

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM LEXINGTON COUNTY
Court of Common Pleas

James O. Spence, Master-in-Equity

Case No. 2007-CP-32-3492

Misty Lake Association, Inc.,

Appellant,

v.

Bridleridge Homeowners'
Association Inc.,

Respondent.

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SC Court of Appeals

RECORD ON APPEAL

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STATE OF SOUTH CAROLINA
COUNTY OF LEXINGTON

IN THE COURT OF COMMON PLEAS
FOR THE ELEVENTH JUDICIAL CIRCUIT

2011 JAN -6 P 12:47
Misty Lake Association, Inc.,

Case No.: 07-CP-32-3492

Plaintiff, BETH A. CARRIGG
CLERK OF COURT
LEXINGTON SC

vs.

**ORDER DISMISSING PLAINTIFF'S
COMPLAINT**

Bridleridge Homeowners'
Association, Inc.,

Defendant.

This matter comes before the Court upon the Plaintiff filing a Summons and Complaint on September 28, 2007. A final hearing was held on August 31, 2010. Appearing at the final hearing on behalf of the Plaintiff were its attorneys Ryan D. McCabe, Jr. and Stephanie C. Trotter. Appearing on behalf of the Defendant were its attorneys James R. Snell, Jr. and Chad E. Poteat.

Factual Background

The parties to this matter are incorporated homeowners' associations serving neighborhoods located in Lexington County. The Plaintiff is seeking a contribution from the Defendant for repairs asserted as necessary for the maintenance of a large pond and dam located between both neighborhoods. The Plaintiff originally sought to foreclose a recorded lien placed on the Defendant's two "common area" parcels of real estate. At the hearing in this matter the parties stipulated by agreement that the Plaintiff was foregoing its claim for monetary trespass damages (Tr. p. 11, lines 16-22) and that the Defendant would agree to remove the dock encroaching into the Misty Lake from the banks of its common area. (Tr. p. 113, lines 20-21).

The Plaintiff's membership includes 10 exclusive members in homes bordering on a large pond and its common areas include the pond, and the associated dam. The Defendant's

membership includes 16 homes bordering the Misty Lake pond (who have dual membership or are eligible for dual membership in both associations) and 260 other homes not bordering on the pond. (Tr. p. 33, lines 7-12).

The Plaintiff's and Defendant's neighborhoods were created by separate developers. (Tr. p. 16, lines 14-22). Plaintiff's restrictive covenants were filed on December 12, 1996 by Crosby-Southern. (Plaintiff's Exhibit #13). They provide that the Plaintiff shall assess the Defendant dues at a rate of 20 times regular rates for each of the Defendant's two common areas. (Plaintiff's Exhibit #13). The Defendant's restrictive covenants were filed six months earlier on June 12, 1996 by The Mungo Company, Inc. (Defendant's Exhibit #1). While Plaintiff argues that a series of prior payments create a permanent obligation on all 276 Defendant homeowners, Defendant's covenants contain no requirement on its membership to maintain the pond, dam or make any payments to or honor any assessments made by Misty Lake. (Defendant's Exhibit #1).

Findings of Fact and Conclusions of Law

After considering the pleadings in this matter, evidentiary stipulations, deposition transcripts, exhibits and argument of counsel, the Court hereby makes the following findings of fact and conclusions of law:

1. All pleadings were filed and served in accordance with Rules 4 and 5, SCRCF, and all issues have been joined before the Court.
2. This Court has all necessary subject matter and personal jurisdiction.
3. Venue in this action is proper in Lexington County pursuant to S.C. Code § 15-7-10(1). (Defendants Exhibit #1, Plaintiffs Exhibit #13).

4. The Defendant in this matter is not the owner of either the dam or pond at issue in this case. (Tr. p. 16, lines 20-22). There is nothing in the record before the Court that would suggest that the Defendant has a common law obligation to maintain the dam or the pond.
5. The parties stipulated that the dam and spillway are deficient and need work. (Tr. p. 18, lines 20-21). The estimate for the required repairs is approximately \$100,000. (Tr. p. 23, line 12).
6. Although the Plaintiff's covenants refer to the Defendant's use of the lake and payment of fees, there is no corresponding language contained in the Defendant's covenants. (Defendant's Exhibit #1). The recorded covenants of both developments are insufficient to adequately place notice upon purchasers in the Bridleridge development of any obligation to maintain either the dam or the pond. (Defendants Exhibit #1, Plaintiff's Exhibit #13).
7. The Defendant's developer had recorded its covenants six months before the Plaintiff's covenants were recorded. (Plaintiff's Exhibit #13). There was no opportunity for the former owner of the Defendant's development to later bind its purchasers to obligations related to the dam or pond after deeding the property. (Tr. p. 17, lines 11-18).
8. There was insufficient evidence or law presented to the Court that the Defendant Homeowner's Association had the authority to Bind its membership and individual owners in the neighborhood to any after-created obligation to maintain the dam or the pond. The Defendant's covenants require a 2/3rd membership vote to approve any modifications. (Defendant's Exhibit #1). There was no evidence that any modification was ever presented for a vote or approved by the membership. Restrictive covenants are to be strictly construed and should be interpreted to promote the free use of property.

Tranquil Properties v Dorchester County, 693 S.E. 2d 24 (Ct. App. 2010) and Hardy v. Aiken, 369 S.C. 160, 166, 631 S.E.2d 539, 542 (2006).

9. There is insufficient evidence or testimony from either party that indicated that a contract creating a permanent obligation to maintain the pond/dam was created directly between the parties related to the maintenance of the dam or pond or regarding the Plaintiff's assessments. (Tr. p. 33 lines 21-24).
10. The Plaintiff asserted a servitude was created between the parties that would obligate the Defendant to pay assessments issued by the Plaintiff and that would survive scrutiny under the Statute of Frauds. In support of this assertion the Plaintiff presented evidence to the Court including, *inter alia*, a newsletter entitled "Bridleridge Bulletin" referencing the use of the Lake by members of Bridleridge under the terms of the Declaration and regulation by the Plaintiff (Plaintiff's Exhibit #32), several signed checks to MLA for payment of the annual assessments for the common areas in Bridleridge (Plaintiff's Exhibits 8-10), a document titled "Projected Bridle Ridge Budget for 1999" that references an anticipated expense of \$500.00 related to Misty Lake. (Plaintiff's Exhibit #1) and budgets prepared by the Defendant for years 1999, 2000, 2002, 2003, 2004, and 2005 (Plaintiff's Exhibits 1-6).

The standard of proof required is discussed in Aust vs. Beard, 230 S.C. 515, 96 S.E. 2d 558 (S.C. 1957). "Before a Court of Equity will specifically enforce a parole contract on the ground of part performance, all of the material terms of the contract must be established to the satisfaction of the Court by proof that is clear, definite and certain. The terms of a contract must be so clear, definite, certain, and precise, and free from obscurity or self-contradiction that neither party can reasonably understand them, and the court can

interpret them without supplying anything. [A] mere preponderance of the testimony is insufficient."

While Plaintiff argues, perhaps correctly, that maintenance of the pond will benefit both neighborhoods, there is insufficient evidence to support the assertion that a servitude was created. "A servitude is a legal device that creates a right or an obligation that runs with the land or an interest in the land." RESTATEMENT (THIRD) of PROP.: SERVITUDES ¶ 1.1(1). A servitude can be created if the owners of the party enter into a contract or make a conveyance that complies with Statute of Frauds... *Id* ¶2.1 (1) (a). The actions undertaken by the Defendant HOA or any individual members adjoining the pond are insufficient to impose a servitude upon the entire subdivision's landowners. The Court notes that the Plaintiff's own pre-trial brief at Page 6 acknowledges that the newsletter sent out to the owners "...encourages [emphasis added] the members to comply with those terms." There was no created duty or ongoing obligation to maintain or contribute toward the dam or pond.

11. The parties' stipulated that the storm drainage system in the Bridleridge neighborhood is owned and operated by Lexington County. (Tr. p. 12, lines 13-18). Pursuant to the parties' pre-trial stipulation the Plaintiff dismissed its request for a related injunction and the Defendant dismissed its counter-claim for creation of a drainage easement. (Tr. p. 11, lines 3-12). The Plaintiff also dismissed pre-trial its claim for a foreclosure of real estate. (Tr. p. 65, lines 11-13).
12. Pursuant to the parties' pre-trial stipulation the Plaintiff's claim for monetary damages for trespass is hereby dismissed. (Tr. p. 11, lines 16-22). By agreement the Defendant is to

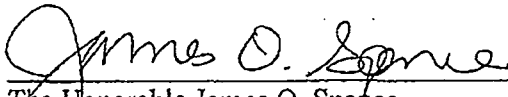
remove the encroaching dock from the Plaintiff's pond within sixty (60) days of this Order. (Tr. p. 113, lines 20-21).

13. The Plaintiff has failed to establish by sufficient evidence of either (1) action by either party or (2) benefit realized by the Defendant to entitle it to relief under its claim for *quantum meruit* damages.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the Plaintiff's requests for relief are denied. The Court finds that there is no existing obligation on the part of the Defendant to contribute toward the maintenance of the Misty Lake pond or dam and no obligation to honor assessment requests submitted by the Plaintiff. Accordingly, Plaintiff's complaint is dismissed.

IT IS SO ORDERED!

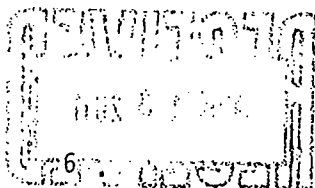
January 4, 2011
Lexington, South Carolina


The Honorable James O. Spence
Master-In-Equity for the County of Lexington

BETH A. CARRIG
CLERK OF COURT
LEXINGTON SC

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STATE OF SOUTH CAROLINA
COUNTY OF LEXINGTON
MISTY LAKE ASSOCIATION, INC.

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IN THE COURT OF COMMON PLEAS FOR
THE ELEVENTH JUDICIAL CIRCUIT
CASE #: 2007-CP-32-3492

2011 SEP 26 A 9:25
PLAINTIFF

vs.

BETH A. CARRIGG
CLERK OF COURT
BRIDLERIDGE HOMEOWNER'S ASSOCIATION, INC.,
LEXINGTON, SC

ORDER DENYING MOTION TO
RECONSIDER

DEFENDANT.

VW

ISSUE

This case is a dispute between Misty Lake Association, Inc. (hereinafter "Plaintiff") and Bridleridge Homeowner's Association (hereinafter "BRHOA") concerning BRHOA's obligation to maintain Misty Lake, a 17 acre lake located between the two neighborhoods. Plaintiff's subdivision has ten (10) lots bordering the Lake, while Bridleridge has sixteen (16) lots bordering the lake and two hundred sixty (260) non-lake lots.

Bridleridge has two common areas. One is used as a camper/boat storage area and the other has a picnic table and a small dock.

After an inspection of the lake's dam revealed needed repairs, Plaintiff made demand on BRHOA to contribute. BRHOA held a meeting pursuant to its covenants and voted to refuse the demand for payment.

Plaintiff filed suit after the BRHOA vote.¹ By previous Order, this court denied Plaintiff's request to find that BRHOA had an obligation to maintain the lake. Thereafter, Plaintiff filed this Motion to Reconsider.

TIME LINE & UNDISPUTED FACTS

The parties do not dispute their respective chains of title, nor object to the documents contained therein.

It's important to understand the timeline and undisputed facts in this matter. The parties believe that Misty Lake, a man-made lake, was constructed around 1947.

¹ Plaintiff did not name the individual Bridleridge lot owners. Nor did Plaintiff name Lexington County as a necessary party because of its rights in Misty Lake being a drainage basin. This decision reflects the absence of these parties, and does not affect either Lexington County or individual Bridleridge lot owner's respective rights or obligations.

September 1992: Crosby-Southern bought the tract of land containing the lake and what later became the Misty Lake subdivision and the Bridleridge subdivision. (Deed Book 2262 at 342).

November 1993: Crosby-Southern conveyed the Bridleridge tract to developer Mungo. (Deed Book 2792 at 165). Crosby-Southern did not include restrictions relating to lake maintenance in this deed.

June 1996: Mungo files the Bridleridge Covenants. These covenants do not mention anything about maintenance of the pond or any proposed common scheme of development with Misty Lake. (Deed Book 3764 at 133).

December 1996: Crosby-Southern filed the Misty Lake Declarations purporting to bind BRHOS (Deed Book 3996 at Page 197).

The Misty Lake covenants contained Article VIII Provisions Concerning Bridleridge Owners Association:

The preamble states that Mungo bought 323.219 acres from Declarant which borders Misty Lake.

Section 1: Lots in Bridleridge fronting Misty Lake shall have same opportunity to join the Misty Lake Association.

Section 2: If Mungo sets aside property (my emphasis) which fronts Misty Lake as common area it may construct pier or dam. Two common areas are given this right and privilege.

Section 3: Limits members of BRHOA to use of piers or docks for fishing but no other rights to boat or swim. Members of BRHOA shall not be considered members of Misty Lake Association.

Section 4: Requires each BRHOA common area to be subject to assessments as if they were 20 lots.

Exhibit A-describes 17.5 acres as Misty Lakes.

December 31, 1996: Crosby-Southern deeds the 17.5 acre lake to Misty Lake Association (Book 3996 at 207).

About a month later, Paul J. Thiel deeds the Misty Lake pond dam area to the Misty Lake Association in Book (4030 at Page 314 Plat 131 at 3B).

After development of both subdivisions, there are sixteen (16) Bridleridge owners that abut Misty Lake, with two hundred sixty (260) non-abutting back lot Bridgeridge owners.

There are ten (10) Misty Lake owners abutting the lake.

RULE

Plaintiff argues there are ²three reasons BHOA should be compelled to pay pond maintenance:

- (1) Reciprocal Negative Easement
- (2) Contract/Servitude
- (3) Quantum Meruit.

ANALYSIS

(1) Negative Reciprocal Easements: Neither party disputes that the subject Misty Lake restrictions regarding Bridleridge are not in the Bridleridge chain of title. Misty Lake argues in its Post Trial Brief that the negative reciprocal easement doctrine applies.

South Carolina law recognizes in certain instances post deed restrictions can be enforced against a grantee if (1) there is a common grantor (2) a designation of the land subject to the restrictions (3) a general scheme or plan in existence for the designated land (4) the restrictions must run with the land. Gambrell v Shriver, 440 S.E. 2d 393 (Ct. App. 1994).

This doctrine recognizes that (a) such an easement must be created in express terms or by plain and unmistakable implication.

(b) Covenants restricting the use of land are not favored and must be strictly construed.

(c) The court should consider not only the language of the deeds, but also the circumstances surrounding the origin of the covenants.

(d) Generally the developer must establish the covenants before any lots are sold.

(e) All doubts must be resolved in favor of freedom of land from restriction.

See 2 S.C. Jur. Adjoining Landowners, Sec 3.1 (June 2011).

The evidence illustrates that this doctrine is not applicable.

There is no common grantor within the understanding of current South Carolina law. This doctrine contemplates a common grantor having a subdivision where the grantor starts restricting and selling lots, but fails through inadvertence or mistake to contain the restrictions either in

²**Littoral/riparian rights:** The Court notes that the parties did not plead, argue, nor did the court consider any rights or obligations that might be imposed upon the parties based upon abutting the lake. South Carolina property owners abutting a pond may have certain rights and obligations.

See Samuel L. Finklea, III et al., Environmental law in South Carolina (Third) Chapter 1, § B (6) (7) (2011). and White's Mill Colony, Inc. v Williams et al, 609 S.E. 2d 811 (Ct. App. 2005).

Nor was argument timely/properly made about obligations flowing from ownership and control of dam. Further, the Court notes that the parties did not plead, argue nor did the Court consider at trial any theory of private dedication of use as discussed in Slear v Hanna, 496 S.E. 2d 683 (1998). The court does not rule on these theories because they were not raised nor argued at trial.

individual deeds within a phase or within different phases of the same development. South Carolina case law notes restrictions must be placed on lots prior to conveyance. Edwards v Suratt, 90 S.E. 2d 906 (1956).

Here, Plaintiff would expand the concept of common grantor to include a prior owner who has deeded property not contained in his development. Allowing a grantor to deed property outside an existing subdivision to another, and then wait two to three years to claim that he has legal authority to impose restrictions or conditions on land already sold is troublesome.

Designation of the land: Plaintiff argues that since Crosby-Southern once owned all the land encompassing both subdivisions and the lake, that the court should infer that there was a common scheme.

This argument is unpersuasive. Crosby-Southern could have designated the Bridleridge property with these restrictions when it conveyed the property. The restrictions contained in the Misty Lake documents reference only its neighborhood acreage. This fact pattern is not one of a lot within a phase, or a phase within a defined subdivision. Plaintiff would expand the doctrine to require only a common grantor somewhere in the chain of title and a land feature such as a lake, pond, river, mountain etc to infer that all nearby land within that chain of title is subject to later imposed restrictions.

Common Scheme of Development. Misty Lake Subdivision and Bridleridge Subdivision are two separate subdivisions, developed by two separate developers, containing two different sets of restrictions and covenants.

The mere fact that Crosby-Southern owned a lake that was surrounded by land and then subdivided it into two tracts does not mean that a court should find that a common scheme exists.

The court takes note that Mungo, the Bridleridge purchaser/developer is a long existing sophisticated, experienced, successful, developer of subdivisions developments around the midlands of South Carolina. There was no testimony from Mungo to prove any claim or discussion of a common scheme existing when he bought the property. The Mungo Company is still around and available for testimony.

Nor was there any testimony from Crosby-Southern regarding an alleged common scheme of development for the two tracts of land.

An examination of these two separate subdivision's Covenants confirms no common scheme. The Bridleridge documents do not contain language requiring them to be yoked to Misty Lake. Nor do the Misty Lake documents evidence an existing common scheme. The language in Section 2 states "If Mungo sets aside property which fronts Misty Lake as a common area..." Mungo was under no obligation to develop a subdivision fronting this lake. Mungo could have developed his property as any lawful use—say, a golf course. There was ample time; two to three years between the initial conveyance and the respective subdivision covenants, for these two owners to have drafted a common scheme document if one had been contemplated by both.

The restrictions must run with the land. Neither party disputes that these restrictions to maintain the lake would run with the land.

CONTRACT/SERVITUDE ARGUMENT

Plaintiff argues that the actions of the BHOA in paying dues pursuant to Misty Lake Covenants created a contractual servitude upon the land.

Plaintiff argues that South Carolina should adopt the Restatement definition of a servitude which holds that Servitude is "a legal device that creates a right or an obligation that runs with the land or an interest in land." Restatement (Third) of Property: Servitudes §Sec. 1.1(1) (200). This obligation is created if the "owner of the property to be burdened enters into a contract or makes a conveyance intended to create a servitude that complies with (the Statue of Frauds or an exception to the Statue of Frauds). Id § 2.1 (1) (a) i.

Plaintiff argues strenuously that the fact that (1)there is a lake located between the two subdivisions that was (2) owned by a common grantor plus (3) the common grantor (Crosby-Southern's) subsequent offer in Misty Lake covenants to allow Bridleridge rights to the pond, and (4) Bridleridge's actions creates a servitude based upon the Bridleridge HOA's actions.

In essence, the argument is that Plaintiff made an "offer" in its subdivision covenants that was "accepted" by actions of the BRHOA. (See Parades' deposition Page 36 lines 8-16.) While this theory could be valid under a certain set of facts, the evidence doesn't indicate an offer and acceptance under a contract analysis because BRHOA lacked capacity to make a unilateral acceptance of this "offer" and there was no "meeting of the minds." See Ralph King Anderson, Jr., South Carolina Request to Charge-Civil, 2002, §19-1-19-3.

South Carolina contract law requires basic elements for a contract to exist:

(1) A person able to contract. This prong is satisfied since Misty Lake owner could make this offer in its Declaration.

(2) A person or entity able to be contracted with. Misty Lake does not argue that the individual Bridleridge lot owners were aware of the purported offer and accepted it. Instead, Misty Lake argues that the actions of the BRHOA in paying dues and posting their common property lake area constitute acceptance.

While a valid argument, BRHOA successfully argues this prong is not met because:

The Bridleridge Covenants require a 2/3's membership vote to modify covenants. Bridleridge Declaration at 3761 at Page 133 state "covenants, restrictions, easements, charges and liens can only be amended, changed, added to, derogated or deleted with a 2/3 association vote. A meeting was held and the membership declined to modify their covenants.

Lack of Authority: A power to levy assessments will not be implied where it is not necessary to carry out the express powers and duties of the association. Lovering v Seabrook Island Property Owner's Association, 344 S.E. 862 (Ct. App. 1986). While there was argument that the upkeep of the dam was necessary to maintain property values, there was no credible expert valuation testimony as to the (a) respective subdivisions as a whole or (b) individual lots within the two subdivisions. The court does not consider Plaintiff's witness, Michael R. Parades, who was qualified as an expert on community management and Board Fiduciary responsibilities, to have offered valid testimony regarding title search, actual/ constructive notice, or valuation issues. See Parades' Deposition Page 42 "I can't tell you for sure. I haven't done any title searches."

Strict Construction of Restrictive Covenants: Even if activities found to "promote health, safety and welfare..." no basis to require payments if not specifically in documents. See Tranquil Properties, Inc. v Dorchester County, 693 S. E. 24 (Ct. App. 2010).

Clear, Definite and Certain burden of Proof: Plaintiff admits that while there is not a standard contract creating this servitude, the totality of the party's actions falls within exceptions to the Statue of Frauds. The standard of proof in this instance is clear, definite and certain. Aust v Beard, 96 S.E.2nd 558 (1957)

Consideration. Here the analysis grows muddled. Plaintiff makes the offer in 1996. It appears that BRHOA did not pay amounts to Misty Lake in 1996, 1997, 1998, but did pay in years 1999, 2000, 2001, 2002, 2002, 2004, 2005, and 2006.

Clear explicit words to express the contract. While it can be argued that the terms of the offer contained in MLA are clear, the communication of this information to the offeree, the 260 +Bridleridge lot owners and their understanding and acceptance of it, is anything but clear, since it was not contained in their chain of title.

Brian Durocher's deposition is instructive. Durocher was Bridleridge's 30(b) (6) witness. He testified that he became a board member in 2008, after moving into Bridleridge in 2005. His testimony was that Bridleridge did not pay the Misty Lake demand for contribution because "Bridleridge doesn't believe that they have an obligation to pay the assessments" since "They have no contractual commitment to be obligated to pay assessments. (Page 33-34 deposition) The documentary evidence indicated confusion both to what was being paid and why it was being paid:

Bridleridge helped pay to recover the dam when that property was lost at tax sale.

Plaintiff Exhibit #1: 1999 Projected Budget lists \$500.00 for "Lease on Lake" indicating that this group of HOA members thought they had some type of lease payment, not a covenant or mandatory HOA dues.

Plaintiff Exhibit #2: 2000 Page 1 shows 2 checks to RTT as "Lease on Lake" ----Dues to Misty Page 2 shows "RV and lake site maintenance" \$500 Pd to RTT

Plaintiff's Exhibit #3 2000 Projected Budget-\$500

PLAINTIFF #4- 2002 Bridleridge Bulletin/newsletter "What's the deal with Misty Lakes?"
"By Jud Smith "We are in the process of renegotiating our usage of the lake....."
encouraged (not required/ court's note) to pay."

This newsletter sent out to all lot owners is particularly illuminating. Clearly BRHOA thought they had some type of contract where in they had the ability to renegotiate as opposed to permanent restriction or servitude running with the land.

January 2003 Budget "Lease on Lake
May YTD 2003 Budget shows Misty Lake HOA Dues
June 2004 Misty Lake HOA dues
2004 BRHOA Budget---Lease on Lake
2004 Financial Status as of August 31, 2004 Lake and RV sites
2004 YTD Misty Lake HOA Dues

Bridleridge Budget Definitions#16. Misty Lake HOA dues: paid to Misty Lake for "property on lake."

2005 Bridle Ridge YTD / Misty Lake HOA dues
2006 BRHOA Budget: Misty Lake HOA dues

There was no testimony from either individual Bridleridge lot owners or from the various BRHOA board members regarding these payments.

Quantum Merit: Plaintiffs argues that it should be entitled to recover reasonable value of benefit given to Bridleridge's erection and use of dock for the Bridleridge back lot owners fishing use. There was sparse testimony about actual use of the dock, no credible valuation testimony as to value of use, and no testimony about how dock use damaged lake or dam, nor any persuasive testimony about how having the lake in their back yard increased the value of individual lot owner's property.

CONCLUSION

South Carolina law protects property rights.

This law reflects importance of belief of property rights/ownership that is important to our system of law, government, commerce, and society.

A purchaser has a legal right and expectation that a title search will reveal those facts (restrictions /covenants etc) that will allow him to make a reasoned decision to buy a particular piece of property.

South Carolina's negative reciprocal easement law is a limited exception to this rule which has allowed restrictions to be judicially placed on property that had been conveyed without restrictions.

These cases generally have been limited to cases where a lot in an otherwise restricted phase, or phase in a subdivision, did not contain restrictions in the deed of conveyance.

Plaintiff seeks to expand this doctrine by allowing a former/adjoining owner, not of the same subdivision, to place restrictions on previously sold land two years after the sale.

To expand South Carolina law to allow Plaintiff to do so under these circumstances parts with both precedent and the underlying principles of this doctrine.

Plaintiff argues in the alternative, that the restrictions should apply because they are servitudes, or a contractually based restriction.

Basic South Carolina contract law requires that (1) the two contracting parties must have the legal capacity or authority to make a contract. Here, Plaintiff makes the argument that the BRHOA's actions bind the 260 plus member association. (2) There must be a meeting of the minds between the parties.

This argument, while well argued, fails close analysis.

Neither party disputes that the BRHOA covenants contain a written procedure requiring a 2/3's vote to modify its restrictions or to contract for certain debts. This procedure was on record when these owners bought their property. The BRHOA, according to this covenant discussed and voted not to pay assessments.

Plaintiff has made no argument, nor cited any authority that states BRHOA had the legal ability to modify restrictions in any manner inconsistent with the BRHOA restriction provisions.

BRHOA lacked unilateral authority to legally accept the offer contained in the Misty Lake covenants.

The greater weight of the evidence indicates that there was no meeting of the minds. While certain payments were made, the notations and the newsletter indicate no clear proof of what BRHOA thought they were paying for. Some years, the evidence indicates, a lease, some years, lake property, some years HOA dues. The 2002 newsletter sought, six years after the fact to explain the Misty Lake covenants with language that indicated they were renegotiating lease and that the owners were urged to accept. Neither of these facts, renegotiating or urging owners to accept, lead to conclusion that (1) there was a legally enforced agreement that (2) BRHOA had (not, could choose) to honor or agree to.

Quantum Meruit: Again, evidence is insufficient to confirm this theory. Plaintiff's evidence was that BRHOA made payments to Plaintiff. Evidence was that there was some (not quantified) use of dock for fishing. There was no evidence placing a dollar value on this speculative use.

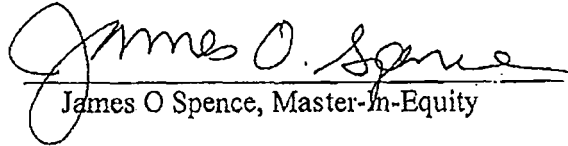
Reliance argument: It is important to note that Plaintiff did not embark on a repair mission based on the fact that BRHOA was paying dues or had agreed to pay dues. The evidence is simply that an inspection was made and then the result and cost of repair was conveyed to BRHOA. Plaintiff did not undertake repair based on any actions of BRHOA.

While Plaintiff argues, perhaps correctly, that it may be in the best interest of both neighborhoods to repair the dam, BRHOA met as a neighborhood and decided otherwise. It is not the function of the court, under these facts, to substitute its judgment for that of the BRHOA.

It appears that the two neighborhoods at best, had a license agreement which could be terminated at will by either side.

For the reasons stated in the January 6, 2011 Order and those hereinabove, the Motion to Reconsider is denied.

September 23, 2011
Lexington, SC


James O Spence, Master-in-Equity

FILED
2011 SEP 26 A 9:25
BETH A. CARRIG
CLERK OF COURT
LEXINGTON SC

COPY

STATE OF SOUTH CAROLINA

COUNTY OF LEXINGTON

IN THE COURT OF COMMON PLEAS

Misty Lake Association, Inc.
☒ Plaintiff

FILED

CASE NO.
 2007-CP-32-3492

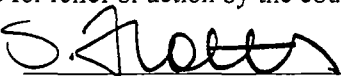
v.

2011 FEB 24 2:14g

MOTION AND ORDER INFORMATION
 FORM AND COVER SHEET

Bridleridge Homeowners' Association, Inc.
☐ Defendant.

DETHA A. GARRIGG
 CLERK OF COURT
 LEXINGTON SC

Plaintiff's Attorney: Stephanie C. Trotter, Bar No. 77680 Address: 220 Executive Center Drive PO Box 100200 (29202) Columbia, SC 29210 phone: (803) 771-7900 fax: (803) 343-7017 e-mail: strotter@rtt-law.com other:	Defendant's Attorney: James Snell, Bar No. Address: phone: fax: e-mail: other:
☒ MOTION HEARING REQUESTED (attach written motion and complete SECTIONS I and III) ☐ FORM MOTION, NO HEARING REQUESTED (complete SECTIONS II and III) ☐ PROPOSED ORDER/CONSENT ORDER (complete SECTIONS II and III)	
SECTION I: Hearing Information Nature of Motion: <u>Reconsider</u> Estimated Time Needed: <u>30</u> Court Reporter Needed: ☒ YES / ☐ NO	
SECTION II: Motion/Order Type ☒ Written motion attached ☐ Form Motion/Order I hereby move for relief or action by the court as set forth in the attached proposed order.  Signature of Attorney for ☒ Plaintiff / ☐ Defendant <u>February 24, 2011</u> Date submitted	
SECTION III: Motion Fee ☒ PAID - AMOUNT: 25.00 ☐ EXEMPT: ☐ Rule to Show Cause in Child or Spousal Support (check reason) ☐ Domestic Abuse or Abuse and Neglect ☐ Indigent Status ☐ State Agency v. Indigent Party ☐ Sexually Violent Predator Act ☐ Post-Conviction Relief ☐ Motion for Stay in Bankruptcy ☐ Motion for Publication ☐ Motion for Execution (Rule 69, SCRPC) ☐ Proposed order submitted at request of the court; or, reduced to writing from motion made in open court per judge's instructions Name of Court Reporter: ☐ Other:	
JUDGE'S SECTION ☐ Motion Fee to be paid upon filing of the attached order. ☐ Other:	JUDGE CODE: Date:
CLERK'S VERIFICATION Collected by: _____ Date Filed: _____ ☐ MOTION FEE COLLECTED: _____	

COPY

STATE OF SOUTH CAROLINA
COUNTY OF LEXINGTON

FILED IN THE COURT OF COMMON PLEAS
FOR THE ELEVENTH JUDICIAL CIRCUIT
CIVIL ACTION NUMBER: 2007-CP-32-3492

2011 FEB 24 2:49

Misty Lake Association, Inc.,

Plaintiff,

vs.

Bridleridge Homeowners' Association,
Inc.,

Defendant.

BETH A. CARRIGG
CLERK OF COURT
LEXINGTON

PLAINTIFF'S MOTION TO RECONSIDER

Plaintiff, Misty Lake Association, Inc., hereby makes the following Motion to Reconsider and respectfully requests from this court an order granting the relief requested below. Pursuant to Rule 59(b) and 59(e), SCRCP, Plaintiff moves the court to reconsider its ruling, dated January 4, 2011, dismissing Plaintiff's Complaint, which was received by Plaintiff on February 14, 2011, on the following grounds:

- The Servitudes at issue fall within exceptions to the Statute of Frauds;
- The Servitudes were created by Implication;
- The Servitudes were created by Estoppel;
- The Servitudes were Implied from Prior Use;
- The Servitudes were Implied from Map or Boundary Reference;
- The Servitudes were implied from the General Plan of the Community;
- The Servitudes were Created by Necessity;
- The Servitudes are binding on the Plaintiff even if the overall Servitude failed to be created upon the entire community;
- Plaintiff conferred benefits upon Defendant and is entitled to relief under Quantum Meruit;

- Defendant is Estopped from asserting that no Servitudes were created;
- Defendant has Waived its right to assert that no Servitudes were created;
- Plaintiff and Defendant entered into a valid, binding Contract that is enforceable and further created Servitudes

CONCLUSION

Plaintiff respectfully requests that this court enter an Order granting relief sought by Plaintiff in its Complaint.



D. Ryan McCabe
 Stephanie C. Trotter
 Rogers Townsend & Thomas, PC
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 Columbia, South Carolina 29202-3200
 Phone: (803) 771-7900
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ATTORNEYS FOR PLAINTIFF

Columbia, South Carolina
 February 24, 2011

2011 FEB 24 2:49
 BETH A. CARRIG
 CLERK OF COURT
 LEXINGTON SC

FILED

STATE OF SOUTH CAROLINA
COUNTY OF LEXINGTON

IN THE COURT OF COMMON PLEAS
FOR THE ELEVENTH JUDICIAL CIRCUIT
CIVIL ACTION NUMBER: 2007-CP-32-

COPY

Misty Lake Association, Inc.,

2007 SEP 28 P 4: 13

Plaintiff,

BETH A. CARRIGG
CLERK OF COURT
LEXINGTON SC

COMPLAINT

vs.

Bridleridge Homeowners' Association,
Inc.,

2007CP3203492

Defendant.

Plaintiff, Misty Lake Association, Inc., complaining of Defendant Bridleridge Homeowners' Association, Inc., would show unto this Honorable Court:

1. Plaintiff is a corporation organized and existing under the laws of the State of South Carolina, maintaining its principal place of business in Lexington County, South Carolina.

2. Upon information and belief, Defendant is a corporation organized and existing under the laws of the State of South Carolina, maintaining its principal place of business in Lexington County, South Carolina.

3. On or about December 9, 1996 Misty Lake Association was formed by developer Crosby-Southern, Inc. On December 12, 1996 Crosby-Southern, Inc. filed the Declaration of Covenants, Conditions, and Restrictions for Misty Lake ("Declaration") with the Lexington County Register of Deeds at Book 3996, Page 197.

4. On December 31, 1996 Crosby-Southern, Inc. conveyed the property described as Misty Lake to Misty Lake Association. The deed was recorded on December 31, 1996 and filed in the Lexington County Register of Deeds at Book 3996, Page 207.

5. The lake known as Misty Lake is surrounded by two neighborhoods, Misty Lake and Bridleridge.

6. Article VIII, Section 2 of the Declaration allows Bridleridge Homeowners' Association to construct docks or piers on the two lake front lots designated as common areas in Bridleridge subdivision. The piers or docks were to be for the use of all Bridleridge members.

7. Article VIII, Section 4 of the Declaration states that the two Bridleridge common areas designated in Section 2 of the same Article "shall be subject to the initial annual assessment and all subsequent assessments, including special assessments."

8. Article VIII, Section 4 further states that each Bridleridge common area "shall be assessed as if it were the equivalent of 20 lots."

FOR A FIRST CAUSE OF ACTION
(Declaratory Judgment)

9. Plaintiff incorporates herein by reference its allegations above.

10. Plaintiff is entitled to a declaratory judgment that the Declaration of Covenants, Conditions, and Restrictions for Misty Lake, as recorded in the Lexington County Register of Deeds in Book 3996 at Page 197 are valid and binding upon the real property located in Bridleridge Subdivision, designated as Common Areas that abut Misty Lake, and owned by Defendant. Or, in the alternative, that Plaintiff is entitled to a declaratory judgment that a binding agreement exists between Plaintiff and Defendant pursuant to the terms of the of the Declarations, Covenants, Conditions, and Restrictions for Misty Lake as recorded in the Lexington County Register of Deeds in Book 3996 at Page 197.

FOR A SECOND CAUSE OF ACTION
(Breach of Contract)

11. Plaintiff incorporates herein by reference its allegations above.

12. Defendant became a member of the Misty Lake Association and entered into a binding contract with Plaintiff when it paid the Misty Lake Association "Initial Capital Contribution" as contemplated by the Declaration of Covenants, Conditions, and Restrictions for

Misty Lake.

13. Defendant made its "Initial Capital Contribution" in the amount of \$500 in January, 2000.

14. Defendant made annual payments to Misty Lake Association in the amount of \$750 per lot for a period of six years. However, Defendant owed Plaintiff \$1,000 per lot for each of those six years.

15. The Declaration and Contract stemming from the Declaration also allowed Plaintiff to assess all members for any costs associated with "repair or replacement of any part of the Lake."

16. Defendant failed to pay the assessment in the amount of \$60,000 levied by the Plaintiff on June 1, to replace the Misty Lake Dam.

17. As a result of Defendant's breach Plaintiff has suffered damages, in the amount of \$96,741.08.

FOR A THIRD CAUSE OF ACTION
(Estoppel)

18. Plaintiff incorporates herein by reference its allegations above.

19. Defendant promised to participate in Misty Lake Association and paid the "Initial Contribution" and annual dues in support of this promise.

20. Plaintiff relied on Defendant's promise to participate in Misty Lake Association in evaluating its annual operating budget and annual assessment rate.

21. Defendant knew that Plaintiff was relying on its promise to participate in Misty Lake Association and knew that its annual and special assessment liability would have a substantial effect on the Association's operating budget.

22. Plaintiff will be harmed if Defendant is allowed to escape liability under the contract and therefore Defendant should be estopped from denying liability for all past, present,

and future assessments and duties toward Misty Lake Association. Furthermore, damages to Misty Lake are caused in part by the diversion of storm water by Defendant into Misty Lake.

FOR A FOURTH CAUSE OF ACTION
(Quantum Meruit)

23. Plaintiff incorporates herein by reference its allegations above.

24. Plaintiff conferred a benefit in the form of the use and enjoyment of Misty Lake upon Defendant in performing its obligations pursuant to this agreement.

25. Defendant has realized this benefit but refuses to fully compensate Plaintiff for this benefit despite the fact that repairs are necessary in large part because of damage caused by excessive amounts of storm water diverted to Misty Lake by Defendant.

26. Under these circumstances it would be inequitable to allow Defendant to realize said benefit without remitting full payment to Plaintiff.

FOR A FIFTH CAUSE OF ACTION
(Trespass)

27. Plaintiff incorporates herein by reference its allegations above.

28. The Defendant intended, knew, or had substantial reason to know that storm water from its property would physically intrude, cross, erode, and concentrate upon the Plaintiff's property in an unnatural manner.

29. Defendant has erected a permanent dock that protrudes into Misty Lake.

30. The aforesaid actions on the part of the Defendant were a physical invasion of the Plaintiff's property and property rights constituting Trespass.

31. As a direct and proximate result of the Defendant's Trespass, Plaintiff has been damaged and will spend substantial sums of money to repair the dam and spillway on Misty Lake.

FOR A SIXTH CAUSE OF ACTION
(Injunctive Relief)

32. Plaintiff incorporates herein by reference its allegations above.

33. Defendant's aforesaid actions in Trespass are willful and intentional.

34. Plaintiff is entitled to an injunction forbidding Defendant from allowing storm water from its property to drain into Misty Lake. Defendant should also be prohibited from allowing any permanent fixture originating upon their property to remain in Misty Lake.

35. An injunction is reasonably necessary to preserve the rights of Plaintiff. Plaintiff has no adequate remedy at law. There is a likelihood of irreparable harm to Plaintiff if an injunction is denied. There is little likelihood of harm to Defendant if the requested relief is granted. There is substantial likelihood Plaintiff will succeed on the merits. The public interest is served if personal property rights are enforced.

FOR A SEVENTH CAUSE OF ACTION
(Negligence)

36. Plaintiff herein incorporates by reference its allegations above.

37. Defendant was negligent in allowing storm water from their property to cross and intrude on the property of the Plaintiff.

38. As a direct and proximate result of Defendant's negligence, Plaintiff's dam on Misty Lake has been eroded by the storm water crossing from the property of the Defendant.

FOR AN EIGHTH CAUSE OF ACTION
(Nuisance)

39. Plaintiff herein incorporates by reference its allegations above.

40. By the aforementioned actions the Defendant made use of its land in an unreasonable manner and in so doing, produced material injury and great annoyance to the Plaintiff's property.

41. The frequent surface and ground water intrusion from the Defendant's property

upon the Plaintiff's land constitutes a substantial, unreasonable, and continuous interference with the Plaintiff's use and enjoyment of their property.

FOR A NINTH CAUSE OF ACTION
(Foreclosure of Real Estate)

42. Plaintiff incorporates herein by reference its allegations above.

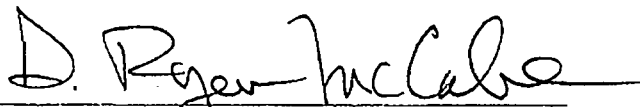
43. As a result of Defendant's membership in Misty Lake Association, Defendant is subject to all special assessments levied by the Plaintiff. Defendant has failed to remit payment for the special assessment levied on June 1, 2007 for repairs to the Misty Lake Dam and for annual assessments accruing since 2000.

44. Defendant owns the property designated as Common Areas and located in Bridleridge Subdivision in fee simple. Deeds to the common areas from The Mungo Company, Inc. to Defendant are recorded in the Lexington County Register of Deeds at Book 5469, Page 214 and Book 7717, Page 9. This real estate interest should be foreclosed and sold at judicial sale. The proceeds of sale should be applied to the discharge of demands of the Plaintiff as set forth herein, including the costs and attorneys fees associated with this action.

Wherefore, having fully set forth the basis for the claims for relief set forth herein, Plaintiff, Misty Lake Association, Inc., prays for a judgment granting:

- A. Actual and consequential damages against the Defendant;
- B. Attorneys fees and costs as authorized under agreement by the parties and under the Declaration of Covenants, Conditions, and Restrictions for Misty Lake; and
- C. Such other and further relief as the court deems just and proper.

Signature page to follow.



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Attorneys for Plaintiff

Columbia, South Carolina
_____, 2007

1 The next stipulation has to do with the
2 trespass claim with respect to the dock that exists
3 on the common area that we just got finished
4 talking about on the page with the red -- that's
5 the last one you reviewed.

6 That area on that dock, the Plaintiffs
7 have stipulated that they are withdrawing their
8 claims for trespass with respect to our dock being
9 in their lake, that that claim is gone, but that
10 carries with it a further stipulation, Your Honor.
11 This time it's a stipulation by Bridleridge.

12 Bridleridge agrees that should this
13 Court rule that there is -- and we're putting the
14 cart before the horse, but we have to go ahead and
15 get this on here somehow, into the record -- should
16 the Court rule that Bridleridge has no legal or
17 equitable obligation to Misty Lake for payment of
18 the assessments to repair the dam, basically ending
19 whatever relationship there exists between
20 Bridleridge and Misty Lake, that Bridleridge will
21 remove the dock and also delineate their common
22 area that goes up to the lakefront, as once you get
23 to the lakefront, that that is private property
24 owned by Misty Lake, without any ability for the
25 Bridleridge residents to use that property as they

1 had in the past.

2 Now, obviously, that's a contingency
3 since we don't know what the Court's ruling is
4 going to be. It might be ordered by the Court
5 regardless, but we're also telling you now we would
6 stipulate to that removal if there's not going to
7 be a relationship going forward with respect to the
8 HOA and the common property of Bridleridge and then
9 Misty Lake.

10 To the extent I characterized what's in
11 our common area around the lot, there's no
12 clubhouse or anything there. It's a picnic table.
13 There's not much improvement in our common area
14 that fronts the lake there. That being said,
15 that's the only qualification there.

16 With respect to Mr. Parades'
17 deposition, my co-counsel noted that he had made
18 certain objections to its admissibility or
19 relevancy, as you may recall, and he just wanted to
20 make sure, in addition to the fact that we would
21 contest the impact of Mr. Parades' testimony and
22 what it means, the conclusions you would draw from,
23 it is also being challenged for purposes of
24 relevancy, as delineated in the back to you. And I
25 just wanted to make sure the record was clear to

1 to address this argument, based on evidence that
2 you've stipulated to, but I would like to hear just
3 a brief overview of it. I believe I understand the
4 positions, but hearing it one more time with a
5 court reporter can't hurt anybody. So maybe if
6 Plaintiff can just give an overview.

7 MR. MCCABE: Thank you, Judge.

8 MS. TROTTER: Your Honor, I'm Stephanie
9 Trotter. I think that this picture will probably
10 help us understand everything that has happened to
11 get us to this point. Everything centers around
12 this lake here in between Bridleridge and this
13 neighborhood over here.

14 Initially, Crosby Southern was the
15 company that owned this entire area on the map. In
16 the early 1990s they deeded this 300-acre parcel
17 over here to the Mungo Company so that the Mungo
18 Company could develop a neighborhood that they
19 called Bridleridge.

20 Crosby Southern retained the lake and
21 the dam and this land over here for its own
22 development purposes.

23 In approximately 1996, Crosby Southern
24 and Mungo sort of foresaw the problem that we're
25 here about today, which was all of this land owned

1 by Mungo and was being developed into Bridleridge
2 fronted this lake, but none of these people had
3 access to the lake, because it was property that
4 was owned by Crosby Southern.

5 So the two companies came together and
6 they worked out an agreement where Crosby Southern
7 created a non-profit corporation called the Misty
8 Lake Association, and that association's purpose
9 was to hold the dam and the lake and levy and
10 collect assessments for its maintenance and upkeep.

11 Crosby Southern put all of this into a
12 Declaration of Covenants, Conditions and
13 Restrictions for Misty Lake Association that it
14 recorded in Lexington County in 1996.

15 Now, at that time, the covenants for
16 Bridleridge had already been recorded creating a
17 non-profit corporation known as the Bridleridge
18 Homeowners Association.

19 The covenants for the Misty Lake
20 Association provided that each of these individual
21 lakefront lots would have an opportunity to join
22 the Misty Lake Association by paying an initial
23 capital contribution fee.

24 Upon joining the association, they
25 would have the right to use the lake, they could

1 passed, so the documents were never formally
2 amended.

3 As early as 2002, certain members of
4 Misty Lake Association noticed there were trees
5 that were growing along the top of the dam and they
6 believed that that may indicate that there were
7 some problems with the dam, so they contacted DHEC.

8 DHEC came out and reviewed the dam and
9 found that not only were the trees a problem, but
10 the associated spillway was defective and needed to
11 be repaired, and they gave Misty Lake Association a
12 timeline of approximately five to seven years to
13 either begin these repairs or drain the lake.

14 In late 2006, Misty Lake Association
15 held a special meeting for all of its members, and
16 two members of Bridleridge Homeowners Association
17 attended that meeting as the delegates for
18 Bridleridge. And at that meeting they voted on
19 whether or not to levy a special assessment,
20 generate the funds to repair the dam and then
21 continue maintaining the lake in the future, or
22 drain the lake and let it go by the wayside. And
23 despite votes to the contrary by the two
24 Bridleridge Homeowners Association delegates, the
25 vote passed that they would repair the dam and

1 maintain the lake.

2 Dan Creed is an engineer with Heritage
3 Engineering here in Lexington and he came out,
4 reviewed the dam and prepared a conceptual design
5 and summary that states the bare minimum that Misty
6 Lake Association can do to bring this dam up to
7 code and make it safe and sound for everybody
8 involved.

9 Based on that design summary, Misty
10 Lake Association solicited bids from several
11 contractors, and Metro Construction has submitted
12 an estimate for approximately \$100,000 based on
13 this design summary, with the knowledge that once
14 you get into the dam, you have no idea what
15 additional issues may come up and additional costs
16 may be.

17 Based on these estimates, Misty Lake
18 Association levied a special assessment June 1st,
19 2007, of \$1500 per individual lot. Based on the
20 formula laid out in the covenants, the two
21 Bridleridge common areas were assessed \$30,000
22 each, for a total special assessment of \$60,000.

23 And then on July 1st, 2007, the annual
24 assessment for Misty Lake Association came due, and
25 that amount was \$8,000, as it related to

1 Bridleridge.

2 Bridleridge has refused to remit
3 payment for either the special assessment or any of
4 the subsequent annual assessments that have
5 accrued. Initially they maintained that they
6 needed to go back to their members and obtain a
7 vote on whether or not to pay this assessment.

8 A letter and a special ballot proxy
9 were sent out to each of the homeowners that sort
10 of cast this entire situation in an unfair light.

11 It was basically presented -- I believe
12 it is included in the exhibits -- it presents it as
13 either we pay this outrageous fee, we continue to
14 have no access to the lake, or we can go to court,
15 get clarity on what we owe, we can get some rights
16 to the lake. If we pay it, we're going to be
17 responsible for the future damage to the lake -- to
18 the dam -- things like that.

19 The things that were left out were, if
20 you aren't a member of the Misty Lake Association,
21 our community will no longer be able to access this
22 lake through this dock.

23 It's just simply not true that they
24 don't have any rights to the lake. They have the
25 right to access the lake through the dock and

1 but it's got a little bit of the flavor of the
2 ultimate argument we've got here. So that may be
3 helpful by analogy.

4 Another question I have, you know,
5 we've talked about a lot of different causes of
6 action that Plaintiffs have, and we've talked about
7 the things that have been withdrawn. In just
8 looking at the Complaint, the last cause of action
9 was one for foreclosure. What's the status of the
10 foreclosure cause of action?

11 MR. MCCABE: I could be wrong. I
12 thought we withdrew that at one of our initial
13 status conferences.

14 I think the Court's position, based on
15 some other case law, was that the Plaintiff would
16 need to serve every member of the community. And I
17 believe at that point in time we agreed to withdraw
18 that. On top of that, we know that they're able to
19 satisfy judgment, so we're comfortable dismissing
20 that.

21 THE COURT: I just wanted to make sure
22 to have that in the record.

23 MR. MCCABE: Right.

24 MR. SNELL: Yes, he's right.

25 THE COURT: So, again, y'all correct me

BRIAN DUROCHER

1 A. I'm not sure.

2 Q. Did you hold a meeting, the board meeting,
3 to determine who would be the 30(b)(6) designee of
4 Bridleridge?

5 A. No, we didn't hold a meeting.

6 Q. Okay. And I don't want to know about your
7 conversations with your lawyer because they're
8 privileged, but outside of conversations with your
9 lawyer to determine who would appear for the 30(b)(6)
10 deposition, who else did you speak to, or what
11 procedures were followed in order to select you as the
12 30(b)(6) deponent for today?

13 A. I spoke with our board members at a board
14 meeting and we discussed which of us should represent
15 the association. And I believe that I had the most
16 knowledge among those on the board.

17 Q. And so there were some agreement between the
18 board members that you would appear?

19 A. Yes. There was no vote.

20 Q. Okay. Why hasn't Bridleridge paid the
21 special assessment for the repairs to Misty Lake Dam?

22 A. Bridleridge doesn't believe that they have
23 an obligation to pay the assessments.

24 Q. Okay. And what is the basis, the legal
25 basis, for that belief?

BRIAN DUROCHER

1 A. That we've made no contractual commitment to
2 be obligated to pay assessments.

3 Q. And when you say that you've made no
4 contractual obligations, you mean the board hasn't
5 entered into a contract to be responsible for --

6 A. Yes.

7 Q. And so is it your understanding, in order
8 for Bridleridge to be responsible for the association,
9 they would need to enter into some type of contract
10 with Misty Lake?

11 A. Yes.

12 Q. Okay. Have you read the covenants for Misty
13 Lake Association?

14 A. Yes.

15 Q. And do you believe those to be binding upon
16 Bridleridge?

17 A. We do not.

18 Q. Okay. And what is the basis for that
19 belief?

20 A. The -- there was no agreement binding us to
21 those documents.

22 Q. All right. More specifically. And I've got
23 a copy of the -- I've got a copy of the Misty Lake
24 Association covenant if you'd like to see it.

25 A. Could you state the question? Or possibly

BRIAN DUROCHER

1 A. Perhaps a better answer may have been, I
2 don't know. I do not -- I don't know when
3 Bridleridge, the association, was released from Mungo.

4 Q. Okay. And the point I'm trying to make, or
5 what I'm really trying to get to, is if Mungo paid
6 that initial capital contribution through -- to Misty
7 Lake while it controlled Bridleridge, that would no
8 longer be an issue; is that fair to say?

9 MR. SNELL: Object to the form.

10 A. I don't -- I don't know specifically the
11 answer to that question.

12 Q. Okay. Has Bridleridge ever sent the two
13 representatives to the Misty Lake Association board
14 meetings?

15 A. I believe that Bridleridge's representation
16 has occurred at Misty Lake's -- Misty Lake
17 Association's meetings. I don't know if it was two
18 members, and I don't know the frequency of their
19 attendance.

20 Q. Has Bridleridge ever sent representatives to
21 the Misty Lake Association meetings?

22 A. I believe that they have, yes. .

23 Q. Has Bridleridge ever paid any assessments to
24 Misty Lake Association?

25 A. I understand that Bridleridge has made

BRIAN DUROCHER

1 Q. Could that be the elusive capital
2 contribution check?

3 A. I don't know.

4 Q. Okay. Thank you. When is the last time
5 that Bridleridge HOA made a payment to Misty Lake HOA?

6 A. I don't know. I gave those back to you.

7 Q. Okay. Fair enough; I understand. How many
8 common areas are owned by Bridleridge?

9 A. I believe there are three. Three.

10 Q. Okay. Tell me where the common areas are
11 located.

12 A. There is a piece of land between the
13 Bridleridge East and Bridleridge West, as they're
14 referred to. There is also a common area off of
15 Bridleridge Road; that's referred to as an RV parking
16 area.

17 Q. Okay. Does that front the lake? Misty
18 Lake?

19 A. I believe that does. And there is a third
20 which is also on Bridleridge Road at the bottom of the
21 hill, which fronts the lake as well.

22 Q. Okay. And let's talk about the two areas,
23 the two common areas that front Misty Lake. Are those
24 open to the members for their use?

25 A. Yes.

BRIAN DUROCHER

1 Q. Do members, in fact, use both of those
2 common areas?

3 A. Yes.

4 Q. Okay. And one common area has a covered
5 shed or something of that nature, and some picnic
6 tables underneath it; is --

7 A. Yes.

8 Q. -- that correct? Is that area ever utilized
9 by residents of Bridleridge?

10 A. Yes.

11 Q. Okay. And there is a doc outside, near
12 that, in that same common area. How do you describe
13 that? Or what do you call that location? That
14 particular common area?

15 A. I would call it the picnic area.

16 Q. Okay. And in the picnic area, isn't there a
17 dock located within Misty Lake?

18 A. There is.

19 Q. Okay. Have you ever seen or have you known
20 of residents utilizing that dock before?

21 A. Yes.

22 Q. Okay. Have you ever personally utilized
23 that dock?

24 A. I stood on the dock.

25 Q. Okay. Have you ever seen people fishing on

BRIAN DUROCHER

1 that dock?

2 A. Yes, I believe.

3 Q. Do Bridleridge residence ever fish from
4 either of those common areas, irrespective of the
5 dock?

6 A. I believe -- I'm only aware that members may
7 fish from the one, I refer to as the picnic area.

8 Q. Okay. Is it a prohibition against fishing
9 from the RV area?

10 A. I don't know.

11 Q. Is that area utilized for any purpose other
12 than -- is it even used as an RV area?

13 A. No.

14 Q. Okay. That's a wooded area?

15 A. A large part is wooded. There's also a
16 field that's enclosed with a fence.

17 Q. Okay. Do residents ever swim in the lake,
18 launching into the water from either common area?

19 A. I don't know. I haven't seen anyone swim in
20 the lake.

21 Q. Okay. Have you heard of people swimming in
22 the lake?

23 A. I've heard that there is no swimming in the
24 lake.

25 Q. Okay. I mean understanding that it's

BRIAN DUROCHER

1 prohibited, are you aware that people have, in fact,
2 swam in the lake?

3 A. Yes, I believe people have swam in the lake.
4 I don't -- I don't know who those people are.

5 Q. Would it be simpler if we broke -- let's
6 break it down into smaller pieces. The storm water
7 that lands in the picnic area, where is it diverted
8 to?

9 A. I don't -- I don't know.

10 Q. Are there any storm drains, receptacles or
11 -- what do you call that -- storm water? a catch
12 basin -- is there a catch basin?

13 MR. SNELL: (Inaudible.)

14 MR. MCCABE: Yeah.

15 Q. Is there a catch basin located in the picnic
16 area?

17 A. I don't know. I don't know if there's one
18 in the picnic area.

19 Q. But you're aware that there's some on the
20 street --

21 A. Yes.

22 Q. -- within the neighborhood.

23 MR. SNELL: Objection.

24 (Off the record discussion.)

25 Q. Is there a catch basin or storm drain

Projected Bridle Ridge Budget for 1999

5/5/99

Expenses

Administrative

Management (See note # 1 on attached page using 212 lots)	\$7,716.00
Accounting	\$800.00
Legal	\$800.00
Postage	$0.324 \times 1093.75 = \$350.00$
Copying	$0.05 \times 4,500 = \$225.00$
Supplies	\$150.00
Post Office Box	\$0.00
Checking Charges	\$50.00
Subtotal	\$10,091.00

Insurance

Bonds	\$250.00
Hazard	\$250.00
Liability (See note # 2 on attached page using 325 acres)	\$1,049.75
Subtotal	\$1,549.75

Amenities/Common Area(s)

Entrance

Landscape Maintenance	$153.85/\text{acre} \times 66667/\text{m}^2 = \$8,000.00$
Water	$308/\text{m}^2 = \$3,700.00$
Electricity	$66.7/\text{m}^2 = \$800.00$
Sprinkler System Maintenance	\$200.00
Lighting Maintenance	\$100.00
Subtotal	\$12,800.00

Lease on Lake <i>rights</i>	\$500.00
RV Site Maintenance	\$1,000.00
Electricity	\$0.00
Water	\$0.00
Subtotal	\$1,500.00

Contingency (See note # 3 on attached page) \$2,000.00

Capital Reserve (See note # 4 on attached page) \$500.00

Total \$28,440.75

Projected Income from Assessments (See note # 5 on attached page using 286 lots) (\$27,930.00)

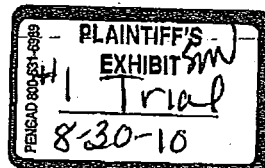
Deficit (See note # 6 on attached page) \$510.75

Annual Assessment \$105.00

Disclaimer: The figures outlined in this Budget are estimates only and will change based upon the actual expenditures of the Association and the Assessments collected. The number of lots and the number of acres contained within the community as well as used herein can be changed by the Developer at its sole option, from time to time. This Budget shall not be construed or interpreted as obligating the Developer to incorporate any number of lots or acres into the community or to pay any Deficit that has been projected.

The 1999 Bridle Ridge Budget.xls

Revised 4/12/99



Projected Bridle Ridge Budget for 2000

Expenses

Administrative

Management (See note # 1 on attached page using 242 lots)

Accounting

Legal

Postage

Copying

Supplies

Post Office Box

Checking Charges

Subtotal

	2000 2000 Budget	2000 To Date	2000 Remaining	2000 Expected	2000 Proposed	2001 Proposal
Management (See note # 1 on attached page using 242 lots)	\$8,256.00	\$4,875.00	\$3,381.00	\$3,500.00	\$8,375.00	\$7,200.00
Accounting	\$400.00	\$319.00	\$81.00	\$0.00	\$319.00	\$400.00
Legal	\$800.00	\$0.00	\$800.00	\$625.00	\$625.00	\$800.00
Postage	\$350.00	\$273.00	\$77.00	\$150.00	\$423.00	\$350.00
Copying	\$225.00	\$223.00	\$2.00	\$150.00	\$373.00	\$225.00
Supplies	\$150.00	\$0.00	\$150.00	\$50.00	\$50.00	\$150.00
Post Office Box	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$150.00
Checking Charges	\$60.00	\$13.00	\$47.00	\$50.00	\$63.00	\$100.00
Subtotal	\$10,241.00	\$5,703.00	\$4,538.00	\$4,525.00	\$10,228.00	\$9,375.00

Insurance

Hazard

Liability (See note # 2 on attached page)

Subtotal

Hazard	\$250.00	\$0.00	\$250.00	\$1,049.75	\$1,049.75	\$0.00
Liability (See note # 2 on attached page)	\$2,660.00	\$0.00	\$2,660.00	\$2,650.00	\$2,650.00	\$3,000.00
Subtotal	\$2,910.00	\$0.00	\$2,910.00	\$3,699.75	\$3,699.75	\$3,000.00

Amenities/Common Area(s)

Entrance

Landscape Maintenance

Water

Electricity

Sprinkler System Maintenance

Lighting Maintenance

Subtotal

Landscape Maintenance	\$9,500.00	\$6,075.00	\$3,425.00	\$2,025.00	\$8,100.00	\$9,500.00
Water	\$3,000.00	\$727.61	\$2,272.39	\$850.00	\$1,577.61	\$2,000.00
Electricity	\$1,300.00	\$1,176.28	\$123.72	\$300.00	\$1,476.28	\$1,200.00
Sprinkler System Maintenance	\$200.00	\$153.30	\$46.70	\$75.00	\$228.30	\$200.00
Lighting Maintenance	\$200.00	\$297.90	(\$97.90)	\$75.00	\$372.90	\$200.00
Subtotal	\$14,200.00	\$8,430.09	\$5,769.91	\$3,325.00	\$11,755.09	\$13,100.00

Lease on Lake

RV Site and Lake Site Maintenance (Cutting and general M:

Electricity (in Entrance estimate)

Water

Subtotal

Lease on Lake	\$500.00	\$3,516.66	(\$3,016.66)	\$0.00	\$3,516.66	\$0.00
RV Site and Lake Site Maintenance (Cutting and general M:	\$1,000.00	\$350.00	\$650.00	\$900.00	\$1,250.00	\$1,000.00
Electricity (in Entrance estimate)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A
Water	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A
Subtotal	\$1,500.00	\$3,866.66	(\$2,366.66)	\$900.00	\$4,766.66	\$1,000.00

Contingency (See note # 3 on attached page)

Capital Reserve (See note # 4 on attached page)

Total

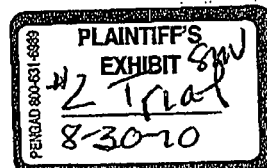
Projected Income from Assessments (using 265 lots)

Deficit (See note # 6 on attached page)

Contingency (See note # 3 on attached page)	\$1,500.00	\$317.75	\$1,182.25	\$350.00	\$667.75	\$2,000.00
Capital Reserve (See note # 4 on attached page)	\$500.00	\$0.00	\$500.00	\$500.00	\$500.00	\$1,000.00
Total	\$30,851.00	\$18,317.50	\$12,533.50	(\$13,299.75)	\$25,914.25	\$29,475.00
Projected Income from Assessments (using 265 lots)	(\$29,260.00)			\$13,062.99	Balance in Checking	
Deficit (See note # 6 on attached page)	\$1,591.00			\$263.24		

2001 Budget
Annual Assessment

2001 Budget	\$110.00			\$6,000.00	Reimbursemen	\$111.23
Annual Assessment				\$6,263.24	\$97.42	



**Budget 2003
January**

Expenses

Administrative

	YTD Actual	Plan 2003	Variance (Act-Plan)
Treasurer / Management	\$2,800.00	\$3,000.00	\$200.00
Accounting	\$0.00	\$400.00	\$400.00
Legal	\$5.00	\$500.00	\$495.00
Postage	\$0.00	\$500.00	\$500.00
Copying	\$0.00	\$200.00	\$200.00
Supplies	\$0.00	\$200.00	\$200.00
Post Office Box	\$0.00	\$68.00	\$68.00
Annual Meeting Building Rental	\$0.00	\$180.00	\$180.00
Subtotal	\$2,805.00	\$5,048.00	\$2,243.00

Insurance

Hazard, D&O and Liability	\$1,796.00	\$2,000.00	\$204.00
Subtotal	\$1,796.00	\$2,000.00	\$204.00

Amenities/Common Area(s)

Entrance

Landscape Maintenance	\$0.00	\$3,000.00	\$3,000.00
Water	\$217.23	\$1,800.00	\$1,582.77
Electricity	\$0.00	\$1,800.00	\$1,800.00
Sprinkler System Maintenance	\$0.00	\$200.00	\$200.00
Lighting Maintenance	\$0.00	\$200.00	\$200.00
Taxes - County of Lexington	\$0.00	\$400.00	\$400.00
Subtotal	\$217.23	\$7,400.00	\$7,182.77

Lake & RV Sites

Lease on Lake	\$1,800.00	\$1,500.00	-\$300.00
RV Site and Lake Site (Maint. & Repair)	\$0.00	\$0.00	\$0.00
Subtotal	\$1,800.00	\$1,500.00	-\$300.00

Recreation

<i>Handwritten: HLA</i>	\$0.00	\$2,000.00	\$1,540.00
Note: \$460.0 occurred in Dec but against 2003 Budget	\$0.00	\$2,000.00	\$1,540.00

Communication

	\$0.00	\$1,000.00	\$1,000.00
	\$0.00	\$1,000.00	\$1,000.00

Contingency

	\$0.00	\$1,000.00	\$1,000.00
	\$0.00	\$1,000.00	\$1,000.00

Capital Reserve

	\$0.00	\$1,000.00	\$1,000.00
	\$0.00	\$1,000.00	\$1,000.00

Total	\$4,818.23	\$20,948.00	\$16,129.77
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Deposit 12/31/2002	\$5,997.80
Included in this deposit was 1 Lien release of \$240.00 / 1 assessment from last year of \$90.00 and 62 total \$90.00 - 003 assessments / Christmas Tree Money \$171.00	
Included in this Deposit/62 Assessments of \$90 and @ \$45.00 and 1 @ \$25	\$5,695.00
Total Deposits	\$11,692.80

Subtractions 1/2003	
1) Treasurer Pay for 2003	\$2,800.00
1) Insurance	\$1,796.00
6) Lien Release	\$5.00
6) Water Bill	\$217.23
12) Light Bill	\$147.08
19) Lease on Lake (\$300 from 2002/\$1500. From 2003)	\$1,800.00
Total Subtractions	\$6,765.31

Banking Account Balance as of 12-30-02 \$18,641.31
Deposits \$11,692.80
Total \$30,234.11

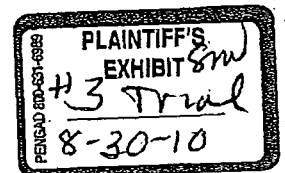
Total \$30,234.11
Expenses \$8,765.31

Banking Account Balance as of January \$23,468.80

Handwritten:
Balance
02 = 18541.31

Handwritten:
Balance
03 22,816

Handwritten:
\$4,275



Handwritten:
225 homes
20,250

Budget 2003

<u>Expenses</u>	
<u>Administrative</u>	Est. 2003
Treasurer / Management	3000.00
Accounting	400.00
Legal	1000.00
Postage	500.00
Copying	200.00
Supplies	200.00
Post Office Box	68.00
Annual Meeting Building Rental	180.00
Subtotal	5548.00
<u>Insurance</u>	
Hazard, D&O and Liability	2000.00
Subtotal	2000.00
<u>Amenities/Common Area(s)</u>	
<u>Entrance</u>	
Landscape Maintenance	4000.00
Water	1800.00
Electricity	1800.00
Sprinkler System Maintenance	200.00
Lighting Maintenance	200.00
Taxes - County of Lexington	400.00
Subtotal	8400.00
<u>Lake & RV Sites</u>	
Lease on Lake	1500.00
RV Site and Lake Site (Maint. & Repair)	0.00
Subtotal	1500.00
<u>Recreation</u>	2000.00
<u>Communication</u>	1500.00
<u>Contingency</u>	1000.00
<u>Capital Reserve</u>	2000.00
<u>Total</u>	23948.00
Annual Assessment	90.00

Bridleridge 2003
Budget

Expenses

Administrative	YTD Actual	Plan 2003	Variance (Act-Plan)	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03
Treasurer / Manager	\$3,154.15	\$3,000.00	-\$154.15	\$2,800.00										\$354.15	
Accounting	\$0.00	\$400.00	\$400.00											\$0.00	
Legal	\$326.11	\$500.00	-\$173.89	\$5.00			\$251.11	\$20.00	\$20.00	\$10.00			\$5.00	\$15.00	
Postage	\$645.96	\$500.00	-\$145.96		\$55.50	\$160.25	\$110.50	\$32.25		\$35.36		\$30.84	\$7.40	\$206.62	\$7.14
Copying	\$403.26	\$200.00	-\$203.26							\$24.91		\$222.05		\$134.88	\$21.42
Supplies	\$217.68	\$200.00	-\$17.68		\$31.49	\$91.41				\$16.30		\$36.82		\$41.66	
Post Office Box	\$136.00	\$68.00	-\$68.00								\$68.00			\$68.00	
Annual Meeting Buil	\$0.00	\$180.00	\$180.00											\$0.00	
Subtotal	\$4,883.16	\$5,048.00	-\$164.84	\$2,805.00	\$86.99	\$251.66	\$361.61	\$52.25	\$20.00	\$86.57	\$68.00	\$289.81	\$12.40	\$820.31	\$28.56

Insurance

Harzard, D&O and L	\$1,796.00	\$2,000.00	-\$204.00	\$1,796.00											
Subtotal	\$1,796.00	\$2,000.00	-\$204.00	\$1,796.00											

Utilities/Common Area(s)

Electricity	\$3,070.17	\$3,000.00	-\$70.17					\$449.00	\$419.08	\$420.00	\$953.53		\$828.56		
Water	\$1,790.52	\$1,800.00	-\$9.48	\$217.23	\$24.24	\$24.24	\$30.24	\$30.24	\$78.77	\$171.14	\$245.42	\$278.81	\$297.36	\$174.93	\$217.90
Electricity	\$1,733.06	\$1,800.00	-\$66.94	\$147.08	\$164.88	\$164.78	\$163.80	\$139.90	\$135.88	\$142.28	\$131.42	\$130.82	\$137.02	\$137.02	\$138.18
Spinkler System M	\$409.50	\$200.00	-\$209.50						\$409.50					\$0.00	
Lighting Maintenance	\$75.34	\$200.00	\$124.66								\$37.67			\$37.67	
Taxes - County of L	\$407.51	\$400.00	-\$7.51											\$407.51	
Subtotal	\$7,486.10	\$7,400.00	-\$86.10	\$364.31	\$189.12	\$189.02	\$194.04	\$619.14	\$1,043.23	\$733.42	\$1,368.04	\$409.63	\$1,262.94	\$757.13	\$356.08

Lake & RV Sites

Lake on Lake	\$1,800.00	\$1,500.00	-\$300.00	\$1,800.00											
RV Site and Lake S	\$0.00	\$0.00	\$0.00												
Subtotal	\$1,800.00	\$1,500.00	-\$300.00	\$1,800.00											

Recreation	\$853.56	\$2,000.00	\$1,146.44	\$460.60		\$295.00				\$53.21		\$44.75			
	\$853.56	\$2,000.00	\$1,146.44	\$460.60		\$295.00				\$53.21		\$44.75			

Communication	\$690.06	\$1,000.00	\$309.94								\$454.87			\$235.19	
	\$690.06	\$1,000.00	\$309.94								\$454.87			235.19	

Contingency	\$2,000.00	\$1,000.00	-\$1,000.00											\$2,000.00	
	\$2,000.00	\$1,000.00	-\$1,000.00											\$2,000.00	

Capital Reserve	\$0.00	\$1,000.00	\$1,000.00												
	\$0.00	\$1,000.00	\$1,000.00												

Total	\$19,508.88	\$20,948.00	\$1,439.12	\$7,225.91	\$276.11	\$735.68	\$555.65	\$671.39	\$1,063.23	\$873.20	\$1,890.91	\$744.19	\$1,275.34	\$3,812.63	\$384.64
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Deposits \$45.33

Banking Account Balance as of Nov 23,155.67
Deposits (See Detail) 45.33
Total \$23,201.00

Expenses:

CE G \$138.18
Rate \$217.90
Postage \$7.14
Copying \$21.42
\$0.00
\$384.64

Total \$23,201.00
Expenses (See Detail) \$384.64

Banking Account Balance as of Dec. 31st \$22,816.36

Bridleridge YTD Budget
May

<u>Expenses</u>	YTD Actual	Plan 2004	Variance (Act-Plan)	Jan-03	Feb-03	Mar-03	Apr-03	May-03
Treasurer / Management	\$1,400.00	\$3,000.00	\$1,600.00	\$700.00		\$700.00		
Accounting	\$159.78	\$400.00	\$240.22	\$159.78				
Court Filing Fees	\$0.00	\$500.00	\$500.00					
Lawyer Retainer	\$2,500.00	\$0.00	-\$2,500.00		\$2,500.00			
Postage	\$133.10	\$600.00	\$466.90	\$74.00		\$22.10	\$37.00	
Copying	\$28.35	\$350.00	\$321.65				\$28.35	
Supplies	\$84.17	\$250.00	\$165.83				\$84.17	
Post Office Box	\$0.00	\$68.00	\$68.00					
Annual Meeting Building Rent:	\$165.00	\$180.00	\$15.00				\$165.00	
Subtotal	\$4,470.40	\$5,348.00	\$877.60	\$933.78	\$2,500.00	\$722.10	\$314.52	
<u>Insurance</u>								
Hazard, D&O and Liability	\$1,796.00	\$2,000.00	\$204.00	\$1,796.00				
Subtotal	\$1,796.00	\$2,000.00	\$204.00	\$1,796.00				
<u>Amenities/Common Area(s)</u>								
<u>Entrance</u>								
Landscape Maintenance	\$2,430.00	\$5,000.00	\$2,570.00		\$1,590.00			\$840.00
Water	\$267.76	\$1,800.00	\$1,532.24	\$134.12	\$39.26	\$32.25	\$30.67	\$31.46
Electricity	\$705.07	\$1,800.00	\$1,094.93	\$146.27	\$142.92	\$143.33	\$139.29	\$133.26
Sprinkler System Maintenance	\$585.00	\$200.00	-\$385.00	\$585.00				
Lighting Maintenance	\$0.00	\$200.00	\$200.00					
Taxes - County of Lexington	\$0.00	\$400.00	\$400.00					
Subtotal	\$3,987.83	\$9,400.00	\$5,412.17	\$865.39	\$194.66	\$175.58	\$169.96	\$1,004.72
<u>Lake & RV Sites</u>								
Misty Lakes HOA Dues	\$0.00	\$1,500.00	\$1,500.00					
RV Site and Lake Site (Maint.	\$0.00	\$0.00	\$0.00					
Subtotal	\$0.00	\$1,500.00	\$1,500.00	\$0.00				
<u>Recreation</u>								
	\$42.82	\$2,000.00	\$1,957.18				\$42.82	
Subtotal	\$0.00	\$2,000.00	\$2,000.00	\$0.00				
<u>Communication</u>								
	\$630.94	\$1,000.00	\$369.06		\$194.66	\$18.32	\$417.96	
Subtotal	\$630.94	\$1,000.00	\$369.06	\$0.00	\$194.66	\$18.32		

Bridleridge YTD Budget
May

<u>ACC Committee</u>	\$78.75	\$1,000.00	~~\$1,000.00~~ (Formula)	\$78.75
<u>Welcoming Committee</u>	\$0.00	\$250.00	\$250.00	
Subtotal	\$78.75	\$1,250.00	\$1,171.25	\$78.75

<u>Total</u>	\$10,963.92	\$21,248.00	\$10,284.08	\$3,673.92	\$2,889.32	\$916.00	\$945.26	\$1,004.72
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Deposit	\$125.00
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Banking Account Balance as of 3/31	\$25,661.84
Deposits (See Detail)	\$125.00
Total	\$25,786.84

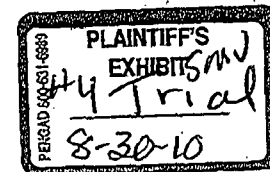
Expenses:	
SCE&G	\$133.26
Water	\$31.46
Landscape	\$840.00
Total	\$1,004.72

Total	\$25,786.84
Expenses (See Detail)	\$1,004.72
Banking Account Balance as of 4/1	\$24,782.12

<u>Savings Account</u>	<u>YTD Balance</u>
Contingency	\$8,500.00
Capitol Reserve	\$8,500.00

Bridleridge
2004 June Budget

Expenses	YTD Actual	Plan 2004	Variance (Act-Plan)	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03
Treasurer / Management	\$2,100.00	\$3,000.00	\$900.00	\$700.00		\$700.00			\$700.00
Accounting	\$159.78	\$400.00	\$240.22	\$159.78					
Court Filing Fees	\$0.00	\$500.00	\$500.00						
Lawyer Retainer	\$2,500.00	\$0.00	-\$2,500.00		\$2,500.00				
Postage	\$133.10	\$600.00	\$466.90	\$74.00		\$22.10	\$37.00		
Copying	\$48.83	\$350.00	\$301.17				\$28.35		\$20.48
Supplies	\$84.17	\$250.00	\$165.83				\$84.17		
Post Office Box	\$0.00	\$68.00	\$68.00						
Annual Meeting Building Rent	\$165.00	\$180.00	\$15.00				\$165.00		
Subtotal	\$4,470.40	\$5,348.00	\$877.60	\$933.78	\$2,500.00	\$722.10	\$314.52	\$0.00	\$720.48
Insurance									
Hazard, D&O and Liability	\$1,796.00	\$2,000.00	\$204.00	\$1,796.00					
Subtotal	\$1,796.00	\$2,000.00	\$204.00	\$1,796.00					
Landscape Maintenance	\$2,239.04	\$5,000.00	\$2,760.96		\$1,040.00			\$589.04	\$610.00
Water	\$326.52	\$1,800.00	\$1,473.48	\$134.12	\$39.26	\$32.25	\$30.67	\$31.46	\$58.76
Electricity	\$837.08	\$1,800.00	\$962.92	\$146.27	\$142.92	\$143.33	\$139.29	\$133.26	\$132.01
Sprinkler System Maintenance	\$605.96	\$200.00	-\$405.96	\$585.00				\$20.96	
Lighting Maintenance	\$0.00	\$200.00	\$200.00						
Taxes - County of Lexington	\$0.00	\$400.00	\$400.00						
Subtotal	\$4,008.60	\$9,400.00	\$5,391.40	\$865.39	\$194.66	\$175.58	\$169.96	\$774.72	\$800.77
Lake & RV Sites									
Misty Lakes HOA Dues	\$0.00	\$1,500.00	\$1,500.00						
RV Site and Lake Site (Maint.	\$780.00	\$0.00	-\$780.00		\$550.00			\$230.00	
Subtotal	\$780.00	\$1,500.00	\$720.00	\$0.00	\$550.00			\$230.00	
Recreation	\$42.82	\$2,000.00	\$1,957.18				\$42.82		
Subtotal	\$42.82	\$2,000.00	\$1,957.18	\$0.00					
Communication	\$745.56	\$1,000.00	\$254.44		\$194.66	\$18.32	\$417.96		\$114.62
Subtotal	\$745.56	\$1,000.00	\$254.44	\$0.00	\$194.66	\$18.32			\$188.62
ACC Committee	\$237.18	\$1,000.00	\$762.82	\$78.75					\$158.43
Welcoming Committee	\$6.86	\$250.00	\$243.14						\$6.86
Subtotal	\$244.04	\$1,250.00	\$1,005.96	\$78.75					\$165.29



Bridleridge
2004 June Budget

Expenses	YTD Actual	Plan 2004	Variance (Act-Plan)	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03
Total	\$12,087.42	\$21,248.00	\$9,160.58	\$3,673.92	\$3,439.32	\$916.00	\$945.26	\$1,004.72	\$1,801.16

June Deposit	\$805.00
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Banking Account Balance as of June 1 \$24,782.12
Deposits (See Detail) \$805.00
Total \$25,587.12

Expenses:	
SCE&G	\$132.01
Water	\$58.76
Landscape	\$610.00
Treasurer	\$700.00
Welcoming Committee	\$6.86
ACC Committee	\$84.43
Newsletter Copies & Postage	\$188.62
Copies of ByLaws	\$20.48

Total \$25,587.12
Expenses (See Detail) \$1,801.16
Banking Account Balance as of June 30 \$23,785.96

Total \$1,801.16

Savings Account

	YTD Balance
Contingency	\$8,517.08
Capitol Reserve	\$8,517.08

Bridleridge HOA Budget 2004

Expenses:

Administrative

Treasurer / Management	\$3,000
Accounting	\$400
Court Filing Fees	\$500
Postage	\$600
Copying	\$350
Supplies	\$250
Post Office Box	\$68
Annual Meeting Building Rental	\$180
Subtotal	\$5,348

Insurance

Hazard, D&O and Liability	\$2,000
Subtotal	\$2,000

Amenities/Common Area(s)

Entrance

Landscape Maintenance	\$5,000
Water	\$1,800
Electricity	\$1,800
Sprinkler System Maintenance	\$200
Lighting Maintenance	\$200
Taxes - County of Lexington	\$400
Subtotal	\$9,400

Lake & RV Sites

Lease on Lake	\$1,500
RV Site and Lake Site (Maint. & Repair)	\$0
Subtotal	\$1,500

Recreation

Common Area Improvement

Subtotal	\$7,000
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Communication

\$1,000

ACC Committee

\$1,000

Welcoming Committee

\$250

Contingency

\$1,000

Capital Reserve

\$1,000

Total

\$29,498

Annual Assessment

\$125

- * Common Area Improvement - lake common area improvements
- * ACC Committee - for approval and violation expenses
- * Communication - newsletters

FINANCIAL STATUS

as of August 31, 2004

REMAINING BALANCE AT END OF 2003:

\$22,806.36

LESS TRANSFER TO C & CI FUNDS: \$17,000.00

(Contingency Fund: \$8,500)

(Capital Improvement Fund: \$8,500)

CARRY-OVER TO 2004: \$ 5,806.36**ASSESSMENTS (DUES) RECEIVED \$29,762.50****TOTAL AVAILABLE FOR 2004: \$35,568.86****EXPENSES PER PLAN 2004: \$22,498.00****PROJECTED BALANCE AT END OF 2004: 70**

\$13,069.86

**CONTINGENCY and
CAPITAL IMPROVEMENT FUNDS**

Contingency Fund: \$8,500.00

Accrued Interest \$ 17.08

TOTAL \$8,517.08

Capital Improvement Fund: \$8,500.00

Accrued Interest \$ 17.08

TOTAL \$8,517.08**EXPENSE SUMMARY**

BUDGET ITEM	PLANNED BUDGET FOR 2004	ACTUAL EXPENDITURES THRU AUG 31, 2004	AMOUNT OF BUDGET REMAINING FOR EXPENSES SEP 1 - DEC 31 2004
General Operating Expenses	\$ 5,348.00	\$ 5,645.16	\$ (297.16)
Insurance	\$ 2,000.00	\$ 1,796.00	\$ 204.00
Maintenance (e.g. landscape, water, electricity, taxes, lighting)	\$ 9,400.00	\$ 5,133.06	\$ 4,266.94
Lake & RV Sites	\$ 1,500.00	\$ 1,580.00	\$ (80.00)
Recreation	\$ 2,000.00	\$ 42.82	\$ 1,957.18
Communication	\$ 1,000.00	\$ 1,038.24	\$ (38.24)
Welcoming Committee	\$ 250.00	\$ 30.67	\$ 219.33
AOC Committee	\$ 1,000.00	\$ 205.94	\$ 794.06
Crime Watch	\$ -	\$ 200.34	\$ (200.34)
TOTAL	\$ 22,498.00	\$ 15,672.23	\$ 6,825.77

SUMMARY INFORMATION

as of August 31, 2004

Contingency Fund \$ 8,517.08

Capital Improvement Fund \$ 8,517.08

Checking Account Balance \$ 21,896.63
(as of 8/31/04)

Assessments paid: 236

Assessments unpaid: 29

Liens: 22

Foreclosures: 7

Total amount owed in unpaid assessments:

\$ 10,500.80

**Bridleridge HOA
2004 YTD Budget**

<u>Expenses</u>	<u>YTD Actual</u>	<u>Plan 2004</u>	<u>Variance (Act-Plan)</u>	<u>Jan-03</u>	<u>Feb-03</u>	<u>Mar-03</u>
Treasurer / Management	\$1,400.00	\$3,000.00	\$1,600.00	\$700.00		\$700.00
Accounting	\$159.78	\$400.00	\$240.22	\$159.78		
Court Filing Fees	\$0.00	\$500.00	\$500.00			
Lawyer Retainer	\$2,500.00	\$0.00	-\$2,500.00		\$2,500.00	
Postage	\$96.10	\$600.00	\$503.90	\$74.00		\$22.10
Copying	\$0.00	\$350.00	\$350.00			
Supplies	\$0.00	\$250.00	\$250.00			
Post Office Box	\$0.00	\$68.00	\$68.00			
Annual Meeting Building Rental	\$0.00	\$180.00	\$180.00			
Subtotal	\$4,155.88	\$5,348.00	\$1,192.12	\$933.78	\$2,500.00	\$722.10
<u>Insurance</u>						
Hazard, D&O and Liability	\$1,796.00	\$2,000.00	\$204.00	\$1,796.00		
Subtotal	\$1,796.00	\$2,000.00	\$204.00	\$1,796.00		
<u>Amenities/Common Area(s)</u>						
<u>Entrance</u>						
Landscape Maintenance	\$1,590.00	\$5,000.00	\$3,410.00		\$1,590.00	
Water	\$205.63	\$1,800.00	\$1,594.37	\$134.12	\$39.28	\$32.25
Electricity	\$432.52	\$1,800.00	\$1,367.48	\$146.27	\$142.92	\$143.33
Sprinkler System Maintenance	\$585.00	\$200.00	-\$385.00	\$585.00		
Lighting Maintenance	\$0.00	\$200.00	\$200.00			
Taxes - County of Lexington	\$0.00	\$400.00	\$400.00			
Subtotal	\$2,813.15	\$9,400.00	\$6,586.85	\$865.39	\$194.66	\$175.58
<u>Lake & RV Sites</u>						
Misty Lakes HOA Dues	\$0.00	\$1,500.00	\$1,500.00			
RV Site and Lake Site (Maint. &	\$0.00	\$0.00	\$0.00			
Subtotal	\$0.00	\$1,500.00	\$1,500.00	\$0.00		
<u>Recreation</u>	\$0.00	\$2,000.00	\$2,000.00			
Subtotal	\$0.00	\$2,000.00	\$2,000.00	\$0.00		
<u>Communication</u>	\$212.98	\$1,000.00	\$787.02		\$194.66	\$18.32
Subtotal	\$212.98	\$1,000.00	\$787.02	\$0.00	\$194.66	\$18.32
<u>ACC Committee</u>	\$78.75	\$1,000.00	\$1,000.00	\$78.75		
<u>Welcoming Committee</u>	\$0.00	\$250.00	\$250.00			
Subtotal	\$78.75	\$1,250.00	\$1,171.25	\$78.75		
Total	\$9,066.78	\$21,248.00	\$12,191.24	\$3,673.92	\$2,889.32	\$916.00

Deposit	\$0.00
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Banking Account Balance as of 3/1	\$22,443.10
Deposits (See Detail)	\$0.00
Total	\$22,443.10

Expenses:	
SCE&G	\$143.33
Water	\$32.25
Treasurer	\$700.00
Landscape	\$18.32
1st class letters	\$22.10

Total	\$22,443.10
Expenses (See Detail)	\$916.00
Banking Account Balance as of 3/31	\$21,527.10

Total \$916.00

<u>Savings Account</u>	<u>YTD Balance</u>
Contingency	\$8,500.00
Capitol Reserve	\$8,500.00

Bridleridge HOA
2005 YTD March Budget

Assessment Deposit	\$3,183.10
ACC Fines	\$20.00
Total Deposits	\$3,203.10

Expenses	
SCE&G	\$190.53
Water	\$35.56
Landscape	\$325.00
Lawyer	\$575.00
Stamps	\$37.00
ACC	\$42.69
Welcoming Committee	\$5.71
Mis*	\$130.00
Total	\$1,341.49
2005 YTD Contingency Balance	\$13,538.57
2005 Capitol Reserve Balance	\$13,538.57
2005 Earned YTD Interest	\$0.00
Total	\$27,077.14

Mis*	
361 Bridleridge Paid \$15.00 too much	\$15.00
128 Willow Forks Court paid \$115.00 too much	\$115.00
	\$130.00

Banking Account Balance as of Feb 28	\$19,981.75
Mar Deposits	\$3,203.10
Checking Account Balance	\$23,184.85

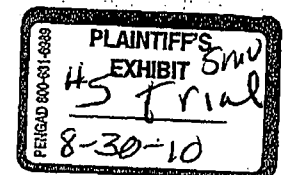
Checking Account Balance	\$23,184.85
Mar Expenses	\$1,341.49
Banking Account Balance as of Mar 31	\$21,843.36

Banking Account Balance as of Dec 31st 2004	\$15,860.25
2005 Total YTD Assessment Deposits	\$26,479.20
Banking Account Balance Prior To Expenses	\$42,339.45
Banking Account Balance Prior To Expenses	\$42,339.45
2005 YTD Expenses/Capitol Reserve /Contingency	\$20,496.09
Banking Account Balance as of March 31	\$21,843.36

Assessments Received		
13	\$115.00	\$1,495.00
8	\$133.40	\$1,067.20
2	\$50.00	\$100.00
1	\$125.00	\$125.00
1	\$57.50	\$57.50
1	\$25.00	\$25.00
1	\$65.00	\$65.00
1	248.4	\$248.40
1	\$20.00	\$20.00
		\$3,203.10

**Bridleridge HOA
2005 YTD March Budget**

Expenses	YTD Actual	Plan 2005	Variance	Jan-05	Feb-05	Mar-05
Treasurer / Management	\$3,500.00	\$4,000.00	\$500.00	\$875.00	\$2,625.00	
Lien Filing Fees	\$0.00	\$300.00	\$300.00			
Lien Release Fees	\$40.00	0	-\$40.00		\$40.00	
Lawyer Retainer/Fees	\$664.61	\$3,500.00	\$2,835.39		\$89.61	\$575.00
Postage	\$111.00	\$400.00	\$289.00	\$74.00		\$37.00
Copying	\$0.00	\$200.00	\$200.00			
Supplies	\$48.64	\$200.00	\$151.36	\$10.86	\$37.78	
Post Office Box	\$0.00	\$68.00	\$68.00			
Meeting Building Rental	\$0.00	\$540.00	\$540.00			
Website Maintenance	\$300.00	\$300.00	\$0.00	\$75.00	\$225.00	
Accounting	\$466.50	\$0.00	-\$466.50	\$150.50	\$186.00	\$130.00
Subtotal	\$5,130.75	\$9,508.00	\$4,377.25	\$1,185.36	\$3,203.39	\$742.00
Utilities						
Water	\$206.40	\$1,100.00	\$893.60	\$113.07	\$57.77	\$35.56
Electricity	\$513.74	\$1,800.00	\$1,286.26	\$167.44	\$155.77	\$190.53
Misty Lakes HOA Dues	\$0.00	\$1,500.00	\$1,500.00			
Taxes - County of Lexington	\$422.05	\$410.00	-\$12.05	\$422.05		
Hazard, D&O and Liability Insurance	\$1,797.00	\$1,800.00	\$3.00	\$1,797.00		
Subtotal	\$2,939.19	\$6,610.00	\$3,670.81	\$2,499.56	\$213.54	\$226.09
General Maintenance						
Landscape Maintenance	\$1,455.00	\$4,000.00	\$2,545.00	\$805.00	\$325.00	\$325.00
Lighting Maintenance	\$36.92	\$100.00	\$63.08	\$36.92		
Sprinkler System Maintenance	\$0.00	\$150.00	\$150.00			
Water Backflow Inspection	\$0.00	\$150.00	\$150.00			
General Repair	\$675.00	\$1,000.00	\$325.00		\$675.00	
Subtotal	\$2,166.92	\$5,400.00	\$3,233.08	\$841.92	\$1,000.00	\$325.00
Recreation	\$0.00	\$1,000.00	\$1,000.00	\$0.00	\$0.00	
Newsletters	\$118.89	\$1,800.00	\$1,681.11	\$118.89	\$0.00	
Welcoming Committee	\$5.71	\$150.00	\$144.29	\$0.00	\$0.00	\$5.71
ACC Committee	\$134.63	\$600.00	\$465.37	\$91.94	\$0.00	\$42.69
Contingency	\$5,000.00	\$1,000.00	-\$4,000.00	\$5,000.00	\$0.00	
Capitol Reserve	\$5,000.00	\$1,000.00	-\$4,000.00	\$5,000.00	\$0.00	
Total	\$10,496.09	\$27,068.00	\$16,571.91	\$4,737.67	\$4,416.93	\$1,341.49



Bridleridge Budget Definitions

1. Treasurer: Compensation paid to individual to handle all Bridleridge banking accounts, bills, mailing assessment letters, placing/releasing liens on homes, checking PO Box, forwarding mail to Board and Architectural Committee etc.
2. Accounting: Tax filing, bank charges, new checks, deposit slips, new ink for deposit stamp, etc.
3. Court Filing Fees: The cost for filing and releasing liens on homes. Last year a total of 16 liens were placed on homes. This year, 23 new liens will be placed on homes.
4. Lawyer Retainer: HOA attorney Pope, Riley and Laney of Columbia, SC. This cost was \$2,500. Additional cost may occur.
5. Postage: Postage for all Assessment letters (for 265 homes) some mailed up to 4 times, lien notices, lien copies, and bills. Postage has increased twice (January 7, 2001 33c to 34c, and July 1, 2002 34c to 37c)
6. Copying: Annual and special meeting copies and assessment letters for 265 homes. The cost for first time assessment letters to be mailed is \$259.07. This does not include envelopes and stamps.
7. Supplies: Print cartridges, paper, envelopes and mailing labels etc.
8. Post Office Box: Yearly fee for post office box. The cost for 2003 and 2004 was \$68.00.
9. Annual Meeting Building Rental: Charges occurred for renting Whiteknoll High School for Meeting.
10. Hazard, D&O and Liability: Insurance to be paid yearly for common areas and entrances. The yearly cost for 2004 was \$1,796.00.
11. Landscape Maintenance: Charges to keep common areas and front entrances clean and cut.
12. Water: Charges for water at front entrances. Water increase. This cost has increased just as it has for home usage.
13. Electricity: Charges for Front Entrance lighting. Electric increased (November 2000 annual increase 9.25%, February 2003 annual increase 5.8%)
14. Sprinkler System Maintenance: Any charges occurred with entrance sprinkler system. We were required to add backflow devices per DHEC or the water service for the front would be disconnected. The cost for this was unexpected. The cost for this was \$585.00.
15. Taxes - County of Lexington- Taxes on common areas have increased just as on our homes.
16. Misty Lakes HOA Dues: Dues paid to Misty Lakes for property on the lake.
17. RV Site and Lake Site (Maintenance & Repair): Any charges occurred with maintaining or repairing.
18. Recreation: Easter Egg hunt, other community events, etc.
19. Communication. Newsletters, printing, folding, etc.
20. ACC Committee: Any charges occurred with copying violation letters, supplies due to send letters, and postage. This cost has increased due to increased violations.
21. Welcoming Committee: Any charges occurred with the Welcoming committee. I.e: Cakes for new home owners. No amounts have been entered yet due to neighbors not expensing this cost.
22. Contingency: An event that may occur in the future, especially a problem, emergency, or expense that might arise
23. Capitol Reserve: Reserve saved for future use for some specific purpose.

Bridleridge HOA
YTD 2005 YTD Budget

Expenses	YTD Actual	Plan 2005	Variance	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05
Tr asurer / Management	\$3,500.00	\$4,000.00	\$500.00	\$875.00	\$2,625.00										
Un Filing Fees	\$310.75	\$300.00	-\$10.75					\$230.00		\$80.75					
Un Release Fees	\$145.00	0	-\$145.00		\$40.00			\$5.00	\$15.00		\$15.00			\$15.00	\$25.00
Letter Retainer Fees	\$2,387.13	\$3,500.00	\$1,132.87		\$89.61	\$575.00	\$828.28	\$362.50	\$513.74		\$25.00			\$75.00	
Printing	\$360.78	\$400.00	\$39.22	\$74.00		\$37.00	\$101.78		\$37.00					\$111.00	
Copying	\$96.28	\$200.00	\$103.72											\$96.28	
Supplies	\$234.58	\$200.00	-\$34.58	\$10.86	\$37.78			\$103.23			\$4.97	\$21.06	\$27.01	\$29.67	
Post Office Box	\$136.00	\$58.00	-\$68.00											\$136.00	
Meeting Building Rental	\$365.00	\$540.00	\$175.00								\$179.00				\$186.00
Website Maintenance	\$300.00	\$300.00	\$0.00	\$75.00	\$225.00										
Bank Fees	\$474.60	\$0.00	-\$474.60	\$160.50	\$186.00	\$130.00		\$5.60			\$2.50				
Subtotal	\$8,290.12	\$8,508.00	\$1,217.88	\$1,185.38	\$3,203.38	\$742.00	\$873.06	\$678.33	\$565.74	\$80.75	\$228.47	\$38.06	\$27.01	\$462.95	\$211.00
Utilities															
Water	\$868.29	\$1,100.00	\$231.61	\$113.07	\$57.77	\$35.56	\$38.31	\$42.60	\$42.60	\$76.26	\$76.92	\$98.37	\$111.87	\$89.79	\$86.27
Electricity	\$1,893.17	\$1,800.00	-\$93.17	\$167.44	\$155.77	\$190.63	\$158.22	\$154.33	\$153.84	\$158.36	\$137.86	\$154.22	\$145.08	\$162.51	\$166.91
City Lakes HOA Dues	\$0.00	\$1,500.00	\$1,500.00												
Taxes - County of Lexington	\$860.68	\$410.00	-\$440.68	\$422.05										\$428.63	
Board, D&O and Liability Insurance	\$1,797.00	\$1,800.00	\$3.00	\$1,797.00											
Subtotal	\$5,411.24	\$8,610.00	\$1,198.76	\$2,499.56	\$213.54	\$228.08	\$198.53	\$198.93	\$198.44	\$234.62	\$214.88	\$252.59	\$258.95	\$880.93	\$242.18
General Maintenance															
Landscape Maintenance	\$4,130.00	\$4,000.00	-\$130.00	\$805.00	\$325.00	\$325.00		\$850.00	\$400.00		\$650.00	\$325.00	\$325.00		\$325.00
Lighting Maintenance	\$254.58	\$100.00	-\$154.58	\$36.92			\$50.75				\$51.76		\$80.00	\$16.92	\$18.23
Extinguisher System Maintenance	\$40.00	\$150.00	\$110.00									\$40.00			
Water Backflow Inspection	\$90.00	\$150.00	\$60.00											\$90.00	
General Repair	\$1,484.00	\$1,000.00	-\$484.00		\$675.00					\$403.00		\$406.00			
Subtotal	\$5,998.58	\$5,400.00	-\$598.58	\$841.92	\$1,000.00	\$325.00	\$50.75	\$850.00	\$400.00	\$403.00	\$701.76	\$771.00	\$406.00	\$106.92	\$343.23
Recreation	\$894.76	\$1,000.00	\$105.24	\$0.00	\$0.00		\$119.95		\$35.00	\$9.48					\$730.33
Newsletters	\$774.61	\$1,800.00	\$1,025.39	\$118.89	\$0.00		\$167.94		\$171.64			\$205.14	\$111.00		
Welcome Committee	\$125.51	\$150.00	\$24.49	\$0.00	\$0.00	\$5.71		\$16.92	\$4.36	\$13.89	\$10.56	\$29.19	\$24.39		\$20.50
CC Committee	\$385.76	\$800.00	\$214.24	\$91.94	\$0.00	\$42.69	\$37.00	\$50.00	\$67.46	\$37.89			\$37.00	\$31.78	
Magistrate Fees	\$800.00	\$0.00	-\$800.00						\$240.00			\$480.00	\$80.00		
Contingency	\$3,144.00	\$1,000.00	-\$2,144.00	\$0.00	\$0.00						\$3,144.00				
Capital Reserve	\$0.00	\$1,000.00	\$1,000.00	\$0.00	\$0.00										
Total	\$25,824.58	\$27,088.00	\$1,263.42	\$4,737.87	\$4,418.63	\$1,341.49	\$1,445.23	\$1,590.18	\$1,670.64	\$779.63	\$4,297.66	\$1,773.98	\$841.35	\$1,282.58	\$1,547.24

Assessment Deposit \$501.40
ACC Fines \$0.00
Total Deposits \$501.40

Banking Account Balance as of Nov 30 \$15,080.43
Dec Deposits \$501.40
Checking Account Balance \$15,581.83

Expenses
SCE&G \$166.91
Water \$85.27
Lighting Maintenance \$18.23
Landscape \$25.00
WC \$20.50
Landscape \$325.00
Building Rental \$188.00
Rec \$730.33

Checking Account Balance \$15,581.83
Dec Expenses \$1,547.24
Banking Account Balance as of Dec 31 \$14,034.59

Banking Account Balance as of Dec 31st 2004 \$15,880.25
2005 Total YTD Assessment/ACC Fine Deposits \$22,099.92
Total \$40,860.17

Total \$40,860.17
2005 YTD Expenses/Capital Reserve/Contingency \$35,824.58
Banking Account Balance as of Dec 31 \$14,034.59

Total \$1,547.24

2005 YTD Contingency Balance \$13,538.57
2005 Capital Reserve Balance \$13,538.57
2005 Earned YTD Interest \$132.13
Total \$27,209.27

2006 Bridleridge HOA Budget

<u>treasurer / Management</u>	<u>2006</u>
Treasurer / Management	\$3,600.00
Lien Filing Fees	\$450.00
Lien Release Fees	\$0.00
Lawyer Retainer/Fees	\$2,500.00
Postage	\$400.00
Copying	\$200.00
Supplies	\$200.00
Post Office Box	\$68.00
Meeting Building Rental	\$200.00
Website Maintenance	\$300.00
Bank Fees	\$0.00
<u>Subtotal</u>	<u>\$7,818.00</u>
 <i>Utilities</i>	
Water	\$1,000.00
Electricity	\$2,000.00
Misty Lakes HOA Dues	\$1,500.00
Taxes - County of Lexington	\$450.00
Hazard, D&O and Liability Ins.	\$1,800.00
<u>Subtotal</u>	<u>\$6,750.00</u>
 <i>General Maintenance</i>	
Landscape	\$4,000.00
Lighting Maintenance	\$150.00
Sprinkler System Maintenance	\$75.00
Water Backflow Inspection	\$150.00
General Repair	\$1,000.00
<u>Subtotal</u>	<u>\$5,375.00</u>
 CPA	\$500.00
 Entrance Maintenance	\$1,050.00
 Recreation	\$1,500.00
 Newsletters	\$1,500.00
 Welcoming Committee	\$150.00
 AGC Committee	\$700.00
 Magistrate Fees	\$800.00
 Contingency	\$1,000.00
 Capitol Reserve	<u>\$1,000.00</u>
 Total	<u>\$28,143.00</u>

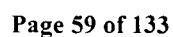


Transit - 08/07/2006

Transit - 08/07/2006

DDA Debits - 08/07/2006

DDA Debits - 08/07/2006



GEORGE E MOOK SCDL# 003849811
 CHRISTINA O MOOK SCDL# 007220528
 503-808-4828
 273 BRIDGE RIDGE ROAD
 LEXINGTON, SC 29073

Date: 3-31-06 . 901
 67-18031572

Pay to the Order of Midway Law NOA \$ 100.00
One hundred and no/100 Dollars @ 100

ALL SOUTH
 FEDERAL CREDIT UNION
 COLUMBIA SOUTH CAROLINA BRANCH

Memo Dues Christina O. Mook
 125532790311:8318 15888 0901 100000100000

Transit - 04/04/2006

1ST COMMUNITY BANK N.A. 04/04/06
 LEXINGTON, SC 29073
 284

1526 499337

For Deposit Only
 No Other Endorsements

Transit - 04/04/2006

BRIDGE RIDGE
 HOMEOWNERS ASSOCIATION
 PO BOX 28425
 LEXINGTON SC 29073

DATE 3/31/06

PAY TO THE ORDER OF Midway Law NOA \$ 1500.00
One Thousand Five Hundred and no/100 DOLLARS @ 100

First Community Bank
 Lexington, S.C.
 www.firstcommunitybank.com

FOR 2005 HOA Dues Craig Selkins
 1000284 10532022081008988 0000150000

DDA Debits - 04/04/2006

1ST COMMUNITY BANK N.A. 04/04/06
 LEXINGTON, SC 29073
 284

1526 499337

For Deposit Only
 No Other Endorsements

DDA Debits - 04/04/2006



BRIDLE RIDGE HOMEOWNERS ASSOCIATION
893-762-7418
1028 DALLOZ ROAD
COLUMBIA, SC 29204

990

DATE 9/24/04

PAY TO THE ORDER OF Misty Baker HOA \$ 1,500.00

One Thousand Five Hundred 00/100 DOLLARS

First Community Bank
Forest Acres, S.C.

FOR take dues Lindy Elkins

⑈000990⑈ ⑈053202208⑈ ⑈000988⑈ ⑈0000150000⑈

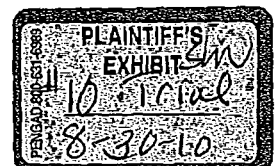
DDA Debits - 09/30/2004

Deposited to the Account of Valley Homeowners
in accordance with the provisions of the
Articles of Incorporation and Bylaws of the
FIRST COMMUNITY BANK
RTR 053202208

328 82952

1ST COMMUNITY BANK, N.A. 09/30/04
LEXINGTON, SC 29024
⑈000990⑈ ⑈053202208⑈ ⑈000988⑈ ⑈0000150000⑈

DDA Debits - 09/30/2004



BK3996PG197

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS,
FOR MISTY LAKE

This Declaration made this 9th day of December, 1996 by Crosby-Southern, Inc. (hereinafter referred to as the Declarant) which is the owner of the real property located in Lexington County, South Carolina known as Misty Lake and described on Exhibit A which is attached hereto and incorporated herein by this reference.

The Declarant is conveying the Property known as Misty Lake described in Exhibit A to the Misty Lake Association, Inc. and said property shall be held subject to the following easements, restrictions, covenants, affirmative obligations and conditions.

Article I

Section 1: "Association" shall mean and refer to the "Misty Lake Association, Inc., its successors and assigns.

Section 2: "Lot Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which has frontage on Misty Lake.

Section 3: "Lake" shall refer to Misty Lake and shall include the dam.

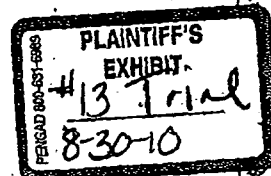
Section 4: "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of its Members, which consists of the lake known as Misty Lake and the dam for the lake.

Section 5: "Declarant" shall mean and refer to Crosby-Southern, Inc. its successors and assigns.

Section 6: "Member" shall refer to every person who is a member of the Association.

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Article II

RESTRICTIONS ON USAGE

Section 1. Misty Lake shall be for the private recreational uses of the Members of the Association, and no one else. No commercial or business activity shall be conducted by any Member on the Lake.

Section 2. The Lake may be used by only Members and their immediate families; no guests of a Member may use the lake unless accompanied by the Member or someone from the Member's immediate family. No plan of lot ownership, including but not limited to utilizing a lot fronting on the Lake as common area for "off water" lots, shall be allowed to give lake privileges to non-water front property owners.

Section 3. Floating or stationary docks may be constructed by Members, however, the plans for such docks must be approved prior to construction by the Association.

Section 4. No immoral, offensive, improper, or offensive use or activity shall be conducted by any Member or guest on the Lake nor shall anything be done on the Lake which is or may become a nuisance or annoyance to other Lot Members.

Section 5. Water may not be drawn from the Lake for irrigation or other purposes.

Section 6. No gasoline or diesel powered boats shall be allowed on the Lake at any time.

Article III

PROPERTY RIGHTS

Section 1: Members' Easements. Every Member shall have a right and easement of enjoyment in and to the Lake which shall be appurtenant to and shall pass with the

Page 2

BK3996PG199

title to his Lot, if such subsequent owners join the Association, subject to the following provisions:

- (a) The right of the Association to publish and enforce rules and regulation regarding the use of the Common Area (Lake);
- (b) The right of the Association to suspend the voting rights and right to use the Lake by a Member for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;
- (c) Each Lot of a Member shall be subject to an easement and right to and in favor of the Association and its agents, servants, or those hired by it, to go upon, across, over or under such Lot to permit the maintenance, supply, and repair of the Lake and its dam. Should any incidental damage be caused to any Lot by virtue of any such action by or on behalf of the Association in the maintenance, repair, or replacement of any of the Lake and dam, the Association shall, at its expense, repair such damage.

Section 3: Title to the Common Area. The Declarant hereby covenants for itself, its successors and assigns that it will convey fee simple title to the Lake described herein to the Association, free and clear of all liens and encumbrances, subject to the provisions of this Declaration, the Article of Incorporation of the Association and By-Laws of the Association.

Article IV

MEMBERSHIP AND VOTING

Section 1: Each owner of a Lot contiguous to and with frontage on Misty Lake shall be eligible to become a Member of the Association. Each Member of the

Page 3

BK3996PG200

Association shall be bound by this Declaration, the By-Laws of the Association, regulations, and decisions made by it concerning use of the Lake. Membership shall be appurtenant to and may not be separated from ownership of any Lot. If a Member sells his property on Misty Lake, his membership in the Association shall cease.

Section 2. For the purpose of voting on matters before the Association, if a lot has more than one owner and the owners are Members, they shall have only one vote, regardless of the number of individual owners of a Lot.

Section 3. The initial By-Laws of the Association are attached hereto as Exhibit B and are incorporated herein by this reference.

Article V

MAINTENANCE OF COMMON AREA

The Association shall be responsible for the maintenance of the Lake and dam for the benefit and enjoyment of the Lot Owners.

Article VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to maintain the Lake and dam and in a safe and sound condition:

Section 2. Initial Annual Assessment. The initial annual assessment shall be \$25.00 for each lot and shall be due and payable on April 1, 1996. The annual assessments thereafter shall be determined by the Association acting through the Board of Directors.

Section 3. Special Assessments. In addition to the annual Assessments, the Association, acting through its Board of Directors may levy in any year a special

Page 4

8K3996PG201

assessment for that year for the purpose of defraying in whole or in part the cost of any construction, reconstruction, repair or replacement of any part of the Lake.

Section 4. Initial Capital Contribution. An initial capital contribution in the amount of \$25.00 shall be payable by a lot owner in order to become a Member of the Association. This shall be held by the Association in a special capital account for construction, reconstruction, repair or replacement of any part of the Common Area.

Section 5. Uniform Rate of Assessment. Each Lot shall be assessed the same amount for annual and special assessments.

Section 6. Due dates for Assessments. Annual assessments shall be due on the second day of January of each year. The Association, acting through the Board of Directors, shall give all Members written notice of the amount of the Annual Assessment at least thirty days prior to the due date of such Assessment.

Section 7. Creation of Lien and Personal Obligation for Assessments. By becoming a Member, each member covenants and agrees to pay to the Association the following:

- (a) Annual assessments or charges; and
- (b) Special assessments as needed,

as may be established and levied by it as herein provided. The annual and special assessments, together with interest, costs and reasonable attorney fees incurred for collection of them, shall be a charge on each Lot and shall be a continuing lien upon each Lot. These annual and special assessments, including interest, costs and reasonable attorney fees incurred for collection of them, shall be a personal obligation of the Member at the time the assessment is made. The lien for unpaid assessments shall remain on the Member's Lot until paid.

Page 5

BK3996PG202

Section 8. Enforcement of Collection of Assessments Unpaid annual assessments and special assessments made be enforced by the Association by a legal action to foreclose on the lien herein created, which shall be similar to a mortgage foreclosure, or a legal action seeking a personal judgment against defaulting Lot owners.

Section 9. Remedies of the Association for Non-Payment of Assessments Any assessment not paid within 30 days of the due date shall bear interest from the due date at the rate of Fourteen (14) percent per annum.

Section 10. Subordination of the Lien to Mortgages The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. The sale or transfer of any lot pursuant to a mortgage foreclosure by a first mortgagee shall extinguish the lien of such assessments for payments due prior to the foreclosure.

Article VIII

Provisions Concerning Bridleridge Owners Association

Preamble: The Mungo Company, Inc. is the owner of a tract of land containing 323.219 acres which borders Misty Lake which was purchased from the Declarant. On it, The Mungo Company, Inc. is developing a subdivision known as Bridleridge. For and in consideration of this purchase, the following provisions are hereby made concerning this subdivision and Misty Lake:

Section 1: Lots in Bridleridge subdivision which have frontage on Misty Lake shall have the same opportunity to join the Association as provided herein.

Section 2: If the Mungo Company, Inc. sets aside any property which fronts on Misty Lake as common area for the Bridleridge subdivision, it may construct for this common area a stationary pier or docks which extend into the waters of Misty Lake. Two

Page 6

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common areas are given this right and privilege.

Section 3: Members of the Bridleridge owners association may use the piers or docks constructed for their common areas for fishing but shall have no other rights to use Misty Lake, specifically, they may not use boats on the lake at any time and they may not swim in the lake. Member of the Bridleridge owners association shall not be considered Members of the Misty Lake Association.

Section 4: Each common area of Bridleridge shall be subject to the initial annual assessment and all subsequent assessments, including special assessments. Each common area shall be assessed as if it were the equivalent of 20 lots (For example, if each lot pays \$25.00, each common area shall pay \$500.00). Each common area shall pay as its Initial Capital Contribution the sum of \$500.00. Each common area shall have one vote on matters concerning the Misty Lake Association. The Bridleridge owners association may send two representatives to meetings of the Misty Lake Association and those representatives may cast the votes to which it is entitled.

ARTICLE VII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Member, shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, provision imposed by this Declaration. Failure by the Association to enforce any provision contained herein shall not be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way effect any other provisions which shall remain in full force and effect.

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Section 3. Amendment by Declarant. The Declarant may amend this Declaration at any time in order to comply with any conditions for lending reasonably required by an institutional lender or mortgage guaranty entity, including but not limited to the Department of Housing and Urban Development or the Federal National Mortgage Association.

Section 4. Amendment by Lot Owners. This Declaration may be amended by written Agreement of 75% of the Members.

Section 5. Term. The provisions of Declaration shall run with the land herein described and be binding for a period of Thirty (30) years, after which time these provisions shall continue to be binding automatically for ten year periods unless changed by a written agreement of 90 per cent of the Members.

Section 6. Assignment of Rights. Declarant may assign to the Association all its rights and privileges to the Association or third parties when and if it chooses.

In Witness Whereof, Crosby-Southern, Inc. has executed this Declaration the day and year first above written.

Crosby-Southern, Inc.

By

Thomas E. Crosby

Thomas L. Crosby Jr.

Witnesses:

Joseph P. Mangum
Jennifer A. Cone

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PROBATE

PERSONALLY appeared before me the undersigned witness who, being duly sworn, says that she saw the within-named Crosby-Southern, Inc. by its authorized officer sign, seal, and as its act and deed, deliver the within Declaration and that she with the other witness whose signature appears above, witnessed the execution thereof.

SWORN to before me this
10 day of December, 1996.
Joseph P. Mangum (Seal)
Notary Public for South Carolina
My Commission Expires: 05/17/05

Page 9

EXHIBIT A

BK3996PG206

ALL that certain piece, parcel, or lot of land, with the improvements thereon, situate, lying, and being in the County of Lexington, State of South Carolina, containing 17.3 acres, more or less, shown and designated as a pond known as Misty Lake on a Plat of prepared for Michael J. Mungo dated October 12, 1993, and recorded in the office of the R.M.C. for Lexington County in Plat Book 263, page 27, and having the metes and bounds as shown thereon.

Minutes of the Informal Meeting
of the Bridle Ridge Homeowners
May 16, 1999

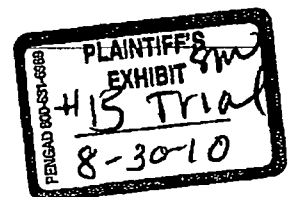
An informal meeting of the Bridle Ridge homeowners was held on Sunday, May 16, 1999, at 3:00 p.m. at the common area lake pavilion. Forty-two homeowners signed in at this meeting, and another seven who were unable to attend called or provided lists to Jim Devereaux.

An introduction was given by James "Jim" Devereaux, explaining that this meeting was to explore common grievances, complaints, and possible solutions. It was noted that this meeting was to be kept "generic", with no complaints about specific neighbors to be discussed.

Jim began by mentioning several 1999 budget items, including: (1) \$12,800 for "Amenities/Common Area(s)", part of which includes \$8,000 for "Landscape Maintenance"; (2) \$500 lease on lake that provides limited access to include no boating or swimming for homeowners not located on the lake; and (3) the "Management" expense of \$7,716. Jim also mentioned that the hiring of an outside management company as a transitioning body from Mungo Corporation to the homeowners did not seem appropriate.

Four categories of complaints were agreed upon: (1) budget; (2) infrastructure/amenities; (3) selective enforcement of the restrictions; and (4) the Bridle Ridge Homeowners Association presently includes NO homeowners. Regarding the budget, it was suggested that an independent audit be conducted to determine the validity of the budget expenditures. Regarding the infrastructure/amenities, a list of concerns was drawn up at the end of the meeting to be attached to a letter addressed to Mungo Corporation. Items listed included storm sewer system and stormwater retention ponds marginally perform or fail in heavy rainfall events, storm drains are full of or filling with sand, sand washing into the road creating driving hazards, construction equipment gouging blacktop, concrete spills not being cleaned up on road, concrete curb and gutter cracked, RV/boat storage access not paved and washing out, RV/boat storage security inadequate, common area access limited or nonexistent with common areas not being maintained such as the overgrown area at the lake dock, liability issue and lack of parking for the common areas, common area access should be clearly marked and maintained, and slope failure on west side of the lake common area.

A consensus of the group in attendance agreed to designate Jim Devereaux of 285 Bridleridge Road as the overall representative for the Bridle Ridge homeowners. Block captains volunteered to assist Jim in relaying information in their neighborhoods. These people are: Mike Hartwell of 185 Willow Forks and Frank Reales of 733 Leafy Bend for Bridle Ridge West, and Annette Abbott of 200 Bridleridge Road and Ken and Debbie Black of 225 Bridleridge Road for Bridle Ridge East.



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Minutes of Misty Lakes HOA Meeting 3/4/01

Jud Smith opened meeting at 7:00 p.m.

The following members were present:

Chris Price, David Howell, Mark Ekovich, Klaus Wilke, Steve Pittman

Old Business

None

New Business

All of the above members and Quent Broadnax were nominated for positions to the Misty Lakes Board of Directors. The 6 members were voted onto the new Board of Directors by unanimous vote. Board of Directors then voted on officers for the Association. The new officers are as follows:

President	Mark Ekovich
Vice-President	Klaus Wilke
Secretary	David Howell
Treasurer	Steve Pittman

Jud Smith will discuss with accountant to file a no activity tax return for the year 2000.

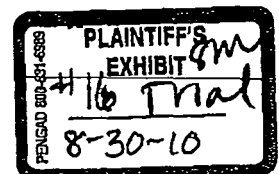
Lawyers to amend the by-laws to allow irrigation to be drawn from the lake, and Bridleridge HOA assesment rate to drop from 20x to 15x Misty Lake rate.

Board has approved a temporary budget, and will put liability insurance in place as soon as quotes can be obtained.

The Board will review all by-laws and make changes as necessary at next meeting on 3/25/01.

Misty Lake HOA mission is to establish by-laws, create restrictions that do not conflict by-laws, and to make the HOA financially stable.

Meeting concluded at 8:25 p.m.



Misty Lakes Board of Directors

Mark Ekovich, President	(957-8941)	msekovich@msn.com	Misty Lake
Quent Broadnax	(951-1972)	qbroadnax@hotmail.com	Misty Lake
Chris Price	(996-3660)	priceca54@netscape.net	Bridleridge
David Howell, Secretary	(957-5961)	dehowell@switch.com	Bridleridge
Klaus Wilke, Vice President	(808-0404)	colettewhite@cs.com	Bridleridge
Steve Pittman, Treasurer	(996-5809)	itsthepitts@mindspring.com	Bridleridge HOA
Jud Smith	(782-7418)	mjsinc@sc.rr.com	Advisor

Minutes of the March 4, 2001 Misty Lakes HOA Meeting

Jud Smith opened meeting at 7:00 p.m.

The following members were present:

Chris Price, David Howell, Mark Ekovich, Klaus Wilke, Steve Pittman

Old Business: None

New Business

All of the above agreed to pay assessments and to become members

All of the above as well as Quent Broadnax were nominated as candidates for election to the Board of Directors of the Association.

The six (6) members were elected by unanimous vote.

The Board of Directors then voted on the officers for the Association.

The new officers are as follows

President: Mark Ekovich

Vice-President: Klaus Wilke

Secretary: David Howell, Jr.

Treasurer: Steve Pittman

Jud Smith agreed to ask his accountant to file a no activity tax return for the year 2000.

Discussion was held on whether or not to ask the Association's lawyers to amend the Restrictions to allow for irrigation water to be drawn from the lake and to drop the rate of the Bridleridge HOA's assessment from 20x the assessment of lot owners to 15x that rate. It was noted that the attorney was to be asked whether or not the irrigation change affected the rights of the owner of the lake adversely and that the attorney's opinion would determine whether an amendment of this type would be filed.

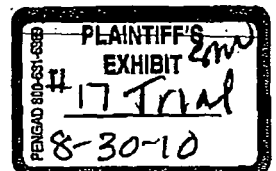
The Board agreed to create and adopt a Budget for 2001 based upon the participation of all lot owners and the Bridleridge HOA.

The Board agreed to put in place General Liability Insurance coverage as soon as adequate funds were available to do so. A preliminary quote was presented to the Board from Nationwide Insurance Company.

The Board will review all By-laws and make changes as necessary at next meeting on 3/25/01.

Misty Lake HOA mission was established to be the revision of the By-laws that do not conflict Restrictions and the financial stability of the HOA.

Meeting concluded at 8:25 p.m.



Misty Lake Home Owners Association Annual Meeting

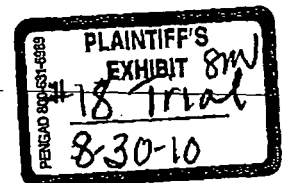
DATE: Sunday April 21, 2002

TIME: 5:00pm – 7:00pm

WHERE: Bridleridge Common Area

PURPOSE:

- **Review 2001 Budget**
- **Review 2002 Purposed Budget**
- **Review Legal Status of Lake Ownership**
- **Elect (2) New Board Members**



Misty Lake Home Owners Association Annual Meeting

DATE: Sunday September 22, 2002

TIME: 6:00pm – 7:00pm

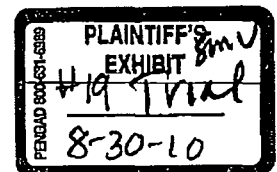
WHERE: Bridleridge Common Area

AGENDA:

As of August 23 2002 Misty Lakes was deeded back to us the association and the homeowners of Misty Lakes.

- **Review Spillway Leakage**
- **Repair Solutions**

1 person from each home should plan on attending. This will give you an opportunity to voice your opinion.



Misty Lake Home Owners Association Annual Meeting

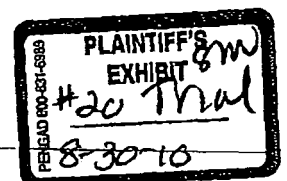
DATE: Sunday, May 4, 2003

TIME: 5:00pm – 6:00pm

WHERE: Bridleridge Common Area

- **Review 2002 Budget**
- **Review 2003 Proposed Budget**
- **Discuss Lake Improvements,
Requirements and Bylaws**
(Must have 2/3 Lake lot owners present)

Note: update personal info
Reminder of dues \$ due date July



Misty Lake HOA Meeting Minutes 4/25/04

The meeting was held at Mark Ekovich's house at 7pm.

Present: Mark Ekovich, Dave Howell, Donna Maldonado, Marty Hall, John Charbonnet

Baker and Broadnax have paid. Kirshner and Panchyshyn have not.

Federal taxes have not yet been filed. Dave will do within 2 weeks.

Annual meeting will be held on 23 May, 6pm, Bridleridge Commons.

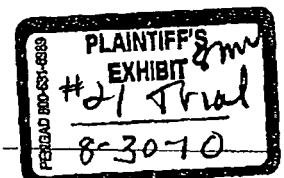
Donna Maldonado gave John Charbonnet a check for \$37 for stamps.

John Charbonnet will mail letters to all members.

At the meeting, update everyone's information.

Reminder that dues due on July 31st. 30 days grace then \$25 fee. 30 days more and file complaint with magistrate's court and homeowner will be liable for all costs.

Mark will check with courthouse for official documents related to the association.



Misty Lakes Homeowners Association Annual Meeting Minutes of May 4, 2003

David Howell opened the meeting at 5:00 p.m.

* 11 members out of 25 were present.

* During this meeting 3 issues were discussed; Lake Dues, Lake Use, & to elect new board members.

* All present agreed that the dues owed Misty Lake would stay at the present level of \$100.00 annually due in July.

* The issue of lake use, who's using and who is allowed to use the lake was brought up with a suggestion of a sticker or card system for boaters. This will be reviewed further by the board for consideration.

* Three New Board members were elected as follows: John Charbonnet, Marty Hall, and Donna Maldonado, please feel free to ask them any question or concerns about the Lake as well as Mark Ekovich, David Howell or Holly Miller.

* This letter serves as notice of payment due of \$100.00, make payable to:
Misty Lake Homeowners Association, P.O. Box 84174, Lexington, S.C. 29073

Board Members:

Mark Ekovich – President msekovich@msn.com

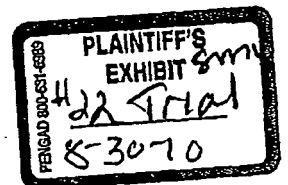
Marty Hall – Vice-President spyc@msn.com

John Charbonnet – Secretary John_Charbonnet@hotmail.com

Donna Maldonado – Treasurer DMJM269@aol.com

Holly Miller – Bridleridge President hmillier@quadco.com

David Howell dehowell@switch.com



Misty Lakes Homeowners Association
Annual Meeting Minutes of June 11, 2006

* John Gregory opened the meeting at 5:00 p.m., 11 members out of 25 were present. During this meeting several issues were discussed:

* All present agreed that the dues owed Misty Lake would stay at the present level of \$100.00 annually due in July. A special assessment may be made later for Dam repair.

* Two Homeowners have not paid 2005 dues. It was decided that a Lien will be placed on their property.

* DHEC has written a report on the condition of the dam and need for repair, the board will gather estimates for these repairs. A meeting with all members will be held again to discuss these estimates and decide the necessary action.

* The Lakes Insurance will be increased to include the Dam and protect the Association. Individual Homeowners are responsible for anyone they allow to use the Lake. The Association, its Board members and/or other homeowners are not liable for any damages incurred and/or personal injury or death that occurs on Misty Lake.

* TRASH CLEAN-UP! Please clean your property around docks & lake-access areas, Bridleridge common area surrounding the dock being one of the worst.

* John Maldonado will research options for avenues of payment for Dam repairs or possible repairs completed by Army Corp. of Engineers, i.e. State or Federal loans, grants, insurance.

* John Charbonnet was re-elected to the Board and Dale Stamper was elected to the Board for 3 yrs.

* Any questions or issues needing attention please contact one of the board members below.
Misty Lake Homeowners Association, P.O. Box 85362, Lexington, S.C. 29073
Board Members:

John Gregory – President 957-0627

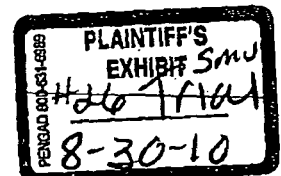
Mark Ekovich – Vice-President msekovich@msn.com 957-8941

David Howell – Secretary dehowell@switch.com 957-5961

Mark Crumpton – Bridleridge President pc2repair@aol.com 356-6891

John Charbonnet shagnmon@earthlink.com 808-8226

Dale Stamper



Misty Lake Home Owners Association Meeting

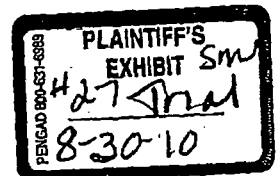
DATE: Sunday August 13, 2006

TIME: 5:00pm – 7:00pm

WHERE: Bridleridge Common Area

PURPOSE:

- **Discuss Estimates for Dam Repair**
See pages 2, 3 & 4
- **Decide best avenue to pay for repair**
See page 5



- **Please call or e-mail any Board Member listed below with any questions or concerns prior to the meeting so the Board can address them for all to discuss, Thanks!**

Board Members:

John Gregory – President/Treasurer 957-0627 jcgregory50@hotmail.com

Mark Ekovich – Vice-President msekovich@alltel.net 957-8941

David Howell – Secretary/Asst. Treasurer dehowell@switch.com 957-5961

Mark Crumpton – Bridleridge President pc2repair@aol.com 356-6891

John Charbonnet shagnmon@alltel.net 808-8226

Dale Stamper

Misty Lakes Homeowners Association

Meeting Minutes of August 13, 2006

* John Gregory opened the meeting at 5:00 p.m. 15 of 23 current voting members were present making a 2/3rd's majority. Two members of the Bridleridge HOA Board were present representing Bridleridge's President with one vote being counted.

* This meeting was held to discuss & decide Estimates for Dam repair and how to pay. The following decisions were made:

* With a vote of 13 to 2 it was decided to go forward with the repairs to the Dam. This is scheduled for November with the water being lowered starting in September and returned to the same level as present after repairs are made.

* It was decided unanimously to gather more Estimates quickly. George & Christy Mook as well as Heather Fairchild will be getting with the Misty Lake Board on these Estimates. The Board Thanks you for your help!

* It was decided unanimously to meet again on September 10, 2006 at 5:00 p.m. to review all Estimates and decide which to use for repairs. The meeting will be held at the Bridleridge Common Area.

* With a vote of 12 to 2 with 1 abstaining it was decided that payment of this special assessment for Dam repairs will be made in a "lump-sum" instead of using the bank.

* It was decided unanimously that payment of this special assessment will be due by November 1st, 2006. Current estimates for this payment are 1,600.00\$ per homeowner and Bridleridge HOA 24,000.00\$.

* It was also decided by all that the Misty Lake Board will set-up a permanent maintenance program for the Dam after repairs are made.

* Any questions or issues needing attention please contact one of the board members below or mail to: Misty Lake Homeowners Association, P.O. Box 85362, Lexington, S.C. 29073

Board Members:

John Gregory – President/Treasurer 957-0627 jcgergory50@hotmail.com

Mark Ekovich – Vice-President 957-8941 msekovich@alltel.net

David Howell – Secretary/Asst. Treasurer 957-5961 howellde@switch.com

Mark Crumpton – Bridleridge President 356-6891 pc2repair@aol.com

John Charbonnet 808-8226 shagnmon@alltel.net

Dale Stamper



Misty Lakes Homeowners Association
Meeting Minutes of September 10, 2006

* John Gregory opened the meeting at 5:15 p.m. 12 of 20 current voting members were present; Jeff Johnson from Bridleridge HOA Board was present representing Bridleridge.

* This meeting was held to discuss & decide Estimates for Dam repair. The following decisions were made:

* Over 25 companies were called with 6 having interviews on-site at the Dam, 3 returned Estimates and 2 of the 3 companies have called back.

* It was decided unanimously that the Board will meet & review the 2 companies then decide which to use.

* The Special Assessment is set at 1,600.00\$ per Lot Owner & 24,000.00\$ for Bridleridge HOA.

* It was decided by all that after Nov. 1st if payment has not been received that 10% will be added monthly to off-set any loans required.

* It was also decided by all that any Homeowner that has paid in-full by Nov. 1st will not pay interest on any loans required due to delinquent homeowners.

* Any questions or issues needing attention please contact one of the board members below or mail to: Misty Lake Homeowners Association, P.O. Box 85362, Lexington, S.C. 29073

Board Members:

John Gregory – President/Treasurer 957-0627 jcgorgory50@hotmail.com

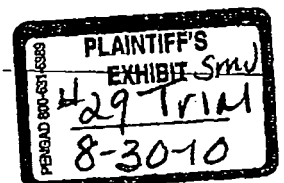
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Mark Crumpton – Bridleridge President 356-6891 pc2repair@aol.com

John Charbonnet 808-8226 shagnman@alltel.net

Dale Stamper – _____



29th / PM NEXT MEETING

PLAINTIFF'S
EXHIBIT 58W
#32 Tru
8-30-10

Bridleridge Bulletin

Volume 2, Issue 2

Newsletter Date

UPDATES

We apologize for the delay in sending second quarter's newsletter. It has been a difficult task gathering information from all the committees due to the summer vacations. We are hoping for more organization as we grow.

WOULD YOU LIKE SEE YOUR NAME IN PRINT?

We are commencing a contest to new the newsletter. We welcome participation from all age groups. Please send your winning ideas to:

Kellie Ingalls
245 Willow Forks Road
Phone: 359-2552
Email:
kwillow626@aol.com
Fax: 359-5596

CLASSIFIEDS

In the First Quarter Edition we asked for your opinion about the classified section of our newsletter. We were very please to receive so many responses. By popular demand there will be NO fees for classifies until the association is more established. More information will follow as it develops. If you would like to place an ad for the next edition of the Bridleridge Bulletin contact the Communications Committee for assistance.

Welcome New Homeowners

Since our last newsletter there have been an abundance of new families moving into our community.



Bridleridge's Homeowners Association would like to extend a very warm welcome to those families. If you did not receive a Homeowners Association package at your closing please contact Missy Scholl at 996-5254. I am sure she will be glad to assist you in gathering your information.

Advisory Committee Members

Committee	Member	Phone	Email
Crime Watch	Bob Capps	808-9810	Bowhntrept@aol.com
Architectural	Steve Pittman	996-5809	Isthepitts@mindspring.com
Membership	Missy Scholl	996-5254	mjscholl@alltel.com
Recreation	Annette Abbott	808-6573	Abbott0399@aol.com
Communication	Kellie Ingalls	359-2552	Kwillow626@aol.com
Landscaping	Gary Weaver	996-5949	Gdweaver@aol.com
Management Company	Jud Smith	782-7418	Mjsinc@sc.rr.com
Mungo Contact	Bill Dixon	749-9000	

P.O. Box 84174 LEX 29073

REPORT OF VIOLATION OF COVENANTS/COMPLAINT

Send To: Bridleridge Architectural Review Board
P.O. Box 686, Irmo, SC 29063
Attention: Ms. Blackmon, (803)-749-5883, x 134
Phone: (803)749-9000, Ext. 134 Fax: (803) 749-4871

Date of Report or Complaint: _____

Date Received by Board: _____

Name: _____

Address: _____

Work Phone: _____ Home Phone: _____

Lot # _____ E-mail: _____

Name of Homeowner in Violation: _____

Address of Homeowner in Violation: _____

Written Description of violation or complaint:

Status:

Review of Covenants: _____ Investigation: _____
(Date) (Date)

Findings: Violation: _____ No Violation: _____

Notice to Homeowner: _____ Date: _____

Second Notice to Homeowner: _____ Date: _____

Additional Information Requested: _____

APPLICATION FOR ARCHITECTURAL REVIEW

Send To: Bridleridge Architectural Review Board

P.O. Box 686, Irmo, SC 29063

Attention: Ms. Blackmon, (803)-749-5888, x134

Phone: (803)749-9000, Ext. 134

Fax: (803)749-4871

Date of application: _____

Date Received by Board: _____

Name: _____

Address: _____

Work Phone: _____ Home Phone: _____

Lot #: _____ E-mail: _____

Written description of addition or alteration of Structure: _____

Attachments:

Copy of survey or plat showing location and size of modification or addition attached: _____

Materials list provided: _____ Photo or drawing of modification or addition attached: _____

Status:

Approved: _____ Disapproved: _____ Date: _____

Additional Information Requested: _____ Date: _____

COMMUNITY NOTES...

Speed limit signs are in the process of being erected. Please be advised the speed limit will be 25 mph. It will be up to the community to help enforce this speed limit so notify your visiting family, friend and any delivery people of our posted speed limit. Thank you.

CRIME WATCH...

In order for our community to establish a Crime Watch, we **MUST** have all residents attend the next meeting. Bob Capps is currently working with the Lexington County Sheriff Department and is in the process of organizing this **VERY** important meeting. If you have any questions please call Bob Capps at 808-9810.

RECREATIONS COMMITTEE...

No new information from this committee. If any questions contact Annette Abbott at 808-6573

LANDSCAPING COMMITTEE...

No new information from this committee. If any questions contact Gary Weaver at 996-5949

MARY KAY

Missy Gurnels is your Beauty Consultant. In addition to offering facials, manicures, and pedicures Missy will customize a gift basket for that special occasion (Birthdays, anniversaries, etc...). Contact Missy Gurnels for your MARY KAY needs 996-6001.

I am looking for a mature sitter to watch my 9 and 6 years old boy so Mom and Dad can get a night out. Please call Shannon Kinder at 359-2270

Ad space available

What's the deal with Misty Lakes?

By, Jud Smith

We are in the process of re-negotiating our usage of the lake and until this is complete we appreciate your co-operation in following the By-Laws that were given to you at the time of closing.

The use of Misty Lake by anyone, including homeowners from Bridleridge, is controlled by the Misty Lake Association. Bridleridge Homeowners who live on the lake are afforded similar rights to those lot owners who live in Misty Lake, if they join the Misty Lake Association. The rights granted to these specific lot owners, if they become members of the Misty Lake Association are greater than those who do not join.

What you should know:

All members of the Bridleridge Homeowners Association may use the recreational facility owned by the Bridleridge Homeowners Association.

Bridleridge Homeowners using the facility are prohibited from swimming in or boating on Misty Lake.

Fishing from the dock, but not from boat is permitted.

Boats, other than those owned by members of the Misty Lakes Association, are not to be placed in the Lake.

The Association has received complaints referencing the abuse of these rights and of the lake itself. Trash has been constantly fished out of the lake and unauthorized boaters have constantly been seen on the lake. Whether these abuses are the result of the actions of homeowners from Bridleridge or not, it is up to us to support the relationship that exists and to help to police the policies that grant us our use rights.

This relationship and the privileges that the members of our Association enjoy are conditioned upon the fact that this type of abuse does not exist. Now that you know the rules, please do not enter the lake or put your boat in the lake and please be careful not to throw trash where it can end up in the lake. It would be a shame for us to lose the uses of parts of our recreational facility, due to the abuse by a few individuals of the asset that makes it worthwhile.

Bridleridge Homeowners Association Architectural Review Board Protects Your Property Values!

Wondering why you need the Covenants and Restrictions and Architectural approval?

Ask yourself these questions.

Have you ever had neighbors who?

1. Parked their cars blocking the street and your driveway?
2. Let their dog bark all night long?
3. Stored old appliances in their yard?
4. Parked vehicles on blocks and old tires on the side of their house?
5. Painted their house or buildings electric blue?
6. Installed a rusty metal storage shed?
7. Parked their boat, motor home, or tractor-trailer truck in the street?

Before adding any type of "Structure", the Covenants and Restrictions require you to obtain Architectural Review Board approval. A "Structure" can be many things. Below is a listing of "structures", however this list is not all-inclusive.

Garage, porch, shed, greenhouse, bathhouse, coop or cage, patio, playground equipment, tree houses, Yard art, statuary, temporary or permanent sports equipment, swimming pool, fences, curbing, driveways, wall or hedge, outside antennas, satellite dishes, landscaping, well, signboard whether temporary or permanent.

In order to obtain approval for any improvement, submit a copy of your plat or survey (from closing) with the location and shape of the proposed structure indicated. Include a listing of materials that will be used, a photo or sketch of the proposed structure, when available, as well as the dimensions of the structure. Color and type of material should match the existing home.

Submit your plan to Bridleridge Architectural Review Board in one of two ways:

1. Fax to (803) 749-4871
2. Mail to: The Architectural Review Board
P.O. Box 686 Irmo, SC 29063

The Architectural Review Board meets on a weekly basis. If your request is received and presented to the Board prior to Monday at noon, you should receive a response during the same week.

If you have any question please call (803) 749-5888 ext. 205

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ARCHITECTURAL REVIEW BOARD REQUIREMENTS

Requests for Architectural Approvals:

Any and all Architectural Review Board approval requests and or complaints are reviewed by the Board on a weekly basis. In order for your request to be reviewed, it must be received prior to 12:00 noon on Monday of any given week. Requests received after 12:00 noon on Monday will not be reviewed until the following week. The requests are then reviewed and forwarded to the Board for approval. After the Board meets, the homeowner will be notified of the decision on a timely basis.

The Covenants for your subdivision require that you request and obtain the approval of the Developer, or when this authority is transferred by the Developer, of the Board of Directors of the Association or the Architectural Review Board for the construction of any Structure, the addition of any Structure or the installation of landscaping on your lot. In addition, you are required to submit and acquire this approval for any change to an existing Structure on your lot. Approval must be granted in writing prior to the commencement of construction and prior to delivery to the lot of any Structure or materials that are to be used in adding, changing or constructing this Structure. For a definition of structure, refer to The Covenants for your community. In order for the Architectural Review Board to review your request, all of the following information must be provided by you on or in addition to the attached application:

- 1) Your full name, the property address and your correct mailing address, and correct phone and/or fax numbers to be used if there are questions. Please print all of this information clearly.
- 2) The name of your subdivision and your lot # (if you do not know your lot number, please contact the Association at (803) 782-7418.
- 3) A copy of your plat survey (this should have been provided to you from the closing) with the location of the addition or change "drawn on" the copy of the plat
- 4) A complete list of exterior materials to be used (Example: vinyl siding to match home, paint colors, shingle type and color to match roofing, lattica, screening, etc.)
- 3) A photo of any structure that will be added but not built on site, if available from the supplier, or a drawing or elevation of what you intend to add or change, including fencing.

Reports of Violations of the Covenants and Restrictions:

If you are reporting a violation of the Covenants and Restrictions by another homeowner or several violations by homeowners in your community, you must provide the following information or complete a complaint form. All complaints will be kept confidential and will only be reviewed if a complaint is properly filed.

- 1) Property address and name of person who is not in compliance. If name is not known, leave this line blank.
- 2) A full written description of the alleged violation. (Example: fence constructed without Board approval, dogs running loose or barking continuously, portable basketball goals not being stored out of sight, unsightly yards, etc.)
- 3) Date that complaint was filed.
- 4) Your phone numbers in case of further questions about your complaint from the Board.

When we receive complaints or notices of violations from concerned or affected homeowners we examine the Covenant to verify the validity of the violation and, where possible, attempt to investigate the complaint ourselves by a visit to the property. If after this review, it can be established that there is a violation of the Covenants, we notify the homeowner who is in violation by mail that they are in violation of the Covenants and provide them with a reasonable period in which to remedy the violation. Attached to this notice are any portions of the Covenants that apply to that violation and any portions that apply to the Association's remedies and right of enforcement. If, after the period for compliance has expired the homeowner has made no reasonable effort to comply, notice is sent by return receipt mail that failure to comply will result in further action by the Association which may include the involvement of the Association's attorney. The homeowner is also notified that all of the Association's cost of assuring compliance will, as stated in the Covenants, be passed onto that homeowner and become a part of the Association's lien on that homeowner's property.

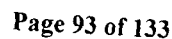
All request for approval of alterations or addition, and all complaints or reports of violations should be sent to the Review Authority at P.O. Box 686, Irmo, SC 29063, Attn: Marylou Blackmon. These can also be faxed to: (803)-749-5750 to the attention of Ms. Blackmon. For further information, please contact Marylou Blackmon, (803) 749-5888 x 134.

DDA Credits - 05/22/2002

DDA Credits - 05/22/2002

DDA Debits - 05/22/2002

onna debits - 05/22/2002



easements, charges, and liens, hereinafter set forth, (and referred to hereinafter as "The Declaration"), each and all of which is and are for the benefit of said property and each Owner thereof.

6. The Developer has deemed it desirable, for the efficient preservation of the values and amenities in such community, to create an agency to which will be delegated and assigned the powers of maintaining and administering the Development, administering and enforcing the covenants and restrictions and levying, collecting and disbursing the assessments and charges hereinafter created.

7. The Developer has caused or will cause to be incorporated under the laws of the State of South Carolina, as a nonprofit corporation, BRIDLERIDGE HOMEOWNERS' ASSOCIATION, INC., for the purpose of exercising the aforesaid functions

NOW, THEREFORE, the Developer declares that the real property described in Schedule A, annexed hereto and forming a part hereof, is and shall be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges, and liens hereinafter set forth

ARTICLE I DEFINITIONS

Section 1. The following words when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meaning

(a) "Association" shall mean and refer to the BRIDLERIDGE HOMEOWNERS' ASSOCIATION, INC., its successors and assigns.

(b) "The Properties" shall mean and refer to all property including Lots and Common Areas, as are subject to this Declaration, and which are described in Schedule A together with any additional phases that may be developed pursuant hereto

(c) "Common Areas" shall mean and refer to those areas of land shown as "Common Areas" on any subdivision map of the properties or by any other means so designated. Such areas are intended to be devoted to the common use and enjoyment of members of the Association as herein defined and are not dedicated for use by the general public.

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(d) "Lot" shall mean and refer to any plot of land with such improvements as may be erected thereon intended and subdivided for dwelling home use, shown on any subdivision map of the properties, but shall not include Common Areas as herein defined

(e) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title of any Lots, but shall not mean or refer to any mortgagee or subsequent holder of a mortgage unless and until such mortgagee or holder has acquired title pursuant to foreclosure or any proceedings in lieu of the foreclosure. Said terms "Owner" shall also refer to the heirs, successors, and assigns of any Owner

(f) "Developer" shall mean and refer to THE MUNGO COMPANY, INC., a Corporation organized and existing under and pursuant to the laws of the State of South Carolina, its successors and assigns, in the development of the properties

(g) "Member" shall mean and refer to all those Owners who are members of the Association, as provided in Article IV hereof.

(h) "Development", "Project", and "Community" shall mean and refer to the Phases of BRIDLERIDGE described in the attached Schedule "A" and/or any additional phases of BRIDLERIDGE to be developed and constructed by the Developer

(i) "Plans", "Specifications", "Elevations", "Exterior Designs", and such like terms shall refer to and encompass the plans, specifications, elevations and designs as well as set backs, locations, etc. contained hereinafter in this Declaration for BRIDLERIDGE.

(j) "Declaration" shall mean and refer to this Declaration of Covenants, Restrictions, Easements, Charges, and Liens, and any amendment or modification hereof.

ARTICLE II USES OF PROPERTY

Section 1 Residential use of Property. All Lots shall be used for single-family residential purposes only, and no business or business activity shall be carried on or upon any Lot at any time, except with the written approval of the Architectural Control

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Committee; provided, however, that nothing herein shall prevent Developer or any builder of home in BRIDLERIDGE approved by Developer from using any Lot owned by Developer or such builder of homes for the purpose of carrying on business related to the development, improvement and sale of property in BRIDLERIDGE; and provided, further that, to the extent allowed by applicable zoning laws, private offices (provided such private office does not increase traffic in the subdivision) may be maintained in dwelling located on any of the Lots so long as (a) such use is incidental to the primary residential use of the dwelling, and (b) no employees, other than domestic cleaning services, report to such office.

Section 2. Walls and Fences. No fence or wall shall be erected, placed or altered on any Lot nearer to any street than the minimum building setback line unless the same be a retaining wall of masonry construction which does not in any event rise above the finished grade elevation of the earth embankment so retained, reinforced or stabilized, except that this restriction shall not apply to fences or walls which have been approved by the Architectural Control Committee pursuant to Article VII below. The exposed part of retaining walls shall be made of clay brick, natural wood or stone, stucco, or veneered with brick or natural stone, and the finished side of fences must be the side exposed to view by the public. Posts and braces shall be placed so that they are on the inside of the fence, and out of view of the public. CHAIN LINK FENCES ARE PROHIBITED except when the Architectural Control Committee gives prior written approval.

Section 3. Subdivision of Lot. One or more Lots or parts thereof may be subdivided or combined to form one single building Lot when approved, in writing, by Developer, and in such event the building line requirements provided herein shall apply to such Lots as re-subdivided or combines and side easements as shown on the plat shall be moved to follow the new side line so that the easement would run along the newly established side line.

Section 4. Terraces, Eaves and Detached Garages. For the purpose of determining compliance or noncompliance with the foregoing building line requirements, terraces, stoops, eaves, wing-walls, and steps extending beyond the outside wall of a structure shall not be

BK3764 PG137

considered as a part of the structure. No side yard shall be required for any detached garage or accessory outbuilding which has been approved, in writing, by the Architectural Control Committee; provided, all such detached structures must be to the rear of the main dwelling and must not encroach upon the Lot of an adjacent Owner.

Section 5. Obstructions to View at Intersections. No part of any structure nor the lower branches of trees or other vegetation shall be permitted to obstruct the view at street intersections.

Section 6. Delivery Receptacles and Property Identification Markers. The Architectural Control Committee shall have the right to approve the location, color, size, design, lettering and all other particulars of receptacles for the receipt of mail, newspapers or similarly delivered materials, and of name signs for such receptacles, as well as property identification markers. All such receptacles shall conform and be maintained specifically in accordance with the approved design. Any replacement shall be an exact replica from the supplier designated by the Architectural Control Committee.

Section 7. Use of Outbuilding and Similar Structures. No structure of a temporary nature (unless approved in writing by the Architectural Control Committee) shall be erected or allowed to remain on any Lot, and no trailer, camper, shack, tent, garage, barn or other structure of a similar nature shall be used as a residence, either temporarily or permanently; provided, this Section shall not be construed to prevent the Developer or builders approved by the Developer, and those engaged in construction from using sheds, construction trailers, or other temporary structures during construction. All outbuildings, including but not limited to dog houses, shall be approved by the Architectural Control Committee, and the Architectural Control Committee shall be solely responsible for determining the appropriateness of such outbuildings, and can deny approval based solely on aesthetic concerns.

Section 8. Livestock. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other small household pets may be kept, subject to applicable leash laws, provided that they are not kept, bred or maintained for any commercial purpose. Such household pets must not constitute a nuisance

or cause unsanitary conditions, and no animal kept outside the dwelling shall be kept in a manner which disturbs the quiet enjoyment of the development by other Lot Owners.

Section 9. Offensive Activities. No noxious, offensive or illegal activities shall be carried on upon any Lot, nor shall anything be done thereon which is or may become an annoyance or nuisance to the Owners of other Lots in BRIDLERIDGE.

Section 10. Signs. No advertising signs, billboards, political signs, "for sale by owner" signs, security signs, landscape signs, garage sale signs, or "for sale" signs shall be erected on any Lot. This restriction shall not apply to signs used to identify and advertise the subdivision as a whole, nor to signs for selling Lots and/or houses during the development and construction period, provided such signs are approved by the Architectural Control Committee, and provided such signs are removed within ten days after occupancy of the house. Also, the provisions of this Article shall not apply to notices required to be posted in accordance with law or government regulation.

Section 11. Aesthetics, Nature Growth, Screening Underground Utility Service. After sale of a lot by the Developer, trees which have a diameter in excess of six (6") inches measured two (2') feet above ground level, shall not be intentionally destroyed or removed except with the prior written approval of the Architectural Control Committee of the landscape plan. Landscaping on new dwelling homes must be completed within thirty days after occupancy as a residence. No clotheslines shall be erected on any Lot. No white rocks (painted or otherwise) and no Statuary shall be permitted on any Lot. ABOVE THE GROUND SWIMMING POOLS ARE STRICTLY PROHIBITED. Garbage cans, and equipment, shall be screened to conceal them from view of neighboring Lots and streets. All residential utility service and lines to residences shall be underground.

Section 12. Antennae. No radio or television transmission or reception towers or antennae shall be erected on any structure or within the property without the prior written approval of the Architectural Control Committee. In no event shall free standing transmission or receiving towers, or satellite dishes be permitted without approval by the Architectural Control Committee.

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Section 13. Trailers, Trucks, Buses, Boats, Trailers, etc. No buses, trailers or mobile homes, motorcycles, boats, boat trailers, all terrain vehicles, go-carts, campers, vans or vehicles on blocks, unlicensed vehicles, or like vehicles shall be kept, stored, used, or parked overnight either on any streets or adjoining lots. In addition, no vehicle of any kind may be kept, stored or parked on any nonpaved area of a lot or adjacent lot. Notwithstanding the foregoing, passenger automobiles may be parked in driveways, if the number of vehicles owned by Owner exceeds the capacity of the garage. The foregoing will not be interpreted or construed or applied to prevent the temporary nonrecurrent parking of any licensed vehicle, boat or trailer for a period not to exceed 48 hours upon any lot.

Section 14. Garbage and Refuse Disposal. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers designed for that purpose which are screened from public view. All equipment for the storage or disposal of such waste material shall be kept in a clean and sanitary condition. If such litter or other materials is found on any lot, the same will be removed by the Owner of such lot, at the Owner's expense, upon written request of the Association.

Section 15. Changing Elevations. No lot owner shall excavate or extract earth for any business or commercial purpose. No elevation changes shall be permitted which materially affect surface grades of surrounding lots, unless approved in writing by the Architectural Control Committee.

Section 16. Sewage System. Sewage disposal shall be through the municipal system or, a type approved by appropriate State and local agencies.

Section 17. Water System. Water shall be supplied through the municipal system or, a type approved by appropriate State and local agencies.

Section 18. Utility Facilities. Developer reserves the right to approve the necessary construction, installation and maintenance of utility facilities, including but not limited to water, telephone and sewage systems, which may be in variance with these restrictions.

Section 19. Model Homes. Developer, as well as any builder of

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homes in BRIDLEBRIDGE, shall have the right to construct and maintain model homes on any of the Lots. "Model Homes" shall be defined as those homes used for the purpose of inducing the sale of other homes within the Properties.

Section 20. Driveways and Entrance To Garage. All driveways and entrances to garages shall be concrete or other substance approved in writing by Developer or by the Architectural Control Committee and of a uniform quality. Garage doors shall be closed except when they are in use.

Section 21. Waiver of Setbacks, Building Lines and Building Requirements. The Developer or Architectural Control Committee may, for good cause, waive violations of the setbacks and building lines provided for in Section 4 of Article III. Such waiver shall be in writing and recorded in the Richland County R.M.C. Office. A document executed by the Developer or Architectural Control Committee shall be, when recorded, conclusive evidence that the requirements hereof have been complied with. The Developer may also handle violations of setbacks and boundary lines by amending the Plat. Nothing contained herein shall be deemed to allow the Developer or Architectural Control Committee to waive violations which must be waived by an appropriate governmental authority.

Section 22. Easement for Utilities. The Developer reserves unto itself, its successors and assigns, a perpetual, alienable, and reasonable easement and right of ingress and egress, over, upon, and across and under each Lot and Common Area for the erection, maintenance, installation, and use of electrical and telephone wires, cables, conduits, sewers, water mains, and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water or other public convenience or utilities including easements for privately owned televisions and other communications cable and equipment, and the Developer may further cut drainways for surface water when such action may appear by the Developer to be necessary in order to maintain reasonable standards of health, safety, and appearance. The Developer further reserves an easement on behalf of itself, its successors and assigns, over six feet along each side lot line of each Lot for the purpose of construction or maintenance of

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utilities, as well as drainage installation or maintenance, and over the rear twelve feet of each lot line of each Lot for the purpose of construction or maintenance of utilities, as well as drainage installation or maintenance, and over the front ten feet of each Lot for utility installations, utility rights of way and maintenance thereof, as well as drainage installations, drainage rights of ways, and maintenance thereof. These easements and rights expressly include the right to cut any trees, bushes, or shrubbery, make any grading of soil, or to take any other similar action reasonably necessary to provide economical and safe utility or other installation and to maintain reasonable standards of health, safety and appearance. It further reserves the right to locate wells, pumping stations, and tanks within residential areas on any walkway, or any residential Lot designated for such use on applicable plat of the residential subdivision, or locate same on the adjacent Lot with the permission of the Owner of such adjacent Lot. Such right may be exercised by the licensee of the Developer, but this reservation shall not be considered an obligation of the Developer to provide or maintain any such utility service. No structures, including walls, fences, paving or planting shall be erected upon any part of the property which will interfere with the rights of ingress and egress provided for in this paragraph. Provided, however, that such easements and rights shall be restricted to the roads, streets, alleys, and easements as shown and designated on the applicable plat or plans of the development. The Developer, its successors and assigns, expressly reserves the right to alter any easement described in this paragraph in the event that any permanent structure is inadvertently constructed within such easement area. Such right to alter shall be limited to such extent as will allow the Owner of the Lot and structure to convey marketable title. The rights and easements conferred and reserved herein shall be appurtenant to and in gross for the benefit of the Developer to serve any property whether or not subject to this Declaration.

Section 23. Underbrush, Finished Yards, Etc. In the event that the Owner of any residential Lot permits any underbrush, weeds, etc. to grow upon any Lot, or fails to maintain landscaping and grass in a manner in keeping with the Development, as determined by the Board of

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Directors, the Board of Directors may issue a Ten Day Compliance Demand requiring the Owner of the residential Lot to bring the Lot into keeping with the Development, as determined by the Board of Directors, and if the Owner of the residential Lot fails to comply within ten days of such notice, the Association may enter upon the Lot, bring the Lot into keeping with the development, as determined by the Board of Directors, and charge the Owner of the residential Lot for the costs thereof, provided, however, that such expenses shall not exceed sums to be determined from time to time by the Board of Directors, and such cost shall become an assessment and lien upon the Lot. Any entry by the Association under the terms of this, Section 24, shall not be deemed a trespass, and an easement in gross is reserved to the Developer and to the Association for the purpose of entry onto any residential Lot for the purpose of enforcing this paragraph. This provision shall not be construed as an obligation on the part of the Developer or its assigns to provide garbage or trash removal services. These rights may be assigned by the Developer to the Association, or other like entities.

Section 24. Miscellaneous.

(a) It is agreed that time is of the essence with regard to these restrictions, covenants, limitations, and conditions.

(b) In the event of a violation or breach of any of these restrictions by an Owner or agent, or agent of such Owner, the Developer or Owners of Lots in the subdivision or any of them, jointly or severally, shall have the right to proceed at law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach in any event. In addition to the foregoing, the Developer, its successors, and assigns, shall have the right wherever there shall have been built on any Lot in the subdivision any structure which is in violation of the restrictions, to enter upon the property where such violation exists and summarily abate or remove the same at the expense of the Owner, if after thirty days written notice of such violation, it shall not have been corrected by the Owner. Any such entry and abatement or removal shall not be deemed a trespass. The failure to enforce any rights, reservations, restrictions, or conditions contained in this Declaration, however long continued, shall not be deemed a

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waiver of the right to do so hereafter as to the same breach or as to a breach occurring prior or subsequent thereto and shall not bar or affect its enforcement. Should the Developer employ counsel to enforce any of the foregoing covenants, conditions, reservations, or restrictions, because of a breach of the same, all costs incurred in such enforcement, including a reasonable fee for Developer's counsel shall be paid by the Owner of such Lot or Lots in breach thereof.

(c) The Developer herein shall not in any way or manner be liable or responsible for any violation of these restrictions by any person other than itself.

(d) In the event that any one or more of the foregoing conditions, covenants, restrictions, or reservations shall be declared for any reason by a court of competent jurisdiction to be null and void, such judgment or decree shall not in any manner whatsoever effect, modify, change, aberrant, or nullify any of these covenants, conditions, and restrictions not so declared to be void but all remaining covenants, conditions, reservations and restrictions not so expressly held to be void shall continue unimpaired and in full force and effect.

(e) In the event that any of the provisions hereunder are declared void by a court of competent jurisdiction by reason of the period of time herein stated for which same shall be effective, then and in that event such terms shall be reduced to a period of time which shall not violate the rule against perpetuities or any other law of the State of South Carolina and such provisions shall be fully effective for such period of time.

(f) All covenants, conditions, limitations, restrictions, and affirmative obligations set forth in this Declaration shall be binding and run with the land and continue until the first day of January, 2015, after which time said covenants shall be automatically extended for successive periods of ten years unless an instrument signed by the majority of the then Owners of Lots affected by the same has been recorded, agreeing to change the same in whole or in part; provided, however, that all proper rights and other rights reserved to the Developer shall continue forever to the Developer, its successors and assigns, except as otherwise herein provided.

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ARTICLE III

CONSTRUCTION IN ACCORDANCE WITH PLANS AND SPECIFICATIONS

Section 1. General. All structures of every type and description shall be constructed, placed or erected within the development in accordance with provisions in this Article III together with other applicable provisions of this Declaration.

Section 2. Dwelling House Defined. A dwelling house refers to a single family dwelling unit of up to three stories in height and an optional basement. Dwelling house is synonymous with dwelling unit or dwelling home.

Section 3. Size of Dwelling Homes and Lot Coverage. All dwelling homes in the Phase(s) shall have a minimum of 1,000 square feet of enclosed dwelling areas as herein defined. Future phases of the Development may have different minimum square footage requirements as determined in ARTICLE IX Section 5 below. The actual ground floor area of the house must not exceed fifty percent of the total Lot area.

Section 4. Placement of Dwelling Homes on Lots. Set back restrictions affecting the Lots in the development are as follows:

(a) Dwelling houses may be constructed no nearer than eight feet to an interior lot line, but in no event shall there be less than sixteen feet between any two Dwelling Homes on adjacent Lots. Dwelling houses may be constructed no nearer than twelve and one half feet to a side street line, however, the Developer, its successors or assigns, reserves the right to alter these side lot line restrictions for the unintentional violation of the same.

(b) A perimeter boundary set back must be maintained at ten feet inside and parallel to the boundary of the development, and no dwelling house shall be located on any Lot nearer to the street on which the dwelling house faces than twenty five feet. In the event that the set back line as established herein shall conflict with any set back line as shown on any recorded plat of the subdivision, the set back line established herein shall control. The Developer, its successors or assigns, reserves the right to alter the front lot line restrictions for the unintentional violation of the same.

(c) Eaves, overhangs, swimming pools (whether above or below

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the ground) and storage buildings for related equipment (including but not limited to filters and water pumps) patios, decks, (whether raised, with rails, cement, or of wood, provided they do not have screen walls or roofs) may extend beyond a set back line if approved by the Developer. The dwelling home is to be designed to its site. In passing on the acceptability of a dwelling home, the Architectural Review Committee and/or the Developer will consider plans submitted for dwelling homes on Lots in good faith.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1 Membership. Every person or entity who is an Owner of any Lot which is subjected by this Declaration to assessment by the Association shall be a member of Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessments.

Section 2 Voting Rights. The Association shall have two classes of voting membership.

Class A. Class A members shall be all Owners excepting the Developer. Class A members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Section 1 above. When more than one person holds such interest or interests in any Lot, the vote attributable to such Lot shall be exercised as such persons mutually determine, but in no event shall more than one vote be cast with respect to any such Lot.

Class B. The sole Class B member shall be the Developer. The Class B member shall be entitled to four votes for each Lot which it holds the interest required for membership under Section (1) of this Article.

When a purchaser of an individual Lot or Lots takes title thereto from the Developer he becomes a Class A member.

ARTICLE V

PROPERTY RIGHTS IN THE COMMON AREAS

Section 1. Member's Easements of Enjoyment. Subject to the provisions of Section 3 of this Article V, every member shall have a right and easement of enjoyment in and to the Common Areas, and such easement shall be appurtenant to and shall pass with the title to every Lot.

Section 2. Title to Common Areas. The Developer hereby covenants for itself, its successors and assigns, that on or before the conveyance of the last Lot, it will convey to the Association, by general warranty, fee simple title to the Common Areas, free and clear of all encumbrances and liens, except those created by or pursuant to this Declaration, and further except for easements and restrictions existing of record prior to the purchase of the property by the Developer, none of which will make the title unmarketable. Subject however, to the following covenant which shall be deemed to run with the land and shall be binding upon the Association, its successors and assigns:

In order to preserve and enhance the property values and amenities of the community, the Common Areas and all facilities now or hereafter built or installed thereon shall at all times be maintained in good repair and condition and shall be operated in accordance with high standards, the maintenance and repair of the Common Areas shall include, but not be limited to, repair of damage to pavements, roadways, walkways, outdoor lighting, buildings, if any, recreational equipment, if any, fences, storm drains, and sewer and water lines, connections, and appurtenances, except such responsibilities as are accepted by responsible parties, and only for so long as they properly perform.

This section shall not be amended, as provided for in Article IX, Section 5, to eliminate or substantially impair the obligation for the maintenance and repair of the Common Areas.

Section 3. Extent of Member's Easements. The rights and easements created hereby shall be subject to the following:

(a) The right of the Developer, and of the Association, to dedicate, transfer, or convey all or any part of the Common Areas, with or without consideration, to any governmental body, district, agency, or authority, or to any utility company, provided that no such

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dedication, transfer, or conveyance shall adversely affect the use of the Common Areas by the members of the Association.

(b) The right of the Developer, and of the Association, to grant and reserve easements and rights of way through, under, over, and across Common Areas, for the installation, maintenance, and inspection of lines and appurtenances for public and private water, sewer, drainage, fuel oil and other utility services, including a cable or community antenna television system and irrigation or lawn sprinkler systems, and the right of the Developer to grant and reserve easements and rights of way through, over and upon and across the Common Areas for the operation and maintenance of the Common Areas.

(c) The right of visitors, invitees, etc. to ingress and egress in and over those portions of Common Areas that lie within the private roadways, parking lots and/or driveways (and over any other necessary portion of the Common Areas in the case of landlocked adjacent Owner) to the nearest public highway.

(d) The right of the Association, as provided in its Bylaws, to suspend enjoyment rights of any member for any period during which any assessment remains unpaid. The Association shall also have the right to suspend enjoyment rights of any member for an appropriate period of time to be determined on a case by case basis by the Board of Directors for any infraction of its published rules and regulations; provided, however, that the right of a member to ingress and egress over the roads and/or parking areas shall not be suspended. Violation of suspension shall result in a fine in an amount to be determined by the Board of Directors, not to exceed \$100.00 per infraction, which fine shall become a continuing lien on the Lot of the member.

(e) The right of the Association, in accordance with the law, its Articles of Incorporation and Bylaws, to borrow money for the purpose of improving Common Areas and in pursuance thereof to mortgage the same.

Section 4. Parking Rights. Any Owner may delegate, in accordance with the Bylaws of the Association, his right or enjoyment to the Common Areas and facilities to his employees, tenants, invitees, or licensees.

Section 5. Additional Structures. Neither the Association nor

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any Owner or group of Owners shall, without the prior written approval of the Developer, erect, construct, or otherwise locate any structure or other improvement in the Common Area.

ARTICLE VI.

COMPLETION, MAINTENANCE, AND OPERATION OF COMMON AREAS
AND FACILITIES AND COVENANT FOR DUES THEREFORE

Section 1. Completion of Common Areas by Developer.

(a) The Developer will complete the construction of the streets, roadways, entrances, and signage for the development.

(b) The Developer will fulfill all its obligations to complete the construction of all Common Areas at the Developer's sole cost and expense.

Section 2. Operation and Maintenance of Common Areas.

(a) The Association at its sole cost and expense, shall operate and maintain the Common Areas and provide the requisite services in connection therewith. It shall further be the responsibility of the Association to maintain all entrances including entrance signs, lights, sprinklers, shrubs, and to pay the cost of utility bills and other such requisite services in connection with the maintenance of such entrance ways.

Section 3. Dues, Liens, and Personal Obligations Therefore and Operation Maintenance of Common Areas Solely by the Association.

(a) Each and every Owner of any Lot or Lots within the properties, by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association annual dues or charges and assessments for capital improvements, such dues to be fixed, established, and collected from time to time as herein after provided. Dues and assessments, together with such interest thereon and costs of collection thereof as are herein after provided, shall be a charge on the land and shall be a continuing lien upon the Lot or Lots against which dues or assessments are made. Such dues or assessments, together with such interest thereon and costs of collection thereof as are herein after provided, shall also be the personal obligation of the

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Owner of each Lot or Lots at the time when the dues or assessments fall due.

(b) The dues levied by the Association shall be used exclusively for the purpose of promoting the health, safety, and welfare of the residents of the development, and in particular for the improvement and maintenance of the Common Areas including, but not limited to, the payment of taxes and insurance thereon, and repair, replacement, and additions thereof, the cost of labor, equipment, materials, management, and supervision thereof, and the cost of lawn and landscaping maintenance, and refuse collection, all of which obligations the Association hereby assumes in accordance with (a) above.

Section 4. Amount and Payment of Annual Dues. The Board of Directors of the Association shall at all times fix the amount of the annual dues at an amount sufficient to pay the cost of maintaining and operating the Common Areas and performing the exterior maintenance required to be performed by the Association under this Declaration. The amount of the annual dues shall be uniform for each Lot which has been initially occupied as a dwelling, and each Lot shown on a recorded plat which has not been initially occupied as a dwelling shall have dues in the amount of one half the dues for a Lot which has been initially occupied as a dwelling. The Board shall also fix the date of commencement and amount of the dues against each Lot at least thirty days in advance of such date and period, and shall, at that time, prepare a roster of the Lots and dues applicable thereto, which shall be kept in the Office of the Association and shall be opened to inspection by any Owner. Written notice of the dues shall thereupon be sent to every Owner subject thereto.

The annual dues shall be paid in full on January first of each respective year, commencing January 1, 1996, and upon closing of each Lot sale by the Developer, dues shall be prorated to the date of closing. Dues for the year 1996 shall be \$100.00 for each Lot which has been initially occupied as a dwelling, and \$50.00 for each Lot shown on a recorded plat which has not been initially occupied as a dwelling. For the first five years, commencing January 1, 1997, dues shall not increase greater than five percent per year. Additionally, for the first five years, commencing on January 1, 1996, any funds not

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spent in each budget year and not placed in a reserve replacement account shall be applied toward completion of a capital improvements program to be determined by the Board of Directors and promulgated by regulation. Except as otherwise stated herein, the exact amount of the annual dues shall be fixed by the Board of Directors of the Association.

The Association shall, upon demand at any time, furnish to any Owner liable for any dues, a certificate in writing signed by an officer of the Association, setting forth whether said dues have been paid. Such certificate shall be in recordable form and shall be conclusive evidence of payment of any dues therein stated to have been paid.

This Section shall not be amended as provided in Article IX, Section 5, to eliminate or substantially impair the obligation to fix the dues at any amount sufficient to properly maintain and operate the Common Areas and perform the exterior maintenance required to be performed by the Association under this Declaration.

Section 5. Assessments for Capital Improvements. In addition to the annual dues, the Association may levy, in any year, an assessment (which must be fixed at a uniform rate for all Lots, subject to the provisions of Section 3(a)) applicable to that year only, in an amount no higher than the maximum annual dues then permitted to be levied hereunder, for the purpose of defraying, in whole or in part, the cost of any construction or any reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Areas, including the necessary fixtures and personal property relating thereto, provided that such assessment shall have the assent of two-thirds of the votes of each class of members who are voting in person or proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty days and no more than sixty days in advance of the meeting. The due date of any specified assessment shall be fixed in the resolution authorizing such assessment.

Section 6. Paid Professional Manager. The Board of Directors of the Association may employ a professional manager or managerial firm to supervise all work, labor, services, and material required in

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the operation and maintenance of the Common Areas and in the discharge to the Association's duties throughout the community.

Section 7. Effect of Nonpayment of Dues or Ad Valorem Taxes or Assessments for Public Improvements by Association.

(a) Remedies of the Association: Nonpayment of Dues or Assessments. Any dues or assessments not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of sixteen percent (16.0) per annum or the highest rate allowed by law whichever is lower. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien created herein against the property in the same manner as prescribed by the laws of the State of South Carolina for the foreclosure of mortgages, and interest, costs and reasonable attorney's fees for representation of the Association in such action or foreclosure shall be added to the amount of such dues or assessments. No Owner may waive or otherwise escape liability for the dues or assessments provided for herein by non-use of the Common Area or abandonment of his Lot nor shall damage to or destruction of any improvements on any Lot by fire or other casualty result in any abatement or diminution of the dues or assessments provided for herein.

(b) Remedies of the Association: Nonpayment of Ad Valorem Taxes or Assessments for Public Improvements by Association. Upon default by the Association in the payment to the governmental authority entitled thereto of any ad valorem taxes levied against the Common Area or assessments for public improvements to the Common Area, which default shall continue for a period of six (6) months each Owner of a Lot shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid taxes or assessments in an amount determined by dividing the total taxes and/or assessments due the governmental authority by the total number of Lots in the development. If such sum is not paid by the Owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien on the Lot of the then Owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at law or may elect to foreclose the lien against the Lot of the Owner.

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Section 8. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any mortgage or deed of trust. Sale or transfer of any Lot shall not affect the liens provided for in the preceding section. However, the sale or transfer of any Lot which is subject to any such mortgage or deed trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to the payment thereof which becomes due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any dues or assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any mortgage or deed of trust.

Section 9. Exempt Property. The following properties subject to this Declaration shall be exempt from the dues, assessments, charges, and liens created herein: (a) All Common Areas, as defined in Article I, Section 1 hereof. Notwithstanding any provision herein, no land or improvements devoted to building use shall be exempt from said assessments, charges and liens.

ARTICLE VII ARCHITECTURAL CONTROL

Section 1 Improvements NO building, fence, wall or other structure or planting or landscaping shall be commenced, erected or maintained upon any Lot, nor shall any exterior addition to or change or alteration therein including without limitation any plantings or landscape be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee (referred to from time to time within this Declaration or the By-Laws as "Architectural Control Board") composed of three (3) or more representatives appointed by the Board (hereinafter referred to as the "Architectural Control Committee"). Provided that nothing herein contained shall be construed to permit

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interference with the development of the Properties by the Developer so long as said development follows the general plan of development of the Properties previously approved by the appropriate governmental regulatory authority. Notwithstanding anything herein to the contrary, for so long as Developer owns at least one Lot, Developer may approve any plans and specifications rejected by the Board of Directors or the Architectural Control Committee for the construction of initial improvements on any Lot provided the initial improvements are approved by the appropriate governmental regulatory authority. Such approval by Developer shall operate and have the same effect as approval by the Architectural Control Committee or the Board of Directors.

Section 2. Procedures. (a) Any person desiring to make any improvements, alteration or change described in Section 1 above shall submit the plans and specifications therefore, including the plot plan, showing the nature, kind, shape, height, materials and location of the same, to the Board of Directors of the Association or the Architectural Control Committee which shall evaluate such plans and specifications in light of the purpose of this Article.

(b) Upon approval by the Architectural Control committee of any plans and specifications submitted pursuant to this Declaration, copy of such plans and specifications, as approved, shall be deposited for permanent record with the Architectural Control Committee and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. Approval for use in connection with any Lot of any plans and specifications shall not be deemed a waiver of the Architectural Control Committee's right in its discretion, to disapprove similar plans and specifications or any of the features or elements which are subsequently submitted for use in connection with any other Lot. Approval of such plans and specifications relating to any Lot, however, shall be final as to that Lot and such approval may not be reviewed or rescinded thereafter, provided that there has been adherence to, and compliance with, such plans and specifications, as approved, and any conditions attached to any such approval.

(c) Any approval granted by the Architectural Review Committee shall terminate if construction has not commenced within three hundred sixty

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five days (365) of the date of the Committee's approval, and all plans must be resubmitted to the Committee for full consideration, as if they were a new application

(d) Upon approval by the Committee, the Developer or Association may, at its option, require the Lot Owner to make a compliance deposit in an amount to be determined by the Developer or Association. After completion of construction the Committee or its appointed agent shall inspect the construction, assign a value to each variance of the construction from the plans as approved, and pay the amount of each variance to the treasurer of the Association. The balance shall be refunded to the Lot Owner. The compliance deposit shall be Two Thousand Dollars until such time as the Developer shall change that amount by regulation, and the Developer reserves the right to waive a compliance deposit by Builders approved by the Developer. Nothing herein shall be deemed to waive any other remedies of the Developer or any Lot Owner under this Declaration or at law.

(e) The Developer, in its sole discretion, may require that plans and specifications submitted to the Architectural Control Committee pursuant to this Declaration contain plans for a sidewalk to be located near the road on which the dwelling home faces, and near the side street of the dwelling home, if such dwelling home is located on a corner Lot. This shall not be construed as a requirement of the Developer to provide for sidewalk construction, and failure to require sidewalk construction for some Lots shall not preclude the requirement of sidewalk construction for other Lots, nor shall the requirement of sidewalk construction for some Lots require the requirement of sidewalk construction for all Lots.

(f) Neither Developer, nor any other member of the Architectural Control Committee, shall be responsible or liable in any way for the defects in any plans or specifications approved by the Architectural Control Committee, nor for any structural defects in any work done according to such plans and specifications approved by the architectural Control Committee. FURTHER, NEITHER DEVELOPER, ASSOCIATION, THE ARCHITECTURAL CONTROL COMMITTEE, OR THEIR RESPECTIVE SHAREHOLDERS, DIRECTORS, OFFICERS, AGENTS, OR ATTORNEYS SHALL BE LIABLE TO ANYONE BY REASON OF MISTAKE IN JUDGMENT, NEGLIGENCE, MISFEASANCE,

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MALFEASANCE OR NONFEASANCE ARISING OUT OF OR IN CONNECTION WITH THE APPROVAL OR DISAPPROVAL OR FAILURE TO APPROVE OR DISAPPROVE ANY SUCH PLANS OR SPECIFICATIONS OR THE EXERCISE OF ANY OTHER POWER OR RIGHT OF THE ARCHITECTURAL CONTROL COMMITTEE PROVIDED FOR IN THIS DECLARATION. EVERY PERSON WHO SUBMITS PLANS AND SPECIFICATIONS TO THE ARCHITECTURAL CONTROL COMMITTEE FOR APPROVAL AGREES, BY SUBMISSION OF SUCH PLAN AND SPECIFICATIONS, AND EVERY OWNER OR ANY LOT AGREES, THAT HE WILL NOT BRING ANY ACTION OR SUIT AGAINST DEVELOPER, ASSOCIATION, ITS BOARD MEMBER OR OFFICERS, OR ANY MEMBER OF THE ARCHITECTURAL CONTROL COMMITTEE, TO RECOVER ANY SUCH DAMAGES, AND HEREBY RELEASES, REMISES, QUIT CLAIMS, AND COVENANTS NOT TO SUE OF ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION ARISING OUT OF OR IN CONNECTION WITH ANY LAW WHICH PROVIDES THAT A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS, DEMANDS AND CAUSES OF ACTION NOT KNOWN AT THE TIME THE RELEASE IS GIVEN.

ARTICLE VIII

EXTERIOR MAINTENANCE, REASONABLE ACCESS AND
MAINTENANCE OF COMMON AREAS

Section 1 Exterior Maintenance Each Owner shall be responsible for the exterior maintenance of his dwelling and Lot as follows: painting, replacement and care of roofs, gutters, downspouts, exterior building surfaces, lawn, trees, shrubs, driveways, walks, and other exterior improvements. In the event that the Owner neglects or fails to maintain his Lot and/or the exterior of his or her dwelling in BRIDLERIDGE, the Association shall provide such exterior maintenance as provided above. Provided, however, that the Association shall first give written notice to the Owner of the specific items of the exterior maintenance or repair that Association intends to perform and Owner shall have twenty (20) days from the date of mailing of said notice within which to perform such exterior maintenance himself. The determination as to whether an Owner has neglected or failed to maintain his Lot and/or dwelling in a manner consistent with other Lots and dwellings in BRIDLERIDGE shall be made by the Board of Directors of the Association, in its sole discretion. In order to enable the Association to accomplish the foregoing, there is hereby

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reserved to the Association the right to unobstructed access over and upon each Lot at all reasonable times to perform maintenance as provided in this Article.

In the event the Association performs such exterior maintenance, repair or replacements, the costs of such maintenance, replacement or repairs shall be added to and become a part of the assessment to which Lot is subject.

In the event that the Association determines that the need for maintenance, repair or replacement, which is the responsibility of the Association hereunder, is caused through the willful or negligent act of an Owner or the family, guests, lessees, or invitee of any Owner, then the Association may perform such maintenance, repair or replacement at such Owner's sole cost and expense, and all costs thereof shall be added to and become a part of the assessment to which such Owner is subject and shall become a lien against the Lot of such Owner

Section 2. Access at Reasonable Hours. For the purpose of performing its function under this or any other Article of the Declaration, and to make necessary surveys in connection therewith, the Association, its duly authorized agent and employees, or the developer during the period of development, shall have the right to enter upon any Lot at reasonable hours, on any day except Sunday or holidays, upon reasonable prior notice.

Section 3. Maintenance of Common Areas. The Association, depending upon the responsibility as assessed under this Declaration, shall maintain Common Areas. However, should the Association, decide to transfer any portion or all of the Common Areas to governmental authority, as it has the rights so to do, such duty to maintain same shall cease as of that portion so transferred

Section 4. Emergency Access. There is hereby granted to the Association, its directors, officers, agents and employees and to any Manager employed by the Association as provided for in Section 6 of Article VI hereof, and to all policemen, firemen, ambulance personnel and all similar emergency personnel an easement to enter upon the property or any part thereof in the proper performance of their respective duties. Except in the event of emergencies, the rights

under this Section 4 of Article VIII shall be exercised only during reasonable daylight hours, and then, whenever practicable, only after advance notice to the Owner or Owners affected thereby. The rights granted herein to the Association includes reasonable right of entry upon any Lot to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the project.

ARTICLE IX
GENERAL PROVISIONS

Section 1. Duration. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Developer, the Association, or the Owner of any land subject to this Declaration, and the irrelative legal representatives, heirs, successors, and assigns.

Section 2. Notice. Any notice required to be sent to any member or Owner under the provision of this Declaration shall be deemed to have been properly sent when personally delivered or mailed, post paid, to the last known address of the person who appears as member or Owner on the records of the Association at the time of such mailing.

Section 3. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violations or to recover damages; and failure by the Developer, Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of a right to do so thereafter. These covenants may also be enforced by the Architectural Control Board.

Section 4. Severability. Invalidity of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 5. Amendment. With respect to future phases or sections of the Development, the Developer reserves the right to alter the square footage requirements as set out in ARTICLE III Section 3. Such alterations in square footage requirements shall be made in the

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Amendment or Addendum described in ARTICLE X Section 1 of this Declaration. No change shall be made in the square footage requirements of any phase once such requirements are filed of record except by Amendment to this Declaration as described herein below. In addition to any other manner herein provided for the amendment of this Declaration, the covenants, restrictions, easements, charges, and liens for this Agreement may be amended, changed, added to, derogated or deleted at any time and from time to time upon the execution and recordation of any instrument executed by Owners holding not less than two thirds vote of the membership in the Association, provided that so long as the Developer is the Owner of any Lot affected by this Declaration the Developer's consent must be obtained. Provided, further, that the provisions for voting of Class A and Class B Members as hereinabove contained in this Declaration shall also be effective in voting changes in this Declaration.

Section 6. Amendment Prior to Sale by Developer. At any time prior to the closing to the first sale of Lots by Developer, the Developer, and any mortgage holder, if any, may amend this Declaration by their mutual consent. The closing of the first sale shall mean transfer of title and delivery of a deed and not execution of contract of sale or like document.

Section 7. Effective Date. This Declaration shall become effective upon its recordation in the office of the R.M.C. for the county in which the property is located.

ARTICLE X

ADDITIONAL MATTERS DEALING WITH PHASED DEVELOPMENT

Section 1. Annexation of Additional Phases. The Developer shall have the right to annex additional Phases into the Properties by the filing of an Amendment or Addendum to this Declaration which describes the property annexed, and imposes this Declaration upon such property annexed. All property annexed in this manner shall be a part of the Association as fully as if it had been a part thereof from the filing of this Declaration.

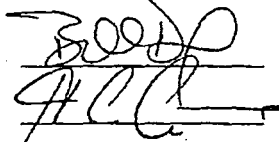
Section 2. Voting Rights. As each phase, if any, is added to

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the development, the Lots comprising such additional phase shall be counted for the purpose of voting rights

Section 3. Binding Effect. This Declaration shall inure to the benefit of and be binding upon the parties hereto, and the purchasers of Lots, their heirs, personal representatives, successors and assigns.

IN WITNESS WHEREOF, the Developer, has caused this instrument to be executed by its proper officers and its corporate seal to be affixed thereto on the day and year first above written.



THE MUNGO COMPANY, INC.

BY :

M. STEWART MUNGO
ITS PRESIDENT

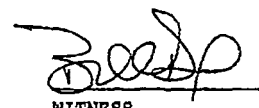
STATE OF SOUTH CAROLINA)
COUNTY OF LEXINGTON)

PROBATE

PERSONALLY APPEARED before me the undersigned witness who on oath says that (s)he saw the within named Developer by its duly authorized officer as indicated above, sign, seal and as its act and deed, deliver the within written instrument and that (s)he with the other witness whose name appears above, witnessed the execution thereof.

SWORN TO BEFORE ME THIS
12TH DAY OF JUNE, 1996.

NOTARY PUBLIC FOR SOUTH CAROLINA
MY COMMISSION EXPIRES: 12/18/05



WITNESS

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SCHEDULE "A"

All those certain pieces, parcels or lots of land, with the improvements thereon, if any, situate, lying and being in the County of Lexington, State of South Carolina, being shown and delineated as Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, and 83 on plat of BRIDLERIDGE SUBDIVISION PHASE ONE prepared by Belter & Associates, Inc. dated January 12, 1996, last revised May 27, 1996, and recorded in the Office of the R.M.C. for Lexington County in Plat Slide 198, at Plat Number 1; reference being made to the same which is incorporated herein by reference for a more complete and accurate description; all measurements being a little more or less.

This conveyance is made subject to conditions, easements, and restrictions of record and those which an inspection of the property would disclose.

This conveyance is made further subject to Declaration of Covenants, Restrictions, Easements, Charges and Liens for Bridleridge dated June 12, 1996, and to be recorded in the Office of the RMC for Lexington County.

This is a portion of the property heretofore conveyed to the Grantor by deed recorded in Lexington County Record Book 3481 Page 286.

BYLAWS OF
BRIDLERIDGE HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the Corporation is BRIDLERIDGE HOMEOWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the Corporation shall be located at 441 WESTERN LANE, IRMO, SOUTH CAROLINA 29063 but meetings of Members and Directors may be held at such places within the state of South Carolina, County of RICHLAND as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

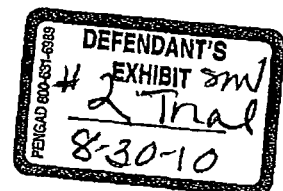
Section 1. "Association" shall mean and refer to the BRIDLERIDGE HOMEOWNERS' ASSOCIATION, INC., its successors and assigns.

Section 2. "The Properties" shall mean and refer to all property including lots and common areas, as are subject to the Declaration as defined herein, and which are described in Schedule A of the Declaration together with any additional phases that may be developed pursuant hereto.

Section 3. "Common Areas" shall mean and refer to those areas of land shown on any subdivision map of The Properties or by any other means so designated. Such areas are intended to be devoted to the common use and enjoyment of Members of the Association as herein defined and are not dedicated for use by the general public.

Section 4. "Lot's" shall mean and refer to any plot of land with such improvements as may be erected thereon intended and subdivided for dwelling home use, shown on any subdivision map of The Properties, but shall not include Common Areas as herein defined.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title of any lots, but shall not mean or refer to any mortgagee or subsequent holder



of a mortgage unless and until such mortgages or holder has acquired title pursuant to foreclosure or any proceedings in lieu of the foreclosure. Said term "Owner" shall also refer to the heirs, successors, and assigns of any Owner.

Section 6. "Developer" shall mean and refer to THE MUNGO COMPANY, INC., a Corporation organized and existing under and pursuant to the laws of the State of South Carolina, its successors and assigns, in the development of The Properties.

Section 7. "Member" shall mean and refer to all those Owners who are Members of the Association, as provided in Article IV of the Declaration.

Section 8. "Development," "Project," and "Community" shall mean and refer to BRIDLERIDGE and/or any additional phases of BRIDLERIDGE to be developed and constructed by the Developer.

Section 9. "Plans," "Specifications," "Elevations," "Exterior Designs," and such like terms shall refer to and encompass the plans, specifications, elevations, and designs as well as set backs, locations, etc. contained hereinafter in this document or in the Declaration of Covenants, Restrictions, Easements, Charges and Liens for BRIDLERIDGE dated _____, 1996, and to be recorded in the Office of the RMC for RICHLAND County.

Section 10. "Declaration" shall mean and refer to the Declaration of Covenants, Restrictions, Easements, Charges and Liens for BRIDLERIDGE dated _____, 1996, and to be recorded in the Office of the RMC for RICHLAND County, and also any amendment or modification thereof.

ARTICLE III

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation, and architectural control of the residential lots and common area within those certain tract(s) and/or lot(s) of property described in Schedule A attached to the Declaration and incorporated by reference, and to promote the health, safety and welfare of the residences within the above described property and any additions thereto as may hereafter be,

brought within the jurisdiction of the Association, and for this purpose to:

(a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Restrictions, Easements, Charges and Liens for BRIDLERIDGE dated _____ 1996, and to be recorded in the Office of the RMC for RICHLAND County, hereinafter called the "Declaration," as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as set forth in length;

b) Fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association;

(c) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) Borrow money, mortgage, pledge, deed in trust, or hypothecate any and all of its real or personal property as security for money borrowed or debts incurred upon arrival by members casting two-thirds of all votes of the Association;

(e) Dedicate, sell or transfer all or any part of the common area to any public agency, authority, or utility for such purpose and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication, sale, or transfer has been signed by Members controlling a majority of all votes of the Association.

(f) Participate in mergers and consolidations with other nonprofit corporations organized for the same purpose or annex additional residential property and common area, provided that any such merger, consolidation, or annexation shall have the assent of Members of the Association controlling a majority of all votes of the Association;

(g) To have and exercise any and all powers, rights, and privileges which a corporation organized under the nonprofit corporation law of the state of South Carolina by law may now or hereafter have or exercise;

(h) Notwithstanding the purposes and powers of the Association enumerated above, the Association, prior to passage of control to the owners by converting Class B stock to Class A stock as set forth in the Declaration, shall not enter into, either directly or indirectly, contracts or leases (including a management contract) unless there is a right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time after transfer of control in accordance with the Declaration, upon not more than ninety days notice to the other party to the said contract or lease.

ARTICLE IV

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 p.m. If the day for the annual meeting for Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special Meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of Members who are entitled to vote one-fourth of all of the votes of the Class A Membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen days before such meeting to each member entitled to vote thereat, addressed to the Members' address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of the special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members

entitled to cast, or of proxies entitled to case, one-tenth of the votes of each class of Membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

~~Section 15. Proxies.~~ At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his lot.

ARTICLE V

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of five Directors, who need not be Members of the Association; provided, however, that until the first annual meeting there shall be only three Directors.

Section 2. Term of Office. At the first annual meeting, the Members shall have two Directors for a term of one year, two Directors for a term of two years, and one Director for a term of three years; and at each annual meeting thereafter, the Members shall elect successor Directors for terms of three years.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation, or removal of a Director, his successors shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred for the performance of his duties.

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as

majority
half plus 1

though taken at a meeting of the Directors.

ARTICLE VI

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election for the Board of Directors shall be made by a nominating committee. Nominations may also be made from the floor of the annual meeting. The nominating committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two more Members of the Association. The nominating committee shall be appointed by the Board of Directors prior to each annual meeting of the Directors, to serve from the close of such annual meeting until the close of the next annual meeting and such point shall be announced at each annual meeting. The nominating committee 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. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of these Bylaws and the Declaration. The person receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VII

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular Meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by Resolution of the Board. Should said 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.

Section 2. Special Meetings. Special Meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three days notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or

decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as an act of the Board.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights and right to use of the recreational facilities of a Member during any period in which each Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, or a period not to exceed sixty days for infraction of published rules and regulations;

(c) Exercise for the Association of all powers, duties, and authority vested in or delegated to this Association and not reserved to the Membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

(d) Declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three consecutive regular meetings of the Board of Directors unless such absence shall be been excused by a majority of the Board, and;

(e) Employ a manager, an independent contractor, or such other employees as they may deem necessary, to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth of the Class A members who are entitled to vote;

(b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

- (c) as more fully provided in the Declaration, to:
- (1) Fix the amount of annual assessments against each lot at least thirty days in advance of each annual assessment;
 - (2) Send written notice of each assessment to every owner subject thereto at least thirty days in advance of each annual assessment;
 - (3) Foreclose the lien against any property for which assessment are not paid within thirty days after due date or to bring an action at law against the owner personally obligated to pay the same;
 - (d) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
 - (e) Procure and maintain adequate liability and hazard insurance on property owned by the Association;
 - (f) Cause all officers or employees having physical responsibilities to be bonded, as it may deem appropriate;
 - (g) Cause the Common Area to be maintained.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The offices of this Association shall be a President and Vice President, who shall at all times be Members of the Board of Directors, a Secretary and a Treasurer, and such other officers as the Board from time to time by resolution create.

Section 2. Election of Officers. The election of Officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members, but until their successors are selected at the first Annual Meeting of The Members, the following persons shall serve in the capacities as set forth beside their respective names:

PRESIDENT:	M. STEWART MUNGO
VICE PRESIDENT:	STEVEN W. MUNGO

SECRETARY/TREASURER:

V. BRYAN GRAHAM, JR.

Section 3. Term. The Officers of this Association shall be elected annually by the Board, and each shall hold office for one year unless he shall sooner resign, or shall be removed, or other wise disqualified to serve.

Section 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.

Section 5. Resignation and Removal. Any Officer may be removed from office with or without cause by the Board. Any Officer may resign at any time giving written notice to the Board, the President or 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.

Section 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.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the Officers are as follows:

(a) President. The President shall preside at all meetings of the Board of Directors; see that the orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) Vice President. The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him 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; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(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 checks and promissory notes of the Association; keep proper books of accounts; cause an annual audit of the Association books to be made by a Public Accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE X COMMITTEES

The Association shall appoint an Architectural Control Board as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, or other reasonable circumstances, be subject to inspection by any member and by any holder, insurer, or guarantor of any first mortgage. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member, lender, holder, insurer, or guarantor of any first mortgage at the principal office of the Association, where copies may be purchased at reasonable cost.

Upon request, any owner or the holder, insurer, or guarantor of any first mortgage on any lot, shall be entitled to a financial statement showing the statement of operations and the balance sheet of the Association for the immediately preceding fiscal year.

ARTICLE XII
ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay the Association annual and special assessments which are secured by a continuing lien on the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty days after the delinquency the assessment shall bear interest from the date of delinquency at the rate of 8% per annum, and the Association may bring legal action against the owner personally obligated to pay the same or may enforce and foreclose the lien against the lot or lots; and in the event judgment is obtained, such judgement shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court, together with the costs of the action. No owner may waive or otherwise escape liability for the assessment provided for herein by non use of the Common Area or abandonment of his lot.

ARTICLE XIII
CORPORATE SEAL

The Association may have a seal in circular form having within its circumference the words: BRIDLERIDGE HOMEOWNERS' ASSOCIATION, INC.

ARTICLE XIV
AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B Membership.

Section 2. In the case of any conflict of any Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XV
MISCELLANEOUS

The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year, except that

the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF we, being all of the Directors of BRIDLERIDGE HOMEOWNERS' ASSOCIATION, INC. have hereunto set our hands and seals on JANUARY 12, 1996 .

WITNESSETH:

M. STEWART MUNGO

STEVEN W. MUNGO

V. BRYAN GRAHAM, JR. .

STATE OF SOUTH CAROLINA PROBATE
COUNTY OF LEXINGTON

PERSONALLY APPEARED before me the undersigned witness who, on oath, deposes and says that (s)he saw the within named M. STEWART MUNGO, STEVEN W. MUNGO and V. BRYAN GRAHAM, JR., sign, seal and as their act and deed deliver the within written Bylaws for the uses and purposes therein mentioned, and that (s) he with the other witness whose names appear above, witnessed the execution thereof.

WITNESS

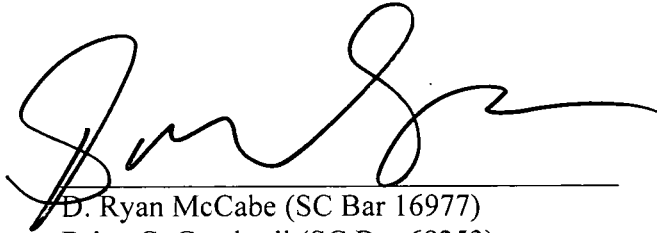
SWORN TO BEFORE ME ON
JANUARY 12, 1996.

NOTARY PUBLIC FDR SOUTH
MY COMMISSION EXPIRES:

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.

April 23, 2012

A handwritten signature in black ink, appearing to read 'D. Ryan McCabe', written over a horizontal line.

D. Ryan McCabe (SC Bar 16977)
Brian C. Gambrell (SC Bar 68253)
Rogers Townsend & Thomas, PC
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Columbia, South Carolina 29202-3200
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Attorneys for Appellants Misty Lake Association, Inc.