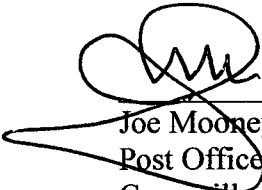
John T. Lucas St. as Trustee of the John T. Lucas Revocable Trust Dated November 10, 2004, and Carolyn C. Lucas Revocable Trust Dated November 10, 2004, Defendants/Counterclaim Plaintiffs,

v.

The Bristol Condominium Property Owners Association, Counterclaim Defendant.

CERTIFICATE OF COUNSEL

The undersigned hereby certifies that the Record on Appeal contains all material proposed to be included by any of the parties and not any other material.


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MAY 28 2014

SC Court of Appeals